



**National Assembly of Guyana
Public Accounts Committee**

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

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

Presented to the National Assembly

On August 8, 2018

Background

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

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

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

Introduction

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

The PAC adopted the methodology, as that of previous years, in obtaining testimonies from Public Officers. Prior to appearing before PAC, the Heads of Budget Agencies were written to, requesting them to offer their comments, on the relevant sections of the Auditor General's Report relating to their areas of responsibility. Their responses are considered by the Members of the Committee with the assistance of their advisors and technical officers during its deliberations.

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

Powers of the Public Accounts Committee

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

The Public Accounts Committee's Mandate

The PAC derives its mandate from Article 223(5-8) of the Constitution of the Cooperative Republic of Guyana (2003) and Standing Order (82) of the National Assembly. The PAC exercises supervisory oversight of the functioning of the Audit Office in accordance with the Rules, Policies and Procedures Manual, the Audit Act and any other Law.

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

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

The Public Accounts Committee is also responsible for the following:

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

Major achievement of the Public Accounts Committee in the Eleventh Parliament

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

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

Current Membership of the Committee

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

Current Members of the Committee (9)

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

Mr. Mohamed Irfaan Ali, M.P.

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

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

Members from the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

Bishop Juan A. Edghill, M.P.

Mr. Nigel D. Dharamlall, M.P.

Advisors to the Committee

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

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

Change of Advisor to the Committee

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

Meetings of the Committee

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

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

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

Special Meeting held by the Committee

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

The Public Procurement Commission (PPC)

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

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

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

Government Response to PAC's Report

Standing Orders 82 (3) mandates that within ninety days of the presentation of the PAC's report, the Government shall table its Treasury Memorandum, as its response thereto. The Committee, however, notes with satisfaction that the Government has been tabling Treasury Memorandum for those reports submitted.

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

General Challenges observed across Budget Agencies

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

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

Non-refund of monies to the Consolidated Fund

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

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

Non-submission of Financial Statements by Subvention Agencies

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

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

Maintenance of Log Books

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

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

Un-cleared Payment Voucher and Cheque Orders

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

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

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

Breach of the Procurement Act 2003 and Regulations

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

- Ministry of Finance
- Regions No. 1 and 4

Non-adherence to Stores Regulations

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

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

Maintenance of Utility Registers

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

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

Overpayments to Contractors

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

- Ministry of Culture, Youth and Sport

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

Refund of salaries and consequential deductions

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

Specific issues relating to some Ministries, Departments and Regions

Region No. 1 - Barima/Waini

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

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

Recommendations

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

¹2015 Auditor General's Report (Para 526)

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

Region No. 2 - Pomeroon/Supenaam

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

Recommendation

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

Region No. 4 - Demerara/Mahaica

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

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

Recommendation

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

² 2015 Auditor General's Report (Para 542)

³ Ibid (Para 569 and 570)

⁴ Ibid (Para 574 and 575)

Region No. 5 - Mahaica/Berbice

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

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

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

Recommendation

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

Region No. 6 – East Berbice/Corentyne

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

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

⁵ 2015 Auditor General's Report (Para 590)

⁶ Ibid (Para 592)

⁷ Ibid (Para 612)

⁸ Ibid (Para 617)

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

Recommendation

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

Region No. 7 - Cuyuni/Mazaruni

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

Recommendation

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

Region No. 8 - Potaro/Siparuni

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

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

⁹ 2015 Auditor General's Report (Para 615)

¹⁰ *ibid* (Para 633 and 634)

¹¹ *ibid* (Para 649)

Recommendations

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

Region No. 9 - Upper Takatu/Upper Essequibo

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

Recommendation

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

Region No. 10 - Upper Demerara/Berbice

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

¹²2015 Auditor General's Report (Para 698 and 699)

Ministry of Communities

Department of Housing and Water

The Committee expressed dissatisfaction with the non-submission of financial statements for the Georgetown Mayor and City Council for the years 2006 to 2013 and 2015.¹³ The Head of the Budget Agency informed the Committee that, consequent to a flood, some of the documents used in preparing the financial statements were damaged.

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

Recommendation

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

Ministry of Public Infrastructure

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

Ministry of Agriculture

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

¹³ 2015 Auditor General's Report (Para 354 and 355)

¹⁴ Ibid (Para 272 and 273)

Guyana Revenue Authority (GRA)

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

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

Recommendation

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

Ministry of Social Protection

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

Ministry of Business

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

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

¹⁵ 2015 Auditor General's Report (Para 135)

¹⁶ Ibid (Para 460)

Ministry of Tourism, Industry and Commerce

The Committee expressed concern with respect to the non-submission of financial statements/reports by the four statutory agencies under the control of the Ministry within the statutory period¹⁷ and the incomplete works at the National Exhibition Centre Sophia.¹⁸ The Head of the Budget Agency explained that efforts were being made to have the outstanding financial statements prepared and submitted to the Auditor General's Office. Further, the Ministry was engaging Kares Engineering Inc. to complete the outstanding works, however, efforts proved futile. As a result, the Ministry has written the Solicitor General regarding the issue.

Office of the Prime Minister

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

Recommendations

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

Ministry of the Presidency

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

¹⁷ 2015 Auditor General's Report (Para 274)

¹⁸ Ibid (Para 277)

¹⁹ Ibid (Para 82 and 83)

²⁰ Ibid (Para 189)

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

Georgetown Public Hospital Corporation

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

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

Recommendation

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

Ministry of Public Health

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

²¹ 2015 Auditor General's Report (Para 192 and 193)

²² *Ibid* (Para 445 and 446)

²³ *Ibid* (Para 447)

²⁴ *Ibid* (Para 374)

Recommendation

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

Ministry of Public Security

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

Recommendation

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

Guyana Police Force

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

Ministry of Foreign Affairs

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

²⁵ 2015 Auditor General's Report (Para 508)

²⁶ Ibid (Para 520)

²⁷ Ibid (Para 173)

Recommendation

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

Ministry of Indigenous Peoples' Affairs

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

Ministry of Education

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

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

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

Recommendation

- All defaulting officers should be written.

²⁸ 2015 Auditor General's Report (Para 231)

²⁹ *Ibid* (Para 312)

³⁰ *Ibid* (Para 315)

Department of Culture, Youth and Sports

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

Recommendation

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

General Proposed Recommendations

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

³¹ *ibid* (Para 430)

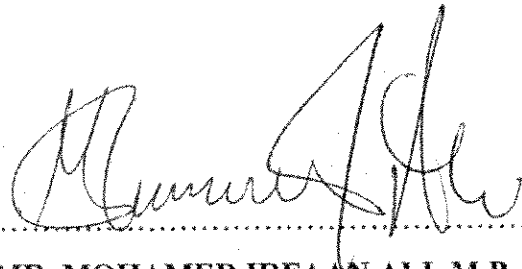
- Nationwide, training programmes for all Stores Supervisors/Clerks should be pursued;
- There is need for Consultants to be held accountable for overpayments on projects;
- Section 3 (1) of the Legislative Bodies (Evidence) Act, Chapter 1:08 would be reinforced to allow for Third-party witnesses to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

Conclusion

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

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

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



**MR. MOHAMED IRFAAN ALI, M.P.,
CHAIRPERSON,
PUBLIC ACCOUNTS COMMITTEE.**

APPENDIX 1
(Minutes of Proceedings)

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
22ND MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 6TH FEBRUARY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P. - Excused

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Tracy Armstrong	- Assistant Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.20 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 22nd Meeting dated January 31, 2017;
- (ii) Minutes of the 21st Meeting held on the January 18, 2017;
- (iii) Letter dated January 25, 2017 from Mr. Denis Jaikaran (Snr), Regional Executive Officer, Region No. 3 re: Response to Outstanding matters to PAC for the years 2012, 2013 and 2014;
- (iv) Letter dated January 26, 2017 from Mr. Tikaram Bisesar, Deputy Regional Executive Officer, Region No. 1 re: Submission of Report on Outstanding Matters to PAC for the years 2012, 2013 and 2014;
- (v) Letter dated January 30, 2017 from Ms. Pauline Lucas, Regional Executive Officer, Region No. 4 re: Outstanding Matters to PAC for the years 2012, 2013, 2014 and 2015;

- (vi) Letter dated February 1, 2017 from Mr. Rafel Downes, Regional Executive Officer, Region No. 8 re: Information regarding paragraphs #652 and 662 of the Auditor General's Report of 2015;
- (vii) Letter dated February 2, 2017 from Mr. Emil Mc Garrel, Permanent Secretary, Ministry of Communities re: Deferral of Meeting date of Public Accounts Committee in favour of Region No. 8 Audit Report;
- (viii) Amended schedule for examination of agencies on the report of the Auditor General on the Public Accounts of Guyana for the year 2015;
- (ix) Audit Office of Guyana Quarterly Performance Report for the Fourth Quarter October – December, 2016; and
- (x) The Audit Office of Guyana Briefing Notes and responses received on the Reports of the Auditor General for the year 2015 with respect to the following Ministry/Regions:
 - Ministry of Communities
 - Region No. 3 - Essequibo Islands/West Demerara
 - Region No. 4 - Demerara/Mahaica
 - Region No. 5 - Mahaica/Berbice
 - Region No. 6 - East Berbice/Corentyne

3.2

The following documents were circulated at the meeting:-

- (i) Letter dated 2nd February, 2017 from Ms. Kim Williams Stephen, Regional Executive Officer, Region No. 6 re: Qualifications for Regional Executive Officers;
- (ii) Letter dated 2nd February, 2017 from Mr. Ovid Morrison, Regional Executive Officer, Region No. 5 re: Updated responses to the Public Accounts Committee for 2012, 2013 and 2014; and
- (iii) Letter dated 3rd February, 2017 from Ms. Carol Corbin, Chairperson, Public Procurement Commission re: Report on recruitment of senior staff for the secretariat of the Public Procurement Commission.

ITEM 4:

CORRESPONDENCE

4.1

Incoming: Nil

Outgoing:

- (i) Letter dated January 31, 2017 Mr. Emil Mc Garrel, Permanent Secretary, Ministry of Communities re: Notice of Invitation to attend PAC Meeting;
- (ii) Letter dated January 31, 2017 Mr. Denis Jaikarran, Regional Executive Officer, Region No. 3 – Essequibo Islands/West Demerara re: Notice of Invitation to attend PAC Meeting;
- (iii) Letter dated January 31, 2017 Ms. Pauline Lucas, Regional Executive Officer, Region No. 4 – Demerara/Mahaica re: Notice of Invitation to attend PAC Meeting;
- (iv) Letter dated January 31, 2017 Mr. Roderick Edinboro, Regional Executive Officer, Region No. 5 – Mahaica/Berbice re: Notice of Invitation to attend PAC Meeting; and
- (v) Letter dated January 31, 2017 Ms. Kim Williams Stephen, Regional Executive Officer, Region No. 6 – East Berbice/Corentyne re: Notice of Invitation to attend PAC Meeting.

ITEM 5:**CORRECTION AND CONFIRMATION OF THE MINUTES OF 21ST MEETING HELD ON 18TH JANUARY, 2017**

- 5.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Charrandas Persaud and Mr. Nigel Dharamlall, respectively.

ITEM 6:**MATTERS ARISING**

- 6.1 There were no matters arising from the Minutes.

ITEM 7:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Communities	347, 354-368 (16)	Mr. Emil Mc Garrell
Department of Housing & Water	348-353 (6)	-do-

7.1 At 10.23 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Communities together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Mr. Emil Mc Garrel - Permanent Secretary
- (ii) Mr. Reaze Abraham - Director of Finance (Ag), CH&PA
- (iii) Mr. Jaigopaul Ram - Director of Finance (GWI)
- (iv) Mr. Ramchand Jailal - Director, Infrastructure (GWI)
- (v) Mr. Royston King - Town Clerk (M&CC)
- (vi) Mr. Ron Mc Calmon - City Treasurer (M&CC)
- (vii) Mr. Nigel Niles - Company Secretary (GWI)
- (viii) Mr. Samuel Parris - Technical Assistant
- (ix) Ms. Mellone Frank - Auditor
- (x) Ms. Dacia Fraser - Auditor
- (xi) Ms. Chitra Persaud-Kishun - Auditor

7.1.2 The Chairman enquired whether the agency had submitted all outstanding information with regard to prior year matters. The Accounting Officer responded in the affirmative.

7.2 **Paragraph 346 was considered.**

- 7.3 Paragraph 347 – Overpayment totalling \$1.234M to Contractor, Construction of Plaisance Market Tarmac**
- 7.3.1 A Member enquired whether the overpayment was recovered. In response, the Accounting Officer stated that based on the Committee's recommendation in 2016, the Ministry had contacted Compustruc Engineering Inc. in an effort to recoup the overpayment. However, the contractor had disputed the overpayment and requested a re-measurement.
- 7.3.2 Subsequently, the Ministry had informed the Auditor General of the contractor's request. The Ministry was then advised that permission would not be granted for a re-measurement, since, this process was previously carried out in the presence of a representative from the company. The Auditor General also advised that a third re-measurement would not change the initial findings.
- 7.3.3 The Accounting Officer further stated that the Ministry had dispatched a letter dated 3rd February, 2017 to the contractor, informing him of the Auditor General's advice and requested the refund of the overpayment by 14th February, 2017, hence the matter would be referred to the Attorney General for legal advice.
- 7.3.4 The Chairman in acknowledging the comments made by the Accounting Officer requested that a copy of the letter should be submitted to the Public Accounts Committee (PAC) and the Auditor General. He proposed that the Accounting Officer should keep the Committee updated on the matter.
- 7.4 Paragraphs 348 to 353 were considered.**
- 7.5 Paragraphs 354 and 355 – Subventions for Municipalities and Neighbourhood Democratic Council (NDC)**
- 7.5.1 A query was made with regard to the current status of the Audited financial statements for Municipalities and NDCs.
- 7.5.2 In response, the Accounting Officer informed the Committee that financial statements were being finalized for the year 2015. He also stated that some municipalities continue to experience challenges in updating their prior year accounts.
- 7.5.3 At that point, a Member drew the Committee's attention to the Auditor General's report which stated that the Georgetown Mayor and City Council had submitted financial statements for 2005 and 2014 but none for 2006 to 2013 and 2015. He enquired by what means had the agency derived the closing balances for 2014 when 2006-2013 were not completed.

- 7.5.4 Mr. Mc Calmon, explained that in 2012 discussions were held with the Auditor General in relation to the difficulties encountered in the location of some records for years 2006 to 2013 and 2015. He stated that the Council was advised to use estimated balances based on the Bank Statements and Cashbook for the year 2012 in an effort to complete the preceding year financial statements. At the same time efforts were still being made to locate the prior year records.
- 7.5.5 A lengthy discussion ensued and the Committee was informed that as a result of flooding some of the documents were damaged. Members expressed dissatisfaction that the information was now being conveyed to the Committee and was not disclosed to the Auditor General or the Permanent Secretary.
- 7.5.6 Based on a query, Mr. Mc Calmon indicated that financial statements were prepared for the years 2012 to 2014. He stated that the statements were submitted to the Auditor General through the Ministry of Communities. Noting the comments made, the Chairman enquired from the Permanent Secretary whether the Ministry was in receipt of the statements. The Permanent Secretary responded in the negative.
- 7.5.7 Consequently, the Chairman cautioned Mr. Mc Calmon about the responses being provided to PAC. During the discussion, Members enquired the following:
- (i) The measures put in place to prevent recurrences of records being damaged;
 - (ii) Whether there were staff permanently assigned at the facility and the security arrangements in place;
 - (iii) Whether adequate personnel was in place to ensure the department operated in compliance with Section 177 of the Municipal and District Council Act, Chapter 28:01; and
 - (iv) Whether the PAC could be furnished with a copy of the Minutes of the Council's meeting when discussions were held with respect to the financial statements.
- 7.5.8 In response, Mr. Mc Calmon informed the Committee that:
- (i) The council had implemented the use of the Revenue Collection and Management System (RCMS) Software and a new storage facility was established offsite in the latter part of 2016;
 - (ii) There were no staff assigned to work at the storage facility, however, there were 24 hrs security service in place;

(iii) There was insufficient staffing available to ensure that the department was operating effectively. However, the Council had advertised for a Budget Manager and Accounting Manager; and

(iv) A copy of the Minutes of the Council's meeting would be submitted to the Committee within one week.

7.5.9 At the conclusion of the discussion, the Accounting Officer assured the Committee that strenuous efforts would be made to ensure that the financial management challenges encountered by the local organs would be resolved.

7.5.10 The Chairman proposed that the Accounting Officer verify that outstanding financial statements were available with respect to all the councils. Thereafter, the statements should be submitted to the Auditor General directly. At this point, the Auditor General was asked to follow up on the matter.

7.6 Paragraph 356 – Solid Waste Disposal Programme

7.6.1 A Member enquired whether the total sum under the loan was expended and ways in which the targeted local authorities had benefitted from the programme.

7.6.2 In response, the Accounting Officer informed the Committee that the programme was funded by the Inter-American Development Bank (IDB) and had concluded. He stated that details of the project would be submitted to the Committee within one week.

7.6.3 A discussion ensued in relation to the contract for the Haags Bosch Sanitary Landfill project. Clarifications were sought on the total payments made and to whom, among other things. Following the discussion, the Accounting Officer agreed to submit detailed information in that regard to the Committee.

7.7 Paragraph 357 – Community Infrastructure Improvement Project (CIIP)

7.7.1 In responding to a query, the Accounting Officer informed the Committee that CIIP was part of the Ministries 2016/2017 programme; hence the activities were continuous until the conclusion of the programme. He also committed to provide the Committee with a status report on the project.

- 7.8 **Paragraph 358 – Community Roads Improvement Project**
- 7.8.1 Based on a query, the Accounting Officer stated that the project was funded by Caribbean Development Bank (CDB) and had concluded in 2016. He also mentioned that as soon as CDB's Report on the project was submitted a copy would be forwarded to the Committee.
- 7.9 **Paragraph 359 – Infrastructural Development and Building**
- 7.9.1 The Chairman enquired about the completion date for infrastructural works at Zeelugt and Zeeburg and the commencement date for works in Cummings Lodge. The Accounting Officer stated that the information would be provided to the Committee within seven (7) days.
- 7.10 **Paragraph 360 – Sustainable Livelihood and Entrepreneurial Development (SLED) Projects**
- 7.10.1 A Member enquired whether the Accounting Officer could provide a list of the registration dates for the organisations that benefitted from the SLED project and the status of the projects pursued by the organisations, among other things.
- 7.10.2 The Accounting Officer informed the Committee that information with regard to the registration dates and benefits to the organisations would be provided at a subsequent date. He also mentioned the following:
- (i) The Guyana Swine Producers Co-operative Society limited project received an addition \$900,000 for its continuation;
 - (ii) The Guyana Mangrove Reserve Producers Co-op Society project had been completed;
 - (iii) The United Natural Resources and Agriculture Producers (UNRAP) project was ongoing;
 - (iv) The Women for Change project was completed;
 - (v) The Plaisance/Sparendaam/Goedverwagting Development Association project was completed;
 - (vi) The For Children's Sake Foundation project was completed; and
 - (vii) The Ministry was currently awaiting the finalised accounts for the Hope Foundation project.

- 7.10.3 Responding to further queries, the Accounting Officer indicated that the Ministry was generally satisfied that the organisations would have utilised the funds in the prescribed manner. Additionally, he stated that the Education Development Center Inc. was located in Georgetown and was an extension of a programme under the skills and knowledge youth employment executed by USAID. He stated that 100 youths were trained and provided with business skills.
- 7.10.4 Thereafter, the Accounting Officer was asked to provide in writing the criteria used to select the seven communities that benefitted from the project.
- 7.11 **Paragraph 361 – Georgetown Restoration Programme**
- 7.11.1 A Member enquired whether the Accounting Officer could explain why:
- (i) There were 167 instances totalling \$159.968M where there was no evidence of the payment vouchers being certified by the Accountant or any other authorised officer; and
 - (ii) 140 payment vouchers totalling \$143.682M were approved without the signature of the City Treasurer and whose signature was affixed to the vouchers.
- 7.11.2 Mr. Mc Calmon informed the Committee that apart from the Treasurer, authorized members of the Finance Committee would also sign the vouchers before payments were made. He indicated that it was an oversight in the instances where the Treasurer's signature was not affixed.
- 7.11.3 The Chairman enquired whether the Treasurer was aware of the payments and why the vouchers were not signed. Mr. Mc Calmon answered in the affirmative but could not provide a definitive explanation as to why he did not sign the vouchers.
- 7.11.4 At that point, the Chairman cautioned Mr. Mc Calmon and reminded him of his management response to the Auditor General which stated that in some instances vouchers were signed by authorised members of the Finance Committee. However, for a period of time due to local government elections the Finance Committee was not functioning.
- 7.11.5 The Chairman drew Mr. Mc Calmon's attention to Municipal and District Council Act, Chapter 28:01 Section 78 (1) which stated "*The Treasurer shall be the Chief Financial Officer of the Council of which he is the Treasurer and shall be primarily charged with the general responsibility for all matters of finance and accounts of the Council.*"

- 7.11.6 At the conclusion of the discussion, the Chairman recommended that the Auditor General conduct a special audit on the matter and report to the Committee forthwith.
- 7.12 Paragraphs 362 and 363 – Water Supply and Coastal Water Supply**
- 7.12.1 A Member requested an update on the aforementioned paragraph. The Accounting Officer informed the Committee that the projects were completed within the budgeted allocation. Nevertheless, a status report would be submitted to the Committee within one week.
- 7.13 Paragraph 364 – Linden Water Supply**
- 7.13.1 The Committee agreed that the Accounting Officer would submit a status report on the projects with regard to the aforementioned paragraph within one week.
- 7.14 Paragraph 365 – Georgetown Sanitation Improvement Programme**
- 7.14.1 Following a query, the Accounting Officer informed the Committee that works were completed in 2015. A status report would be submitted on the project within one week.
- 7.15 Paragraph 366 – Water Supply Rehabilitation Linden**
- 7.15.1 The Accounting Officer, in responding to a query stated that a status report would be submitted on the project within one week.
- 7.16 Paragraph 367 – Urban Sewerage and Water**
- 7.16.1 Based on a query by a Member, the Accounting Officer agreed to submit a status report on the projects within one week.
- 7.17 Paragraph 368 was considered.**
- 7.18 At 1.50 p.m., the Committee concluded the examination of the above accounts.

ITEM 8:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 5 – Mahaica/Berbice	590-607 (18)	Mr. Ovid Morrison

8.1 At 1.55 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 5 – Mahaica/Berbice together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Mr. Ovid Morrison - Regional Executive Officer
- (ii) Mr. Govind Singh - Deputy Regional Executive Officer
- (iii) Ms. Annesta Douglas - Regional Education Officer (Ag)
- (iv) Mr. Steven Cheefoon - Regional Health Officer
- (v) Mr. Amrit Brijnandan - Chief Accountant
- (vi) Mr. Dhanpall Sukha - Engineer

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

8.2 Paragraph 590 – Overpayment of Salaries

8.2.1 Queries were made with regard to the measures implemented to recover the overpayments and whether there was adequate staff complement to facilitate the effective functioning of the various departments.

8.2.2 In light of the queries made, the Accounting Officer informed the Committee that two staff members were assigned to the personnel department to address matters relating to salaries. In addition, a District Education Officer was assigned to Sub-Region One to efficiently handle matters within that area.

- 8.2.3 The Chairman reminded the Accounting Officer of PAC's recommendation which suggested that the amounts overpaid for 2012 should be written through the Finance Secretary. He enquired why the directives were not adhere to.
- 8.2.4 A lengthy discussion ensued, after which the Accounting Officer was unable to provide an appropriate explanation in relation to the queries.
- 8.2.5 Subsequently, the Auditor General was requested to examine the matter and report to the Committee.

8.3 Paragraph 591 – Overpayment for Security Services

- 8.3.1 Based on a query, the Accounting Officer informed Members that there were no Security Checkers within the Region. He acknowledged that the two Checkers requested by the Region would not be sufficient to conduct security checks on approximately 90 locations. The Accounting Officer also explained the current system used to conduct security checks.
- 8.3.2 Consequent to a discussion, the issue of barring defaulting contractors from the tender process was examined. The Chairman posited that the PAC would write letters to the Public Procurement Commission, the National Procurement and Tender Administration Board (NPTAB) and the Finance Secretary should a matter of this nature attract the attention of the Committee.

8.4 Paragraph 592 – Missing Assets

- 8.4.1 A Member enquired what measures were put in place to ensure that the Region's assets were adequately secured.
- 8.4.2 The Accounting Officer informed the Committee that investigations were done by the State Asset Recovery Unit (SARU) which proved futile. The Permanent Secretary apprised Members that the Region was advised to refer the matter to the Police. Questioned whether the matter was reported to the Police, the Accounting Officer responded in the negative.
- 8.4.3 The Finance Secretary suggested that the Region should have submitted a loss report in an effort to resolve the issue.

8.5 Paragraph 593 – Clearance of Cheque Orders

8.5.1 Based on a query, the Accounting Officer indicated that eight cheque orders totalling \$823,608 remained outstanding. He also stated that the Region was still encountering difficulties in clearing cheque orders within the prescribed sixteen day period; however, efforts were being made to resolve the issue.

8.6 Paragraph 594 – Overpayments to Contractors totalling \$2.138M

8.6.1 A Member requested an update on the status of the overpayments to contractors. In responding to the query, the Permanent Secretary informed Members that measures were implemented by the Public Service Ministry to establish a Procurement Unit to foster inter-agency collaboration. Additionally, Procurement Units would also be established in the Regions to address issues of this nature.

8.6.2 The Accounting Officer also informed the Committee that letters were dispatched to NPTAB and other Regions in an effort to acquire assistance. Members expressed concern that overpayment to contractors was a recurring issue.

8.7 Paragraph 595 – Cash Payments

8.7.1 A Member enquired whether all employees were being paid through bank accounts. In response, the Accounting Officer informed Members that four persons were currently being paid by cash. He explained that the employees were unable to open bank accounts since they were not in possession of the requisite documents. However, efforts were being made to have the matter resolved.

8.8 Paragraph 596 – Unspent warrants

8.8.1 In responding to a query, the Accountant General advised the Committee that the unspent balances were returned to the Consolidated Fund through the Ministry of Finance. Subsequently, he agreed to provide documentation verifying that the money was returned.

8.8.2 Further discussions on the matter were deferred and the Auditor General was requested to pursue the matter and report to the Committee.

- 8.9 Paragraph 597 – Contracts not awarded to the lowest bidders**
- 8.9.1 In light of a query, the Accounting Officer stated that efforts were made to have the matter resolved. Noting the response by the Accounting Officer, Members discussed measures that could be taken against the defaulting parties. Thereafter, the Auditor General was requested to pursue the matter and report to the Committee.
- 8.10 Paragraph 598 – Maintenance of Utility Charges Register**
- 8.10.1 Questioned whether payments were made to Guyana Power and Light Inc. (GPL) for authorised meters throughout the Region and whether reconciliations were done, the Accounting Officer indicated that efforts were made with GPL to have reconciliations done, however, this proved futile.
- 8.10.2 Responding to further queries, the Accounting Officer stated that a letter dated 21st September, 2016 was sent to GPL with regard to the matter. He informed Members that letters were also sent prior to September, 2016. Subsequently, a request was made for copies of the letters to be submitted to the Committee.
- 8.10.3 The Committee agreed that upon receipt of the letters the Finance Secretary will write GPL in this regard. The Accounting Officer was then requested to submit a list of authorised telephone numbers and meters for all government buildings to the Auditor General.
- 8.11 Paragraph 599 – Cheques not returned to the Consolidated Fund**
- 8.11.1 The Accounting Officer, in response to a query, apprised Members that all cheques were updated and returned to the Consolidated Fund.
- 8.11.2 Following a discussion, the Finance Secretary, the Accountant General and the Auditor General were requested to review the matter and subsequently report to the Committee.
- 8.12 At 4.06 p.m., the Committee terminated the examination of the above accounts.

ITEM 9:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 6 – East Berbice/ Corentyne	608-624 (17)	Ms. Kim Williams Stephen

9.1 At 4.10 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 6 – East Berbice/Corentyne together with the comments submitted by the Accounting Officer for the year 2015.

9.1.1 Officers present for the examination were:

- (i) Ms. Kim Williams Stephen - Regional Executive Officer
- (ii) Mr. Bhadase Poonai - Deputy Regional Executive Officer (Finance)
- (iii) Ms. Volika Jaikishun - Regional Education Officer
- (iv) Mr. Surendradat Beharry - Principal Assistant Secretary (Finance)
- (v) Mr. Claude Henry - Deputy Regional Executive Officer (Admin)
- (vi) Mr. Jevaughn Stephen - Director, Health Services
- (vii) Mr. Roopesh Persaud - Regional Engineer
- (viii) Mr. Winston Millington - Field Auditor

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

9.2 Paragraphs 608 and 609 – Overpayments of Salaries and Deductions

9.2.1 A Member requested an update with regard to the aforementioned paragraph and enquired whether efforts were made to have the names of the individuals published in the print media.

9.2.2 In response, the Accounting Officer informed the Committee that the Region was unable to recover overpayments for the years 2012 to 2014. However, for the year 2015, the Region was successful in recovering overpayments totalling \$354,077.

9.2.3 She also stated that an email was sent on 1st February, 2017, to the Guyana Information Agency (GINA) requesting that the names to be published on the 4th, 6th and 8th February, respectively. The region in acknowledging that there was no publication on the 4th made enquiries in relation to the request. Consequently, GINA indicated that the agency was not in receipt of the request.

9.2.4 Questioned whether additional efforts were being made to resolve the issue. The Accounting Officer indicated that Heads of Department were requested to ensure that timely reporting was done to facilitate the immediate processing of documents by the Regional Accounting Unit.

9.3 Paragraph 610 – Fuel and Lubricants

9.3.1 Based on a query, the Accounting Officer indicated that a request was made by the Police for the Auditor General to resubmit the relevant documents before the continuation of the investigation.

9.3.2 The Auditor General advised the Committee that on numerous occasions the documents were submitted to the Police. However, efforts would be made to have meeting with a representative from the Criminal Investigation Department (CID) to conclude the matter.

9.4 Paragraph 611 – Clearance of Cheque Orders

9.4.1 In answer to a query, the Accounting Officer explained that for the years 2010 to 2012 the Region was unable to clear any cheque orders. However, for the years 2013 to 2015 they were successful in clearing 32 cheque orders totalling \$28.266M. Further, efforts were being made to have the outstanding cheque orders cleared at its earliest.

9.5 Paragraph 612 – Overpayments to Contractors

9.5.1 A Member enquired what measures were implemented to recover the overpayments and to prevent recurrences. The Accounting Officer in response indicated that the Regional Engineer and the Works Committee were completely involved in the measurement of works completed.

- 9.5.2 The Accounting Officer also informed the Committee that some of the contractors were currently engaged in works within the Region. She mentioned that no attempt was made to deduct the overpayments from their current contracts given the fact that the contractors had since written the Region contesting the overpayments.
- 9.5.3 At that point, the Permanent Secretary explained some of the factors which contributed to the overpayments to contractors. He stated that generally there was poor supervision and monitoring of works throughout the Regions.
- 9.5.4 At the conclusion of the discussion, the Committee agreed that the Regional Engineer and the contractor should revisit the works completed and present their findings to the Auditor General for a pronouncement to be made on the issue.
- 9.6 Paragraph 613 – Employees in receipt of cash payments**
- 9.6.1 Based on a query, the Accounting Officer informed the Committee that there were 11 employees being paid by cash. She also stated that letters were sent to the employees requesting that they submit their bank account numbers at its earliest.
- 9.7 Paragraph 614 – Fuel and Lubricants**
- 9.7.1 The Accounting Officer in responding to a query informed the Committee that presently there were two pumps at the Whim stores that were malfunctioning. Consequently, a request was made for the acquisition of two fuel meters. Additionally, a reconciliation process was on-going and would be completed by the end of the month.
- 9.7.2 A Member suggested that the Region in an effort to better manage the fuel distribution process should explore the option of outsourcing. The Accounting Officer stated that the Region would consider such initiative.
- 9.8 Paragraph 615 – Inter-Departmental Warrants totalling \$197.244M**
- 9.8.1 An enquiry was made with regard to the total amount of money expended in 2015 for the purchase of drugs and medical supplies.

- 9.8.2 In response, the Accounting Officer informed the Committee that the sums were received via Warrant No. 1/2015 dated 14th December, 2015. She stated that a total of \$38M was spent on drugs and medical supplies by the Region while the Ministry of Public Health had expended \$5.371M. In addition, the remainder of the allocation was returned to the Consolidated Fund.
- 9.8.3 During a discussion, it was recognised that there were discrepancies within the Region in relation to drugs and medical supplies. As a result, the Auditor General was asked to follow up the matter and report to the Committee.
- 9.9 **Paragraph 616 – Regional Tender Board Minutes (Contracts not awarded to lowest responsive bidders)**
- 9.9.1 Based on a query, the Accounting Officer informed Members that the Regional Tender Board in making a decision would consider a number of factors; specifically, the number of projects awarded to the contractor and the capacity of the contractors to complete the project.
- 9.9.2 In addition, she stated that an explanation as to why the contract was not awarded to the lowest responsive bidder was not recorded in the Tender Board Minutes. However, the issue was subsequently corrected with effect from 10th October, 2016.
- 9.9.3 Thereafter, the Chairman recommended that the Auditor General submit details on the matter to the Public Procurement Commission. The Accounting Officer was requested to submit to the Committee a copy of the rules that guided the Evaluation Committee.
- 9.10 At 4.53 p.m., the Committee terminated the examination of the above accounts.

ITEM 10:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 3 – Essequibo Islands/West Demerara	555-566 (13)	Mr. Denis Jaikaran (Snr)

10.1 Examination of this agency was deferred to a subsequent meeting.

ITEM 11:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 4 – Demerara/Mahaica	567-589 (23)	Ms. Pauline Lucas

11.1 Examination of this agency was deferred to a subsequent meeting.

Adjournment

At 4.55 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 13th February, 2017.

Confirmed this ^{2nd} day of April, 2017


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Mr. Mollamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
23RD MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 13TH FEBRUARY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P. - Excused

Mr. Charrandas Persaud, M.P. - Excused

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Tracy Armstrong	- Assistant Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.20 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 23rd Meeting dated February 7, 2017;
- (ii) Letter dated January 6, 2017 from Mr. Balraj Balram, Permanent Secretary, Ministry of Public Infrastructure re: Examination of the 2015 Report of the Auditor General;
- (iii) Letter dated February 1, 2017 from Mr. J. McKenzie, Permanent Secretary, Ministry of Natural Resources re: Examination of the 2015 Report of the Auditor General;
- (iv) Letter dated February 2, 2017 from Mr. Deodat Sharma, Auditor General of Guyana, re: Appointment of Human Resource Manager-Audit Office of Guyana; and

- (v) The Audit Office of Guyana Briefing Notes and responses received on the Reports of the Auditor General for the year 2015 with respect to the Ministry of Public Infrastructure.

3.2 The following documents were circulated at the meeting:-

- (i) Minutes of the 22nd Meeting held on the 6th February, 2017;
- (ii) Amended schedule for examination of agencies on the report of the Auditor General on the Public Accounts of Guyana; and
- (iii) Letter dated 9th February, 2017 from Ms. Pauline Lucas, Regional Executive Officer, Region No.4 - Demerara/Mahaica re: Examination of the 2015 Report of the Auditor General (Updated).

ITEM 4: CORRESPONDENCE

4.1 **Incoming:** Nil

4.2 **Outgoing:**

- (i) Letter dated February 7, 2017 from Mr. Balraj Balram, Permanent Secretary, Ministry of Public Infrastructure re: Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated February 7, 2017 Mr. Denis Jaikarran, Regional Executive Officer, Region No. 3 – Essequibo Islands/West Demerara re: Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated February 7, 2017 Mr. Ovid Morrison, Regional Executive Officer, Region No. 5 – Mahaica/Berbice re: Notice of and Invitation to attend PAC Meeting;
- (iv) Letter dated February 7, 2017 Ms. Pauline Lucas, Regional Executive Officer, Region No. 4 – Demerara/Mahaica re: Notice of and Invitation to attend PAC Meeting; and
- (v) Letter dated February 7, 2017 Ms. Kim Williams Stephen, Regional Executive Officer, Region No. 6 – East Berbice/Corentyne re: Notice of and Invitation to attend PAC Meeting.

ITEM 5:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Public Infrastructure	289-306 (17)	Mr. Balraj Balram

5.1 At 10.25 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Public Infrastructure together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 Officers present for the examination were:

- (i) Mr. Balraj Balram - Permanent Secretary
- (ii) Mr. Geoffrey Vaughn - Coordinator
- (iii) Mr. Bobbie John - Finance Controller
- (iv) Mr. Ron Rahaman - Chief Roads and Bridges Officer
- (v) Mr. Ramesh Ghir - Chief Executive Officer, CJAC
- (vi) Mr. Nigel Erskine - Senior Engineer, WSG
- (vii) Ms. Claudette Rogers - Director General, MARAD
- (viii) Col. Jawahar Persaud - Director, Finance and Admin, GCAA
- (ix) Mr. Horace Williams - Chief Executive Officer, Hinterland Electrification
- (x) Ms. Marlene Merchant - General Manager, T&HD

5.2 Paragraph 289 – Cash totalling \$7.847M for the payment of salaries

5.2.1 A Member requested a status update on the investigation with regard to the stolen payroll.

5.2.2 The Accounting Officer informed the Committee that the Commissioner of Police, via letter dated 4th January 2017, had indicated to the Ministry

that based on advice by the Director of Public Prosecutions there was insufficient evidence to charge the individuals, however, investigations would continue.

5.2.3 Responding to a further query, the Accounting Officer apprised Members that currently eleven employees were being paid cash. These individuals were labourers and watchmen in Wakenaam.

5.3 Paragraph 290 – Outstanding financial statements for statutory agencies

5.3.1 Based on a query, the Accounting Officer informed the Committee of the following:

(i) Demerara Harbour Bridge Corporation and Cheddi Jagan International Airport Corporation (CJIAC) audits for 2014 were currently being finalised;

(ii) Guyana Civil Aviation Authority (GCAA) audited report for 2010 was laid in the National Assembly on 30th January, 2017. However, efforts were being made to have all outstanding financial statements up-to-date;

(iii) Maritime Administration Department (MARAD) financial statements for 2012 were prepared and submitted to the Auditor General; with respect to 2013, the Auditor General had advised that the agency solicit chartered accountants to prepare the financial statements; and

(iv) Transport and Harbours Department audits for 2009 were finalised, however, an undated schedule for 2010 to 2015 were submitted for audits to be conducted.

5.3.2 Subsequently, Col. Persaud stated that 2011 to 2016 financial statements were prepared. Audits for 2011 were completed, however 2012 to 2016 audits were put on hold since a request for a forensic audit was made by the Director General and the Maritime Board. Furthermore, the forensic audit once underway should be completed within two months. Notwithstanding this, efforts were being made to have the backlog completed by the end of 2017.

5.3.3 Additionally, with regard to the forensic audits, advertisements were placed in the print media for auditing firms to conduct the audits. Consequently, four firms had expressed interest and the process was currently at the evaluation stage.

- 5.3.4 In light of an enquiry, Col. Persaud informed the Committee that approval was not sought from the Auditor General before advertisements were placed. He indicated that oral advice was given to the Director General in that regard. The Chairman then requested that the advice in a written form should be submitted to the Committee.
- 5.4 **Paragraph 291 – Loan agreement No.2215/BL-GH signed between the Government of Guyana and the Inter- American Development Bank**
- 5.4.1 In response to a query, with regard to the completion of the CJIA access road, Mr. Rahaman informed Members that the total cost for completion of the road was \$618M. He further stated that works were 98% completed and the deadline had elapsed, however, no liquidated damages were applied since all performance bonds were in place and would expire September, 2017.
- 5.4.2 He explained that works were not completed since the agency was awaiting the removal of a utility pole by the Guyana Telephone and Telegraph Company (GTT).
- 5.4.3 Noting the comments made by Mr. Rahaman, the Auditor General indicated that a performance audit was currently being conducted and a report would subsequently be submitted to the Committee.
- 5.5 **Paragraph 292 - East Bank Four Lane Extension Programme Loan Agreement No. 2454/BL-GY**
- 5.5.1 In responding to a query, Mr. Vaughn informed the Committee that the aforementioned project was completed on the 31st September, 2016 as per contract agreement.
- 5.6 **Paragraphs 293 to 296 - Expansion of the East Bank Demerara Four Lane Road**
- 5.6.1 Based on a number of queries, the Accounting Officer informed the Committee of the following:
- (i) At the time of the expiration of the performance bond the project was supervised by MMM Group in collaboration with CEMCO Inc.; and
 - (ii) The contractor was written to with regard to the expiration of the performance bond. However, after being notified of the consultant's cash flow issues, a decision was made to terminate the contract;
- 5.6.2 At that juncture, the Chairman requested that a copy of the letter should be submitted to the Auditor General within a week.

- 5.6.3 Following a query with regard to the actions taken against the consultant, the Committee was informed that there was no clause to institute penalties in IDB contracts. The Ministry in recognising the non-existence of a penalty clause, held discussions and would make recommendations to IDB in that regard.
- 5.6.4 Questioned whether there were mechanisms in place to ensure checks and balances between the Consultant and works being carried out, Mr. Vaughn indicated that difficulties encountered would be highlighted in the consultant's monthly report. Additionally, inspections were also carried out by Field Officers.
- 5.6.5 Subsequently, the Committee was informed that Lot 2 (Vreed-en-Rust to Prospect) and Lot 3 (Diamond) project works were completed. However, with regard to Lot 3 defects were recognised by the Ministry which the contractor was currently rectifying. It was also mentioned that the performance bond was in place and the defects liability period would expire on August 17, 2017.
- 5.6.6 Following the discussion which ensued, the Chairman requested that the Auditor General follow up on the issue and report to the Committee.
- 5.7 Paragraph 297 – Supervision services for the execution of the East Bank Demerara Four Lane Extension Project**
- 5.7.1 Questioned whether the Ministry was satisfied with the supervisory works conducted, Mr. Rahaman responded in the negative. Following a further query, the Chairman recommended that the Ministry should write the Public Procurement Commission with regard to the dissatisfaction of the works completed.
- 5.8 Paragraph 298 – Highway improvement, East Coast Demerara Road Project**
- 5.8.1 In light of a query, Mr. Erskine apprised Members of the following:
- (i) Lot 1 (Better Hope to Montrose) and Lot 2 (Montrose to La Bonne Intention) 75% of the preparatory works were executed by Dipcon Engineering Services Ltd. However, the contract was subsequently terminated and outstanding works would be completed by China Railway First Group Co. Ltd. The new contract was signed in 2014 and the Ministry had recently received the approval for mobilisation, as a result, works would commence on the 1st March, 2017;

- (ii) Lot 3 (La Bonne Intention to Beterverwagting) works were executed by Courtney Benn Contracting Services Ltd. Advanced payments were made in excess of 132M. However, the contractor had since repaid \$10M and had endeavoured to repay 75% of the outstanding amount by the end of 2017;
- (iii) Lot 4 (Beterverwagting to Triumph) works were executed by Compustruc Engineering Inc., at the value of \$78M. However, \$132M was overpaid to the contractor who had since repaid \$10M and committed to repay 75% of the outstanding sum by the end of 2017. Consequently, outstanding works was awarded to China Railway First Group Co. Ltd;
- (iv) Lot 5 (Triumph to Mon Repos) works were completed by Dipcon Engineering Services Ltd; an outstanding overpayment totalling \$14M was still to be recovered; and
- (v) Lot 6 (De Endragt) and Lot 7 (De Endragt to Good Hope) contract was signed on 30th December, 2014 at a value of \$46M and works were completed by China Railway First Group Co. Ltd.

5.8.2 A Member pointed out that there were significant overpayments with regard to lots 3, 4 and 5 and enquired when the last payments were made. Subsequently, Mr. Erskine undertook to provide the information to the Auditor General and the PAC within three days.

5.9 Paragraphs 299 to 302 were considered.

5.10 Paragraph 303 – Road Network Upgrade and Expansion Project

5.10.1 In responding to a query, Mr. Vaughn informed the Committee that bids were advertised and tenders were submitted with regard to works at Sheriff/Mandela.

5.10.2 Mr. Vaughn also explained that on several occasions tenders were nullified due to the fact that contractors had not satisfied the requirements. However, meetings were held with the Ministry of Finance and the contractors in an effort to facilitate the bidding of individual lots for utilities and the structures. Consequently, the Ministry had received a no-objection from IDB in that regard.

5.11 Paragraph 304 - Road Network Upgrade and Expansion Project

5.11.1 The Committee was informed that the project was executed by EXP Services Inc. in joint venture with CEMCO Inc. but was terminated due to non-performance of the consultant. Presently, the Ministry's Special Forces Unit was completing the remaining works.

5.12 Paragraph 305 - Hinterland Electrification

5.12.1 In answer to a query, Mr. Williams informed the Committee that a transformer was supplied to Madhia. The Ministry, however, was experiencing difficulties in the transportation of the other transformer to Port Kaituma. He stated that the Ministry had made arrangements with a company and later discovered that it ceased its operations. As a result, strenuous efforts were being made to resolve the issue.

5.13 Paragraph 306 – Road Improvement and Rehabilitation Project

5.13.1 Based on a query in relation to the completion of the new access road to CJIAC, Timehri, Mr. Rahaman explained that GTT was written to in 2016 and had submitted an invoice for the removal of the utility pole. He stated that the Ministry had communicated with the contractor (BK International Inc.) in that regard. Subsequently, a follow up letter was sent in January, 2017, to date no response was received.

5.13.2 Mr. Rahaman assured Members that a meeting would be held with the Permanent Secretary and the contractor before the end of the week in an effort to bring the matter to closure.

5.13.3 Thereafter, the Chairman requested that a copy of the letter and an update on the outcome of the meeting should be submitted to the Committee.

5.14 At 11.55 a.m., the Committee concluded the examination of the above accounts.

ITEM 6:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 5 – Mahaica/Berbice	590-607 (18)	Mr. Ovid Morrison

6.1 At 12 noon, the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 5 – Mahaica/Berbice together with the comments submitted by the Accounting Officer for the year 2015.

6.1.1 The Committee acknowledged that paragraphs 590 to 599 were considered at its meeting held on Monday, 6th February, 2017.

6.1.2 Officers present for the examination were:

- (i) Mr. Ovid Morrison - Regional Executive Officer
- (ii) Mr. Govind Singh - Deputy Regional Executive Officer
- (iii) Ms. Annesta Douglas - Regional Education Officer (Ag)
- (iv) Mr. Steven Cheefoon - Regional Health Officer
- (v) Mr. Amrit Brijnandan - Chief Accountant
- (vi) Mr. Dhanpall Sukha - Engineer
- (vii) Mr. Samuel Parris - Technical Assistant, Ministry of Communities
- (viii) Ms. Mellone Frank - Auditor

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

6.2 Paragraph 600 was considered.

6.3 Paragraph 601 – Transportation of school items

6.3.1 Based on a query, the Accounting Officer informed the Committee that the Region would use its vehicle to transport supplies to the various schools. He explained that presently storage capacity was limited. Thus, in the delivery of large quantities of supplies and or in the event of an emergency, the Region would contract private vehicles to transport same.

6.3.2 Ms. Douglas explained the process used to distribute the supplies to the various schools. Subsequently, the Accounting Officer undertook to provide information with regard to the number of students and schools the items were distributed to.

6.4 Paragraphs 602 and 603 – Shortfall in Capital Expenditure

6.4.1 Queries were made with regard to the measures implemented to prevent recurrences of the issue and inter-ministry collaboration for the awarding of contracts. In response, the Accounting Officer stated that meetings were

held with the Ministry of Communities and all other relevant agencies to discuss issues regarding to the timely delivery of pertinent information.

6.4.2 Questioned further with regard to the total number of large and medium projects to be completed in 2017, the Accounting Officer indicated that the information would subsequently be submitted to the Committee.

6.4.3 In answering to the current status of the Sputum Collection Facility and the rewiring of buildings at the Mahaicony Cottage Hospital, The Accounting Officer stated that the rewiring of the hospital was completed, however, works to the Sputum Collection Facility was not.

6.4.4 Based on a query, Mr. Cheefoon informed the Committee that, pending the completion of the facility, patients were advised on the extraction and storage of their sputum for processing at the hospital.

6.4.5 Following a discussion, the Accounting Officer was requested to submit to the Auditor General a copy of the multi-year agreement regarding the rewiring of buildings at the Mahaicony Cottage Hospital.

6.5 Paragraph 604 – Construction of bridges and rehabilitation of roads

6.5.1 Questioned whether the outstanding sums were returned to the Consolidated Fund, the Accounting Officer responded in the negative.

6.6 Paragraph 605 - Construction of green heart Timber Bridge at Yeoville

6.6.1 In light of a query, the Accounting Officer confirmed that the tender board procedures were not followed in the awarding of the contract. Mr. Sukha informed the Committee that as a result of reports from the NDC and subsequent inspection, the Region had agreed to change the scope of works for construction of the aforementioned bridge.

6.6.2 The Accounting Officer in acknowledging that the Region acted in contravention of the Procurement Act assured Members that measures were put in place to avoid recurrences.

6.7 Paragraph 606 – Regional Tender Board Minutes

6.7.1 The Accounting Officer concurred with Members of the Committee that the reasons for the projects not being awarded to the lowest bidders were not stated in the Tender Board Minutes. He, however, indicated that the

minutes were subsequently corrected and measures were put in place to prevent recurrences.

6.8 Paragraph 607 was considered.

6.9 At 12.50 p.m., the Committee concluded the examination of the above accounts.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 6 – East Berbice/ Corentyne	608-624 (17)	Ms. Kim Williams Stephen

7.1 At 12.55 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 6 – East Berbice/Corentyne together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Ms. Kim Williams Stephen - Regional Executive Officer
- (ii) Mr. Bhadase Poonai - Deputy Regional Executive Officer (Finance)
- (iii) Ms. Volika Jaikishun - Regional Education Officer
- (iv) Mr. Surendradat Beharry - Principal Assistant Secretary (Finance)
- (v) Mr. Claude Henry - Deputy Regional Executive Officer (Admin)
- (vi) Mr. Jevaughn Stephen - Director, Health Services
- (vii) Mr. Roopesh Persaud - Regional Engineer

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

7.1.2 The Committee acknowledged that paragraphs 608 to 615 were considered at its meeting held on Monday, 6th February, 2017.

7.2 Paragraph 616 – Regional Tender Board Minutes

7.2.1 Based on a query, the Accounting Officer indicated that the Tender Board Minutes were subsequently corrected on the 10th October, 2016. She stated that currently, measures were in place to prevent recurrences.

7.3 Paragraph 617- Cheques not returned to the Consolidated Fund at the end of the fiscal year

7.3.1 In answer to a query, the Accounting Officer informed the Committee that eleven cheques totalling \$1.27M were submitted to the Accountant General's Department to be updated and subsequently returned to the Consolidated Fund. Subsequently, Mr. Poonai was requested to proffer an explanation with regard to the process used by the Region for the preparation of cheques.

7.3.2 The Chairman expressed dissatisfaction with the responses received and suggested that the Region be given time to corroborate their information and relevant documents in an effort to better answer the questions posed by Members. At that point, the examination of the Regions' accounts was suspended.

7.3.3 A discussion ensued. The Accounting Officer acknowledged that the Region erred with regard to cheques being cut for the total invoice/contract sum before services were rendered or products supplied. She stated that this had since been corrected and there were no recurrence of this issue in 2016.

7.3.4 Thereafter, the Chairman suggested that the Auditor General should verify the accuracy of the information provided. He advised that if the information was inaccurate, sanctions would be recommended.

7.3.5 Questioned whether Caribbean Medical Supplies was currently engaged in further contracts with the Region, the Accounting Officer responded in the negative.

7.4 Paragraph 618 – Occupation of Government Quarters

7.4.1 Based on a query, the Accounting Officer stated that letters were sent to the 27 officers required to pay rent informing them that deductions would commence from 1st March, 2017. The requisite documentation would be submitted to Ministry of Finance within one week.

7.5 Paragraph 619 was considered.

7.6 Paragraphs 620 and 621 – Shortfall in Capital Expenditure

7.6.1 In response to a query, the Accounting Officer indicated that two ambulances were operational within the Region, one at New Amsterdam Hospital and the other at Port Mourant Hospital. In addition, a Nissan X-Trail vehicle was purchased to transport doctors.

7.7 Paragraphs 622 and 623 were considered.

7.8 Paragraph 624 – Overpayment to Contractor: Construction of Student Hostel at Springlands Phase 2

7.8.1 The Accounting Officer informed the Committee that the money was repaid by the Contactor on 9th January, 2017.

7.9 At 2.08 p.m., the Committee concluded the examination of the above accounts.

ITEM 8:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 3 – Essequibo Islands/West Demerara	555-566 (13)	Mr. Denis Jaikaran (Sur)

8.1 At 1.08 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 3 – Essequibo Islands/West Demerara together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Mr. Denis Jaikaran - Regional Executive Officer
- (ii) Ms. Elaine Hamilton - Principal Assistant Secretary (F)
- (iii) Mr. Sanjah Persaud - Hospital Administrator (WDRH)
- (iv) Dr. N. Uthman - Regional Health Officer
- (v) Mr. Joseph Patterson - Engineer
- (vi) Mr. Kerwin Ward - Field Auditor

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

8.2 Paragraph 555 – Overpayment of Salaries and Deductions

8.2.1 Based on queries, the Accounting Officer stated that letters were sent to the individuals requesting recoupment of the sums overpaid. In addition, letters were also sent to the Guyana Revenue Authority (GRA) and the National Insurance Scheme (NIS) regarding the overpaid deductions.

8.2.2 He stated that GRA had since requested the Region to resubmit the information. This was subsequently done and the Region was currently awaiting a response. Furthermore, the Region had collaborated with NIS to have the claims verified before a decision was made.

8.2.3 Thereafter, the Chairman advised the Accounting Officer that a status report should be submitted to the Committee by the end of 2017.

8.3 Paragraph 556 - Unserviceable vehicles/equipment

8.3.1 Questioned about the current status of the unserviceable vehicles, the Accounting Officer informed the Committee that on Friday, 17th February, 2017, a list of items to be written off was submitted to the Ministry of Finance. However, the Region was still awaiting a response to proceed with the disposal of the items.

8.3.2 A Member enquired whether the Losses Board was operational. The Finance Secretary responded in the negative. Notwithstanding that, the Regions were still required to seek approval from the Ministry of Finance with regard to the disposal of government assets.

8.4 Paragraph 557 – Maintenance of log books

8.4.1 In answering a query, the Accounting Officer indicated that all vehicles were equipped with log books which were properly maintained.

8.5 Paragraph 558 – Master and Sectional Inventories

8.5.1 The Committee was informed that the Region had completed its sectional inventory; however, they were compiling the master inventory which would be completed within two weeks. The Chairman suggested that the Accounting Officer submit to the Auditor General all documentation in that regard.

8.5.2 In responding to a query, the Accounting Officer stated that, presently, the Region did not have the full complement of staff. Moreover, the region had engaged the Public Service Commission in an effort to have the vacancies filled.

8.5.3 Subsequently, the Accounting Officer affirmed that the Region was adhering to the Stores Regulations. He explained that the Region would utilise Internal Auditors to carry out periodic checks on items issued at the Stores while waiting for the vacancies to be filled.

8.6 Paragraph 559 was considered.

8.7 Paragraph 560 – Drugs and Medical Supplies

8.7.1 In light of a query, the Accounting Officer informed the Committee that the region had received some of the drugs and medical supplies warranted. Consequently, the remaining sums were subsequently returned to the Consolidated Fund.

8.7.2 Following a discussion, the Committee was also informed that there were no shortage of drugs and medical supplies within the Region. Thereafter, the Chairman requested that all relevant documents with regard to the total allocation spent should be submitted to the Committee within one week.

8.8 Paragraph 561 – Expired drugs totalling \$1.774M

8.8.1 Based on a query, Mr. Persaud informed the Committee that the drugs received from Materials Management Unit (MMU) had a short shelf life. As a result, they had expired at the time of delivery to the various health

centers and hospitals. Consequently, he explained the process used by the Region to requisite for drugs.

8.8.2 Questioned about the types of expired drugs, Dr. Uthman enlightened Members that some of the drugs were donations which included creams and ointments, while others were injections.

8.8.3 He stated that drugs were checked before they were administered to patients, if expired, they were placed in a marked and concealed box which would be taken to the bond and the proper protocol followed to have the drugs disposed of.

8.9 Paragraph 562 – Occupation of Government Quarters

8.9.1 Following a query, the Accounting Officer indicated that letters were sent to persons occupying government quarters informing them of the payment of rent. On the other hand, unauthorised persons were presently before the court.

8.10 Paragraph 563 - Cheques on hand

8.10.1 The Accounting Officer apprised Members that the cheques were kept on hand for payments to suppliers. However, the Region upon recognising that the procedure followed was not in keeping with Financial Regulations, subsequently requested that the cheques be updated and returned to the Consolidated Fund.

8.11 Paragraphs 564 & 565 were considered.

8.12 Paragraph 566 – Contracts not awarded to the lowest or most competitive bidder by the Regional Tender Board

8.12.1 The Accounting Officer acknowledged that some of the contracts were not awarded to the lowest or most competitive bidders. He explained that the Region had learnt that several of the contractors had a record of not honouring their contractual obligations and in some cases were not in compliance with GRA and NIS.

8.12.2 Thereafter, the Accounting Officer was requested to submit the aforementioned information to the Auditor General for follow up.

8.13 At 1.50 p.m., the Committee concluded the examination of the above accounts.

ITEM 9:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 4 – Demerara/Mahaica	567-589 (23)	Ms. Pauline Lucas

9.1 At 2.10 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 4 – Demerara/Mahaica together with the comments submitted by the Accounting Officer for the year 2015.

9.1.1 Officers present for the examination were:

- (i) Ms. Pauline Lucas - Regional Executive Officer
- (ii) Mr. Deryck Persaud - Deputy Regional Executive Officer
- (iii) Ms. Sharon Wills - Principal Assistant Secretary (F)
- (iv) Ms. Farrah Mc Lean - Regional Health Officer
- (v) Ms. Rhonda Marshall - Principal Personnel Officer
- (vi) Mr. Bishan Dalip - Engineer
- (vii) Mr. Elon Austin - Engineer

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

9.2 Paragraph 567 – Overpayment of salaries and deductions

9.2.1 Based on a query, the Accounting Officer informed the Committee that in an effort to avoid recurrences, head teachers were constantly reminded that information with regard to employees leaving the job should be sent directly to the Accounts and Personnel departments, for the necessary adjustments to be made forthwith.

9.3 Paragraph 568 – National Insurance Scheme (NIS) numbers

9.3.1 In response to a query, the Accounting Officer indicated that, at the moment, one employee was without a NIS card. However, the employee had applied for the card and was waiting to uplift same.

9.4 Paragraphs 569 and 570 – Fuel and Lubricant

9.4.1 A Member enquired whether any response was received from the Guyana Police Force with regard to the investigation of fuel and lubricants supplied to sixteen vehicles not registered with the region. The Accounting Officer responded in the negative. She informed the Committee that a reminder letter was sent to the Police on 10th February, 2017.

9.4.2 Thereafter, the Accounting Officer was requested to submit to the Committee a copy of the aforementioned letter.

9.5 Paragraph 571 – Reconciliation of fuel and lubricants, Guyana Oil Company (GUYOIL)

9.5.1 In light of a query, the Accounting Officer informed the Committee that \$18.4M worth of fuel was owed by GUYOIL, as at 31st December, 2016. Responding to a further query, she stated that all vehicles were equipped with log books and were properly maintained.

9.6 Paragraph 572 – Overpayment to contractor, repairs to Medex Quarters at Laluni

9.6.1 The Accounting Officer informed the Committee that a letter was received from the contractor informing the Region of his commitment to repay the outstanding amounts within three months.

9.7 Paragraph 573 – Maintenance of Utility Registers

9.7.1 In response to a query, the Accounting Officer informed Members that all registers were updated and reconciliations were continuing. Furthermore, verifications were completed with the Guyana Water Inc. (GWI) and the Guyana Telephone & Telegraph Company (GT&T). However, discussions were on-going with the Guyana Power & Light (GPL) for physical verifications to be done.

- 9.8 Paragraphs 574 and 575 – Maintenance of Stores Ledger and Master Inventory**
- 9.8.1 The Accounting Officer assured Members that the region was currently updating their store ledgers. Notwithstanding that, staff constraints were a major difficulty encountered by the Region.
- 9.8.2 In response to a query, Ms. Wills informed the Committee that the items purchased for the Education and Health Programme were entered in the immediate goods received book rather than the goods received book.
- 9.8.3 Noting Ms. Wills response, the Chairman requested that the requisite documentation be submitted, the following day, to the Committee and the Auditor General for verification.
- 9.9 Paragraph 576 – Clearance of cheque orders**
- 9.9.1 Based on a query, the Accounting Officer stated that, to date, 44 cheque orders at the value of \$20.130M remained outstanding. The Auditor General was requested to verify the information provided.
- 9.10 Paragraph 577 – Six payment vouchers not presented for audit examination**
- 9.10.1 The Accounting Officer informed the Committee that five payment vouchers were located at the Region's Sub-Treasury Department. This information was confirmed by the Auditor General.
- 9.11 Paragraph 578 – Overpayment to contractor, construction of road at land of Canaan**
- 9.11.1 Questioned whether the overpayment was recovered, the Accounting Officer responded in the negative. She stated that the Region was unable to make contact with the contractor; however, efforts would be made through the Court to have the matter resolved. The Chairman then suggested that a public notice should be advertised in that regard.
- 9.12 Paragraph 579 was considered.**

9.13 Paragraph 580 – Expired drugs

9.13.1 Based on a query, the Accounting Officer indicated that some of the expired drugs were donations to the Region and had a short shelf life. She further stated that the Region was currently awaiting approval for the disposal of the drugs.

9.13.2 Subsequently, Mr. Mc Garrell advised the Committee that discussions were held with the Permanent Secretary, Ministry of Public Health and Regional Health Officers with respect to procedures that should be followed when accepting donated drugs. As a result, a decision was made to have guidelines drafted in that regard.

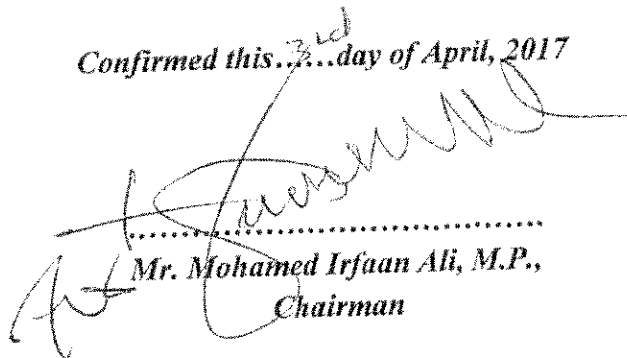
9.14 Paragraph 581 was considered.

9.15 At 2.55 p.m., the Committee terminated the examination of the above accounts.

Adjournment

At 2.57 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 20th February, 2017.

Confirmed this...^{3rd}...day of April, 2017


.....
*Mr. Mohamed Irfaan Ali, M.P.,
Chairman*

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
24TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 20TH FEBRUARY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Tracy Armstrong	- Assistant Clerk of Committees
Ms. Candayee Girard	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 Ms. Campbell-Sukhai called the meeting to order at 10.40 a.m.

ITEM 2: ANNOUNCEMENT

2.1 **Welcome**

2.1.1 The Presiding Member welcomed Members, Advisors and Staff to the meeting. She informed the Committee that the Chairman would be late.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 24th Meeting dated February 15, 2017;
- (ii) Letter dated February 2, 2017 from Ms. Kim Williams Stephen, Regional Executive Officer, Region No. 6 - East Berbice/Corentyne re: Evaluation Criteria as requested by Public Accounts Committee; and
- (iii) The Audit Office of Guyana Briefing Notes and responses received on the Report of the Auditor General for the year 2015 with respect to the following Regions:
 - * Region No. 1 - Barima/Waini
 - * Region No. 2 - Pomeroon/Supenaam
 - * Region No. 7 - Cuyuni/Mazaruni
 - * Region No. 10 - Upper Demerara/Berbice

3.2

The following documents were circulated at the meeting:-

- Copies of incoming correspondence as at paragraph 4.1.

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- (i) Letter dated February 9, 2017, from Ms. Pauline Lucas, Regional Executive Officer, Region No. 4 - Demerara/Mahaica re: Examination of the 2015 Report of the Auditor General - Updated; and
- (ii) Letter dated February 16, 2017, from Mr. Denis Jaikaran (Snr), Regional Executive Officer, Region No. 3 - Essequibo Island/West Demerara re: Response to Public Accounts Committee's request - 2015.

4.2

Outgoing:

- (i) Letter dated February 14, 2017 to Mr. Leslie Wilburg, Regional Executive Officer, Region No. 1 - Barima/Waini re: Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated February 14, 2017 to Mr. Rupert Hopkinson, Regional Executive Officer, Region No. 2 - Pomeroon/Supenaam re: Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated February 14, 2017 to Ms. Pauline Lucas, Regional Executive Officer, Region No. 4 - Demerara/Mahaica re: Notice of and Invitation to attend PAC Meeting;
- (iv) Letter dated February 14, 2017 to Mr. Roderick Edinboro, Regional Executive Officer, Region No. 7 - Cuyuni/Mazaruni re: Notice of and Invitation to attend PAC Meeting; and
- (v) Letter dated February 14, 2017 to Mr. Gavin Clarke, Regional Executive Officer, Region No. 10 - Upper Demerara/Berbice re: Notice of and Invitation to attend PAC Meeting.

ITEM 5:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 4 – Demerara/Mahaica	567-589 (23)	Ms. Pauline Lucas

5.1 At 10.45 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 4 – Demerara/Mahaica together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 Officers present for the examination were:

- (i) Ms. Pauline Lucas - Regional Executive Officer
- (ii) Mr. Deryck Persaud - Deputy Regional Executive Officer
- (iii) Ms. Tiffany Favourite-Harvey - Regional Education Officer
- (iv) Ms. Sharon Wills - Principal Assistant Secretary (F)
- (v) Ms. Farrah December-Mc Lean - Regional Health Officer
- (vi) Ms. Rhonda Marshall - Principal Personnel Officer
- (vii) Mr. Bishan Dalip - Engineer

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

5.1.2 The Committee acknowledged that paragraphs 567 to 581 were considered at its meeting held on Monday, 13th February, 2017.

5.2 **Paragraph 582 – Maintenance works**

5.2.1 In light of a query, the Accounting Officer informed the Committee that approval was granted from the Public Service Ministry (PSM) for the creation of the positions of pump attendants/sluice operators. However, the Region was currently awaiting approval from the Public Service Commission (PSC) for the filling of the vacancies.

5.3 **Paragraph 583 – Maintenance of historical records**

5.3.1 The Accounting Officer, in responding to a query, indicated that all historical records had been updated and were now being maintained. Additionally, staffing for the stores remained a challenge for the Region, however, temporary staff were placed in the stores to assist with the work until the vacancies were filled.

5.3.2 At that point Mr. Ali assumed the position as Chairman.

5.4 **Paragraph 584 – Occupation of Government Quarters**

5.4.1 Based on a query, The Accounting Officer stated that the Region had a list of its inventory and was working in collaboration with State Asset Recovery Unit (SARU) to resolve the issue.

5.4.2 Thereafter, the Chairman requested that all relevant information regarding the rental/occupancy of government quarters should be submitted to the Committee within two weeks.

5.4.3 A Member suggested that the information should be sent to Members of the Committee via email. The Committee agreed.

5.4.4 In responding to a further query, the Accounting Officer stated that, at present, there was an absence of a Field Auditor within the Region. However, the vacancy was advertised on several occasions.

5.5 **Paragraph 585 – Cheques not refunded to the Consolidated Fund**

5.5.1 Following a query, Ms. Wills explained that the cheques mentioned in the Auditor General's report were at the Sub-Treasury's Department to be uplifted by the relevant individuals. However, the cheques were subsequently refunded to the Consolidated Fund.

5.5.2 A Member enquired whether the Officer was au fait with the Procurement Act 2003 and the FMAA Act 2003. She responded in the affirmative and acknowledged that the Region at that time acted in contravention of the Acts.

5.5.3 During the discussion which ensued it was pointed out that the cheques on hand were for the supply of crush stone to various Neighbourhood Democratic Councils (NDCs). Consequently, the Accounting Officer was requested to submit to the Committee a list of the NDCs to which the crush stone were to be delivered.

- 5.6 **Paragraphs 586 and 587 – Shortfall in capital expenditure**
- 5.6.1 A Member enquired whether the projects that were not implemented in 2015 were subsequently completed in 2016. The Accounting Officer responded in the affirmative. She affirmed that the Region was given multi-year contracts approval in that regard.
- 5.6.2 Thereafter, the Chairman requested a list of the projects and a copy of the multi-year approval.
- 5.6.3 Additionally, the Accounting Officer confirmed that the three vehicles budgeted for in 2015 were subsequently assigned to the Regional Administration, Health and Education Departments.
- 5.7 **Paragraphs 588 and 589 – Overpayment to Contractor**
- 5.7.1 Based on a query, the Accounting Officer informed Members of the Committee that the overpayments had been recovered.
- 5.8 At 11.34 a.m., the Committee concluded the examination of the above accounts.

ITEM 6: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No.1 – Barima/Waini	523-540 (18)	Mr. Leslie Wilburg

- 6.1 At 11.36 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 1 – Barima/Waini together with the comments submitted by the Accounting Officer for the year 2015.
- 6.1.1 Officers present for the examination were:
- (i) Mr. Leslie Wilburg - Regional Executive Officer
 - (ii) Mr. Yogeshwar Narain - Civil Engineer
 - (iii) Ms. Diane Pritchard - Assistant Accountant

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

6.2 Paragraph 523 – Clearance of cheque orders

6.2.1 In responding to a query, the Accounting Officer informed the Committee that 229 cheque orders were cleared and the Region was currently working with the Accountant General's Office to have the other matters resolved. He stated that due to the unavailability of documents some of the vouchers would be reconstructed.

6.2.2 The Accountant General indicated that all the Regions would have Sub-Treasury Departments to assist with the reconstruction of vouchers. She advised the Accounting Officer that approval should be sought from the Ministry of Finance for the reconstruction of vouchers.

6.2.3 A Member enquired whether a staff was assigned to address the issue with a view of having the matter resolved at its earliest. In response, the Accounting Officer stated that the Region's Accountant was tasked with that responsibility.

6.3 Paragraphs 524 – Overpayment to Contractor, Repairs to Mabaruma Amerindian Hostel and Pakera Hospital, Matthew's Ridge

6.3.1 Based on a query, the Accounting Officer apprised Members that several letters were sent to the contractor regarding the overpayment. He stated that the Region had engaged the Ministry of Communities to assist in resolving the issue.

6.3.2 A Member pointed out that mention was made in the Auditor General's Report that legal advice would be sought through the Ministry of Communities. He requested a status update on the issue.

6.3.3 Mr. Mc Garrell, in response, stated that the letters sent to the contractor was copied to the Ministry. Notwithstanding this, the Ministry would engage the contractor. However, if no response was received, the Ministry would seek advice from the Attorney General.

6.3.4 Thereafter, the Chairman requested that Mr. Mc Garrell should verify the information provided by the Accounting Officer and report to the

- 6.4 **Paragraph 525 – Disposal of unserviceable vehicle/equipment**
- 6.4.1 A Member enquired whether approval was sought from the Finance Secretary to write off the unserviceable items.
- 6.4.2 In response, the Accounting Officer indicated that approval was recently granted for the establishment of a Board of Survey. Presently, a list of the unserviceable items was being reviewed by the Board and should be completed within two weeks.
- 6.5 **Paragraph 526 – Overpayments on projects totalling \$30.445M**
- 6.5.1 The Accounting Officer in responding to a query informed the Committee that letters were sent to the overpaid contractors. The letters were also copied to Ministry of Communities for further advice.
- 6.5.2 The Chairman enquired whether any of the overpaid contractors were currently engaged in other works within the Region. The Accounting Officer responded in the negative.
- 6.5.3 The Accounting Officer was then requested to provide the Committee with a list of the overpaid contractors by the end of the week. The Chairman cautioned the Accounting Officer that if the information provided was inaccurate sanctions would be instituted against him.
- 6.5.4 The Chairman read a correspondence dated 16th March, 2016 from the Accounting Officer to the contractor, Mr. Robindra Samaroo. The letter stated that the contractor should make urgent contact with the Region in an effort to repay the outstanding overpayments. Further, failure to respond would result in legal action being taken.
- 6.5.5 Questioned whether any response was received from the contractor and whether any legal action was taken in that regard. The Accounting Officer responded in the negative. He stated that a reminder letter was sent to the contractor in an effort to recover the overpayment.
- 6.5.6 The Chairman expressed dissatisfaction with the approach taken by the Accounting Officer.
- 6.5.7 At that point, Mr. Mc Garrell undertook to follow up the issue. He stated

that the Ministry would engage the Attorney General for legal advice.

- 6.5.8 The Chairman enquired about the total number of contractors that were overpaid and enquired a second time whether any of the individuals were currently engaged in other works within the Region. The Accounting Officer indicated that eight contractors were overpaid and re-iterated that none were engaged in further contracts.
- 6.5.9 Subsequently, the Accounting Officer indicated that two of the contractors were currently engaged in works within the Region. At that juncture, the Chairman expressed dissatisfaction that the Accounting Officer misled the Committee.
- 6.5.10 Immediately after, the Committee terminated the examination of the above accounts. Members agreed that the Accounting Officer was warned before the examination about the truthfulness in the responses provided and nonetheless misled the Committee.
- 6.5.11 The Chairman then sought advice from the Clerk of the Committee on the way forward. The Clerk of the Committee informed Members that further advice would be sought from the Clerk of the National Assembly regarding the issue.
- 6.5.12 The Committee then agreed to a short break to consult on the issue. Upon resumption of the meeting, the Chairman drew Members' attention to:
- (i) The Fiscal Management and Accountability Act 2003, *Section 85* which stated "*An official who - (a) falsifies any account, statement, receipt or other record issued or kept for the purposes of this Act, the Regulations, the Finance Circulars or any other instrument made under this Act; (b) conspires or colludes with any other person to defraud the State or make opportunity for any person to defraud the State; or (c) knowingly permits any other person to contravene any provision of this Act, is guilty of an indictable offence and liable on conviction to a fine of two million dollars and to imprisonment for three years.*";
 - (ii) The Legislative Bodies (Evidence) Act Chapter 1:08, *Section 8* which stated "*Every person examined under this Act who wilfully gives false evidence shall be guilty of perjury.*"; and

(iii) The Audit Act 2004, Section 3.7 (c) which stated " A person commits an offence who, knowingly and without lawful justification or excuse - makes a statement or gives information to the Auditor General or an officer authorised by him knowing that the statement or information is false or misleading."

- 6.5.13 Thereafter, Members agreed that the Clerk of the Committee should write the Minister of Communities notifying him of the matter. Letters should also be sent to the Finance Secretary and the Permanent Secretary, Ministry of Communities in relation to the Committee's recommendation that sanctions should be instituted against the Officer. The decision taken in that regard should be conveyed to the Committee.
- 6.5.14 Mr. Mc Garrell pointed out that there were systemic failures in the functioning of the Regional Finance Committees which had oversight responsibilities.
- 6.5.15 Consequently, the Clerk of the Committee was requested to write the Regional Executive Officers (REOs), the Regional Chairpersons, the Vice-Chairpersons and the Chairpersons of the Regional Finance Committees outlining the observation raised by Mr. Mc Garrell and remind them of their oversight responsibilities.
- 6.5.16 The Auditor General was also requested to examine the functioning of the Regional Finance Committees when conducting audits.
- 6.5.17 The Chairman suggested that the Committee should conduct a forum with the REOs, Regional Chairpersons, Vice-Chairpersons and the Chairpersons of the Finance Committees in an effort to address the issues highlighted in the Auditor General's Report.
- 6.5.18 Following the decision of the Committee, Mr. Figueira, Mr. Dharamlall, the Auditor General and Mr. Mc Garrell were asked to brief the Accounting Officer accordingly.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 2 – Pomeroon/Supenaam	541-544 (14)	Mr. Rupert Hopkinson

7.1 At 12.50 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 2 – Pomeroon/Supenaam together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Mr. Rupert Hopkinson - Regional Executive Officer
- (ii) Ms. Portia Jacobs - Expenditure Planning & Management Analyst
- (iii) Ms. Nandanie Kayume - Assistant Accountant
- (iv) Dr. Afarah Khan - Regional Health Officer (ag)

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

7.2 **Paragraph 541 – Lost of gasoline and shortage of cash**

7.2.1 Following a query, the Accounting Officer informed the Committee that, to date, no response was received from the Commander, 'G' Division on the matter. He, however, indicated that the letter was copied to the Permanent Secretary, Ministry of Communities.

7.2.2 The Committee was also informed that the last correspondence to the Commander was dated 16th November, 2016. The Accounting Officer was requested to submit to the Committee a copy of the letter for verification.

7.3 **Paragraph 542 – Fuel and lubricants**

7.3.1 Based on a query, the Accounting Officer informed the Committee that presently there were separate bin cards for the Region's fuel and the National Drainage & Irrigation Authority (NDIA), however, they were stored in the same tank.

7.3.2 He stated that NDIA had indicated that they did not have the capacity to store their fuel, however, they were prepared to have their fuel stored at GUYOIL and collected as per demand.

7.3.3 Questioned about the measures in place to avoid wastage of fuel, the Accounting Officer stated that measures were being put in place for the proper handling of fuel.

7.3.4 A discussion ensued, after which, a Member suggested that the Accounting Officer should revisit the issue and present a detailed report to the Committee on the matter and the measures implemented to avoid recurrences. Thereafter, the Committee endorsed the Member's suggestion.

7.4 **Paragraph 543 – Occupation of Government Quarters**

7.4.1 The Chairman enquired whether the Accounting Officer was in receipt of a list of the buildings and the occupants. The Accounting Officer responded in the affirmative. However, he indicated that at present he was not in receipt of the list.

7.4.2 Questioned further whether all occupants were government employees and whether the aforementioned information was presented to the Auditor General at the exit interview, the Accounting Officer responded in the affirmative.

7.4.3 The Chairman then read the Accounting Officer's response in the Auditor General's Report which alluded to the fact that in some instances occupants, who were not government employees, were written to requesting that they vacate the building, among other things.

7.4.4 The Accounting Officer was then asked a second time whether all the occupants were government employees. At that point, he responded in the negative.

- 7.4.5 Consequently, the Chairman cautioned the Accounting Officer about the misleading information he was providing to the Committee.
- 7.4.6 The Accounting Officer then explained that one of the government quarters was occupied by the former Regional Executive Officer, who was since written to about vacating the building. Thereafter, the Auditor General was requested to follow up the matter.
- 7.4.7 Subsequently, the Accounting Officer was asked whether rent was being deducted from the occupants salaries. In response, he answered in the affirmative.
- 7.4.8 Questioned further about the commencement of deductions, the Accounting Officer indicated that rents were being deducted from some of the occupants, however, with effect from February, 2017 deductions would be made from all the occupants.
- 7.4.9 A discussion ensued. However, Members were dissatisfied with the inconsistent responses provided by the Accounting Officer. As a result, the Committee terminated the examination of the above accounts.
- 7.4.10 A Member expressed concerned about the responses provided by some of the Accounting Officer even though they appeared before the Committee on previous occasions.
- 7.4.11 She enquired whether Mr. Mc Garrell could advise the Committee why the Accounting Officers under his purview as Permanent Secretary of the Ministry of Communities, were ill-prepared in the responses provided.
- 7.4.12 Mr. Mc Garrell, in response, stated that meetings were held with Accounting Officers prior to appearing before PAC. In addition, a Field Auditor was specifically assigned to assist each of the Officers in that regard. He stated that he was surprised with some of the Officer's responses since he was aware that they had supporting documentations.
- 7.4.13 Thereafter, the Accountant General (ag) shared similar sentiments to Mr. Mc Garrell.

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR
THE FISCAL YEAR ENDING 31ST DECEMBER, 2015,
TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL
THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 7 – Cuyuni/Mazaruni	625-646 (22)	Mr. Roderick Edinboro

8.1 At 1.40 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 7 – Cuyuni/Mazaruni together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Mr. Roderick Edinboro - Regional Executive Officer
- (ii) Mr. Sunil Singh - Deputy Regional Executive Officer
- (iii) Dr. Edward Sagala - Regional Health Officer
- (iv) Ms. Anita Ceasar - Stock Verifier

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

8.2 **Paragraph 625 – Overpayments to the Guyana Revenue Authority (GRA) and the National Insurance Scheme (NIS)**

8.2.1 A Member enquired whether the Region received any response from GRA and NIS regarding refunds of the overpayments.

8.2.2 In response, the Accounting Officer informed the Committee that in December, 2016, NIS had indicated that they were willing to issue refunds once they were provided with supporting evidence that the individuals were paid.

8.2.3 Additionally, the Region was in the process of submitting the relevant information to NIS in that regard. On the other hand, no response was received from GRA.

8.3 Paragraph 626 – Fuel and lubricants

8.3.1 In light of a query, the Accounting Officer informed the Committee that the Region had requested approval for write off of fuel and lubricants valued at \$1.398M. To date, no response was received.

8.3.2 Following a discussion, the Auditor General was requested to verify whether such request was made. The Chairman warned the Accounting Officer that if the information provided was inaccurate he would be sanctioned.

8.4 Paragraph 627 was considered.

8.5 Paragraph 628 – Cash payments of salaries

8.5.1 Based on a query, the Accounting Officer informed the Committee that in January, 2017, thirty-five letters were sent to individuals requesting them to submit their bank account numbers. However, 17 persons did not comply and as such were being paid with cash in the Bartica area and it's environs.

8.5.2 A Member enquired what actions would be taken if the persons did not comply with the request within one month. In response, the Accounting Officer stated that the Region would withhold their salaries if no response was received.

8.5.3 A discussion ensued. Members expressed dissatisfaction with the responses proffered by the Accounting Officer on some of the issues.

8.5.4 Consequently, a Member suggested that the meeting with the Permanent Secretary, Ministry of Communities and the Regional Executive Officers should be held the following week. The Clerk of the Committee was reminded to dispatch letters of invitations in that regard.

8.6 At 2.10 p.m., the Committee terminated the examination of the above accounts.

Adjournment

At 2.15 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 27th February, 2017.

Confirmed this ^{3rd} day of April, 2017

.....
Mr. Mohamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
25TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 3RD APRIL, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

- 1.1 Bishop Juan A. Edghill called the meeting to order at 10.08 a.m. He informed Members that the Chairman would be late and asked that he presided over the meeting until his arrival.

ITEM 2: CIRCULATION OF DOCUMENTS

- 2.1 The following documents had been circulated prior to the meeting:-
- (i) Notice of the 25th Meeting dated 29th March, 2017;
 - (ii) Minutes of the 22nd Meeting held on the 6th February, 2017;
 - (iii) Minutes of the 23rd Meeting held on the 13th February, 2017;
 - (iv) Minutes of the 24th Meeting held on the 20th February, 2017;
 - (v) Minutes of the 1st Special Meeting held on the 27th February, 2017;
- and
- (vi) Copies of incoming correspondence as at paragraph 3.1.

ITEM 3:

CORRESPONDENCE

3.1

Incoming:

- (i) Letter dated February 9, 2017, from Ms. Pauline Lucas, Regional Executive Officer Region No. 4, re: Examination of the 2015 Report of the Auditor General - Updated;
- (ii) Letter dated February 20, 2017, from Mr. Balraj Balram, Permanent Secretary Ministry of Public Infrastructure, re: Examination of the 2015 Report of the Auditor General - Ministry of Public Infrastructure;
- (iii) Letter dated February 28, 2017, from Ms. Kim Williams-Stephen, Regional Executive Officer, Region No. 6 - East Berbice/Corentyne, re: Report on Auditor General report 2015, Region No. 6, Paragraph 614; and
- (iv) Letter dated March 1, 2017, from Ms. Kim Williams-Stephen, Regional Executive Officer, Region No. 6 - East Berbice/Corentyne, re: Amendments to responses of the Regional Democratic Council.

3.2

Outgoing:

- (i) Letter dated 20th March, 2017 to Mr. Leslie Wilburg, Regional Executive Officer, Region No.1- Barima/Waini re: Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated 20th March, 2017 to Mr. Rupert Hopkinson, Regional Executive Officer, Region No. 2 - Pomeroon/Supenaam re: Notice of and Invitation to attend PAC Meeting; and
- (iii) Letter dated 20th March, 2017 to Mr. Roderick Edinboro, Regional Executive Officer, Region No.7 - Cuyuni/Mazaruni re: Notice of and Invitation to attend PAC Meeting.

ITEM 4: CORRECTION AND CONFIRMATION OF THE MINUTES OF 22ND MEETING HELD ON 6TH FEBRUARY, 2017

4.1 Correction

4.1.1 Page 239, paragraph 8.2.3 – Overpayment of Salaries

- Insertion of the word “off” after the word “written” in line 3 of the paragraph.

4.2 Thereafter, the Minutes were confirmed, as corrected, on a motion moved and seconded by Mr. Jermaine Figueira and Mr. Audwin Rutherford, respectively.

ITEM 5: MATTERS ARISING

5.1 There were no matters arising from the Minutes.

ITEM 6: CORRECTION AND CONFIRMATION OF THE MINUTES OF 23RD MEETING HELD ON 13TH FEBRUARY, 2017

6.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Audwin Rutherford and Mr. Nigel D. Dharamlall, respectively.

ITEM 7: MATTERS ARISING

7.1 There were no matters arising from the Minutes.

ITEM 8: CORRECTION AND CONFIRMATION OF THE MINUTES OF 24TH MEETING HELD ON 20TH FEBRUARY, 2017

8.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Audwin Rutherford and Ms. Pauline Campbell-Sukhai, respectively.

ITEM 9: MATTERS ARISING

9.1 There were no matters arising from the Minutes.

ITEM 10: CORRECTION AND CONFIRMATION OF THE MINUTES OF 1ST SPECIAL MEETING HELD ON 27TH FEBRUARY, 2017

10.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Ms. Pauline Campbell-Sukhai and Mr. Audwin Rutherford, respectively.

ITEM 11: MATTERS ARISING

11.1 There were no matters arising from the Minutes.

ITEM 12: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 1 - Barima/ Waini	523-540 (18)	Mr. Leslie Wilburg

12.1 At 10.25 a.m., the Committee continued its consideration of the Report of the Public Accounts with respect to Region No. 1 - Barima/Waini together with the comments submitted by the Accounting Officer for the year 2015.

12.1.1 Officers present for the examination were:

- (i) Mr. Leslie Wilburg - Regional Executive Officer
- (ii) Mr. Tikaram Bisesar - Deputy Regional Executive Officer
- (iii) Mr. Nigel Richards - Regional Education Officer
- (iv) Mr. Cerdel Mc Watt - Regional Health Officer
- (v) Mr. Edmund Inniss - Accountant
- (vi) Mr. Yogeshwar Narain - Civil Engineer
- (vii) Mr. Raul Boyer - Civil Engineer
- (viii) Mr. Frederick Cort - Electrical Engineer

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

12.1.2 The Committee acknowledged that paragraphs 523 to 526 were considered at its 24th Meeting held on Monday, 20th February, 2017.

12.2 Paragraph 526 – Overpayments on projects totalling \$30.445M

12.2.1 Based on a query, the Accounting Officer informed the Committee that the Region was successful in recovering overpayments totalling \$818,000 (construction of gravel surface road from Koko to Hymacabra) and \$272,000 (construction of Tobago Primary School).

12.2.2 Members were also informed that based on the advice of the Permanent Secretary, Ministry of Communities, a Notice was placed in the print media on 2nd April, 2017 regarding the outstanding overpayments. The Region was currently awaiting a response from the overpaid Contractors.

12.2.3 Questioned whether any of the overpaid Contractors were engaged in other works within the Region, the Accounting Officer responded in the negative. He explained that one of the Contractors was currently carrying out works in the Region for Guyana Water Authority Inc. (GWI).

12.2.4 A Member enquired if any legal advice was sought from the Attorney General on the issue. Mr. Mc Garrell stated that a letter was sent to the Attorney General in that regard, however, no response was received. Notwithstanding that, Mr. Mc Garrell assured Members that an update on the issue would be provided at the next Meeting of the Committee.

12.3 Paragraph 527 – Overpayment to Contractor, Empoldering of 320 Acres of farmland along the Aruka River

12.3.1 In response to a query, the Accounting Officer indicated that the Contractor had, in writing, informed the Region of his commitment to repay the overpaid sums. Additionally, an authorisation was sent to the Region for the Accounting Officer to uplift the overpayments from the Sub-Treasury.

12.4 Paragraph 528 – Contract for the extension of Hosororo Primary School

12.4.1 In light of a query, Mr. Narain informed the Committee that the Region had submitted the requested documentation to the Auditor General for verification.

- 12.4.2 A Member highlighted that the Auditor General in his Report had pointed out that the Audit Office was not provided with the necessary documentation for verification of the completed project. Mr. Narain then explained that the submission was made after the Audit examination.
- 12.4.3 At that point, the Auditor General stated that he was not in receipt of the documents. Thereafter, the Presiding Member requested that the Region submit, by Friday, April 7, 2017, to the Auditor General the outstanding documentation and the evidence that the documents were previously submitted.
- 12.4.4 A Member enquired about the current status of the matter before the Court and the systems in place to avoid recurrences. In response, the Accounting Officer indicated that the next court hearing was scheduled for 5th April, 2017.
- 12.4.5 The Accounting Officer also stated that in an effort to avoid recurrences, periodic checks on works carried out would be done by the Engineer and team, after which a report would be submitted in that regard. Upon receipt of the Report, a visit would be made by the Accounting Officer and the Chairman of the Works Committee for further verification.
- 12.4.6 The Committee was further informed that, presently, there was a vacancy for a Field Auditor within the Region. Although the vacancy was advertised since May, 2016, the position had not yet been filled.
- 12.4.7 Following the discussion which ensued, a Member suggested that the Committee should recommend to the Ministry of Presidency, Department of Public Service a review of the incentive scheme in an effort to correct the current deficiency of staffing within the various Regions.
- 12.4.8 The Accounting Officer was then reminded to submit to the Auditor General the letter of termination of the contract as was recommended in his Report.

12.5 Paragraph 529 – Overpayments of Salaries and Deductions

12.5.1 In answer to a query, the Accounting Officer informed Members that letters were sent to the agencies concerned and a reminder letter was sent in the preceding week. However, due to the remoteness of some of the agencies, it was difficult to obtain the relevant documentation with regard to the payment of salaries, in a timely manner. Consequently, all Heads of Departments were advised to increase monitoring of the current system.

12.5.2 He further stated that Head Masters/Heads of Departments were advised to call the agencies, on a monthly basis, in an effort to obtain all relevant documentation for the payment of salaries, promptly.

12.5.3 A Member enquired about the promotion of the Cadet Programme in the Region. Mr. Richards stated that two persons were currently being trained for the Cadet Programme. At present, a programme was being carried out to upgrade the qualifications of teachers to gain entry into the Cyril Potter College of Education (CPCE).

12.5.4 Queries were made with regard to whether there were any Cadet Officers within in the Region and the length of time the Region was without a Deputy Regional Executive Officer (DREO).

12.5.5 Mr. Richards informed the Committee that at the conclusion of the Cadet Programme, on 18th April, 2017, one Cadet Officer would be assigned to the Region and within three to six months an additional Officer would be assigned. He stated that the Region was functioning without a DREO for the past two years.

12.6 Paragraph 530 – Procurement of drugs and medical supplies

12.6.1 In responding to queries, the Accounting Officer stated that there were shortages in the Region, however, they were able to function without the full complement of drugs and medical supplies. Mr. Mc Wait informed the Committee that there were shortages in topical treatments, hypertension, diabetic and, cough and cold medications.

12.6.2 Subsequent to a discussion, the Accounting Officer was requested to submit to the Committee, within a week, the following:

- (i) A list of drugs supplied to the Region and those not supplied;
- (ii) The procedure used to procure emergency medical supplies;

- (iii) Copy of Financial Returns for the year 2016; and
- (iv) A list of drugs and medical supplies that were to be purchased with the \$40M warranted to the Ministry of Public Health.

12.7 Paragraph 531 – Cheques on Hand

12.7.1 A Member enquired whether all the outstanding cheques were paid over to the relevant payees. The Accounting Officer responded in the negative.

12.7.2 He explained that some of the cheques were in the process of being updated while some were refunded to the Consolidated Fund. However, detailed information, in this regard, would be submitted to the Committee within a week.

12.7.3 Consequently, the Accountant General advised the Committee that some of the cheques were paid over to the relevant suppliers and contractors, while the others were refunded to the Consolidated Fund. She further stated that the Ministry of Finance had issued three receipts, in that regard, to the Region the previous week.

12.7.4 The Accounting Officer confirmed that the receipts were issued. He stated that the values of the receipts were \$8,981,716, \$8,212,637 and \$5,272,631.

12.7.5 Thereafter, the Accounting Officer was requested to submit to the Committee, within one week, information on the types of goods or services procured with the 169 cheques valued at \$90.021M.

12.8 Paragraphs 532 and 533 – Shortfall in Capital Expenditure

12.8.1 The Accounting Officer, in responding to a query, indicated to Members that the shortfall in Capital Expenditure was as a result of the late approval of the 2015 National Budget. He stated that the projects were awarded in 2015, however, some were re-budgeted for in 2016.

12.8.2 Thereafter, the Accounting Officer was requested to submit to the Committee, within one week, information regarding:

- (i) The contracts awarded in 2015 and re-budgeted for in 2016; and
- (ii) The current status of each project.

12.9 Paragraphs 534 and 535 – Outstanding Assets and Capital Items totalling \$10.245M and \$9.970M, respectively

12.9.1 Questioned whether the Region had received all the items purchased in 2014 and whether the inventory was updated, the Accounting Officer responded in the affirmative.

12.9.2 Noting the Accounting Officer's response, the Auditor General indicated that the information provided would be verified during the 2016 Audit

12.10 Paragraphs 536 to 538 – Overpayments to Contractors

12.10.1 In light of a query, the Accounting Officer informed the Committee that three contracts were terminated, while the others, with the exception of the enclosure of teachers' quarters at Santa Rosa, Moruca and the Rehabilitation of the X-ray room at Kumaka District Hospital, were completed.

12.10.2 Mr. Narain explained that the Region was currently awaiting the Contractor to complete electrical works on the two above-mentioned projects. He informed the Committee that a letter was sent to the Contractor with respect to the liquidated damages.

12.10.3 At that juncture, the Presiding Member requested that the Accounting Officer submit to the Committee, within two weeks, the current status of the projects and the actions undertaken by the Region to have the matter resolved.

12.11 Paragraphs 539 and 540 – Overpayments on Contract, Construction of No. 2 Bridge, Hosororo Stretch, Mabaruma

12.11.1 The Presiding Member enquired about the current status of the above-mentioned project. Mr. Narain informed Members that the project was terminated.

12.11.2 In addition, the Committee was also informed that the sum of \$2,642,798 was refunded to the Consolidated Fund and the project was re-budgeted for in 2017.

- 12.11.3 Following a discussion, the Presiding Member recommended that the Accounting Officer should consult with the Auditor General on the issue and provide the Committee, within one week, information regarding the status of the project.
- 12.11.4 At that point Mr. Irfaan Ali assumed the position of Chairmanship. He advised Members that the Committee was currently awaiting a response from the Minister of Communities regarding the sanctions that should be instituted against the Accounting Officer for misleading the Committee at its 24th Meeting held on 27th February, 2017.
- 12.12 At 12.33 p.m., the Committee concluded the examination of the above accounts.

ITEM 13: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 2 - Pomeroon/Supenaam	541-554 (14)	Mr. Rupert Hopkinson

- 13.1 At 12.50 p.m., the Committee continued its consideration of the Report of the Public Accounts with respect to Region No. 2 – Pomeroon/Supenaam together with the comments submitted by the Accounting Officer for the year 2015.

- 13.1.1 Officers present for the examination were:

- (i) Mr. Rupert Hopkinson - Regional Executive Officer
- (ii) Ms. Yvette Hastings - Asst. Regional Executive Officer
- (iii) Ms. Baramdai Seepersaud - Regional Education Officer
- (iv) Dr. Afarah Khan - Regional Health Officer (ag)
- (v) Mr. Renick Marslow - Regional Engineer
- (vi) Ms. Portia Jacobs - Expenditure Planning & Management Analyst
- (vii) Ms. Nandanie Kayume - Assistant Accountant

Mr. Emil Mc Garrell, Permanent Secretary, Ministry of Communities was also in attendance.

13.1.2 The Committee acknowledged that paragraphs 541 to 543 were considered at its 24th Meeting held on Monday, 20th February, 2017.

13.2 Paragraph 543 – Occupancy of Government Quarters

13.2.1 Following several queries from Members, the Accounting Officer stated that presently:

- (i) There were 62 Government quarters within the Region;
- (ii) 54 occupied, while 8 were unoccupied; and
- (iii) 43 were occupied by Government Officials, of which 7 were paying rent.

13.2.2 The Committee was also informed that letters were sent to 12 individuals who were not entitled to occupancy of the quarters. To date, 3 responses were received in that regard.

13.2.3 Members were further informed that some of the individuals, who were occupying quarters, although not entitled to do so, were as a result of previous practice where the discretion of the Regional Executive Officer was used.

13.2.4 The Chairman warned the Accounting Officer of the comments made and advised him of the Public Service Rules of 2004, *Section N11* (Occupancy of Government quarters, free of rent, in special cases) which states:

“(1) A Public Servant who is by virtue of an acting appointment occupies rent-paid Government quarters but in view of the evident shortness of the period finds it imprudent to vacate his/her former quarters (whether rental or private) may, with the prior approval of the Permanent Secretary, Public Service Ministry, be allowed to occupy quarters provided for him/her in his/her acting capacity of rent for a period not exceeding six calendar months.”

13.2.5 Consequent to a discussion, the Auditor General was requested to follow up the issue.

13.3 Paragraph 544 - Overpayments to Contractors

13.3.1 In responding to a query, the Accounting Officer apprised Members that a Public Notice was placed in the print media on February 19, 2017. Mr. Narain indicated that the Contractors were written to on Friday, March 31, 2017, regarding the overpayments and they acknowledged receipt of the letters.

13.3.2 He stated that the overpayments were made to Coltech Construction Co., JPM General Construction and Engineering Services, and Suraj Building & Contracting Co.

13.3.3 The Chairman enquired whether any of the Contractors were currently engaged in other works within the Region. Mr. Narain responded in the negative. Thereafter, Mr. Mc Garrell was requested to follow up the matter.

13.4 Paragraph 545 – Overpayment of salaries and deductions

13.4.1 A Member enquired about the current status of the overpayments. In response, the Accounting Officer stated that the Region had written the Bank, in an effort to have the monies refunded from the two overpaid individuals' accounts. However, the Region was informed that the accounts had no funds.

13.4.2 The Accounting Officer was then asked whether letters were sent to the overpaid individuals in an effort to recover the overpaid salaries. He responded in the negative.

13.4.3 The Accountant General advised the Accounting Officer that the letters should have been copied to the Accountant General's Department, Ministry of Finance and the Auditor General.

13.4.4 At that juncture, the Chairman expressed dissatisfaction with the responses being proffered by the Accounting Officer. He stated that it was evident that there were systemic problems within the Region and recommended that Mr. Mc Garrell should examine the issue.

13.5 Paragraph 546 – Procurement of drugs and medical supplies

13.5.1 Based on a query, the Committee was informed that there were shortages of drugs and medical supplies within the Region. Notwithstanding that, only emergency drugs and medical supplies were purchased to meet the shortfall at that time. The Auditor General was requested to follow up the matter.

13.6 **Paragraphs 547 and 548 – Maintenance of Log Books**

13.6.1 The Committee was informed that all the Region's vehicles had been equipped with log books. Additionally, on Friday, March 31, 2017, training sessions were held with drivers with regard to the maintenance of log books.

13.7 **Paragraph 549 – Disposal of unserviceable vehicles/equipment**

13.7.1 In response to queries, the Accounting Officer indicated that letter dated February 2, 2017 was sent to the Ministry of Public Infrastructure with respect to the examination of the unserviceable items. The Region was advised, on February 16, 2017, that a Mechanical Engineer would be sent to the Region to carry out the relevant inspections.

13.7.2 Thereafter, the Accounting Officer was requested to submit to the Committee, within one week, information regarding the total number of serviceable and unserviceable vehicles.

13.8 **Paragraph 550 – Cheques not refunded to the Consolidated Fund**

13.8.1 Questioned about the total number of cheques refunded to the Consolidated Fund, the Accounting Officer mentioned that 17 cheques were refunded.

13.8.2 On the contrary, the Accountant General pointed out that, records of the Accountant General's Department showed that 66 cheques were refunded to the Consolidated Fund.

13.8.5 She posited that the Accounting Officer was previously advised that contact should be made with Contractors regarding the submission of outstanding supplies in an effort to have their payments released.

13.9 **Paragraphs 551 and 552 – Shortfall in Capital Expenditure**

13.9.1 Based on queries, the Accounting Officer informed the Committee that with regard to the construction of Aurora Primary School, the Region was currently awaiting the delivery of the generator purchased.

13.9.2 Questioned further on the project, the Accounting Officer stated that the project was budgeted for in 2015 and rolled over to 2016. He was subsequently requested to submit to the Committee, a copy of the approval.

13.9.3 Following a discussion, Members agreed that the Accounting Officer was unable to provide detailed information regarding the project. Consequently, the Chairman recommended that further consideration of the issue should be deferred to a subsequent meeting of the Committee.

13.10 Paragraph 553 – Overpayments to Contractor

13.10.1 A Member enquired the reason for the contract regarding the construction of RC water trestle at Suddie Public Hospital being awarded to the fourth most responsive bidder. However, the Accounting Officer was unable to provide an accurate response.

13.10.2 As a result, the Chairman recommended that further consideration of the issue should be deferred to a subsequent meeting of the Committee. The Auditor General was also requested to follow up the issue.

13.11 Paragraph 554 – Capital Purchases

13.11.1 Following several queries, the Accounting Officer informed the Committee that all of the outstanding items were supplied, with the exception of the otoacoustic equipment. Additionally, he stated that the Contractor had committed, by way of letter, to have the equipment delivered by the end of April, 2017, among other things.

13.11.2 However, Members expressed concern about the information being provided and agreed that further consideration of the issue should be deferred to a subsequent meeting of the Committee.

13.12 At 2.20 p.m., the Committee terminated the examination of the above accounts.

ITEM 14: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No.7 - Cuyuni/Mazaruni	625-646 (22)	Mr. Roderick Edinboro

14.1 At 2.25 p.m., the Committee continued its consideration of the Report of the Public Accounts with respect to Region No. 7 - Cuyuni/Mazaruni together with the comments submitted by the Accounting Officer for the year 2015.

14.1.1 Officers present for the examination were:

- (i) Mr. Roderick Edinboro - Regional Executive Officer
- (ii) Ms. Olinda Kyrenhoff-Griffith - Regional Vice-Chairperson
- (iii) Ms. Mary Jones - Chairperson, Finance Committee
- (iv) Mr. Akbar Chindu - Regional Education Officer (ag)
- (v) Ms. Merlene Ferrier - Hospital Administrator
- (vi) Ms. Andrea Allen - Assistant Accountant
- (vii) Ms. Roxanne Belle - Store Keeper III
- (viii) Ms. Anita Ceasar - Stock Verifier

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

14.1.2 The Committee acknowledged that paragraphs 625 to 628 were considered at its 24th Meeting held on Monday, 20th February, 2017.

14.2 Paragraphs 629 and 630 - Procurement of drugs and medical supplies

14.2.1 The Committee was informed that there were no shortages of drugs and medical supplies within the Region in 2015. Furthermore, the sum of \$3M was used to purchase emergency supplies.

14.2.2 A Member enquired whether all the ledgers were updated on a daily basis. Ms. Ferrier responded in the affirmative.

14.2.3 A lengthy discussion ensued in relation to the policy used to warrant monies to the Ministry of Health. It was pointed out that the directive, in that regard, was given to all Regions through the Ministry of Finance.

14.3 Paragraph 631 - Maintenance of Utility Registers

14.3.1 In answering several queries, the Accounting Officer indicated the following:

(i) Supporting documentations to substantiate the expense voucher No. 7702266 paid on December 22, 2015 for electricity charges were subsequently located;

(ii) The Region was currently in the process of carrying out physical verifications of utilities, in an effort to compile a certified list of telephone numbers and meter numbers for electricity and water; and

(iii) Registers were updated and the Region was working in collaboration with the Auditor General to have the issue resolved.

14.3.2 Questioned further about the systems in place to ensure that only authorised utilities were paid for by the Region, the Accounting Officer explained that before payments were made, the bills were sent to the relevant sections and verification would then be done by Programme Managers.

14.4 Paragraph 632 was considered.

14.5 Paragraphs 633 and 634 - Non-Compliance of Stores Regulations

14.5.1 Based on a query, the Accounting Officer informed the Committee that the Regional Administration had created the relevant registers as recommended by the Auditor General. He further stated that strenuous efforts were being made to ensure that the registers were properly maintained.

14.5.2 He also indicated that, currently, the Region was without a Stores Clerk and other critical staff. However, all vacancies were advertised through the Public Service Commission (PSC) in 2016. The positions were yet to be filled.

14.5.3 A Member suggested that Mr. Mc Garrell should recommend that a system should be implemented to facilitate Regional Administrations advertising for the vacant positions within the respective Regions and shortlisting suitable applicants. Thereafter, the information would be sent to PSC for appointment of successful candidates.

14.5.4 Thereafter, a lengthy discussion ensued. Enquiries were made with respect to the systems in place to ensure the proper maintenance of log books among other things. In response, the Accounting Officer explained that log books were issued and training sessions were held with all drivers and supervisors in that regard.

14.5.5 The Accounting Officer also apprised Members that in an effort to ensure the maintenance of log books, verifications were done by management before the issuance of fuel. In relation to the verification of log books in the Sub-Regions, weekly fuel consumption reports were submitted and verifications done by the Assistant Regional Executive Officer and/or any other authorised personnel.

14.6 Paragraph 635 - Outstanding Payment Vouchers

14.6.1 Following several queries, the Accounting Officer informed the Committee that the five outstanding payment vouchers totalling \$2.796M and supporting documentations were subsequently submitted to the Auditor General for examination. However, the Auditor General confirmed that only two of the vouchers were received. As a result, the Accounting Officer was requested to submit the remaining three vouchers.

14.6.2 Consequent to a discussion, the Accounting Officer was requested to submit to the Committee, within a week, documentation regarding the 43 payment vouchers totalling \$28.163M which were direct payments to individuals.

14.7 Paragraph 636 - Maintenance of Warrant Register

14.7.1 The Committee was informed that, presently, the registers were maintained and efforts were being made to have the outstanding Financial Returns presented to the Auditor General for examination.

14.8 Paragraph 637 - Maintenance of Controlled Form Register

14.8.1 The Accounting Officer, in response to a query, apprised the Committee that the Controlled Forms Register was being maintained.

14.9 Paragraphs 638 and 639 were considered.

14.10 **Paragraphs 640 and 641 – Shortfall in Capital Expenditure**

14.10.1 A Member enquired whether outstanding works in relation to the rehabilitation of Agatash Main Access Road and the living quarters at Waramadong were completed. The Accounting Officer responded in the negative. He explained that some of the works were done in 2016, however, additional works would be completed in 2017.

14.11 **Paragraphs 642 to 646 were considered.**

14.12 At 3.40 p.m., the Committee concluded the examination of the above accounts.

ITEM 15: ANY OTHER BUSINESS

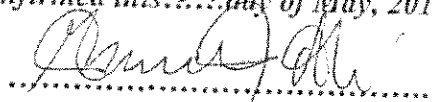
15.1 **Report on the recruitment of senior staff for the Secretariat of the Public Procurement Commission**

15.1.1 The Chairman advised Members of the Committee that the above-mentioned report would be considered at the next meeting.

Adjournment

At 3.45 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 10th April, 2017.

Confirmed this 2ndth day of May, 2017



.....
Mr. Mohamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
26TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 10TH APRIL, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P. - Excused

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)

The Finance Secretary - (Dr. Hector Butts)

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

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.20 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

2.2 Excuse

2.2.1 The Chairman informed the Committee that Ms. Pauline Campbell-Sukhai had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 26th Meeting dated April 4, 2017;
- (ii) Responses received on the Report of the Auditor General for the year 2015 with respect to the following Regions:
 - Region No. 8 – Potaro/Siparuni
 - Region No. 9 – Upper Takatu/Upper Essequibo
 - Region No. 10 – Upper Demerara/Berbice

- (iii) Report on the Recruitment of Senior Staff for the Secretariat of the Public Procurement Commission; and
- (iv) Copies of incoming correspondence as at paragraph 4.1.

3.2 The following documents were circulated at the meeting:-

- (i) The Audit Office of Guyana Briefing Notes on the Report of the Auditor General for the year 2015 with respect to the following Regions:
 - Region No. 8 – Potaro/Siparuni
 - Region No. 9 – Upper Takatu/Upper Essequibo
 - Region No. 10 – Upper Demerara/Berbice

ITEM 4: CORRESPONDENCE

4.1 Incoming:

- (i) Letter dated August 20, 2014 from Mr. Nigel Fisher, Regional Executive Officer, Region No. 1, re: Termination of Contract;
- (ii) Letter dated March 05, 2017 from Mr. Leslie Wilburg, Regional Executive Officer, Region No. 1, re: Submission of documents requested by Public Accounts Committee on matters to Barima/Waini Region 1; and
- (iii) Letter dated March 23, 2017 from Mr. Kerwin Ward, Regional Executive Officer, Region No. 9, re: Recovery of Overpayment.

4.2 Outgoing:

- (i) Letter dated 4th April, 2017 to Mr. Gavin Clarke, Regional Executive Officer, Region No. 10 – Upper Demerara/Berbice re: Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated 4th April, 2017 to Mr. Kerwin Ward, Regional Executive Officer, Region No. 9 – Upper Takutu/Upper Essequibo: Notice of and Invitation to attend PAC Meeting; and
- (iii) Letter dated 4th April, 2017 to Mr. Rafel Dowes, Regional Executive Officer, Region No. 8 – Potaro/Siparuni re: Notice of and Invitation to attend PAC Meeting.

ITEM 5:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 10 – Upper Demerara/Berbice	703-719 (17)	Mr. Gavin Clarke

5.1 At 10.26 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 10 – Upper Demerara/Berbice together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 Officers present for the examination were:

- (i) Mr. Gavin Clarke - Regional Executive Officer
- (ii) Ms. Maylene Stephen - Deputy Regional Executive Officer
- (iii) Ms. Marcia Paddy-Andrews - Regional Education Officer
- (iv) Dr. Pansy Armstrong - Regional Health Officer
- (v) Ms. Dolette Powers - Principal Assistant Secretary (F)
- (vi) Ms. Simone Johnson - Senior Personnel Officer
- (vii) Mr. Clive Peters - Civil Engineer
- (viii) Mr. Nigel Newton - Mechanical Engineer
- (ix) Mr. Ashley Chung - Transport Officer

Mr. Emil Mc Garrell, Permanent Secretary, Ministry of Communities was also in attendance.

5.2 Paragraph 703 – Overpayments to Contractors

5.2.1 Questioned whether the Region was successful in recovering the outstanding sum of \$160,000 and whether the Contractor was currently engaged in other works in the region, the Accounting Officer responded in the negative. He informed the Committee that the Contractor had committed, in writing, to repay the outstanding amount by the end of 2017.

5.2.2 Responding to a further query with respect to the systems in place to avoid recurrences of overpayments to Contractors, the Accounting Officer informed the Committee of the following:

- (i) The Clerk of Works was required to be on site of every project as was recommended by the Public Accounts Committee and there was also greater involvement of the Works Committee in the supervision of projects; and
- (ii) A proposal was submitted to the Permanent Secretary, Ministry of Communities, and the Finance Secretary, regarding a system where Project Officers could equally be held accountable for overpayments, since, it was their responsibility to supervise and subsequently certify that works were completed to specification. Furthermore, discussions were also held with the Auditor General on the issue.

5.2.3 Additionally, Members were informed that the Region's Works Committee was functional and was scheduled to meet every month. The Auditor General was then requested to verify the information provided by the Accounting Officer, in the 2016 audits.

5.3 Paragraph 704 was considered.

5.4 Paragraph 705 – Storage of Drugs and Medical Supplies

5.4.1 Based on a query, the Accounting Officer indicated that, presently, the Region's drugs and medical supplies were properly stored in a drugs holding area.

5.5 Paragraph 706 – Disposal of unserviceable vehicles

5.5.1 A Member requested an update on the aforementioned matter. In response, the Accounting Officer informed the Committee that an evaluation list of the vehicles was compiled and, checks and verifications were completed by Internal Auditors from the Ministry of Finance.

5.5.2 Consequently, a final list was being prepared to be submitted to the Finance Secretary to facilitate the disposal of the vehicles by the end of the month.

5.6 Paragraph 707 – Occupation of Government Quarters

5.6.1 In responding to several queries, the Accounting Officer indicated that, currently, there were 141 Government Quarters within the Region. He stated that 107 Quarters were occupied, of which six occupants were not entitled to housing.

- 5.6.2 He further stated that letters were sent to those six individuals requesting them to vacate the Quarters. He also informed the Committee that legal advice was sought from the Attorney General on the matter and the Region was currently awaiting a response in that regard.
- 5.6.3 During a discussion, it was pointed out that the information provided by the Accounting Officer was somewhat inconsistent. As a result, the Accounting Officer agreed to submit to the Committee a detailed list of occupancy of the Quarters.
- 5.6.4 Thereafter, the Auditor General was requested to follow up the matter and report his findings to the Committee within two weeks.
- 5.7 **Paragraph 708 was considered.**
- 5.8 **Paragraph 709 – Overpayments on contracts for the years 2010 to 2012**
- 5.8.1 The Accounting Officer stated that reminder letters dated 15th December, 2016, were sent to the overpaid Contractors. He indicated that one of the overpaid Contractors, McRae's Construction, had repaid \$20,000 and was currently working with the Regional Administration to have the outstanding amounts repaid.
- 5.8.2 A Member pointed out that, in 2016, the Committee was informed that there were disagreements with the measured works verified by the Auditor General and the works completed and signed off for by the Engineer. As a result, a follow up visit was suggested to clarify the issue. She enquired whether any follow up was done by the Contractor, the Engineers or the Auditors, in that regard. Ms. Stephen responded in the negative.
- 5.8.3 The Committee was also informed that legal advice was sought from the Attorney General on the matter; however, the Region was still awaiting a response. Thereafter, a copy of the letter was requested to be submitted to the Auditor General for follow-up.
- 5.8.4 Based on further queries regarding one of the overpaid Contractors who was now deceased, the Accounting Officer stated that the Region had not submitted a losses report to the Ministry of Finance in that regard. He assured Members that the report would be submitted by the end of the week. Subsequently, the Accounting Officer was advised to seek guidance from the Accountant General on the way forward.

5.9 Paragraph 710 – Unspent Inter-Departmental Warrant

5.9.1 Following several queries, the Committee was informed that there were shortages of drugs and medical supplies within the Region, primarily, those used to treat hypertension and infections. Presently, there was sufficient supply of the critical drugs needed.

5.9.2 Thereafter, the Accounting Officer was requested to submit to the Committee a list of the drugs and medical supplies where shortages occurred.

5.10 Paragraph 711 – Maintenance of Log Books

5.10.1 In light of a number of queries, the Accounting Officer confirmed that all the Region's log books were updated. He stated that the Mechanical Engineer, on a monthly basis, would verify that the log books were being properly maintained.

5.10.2 The Committee was also informed that, presently, there was an Assistant Field Auditor within the Region. However, the position of Field Auditor was yet to be filled.

5.11 Paragraphs 712 and 713 – Shortfall in Capital Expenditure

5.11.1 Following a query, the Accounting Officer informed the Committee that all projects were completed with the exception of the rehabilitation of Wismar Christiansburg Secondary School. He stated that the award was received in December, 2015. As a result, the project was re-budgeted for in 2016 and subsequently rolled over to 2017.

5.11.2 Questioned whether the grader and vehicle for public works were received and, if so, whether the grader was operable, the Accounting Officer responded in the affirmative.

5.11.3 Subsequent to further queries, the Committee was also informed that the Region's Tender Board was functional and the Minutes were presented to the National Procurement and Tender Administration Board (NPTAB), as required.

5.11.4 The Auditor General was requested to verify the information provided by the Accounting Officer.

5.12 **Paragraphs 714 and 715 – Overpayments on Capital Contracts**

5.12.1 The Accounting Officer, in responding to a number of queries, informed the Committee of the following:

- (i) A number of items were not procured due to the fact that some of the contracts were awarded late;
- (ii) Works on the Wismar Christianburg Secondary School's fence were not completed because of discrepancies in the Bill of Quantities and the project would be re-budgeted for in 2018;
- (iii) The Regional Administration was addressing an issue of unethical staff in the Region and letters were sent to the Permanent Secretary, Ministry of Communities and the Ministry of Finance regarding same; and
- (iv) The Contractor was written to and had indicated his willingness to repay the overpaid sums.

5.12.2 Consequently, the Accounting Officer was requested to submit, by the end of the week, copies of the aforementioned letters to the Committee.

5.13 **Paragraphs 716 to 719 were considered.**

5.14 At 12.27 p.m., the Committee concluded the examination of the above accounts.

ITEM 6: TO CONSIDER THE REPORT ON THE SELECTION OF CANDIDATES TO FILL THE THREE SENIOR POSITIONS OF THE SECRETARIAT OF THE PUBLIC PROCUREMENT COMMISSION

6.1 Following a brief discussion with respect to the benefits packages for the senior staff of the Secretariat, the Committee agreed to the following:

1. Chief Executive Officer

- Salary: Not more than G\$700,000 per month
- Gratuity of 22 ½ percent of gross salary paid semi-annually
- Entertainment allowance: G\$10,000 per month
- Telephone allowance: G\$15,000 per month
- House allowance: G\$40,000 per month
- 28 days annual leave and vacation allowance equivalent to one month's salary
- 24-hour security at place of residence

2. Head, Operations

Salary: Not more than G\$500,000 per month
Gratuity of 22 ½ percent of gross salary paid semi-annually
Entertainment allowance: G\$10,000 per month
Telephone allowance: G\$15,000 per month
28 days annual leave and vacation allowance equivalent to one month's salary

3. Head, Corporate

Salary: Not more than G\$500,000 per month
Gratuity of 22 ½ percent of gross salary paid semi-annually
Entertainment allowance: G\$10,000 per month
Telephone allowance: G\$15,000 per month
28 days annual leave and vacation allowance equivalent to one month's salary

- 6.2 Regarding the position of Chief Executive Officer, it was recommended that, if the 1st ranked candidate did not accept the proposed remuneration package then it should be offered to the 2nd ranked candidate.
- 6.3 Members of the Committee also agreed that duty free concessions should not be granted to any of the Officers since the Secretariat would be equipped with a vehicle.
- 6.4 At the conclusion of the discussion, the Clerk of the Committee was requested to, in writing; communicate the Committee's decision to the Commission.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 9 – Upper Takatu/Upper Essequibo	683-702 (20)	Mr. Kerwin Ward

7.1 At 1.18 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 9 – Upper Takatu/Upper Essequibo together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Mr. Kerwin Ward - Regional Executive Officer (ag)
- (ii) Ms. Debra Rampersaud - Assistant Secretary (F)
- (iii) Mr. Rolan Chuyee - Regional Health Officer (ag)
- (iv) Mr. Collis Nicholson - Senior Superintendent of Works

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

7.2 **Paragraph 683 – Overpayments of Salaries and Deductions**

7.2.1 In response to several queries, the Accounting Officer informed the Committee that the recovered amounts of \$51,839 and \$256,324 were the net salaries of two employees.

7.2.2 In addition, letters were sent to the National Insurance Scheme (NIS) and the Guyana Revenue Authority (GRA) regarding the overpaid deductions. To date, no response was received from GRA. However, a meeting was organised with the Manager, NIS Lethem Office and efforts were being made to have the outstanding amounts refunded. Presently, the Region was in the process of submitting to NIS a detailed list in relation to the employees as was requested.

7.2.3 Questioned about the systems in place to avoid recurrences, the Accounting Officer stated that, currently, payroll verifications were done by Programme Heads before pay sheets were sent to the Sub-Treasury.

7.3 **Paragraph 684 – Overpayments to Contractors**

7.3.1 The Accounting Officer, in responding to a query, indicated that reminder letters were sent, the previous week, to the overpaid Contractors. The Region had received responses from three of the Contractors. Members were also apprised that in an effort to prevent recurrences of overpayments, verifications were done before final payments.

7.3.2 The Committee was also informed that the Region was not equipped with the full complement of staff. Nevertheless, through collaboration with the Ministry of Communities, a Regional Engineer would be appointed by 1st May, 2017.

7.3.3 Questioned whether it was a practice for Toshaos, in far flung areas, to sign off projects upon completion, the Accounting Officer responded in the negative. He explained that letters would be sent by the village Toshaos indicating that works would have been completed. At that point, it was the onus of the Works Committee to sign off the projects.

7.4 **Paragraph 685 – Adherence to the Stores Regulations**

7.4.1 The Accounting Officer informed the Committee that breaches of the Stores Regulations were as a result of the shortage of staff at the time. He stated that an Accounts Clerk was assigned to update the stock ledgers at the Stores and a Field Auditor was recently appointed.

7.4.2 In answer to a further query with regard to the disposal of the obsolete items, the Accounting Officer stated that approval was granted for the establishment of a Board of Survey. He also stated that letters were sent to the Finance Secretary, the previous week, for the approval to dispose the items through a tender process.

7.4.3 The Committee was also informed that there were six vehicles assigned to the Region, however, only four were operable. Additionally, provisions were made for the purchase of two vehicles in the 2017 National Budget.

7.4.4 Further, the Accounting Officer affirmed that the Region had outboard engines in its Sub-Districts and they were supervised by the District Development Officers. He also stated that two Overseers from the Works Department would carry out weekly checks to ensure that the log books were properly maintained.

7.4.5 The Auditor General was requested to verify the information during his visit to the Region.

7.5 **Paragraph 686 – Outstanding Cheque Orders**

7.5.1 The Committee was informed that, in an effort to have the outstanding cheque orders cleared, the Region was currently in the process of verifying that all the items were received in its inventory. Upon completion, the Auditor General would be invited to verify same.

- 7.5.2 At that juncture, the Accountant General advised the Accounting Officer that in instances where supporting documentations could not be located, a request should be made to the Accountant General's Department for the reconstruction of the vouchers.
- 7.6 **Paragraph 687– Amounts totalling \$5.002M stolen from the Regional Administration**
- 7.6.1 Based on a query, the Accounting Officer indicated that the matter was currently before the High Court and the Region was awaiting an update from the Commander 'F' Division.
- 7.6.2 Questioned whether the individuals whose salaries were in the safe at the time of the robbery were eventually paid, the Accounting Officer responded in the negative.
- 7.6.3 The Member advised the Accounting Officer that the Committee had, previously, recommended that steps should be taken to have the individuals paid. Subsequently, the Accounting Officer assured Members that all efforts would be made to have the payments made. He also confirmed that the Contents of Safe Register was properly maintained.
- 7.7 **Paragraph 688 – Imprest Advances**
- 7.7.1 In light of a query, the Accounting Officer informed the Committee that the advance of \$90,000 was not cleared because the money was part of the aforementioned alleged robbery. However, as previously stated, the matter was still engaging the attention of the High Court.
- 7.7.2 A discussion ensued and the Committee was informed that the advance was issued to the Accountant for the purchase of one air conditioning unit.
- 7.7.3 Consequently, the Accountant General posited that an imprest advance should not be used to purchase capital items. She also stated that the advance should not have been in the safe since its purpose was for immediate use.

- 7.8 Paragraph 689 - Overpayments to Contractors**
- 7.8.1 The Committee was informed that reminder letters were sent to the overpaid Contractors. To date, two responses were received. The Accounting Officer was requested to submit to the Committee the dates the letters were sent.
- 7.8.2 The Accounting Officer explained that one of the Contractors had indicated that the overpayment made to him was consequent to the purchase of additional materials. He undertook to return the materials to the Region's Stores. Nevertheless, the Regional Administration was in the process of verifying the relevant documentations to have the matter resolved.
- 7.9 Paragraph 690 was considered.**
- 7.10 Paragraph 691 – Unspent Inter-Departmental Warrants**
- 7.10.1 Based on several queries, the Committee was informed that, presently, there were 55 health facilities within the Region and drugs were procured through public tender. Mention was also made that currently there were minor shortages of drugs and medical supplies, mainly, those used to treat chronic diseases, such as hypertension and diabetes.
- 7.11 Paragraph 692 – Expired Drugs**
- 7.11.1 Mr. Chuyee stated that most of the expired drugs were donations received. He explained that Senior Medical Officers would visit Health Centers on a monthly basis to ensure that all expired drugs were removed from the facilities.
- 7.12 Paragraph 693 – Fuel and Lubricants**
- 7.12.1 In responding to a query, the Accounting Officer stated that the Region had implemented a system where fuel was purchased on a cash basis. Mention was also made that the fuel was currently stored in 45 gallon drums and a dip stick was used to measure the fuel.
- 7.13 Paragraphs 694 and 695 – Shortfall in Capital Expenditure**
- 7.13.1 The Committee was informed that the construction of the bridge at Sand Creek was completed.

- 7.14 Paragraph 696 - Purchases of Capital Items**
- 7.14.1 A Member pointed out that the Region had indicated that all outstanding monies and cheques were returned to the Consolidated Fund and enquired whether the receipts were submitted to the Auditor General. The Accounting Officer responded in the negative.
- 7.14.2 The Accounting Officer was requested to submit copies of the receipts, to the Public Accounts Committee and the Auditor General, for verification.
- 7.15 Paragraph 697 – Overpayment on contract for the rehabilitation of Agriculture Complex, St. Ignatius**
- 7.15.1 Based on a query, the Accounting Officer informed the Committee that the Contractor had committed, via telephone, to repay the outstanding overpayment of \$402,000. He stated that, presently, there was a payment totalling \$761,113 at the Sub-Treasury for the Contractor. The Regional Administration had since written the Sub-Treasury to withhold the cheque until the repayments were made.
- 7.16 Paragraphs 698 and 699 – Overpayment on contracts for the upgrading to Aishalton Secondary Female and Male Dorms**
- 7.16.1 Responding to a query, the Accounting Officer stated that the reason for the contract not being awarded to the lowest bidder was not recorded in the Regional Tender Board minutes.
- 7.16.2 During a discussion, Members were appalled that both contracts entailed the exact works to be completed and were awarded to one Contractor. Moreover, both contracts were signed on the same date and identical payments were also made on the exact date. Members were even more concerned that approximately \$5M was overpaid to the Contractor.
- 7.16.3 The Accounting Officer apprised Members that the Contractor had indicated that he was advised by the Regional Engineer, verbally, to change the original scope of works on the original Bill of Quantities.
- 7.16.4 Subsequently, Members requested that a special audit should be carried out by the Auditor General regarding the matter, since it might be a case of contract splitting.
- 7.17 Paragraph 700 was considered.**

7.18 **Paragraph 701 – Absence of signature of Works Committee Chairman on Certificate of Inspection**

7.18.1 The Committee was informed that systems were implemented to ensure that all signatures were affixed on Certificates of Inspection before payments were made. The Auditor General was requested to follow up the matter.

7.18.2 A request was also made for a list of all the contracts not signed by the Works Committee Chairman, to be submitted to the Committee.

7.19 **Paragraph 702 was considered.**

7.20 At 3.11 p.m., the Committee concluded the examination of the above accounts.

ITEM 8: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 8 – Potaro/Siparuni	647-682 (36)	Mr. Rafel Downes

8.1 At 3.23 p.m., the Committee continued its consideration of the Report of the Public Accounts with respect to Region No. 8 – Potaro/Siparuni together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Mr. Rafel Downes - Regional Executive Officer
- (ii) Mr. Gavin Grounga - Deputy Regional Executive Officer
- (iii) Mr. Shameer Arjoon - Asst. Regional Executive Officer
- (iv) Dr. Mario Kanhai - Regional Health Officer
- (v) Mr. Latchman Singh - Regional Engineer

(vi) Ms. Sharon George - Chief Accountant (ag)

Mr. Emil Mc Garrell Permanent Secretary, Ministry of Communities was also in attendance.

8.2 Paragraph 647 – Overpayments of Salaries and Deductions

8.2.1 Questioned whether responses were received from the overpaid individuals, the National Insurance Scheme (NIS) and the Guyana Revenue Authority (GRA), the Accounting Officer responded in the negative.

8.2.2 In addition, the Accounting Officer indicated that follow-up letters were sent in November, 2016. He stated that in an effort to resolve the issue, the Deputy Regional Executive Officer would visit the aforementioned agencies, in the near future. Furthermore, a report on the visits would be submitted to the Committee within three weeks.

8.2.3 The Accounting Officer indicated that in an effort to prevent recurrences of overpayments, verifications of the payroll were done by the Regional Accounting Unit (RAU).

8.2.4 Dr. Kanhai then mentioned that efforts were being made to facilitate the timely receipt of information from Officers in the far-flung areas. However, the Region was still encountering difficulties in that regard.

8.2.5 The Committee was also informed that payments were currently made by cheques. The Accountant General explained that cheque payments were made consequent to the unavailability of banking services in the Region.

8.3 Paragraph 648 was considered.

8.4 Paragraph 649 – National Insurance Scheme (NIS) Numbers

8.4.1 The Committee was informed that two employees were, currently, without NIS numbers and strenuous efforts were being made to have the matter resolved.

8.4.2 The Accountant General then recommended that the Region should make it mandatory to recruit Officers who were in possession of NIS numbers and Taxpayers Identification Numbers (TIN).

8.5 Paragraph 650 – Procurement of fuel and lubricants

8.5.1 The Accounting Officer, in responding to several queries, informed the Committee that reconciliation was done in December, 2016 and the Region had received all items procured. Consequently, the Accounting Officer was requested to submit a copy of the reconciliation to the Committee, within one week.

8.6 Paragraphs 651 and 652 – Overpayments of contracts

8.6.1 Based on several queries made by Members, a discussion ensued. The Accounting Officer was reminded of the commitment he made in 2016 to ensure that the overpayments were repaid. He explained that twelve Contractors were written to and, to date, one response was received.

8.6.2 A Member enquired whether any of the overpaid Contractors were currently engaged in other works within the Region, the Accounting Officer responded in the affirmative. He stated that five of the Contractors were awarded contracts in 2016 and had committed, verbally, to repay the overpaid sums.

8.6.3 The Chairman reminded the Accounting Officer of his commitment to engage the Ministry of Communities on the way forward and enquired whether that was done.

8.6.4 In response, the Accounting Officer stated that a letter dated February 13, 2016, was sent to the Permanent Secretary, Ministry of Communities, in that regard. However, the Permanent Secretary informed Members that the letter did not seek any advice on the matter but entailed a list of queries made by the Public Accounts Committee to the Region.

8.6.5 Further discussions ensued. A Member made queries about one of the overpaid Contractors, Mr. Nigel Forde, who was currently engaged in other works in the Region. The Accounting Officer indicated that Mr. Forde had made a verbal commitment, in the previous week, to repay the outstanding sums of \$607,000, \$347,000, \$765,000 and \$563,000.

8.6.6 Mr. Singh informed Members that Mr. Forde had received three payments totalling \$900,000 in 2016. Questioned if Mr. Forde was successfully prequalified for works in 2017, the Accounting Officer responded in the affirmative.

- 8.6.7 The Committee, in acknowledging that its previous recommendations were not implemented by the Region, advised the Accounting Officer that he should ensure that the decisions/recommendations of the Committee be executed.
- 8.6.8 Thereafter, the Committee expressed dissatisfaction in the Accounting Officer's attitude towards resolving those matters. The Financial Secretary then reminded the Accounting Officer of his responsibility to manage and account for public funds.
- 8.7 Paragraph 653 – Maintenance of Log Books**
- 8.7.1 The Accounting Officer indicated that log books were being maintained but were not submitted to the Auditor General for verification. Consequently, Members agreed that further discussions on the issue should be deferred to a subsequent meeting of the Committee.
- 8.8 At that juncture, the Chairman suggested that a meeting should be held forthwith with the Accountant General, Financial Secretary, the Accounting Officer and the Permanent Secretary, Ministry of Communities since the Committee was of the view that the Accounting Officer was unprepared to respond to the queries made by Members.
- 8.9 The Financial Secretary informed the Committee that preparatory meetings were held with all Regional Executive Officers (REO), with the exception of the REO, Region No. 8, who never attended.
- 8.10 At the conclusion of a discussion, the Chairman recommended that the Auditor General should carry out a special audit in relation to all overpayments so that the issue could be specifically outlined in the Committee's Report.
- 8.11 At 4.30 p.m., the Committee terminated the examination of the above accounts.

ITEM 9: ANY OTHER BUSINESS

- 9.1 **Sanctions to be instituted against the Regional Executive Officer, Region No. 1 for misleading the Committee at its 24th Meeting held on 20th February, 2017**

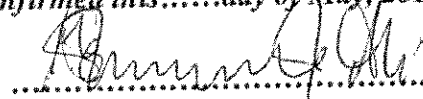
9.1.1

The Chairman advised the Committee that the issue regarding the aforementioned paragraph was still engaging the attention of the Minister of Communities. He stated that a decision, in that regard, should be submitted to the Public Accounts Committee within one week.

Adjournment

At 4.34 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 24th April, 2017.

Confirmed this ^{29th} day of May, 2017



.....
Mr. Mohamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
27TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 15TH MAY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 Bishop Juan A. Edghill called the meeting to order at 10.15 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Presiding Member welcomed Members, Advisors and Staff to the meeting. He informed the Committee that the Chairman would be late.

2.2 Excuse

2.2.1 The Committee was informed that Hon. Volda A. Lawrence had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 27th Meeting dated May 10, 2017;
- (ii) Minutes of the 25th Meeting held on 3rd April, 2017;
- (iii) Record of the proceedings of the 21st Meeting of the Public Accounts Committee held on 18th January, 2017;

- (iv) Audit Office of Guyana Annual Performance Report for the year ended 31st December, 2016;
- (v) Audit Office of Guyana Quarterly Performance Report for the First Quarter (January-March, 2017)
- (vi) The Audit Office of Guyana Briefing Notes and responses received on the Reports of the Auditor General for the year 2015 with respect to the following Ministries:
- Ministry of Agriculture
 - Ministry of Finance:
 - Programme 1 – Ministry Administration
 - Programme 2 – Accountant General
 - Customs & Trade Administration
 - Internal Revenue
- (vii) Letter dated December 31, 2015 from Mr. Hector Butts, PhD., Finance Secretary to Mr. R. Hopkinson, Regional Executive Officer, Region No. 2, re: Request for Approval for Multi-Year Contract (2015/2016) under Agency 72, Project Code – 1300700 Miscellaneous D & I Works; 1100300 Bridges Public Works; 1400500 Roads; 1901200 Land Development; 1100300 Bridges Education; 1202800 Buildings Education; 1100300 Bridges Health and 1202700 Buildings Health;
- (viii) Letter dated August 26, 2016 from Mr. Latchman Parswattee, Regional Engineer, Region No. 2 to Mr. Wesley Haynes, Wesley Haynes General Building & Civil Contractor, re: Extension of Wakapoa Dormitory, Wakapoa District, Pomeroon River, Region No. 2 – Defective Works;
- (ix) Letter dated April 4, 2017 to Public Accounts Committee from Ms. N. Coonjah, Regional Vice Chairperson, Region No. 2;
- (x) Letter dated March 15, 2017 from Ms. N. Coonjah, Regional Vice Chairperson, Region No. 2 to the Regional Executive Officer, Region No. 2;
- (xi) Letter dated April 20, 2017 from Mr. Rupert Hopkinson, Regional Executive Officer, Region No. 2, re: Additional information requested by the Public Accounts Committee (paragraphs 551 & 552); and

- (xii) Letter dated April 13, 2017 from Mr. Emil Mc Garrell, Permanent Secretary, Ministry of Communities, re: Responses to request from the Public Accounts Committee Meeting.

3.2 The following documents were circulated at the meeting:-

- Copies of incoming correspondence as at paragraph 4.1.

ITEM 4: CORRESPONDENCE

4.1 Incoming:

- (i) Letter dated 11th May, 2017 from Mr. D. Sharma, Auditor General to Mr. Mohamed Irfaan Ali, M.P., Chairman of the Public Accounts Committee, re: Appointment of Manager, Works and Structure – Audit Office of Guyana;
- (ii) Letter dated 11th May, 2017 from Mr. D. Sharma, Auditor General to Mr. Mohamed Irfaan Ali, M.P., Chairman of the Public Accounts Committee, re: Amendment to the Rules, Policies and procedures Manual; and
- (iii) Letter dated 12th May, 2017 from Mr. Hector Butts, Finance Secretary, Ministry of Finance, re: Examination of the 2015 Report of the Auditor General (Updated response).

4.2 Outgoing:

- (i) Letter dated 10th May, 2017 to Dr. Hector Butts, Finance Secretary, Ministry of Finance, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated 10th May, 2017 to Ms. Joylyn Nestor-Burrowes, Permanent Secretary (ag), Ministry of Agriculture, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated 10th May, 2017 to Mr. Godfrey Statia, Commissioner General, Guyana Revenue Authority, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting; and

- (iv) Letter dated 12th May, 2017 to Mr. George Jervis, Permanent Secretary, Ministry of Agriculture, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting.

ITEM 5: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Agriculture	264-273 (10)	Ms. Joylyn Nester-Burrowes

5.1 At 10.25 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Agriculture together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 At that point Mr. Ali assumed the position as Chairman and invited the Accounting Officer to introduce his team.

5.1.2 Officers present for the examination were:

- (i) Joylyn Nester-Burrowes - Permanent Secretary (ag)
- (ii) Ms. Yonette Thorington - Principal Assistant Secretary (F) (ag)
- (iii) Mr. Fredrick Flatts - Chief Executive Officer, National Drainage and Irrigation Authority (NDIA)
- (iv) Mr. Wazeer Mohamed - Accountant, NDIA
- (v) Ms. Feonoah Durant - Procurement Officer, NDIA

Mr. George Jervis, Permanent Secretary was also in attendance.

5.2 Paragraph 264 – Overpayment of Salaries and Deductions

5.2.1 A Member enquired about the current status of the overpayments and the systems implemented to prevent recurrences. In response, the Accounting Officer stated that the Ministry was successful in recovering some of the overpayment, thus reducing the outstanding amount to \$248,000.

- 5.2.2 The Committee was further informed that the Ministry had written all Government Agencies requesting that salaries be garnished, in the event that the overpaid persons were under their employ. Additionally, Regional Supervisors were also notified that they would be held responsible for any absences of staff in excess of three days without proper notification.
- 5.2.3 Mention was also made that letters were sent to the last known addresses of the individuals. Presently, two of the overpaid persons were employed by Government Ministries, as a result, the outstanding sums would be repaid by the end of the year.
- 5.3 Paragraph 265 – Foreign Funded Projects, East Demerara Water Conservancy**
- 5.3.1 Based on a query, Mr. Flatts, Chief Executive Officer, NDIA informed the Committee that works were completed and all payments were made.
- 5.4 Paragraph 266 – Contract for the operation, servicing and monitoring of NDIA Hydraulic Excavators, Bulldozers and Draglines**
- 5.4.1 Questioned whether approval was sought and granted for the extension of the contract, Mr. Flatts responded in the affirmative. He stated that copies of the approvals were submitted to the Auditors. However, the Auditor General indicated that the documents for 2015 were outstanding.
- 5.4.2 The Chairman then requested that the documents should be submitted to the Auditor General, by the end of the day.
- 5.5 Paragraphs 267 and 268 – Contract for the construction of the Public Road Bridge at Hope/Dochfour**
- 5.5.1 In light of a query in relation to the current status of remedial works to the Public Road Bridge at Hope/Dochfour, the Accounting Officer indicated that the Ministry of Public Infrastructure had oversight responsibility of the works.

5.6 Paragraphs 269 and 270 – Contract for the acquisition, installation and commissioning of six mobile and eight fixed pumps

5.6.1 A Member enquired whether all the pumps were installed, Mr. Flatts responded in the affirmative. He apprised Members that there were financial issues with the purchasing of the pumps, however, they were resolved. Furthermore, the contract was subsequently terminated and the remaining sums were cancelled by the Ministry of Finance.

5.7 Paragraph 271 – Subsidies and Contribution to Local Organisations

5.7.1 Following a query regarding the current status of the reports of the statutory entities under the Ministry's control, to be laid in the National Assembly, the Accounting Officer informed the Committee of the following:

- (i) Guyana Livestock Development Authority
 - 2012 to 2014 Financial Statements were being re-prepared; and
 - 2015 would commence upon the completion of 2014.
- (ii) Guyana Marketing Corporation
 - 2015 Audits had commenced in May, 2017.
- (iii) Guyana School of Agriculture
 - 2009 Financial Statements were submitted for audits; and
 - 2010 to 2015 were prepared and awaiting audits to be carried out.
- (iv) Hope Coconut Estate
 - 2008 to 2010 Financial Statements were returned to the entity for corrections; and
 - 2011 to 2015 Financial Statements were to be submitted.
- (v) Mahaica Mahaicony Abary Agricultural Development Authority
 - 2008 to 2009 audits were to be finalised;
 - 2010 audits had commenced; and
 - Financial Statements for 2011 to 2015 were to be re-prepared.
- (vi) National Agricultural Research & Extension Institute
 - 2010 to 2014 Financial Statements were to be submitted; and
 - 2015 was being audited by Ram & Mc Rae Chartered Accountants.

- (vii) Pesticide & Toxic Chemicals Control Board
- Up to 2015 reports were completed and ready to be laid in the National Assembly.
- (viii) Guyana Sugar Corporation
- Up to 2015 reports were completed and ready to be laid in the National Assembly.
- 5.7.2 The Committee was also informed that in October, 2016, the National Drainage and Irrigation Authority had commenced re-preparing their accounts from 2013 to 2015 using the accrual basis of accounting, subsequent to recommendations made.
- 5.7.3 It was pointed out that in 2013 NDIA became independent of the Ministry and thus had separate accounts. Notwithstanding that, NDIA was awaiting the completion of the valuation of its assets by the Evaluation Office of Guyana.
- 5.7.4 Questioned whether the above-mentioned information was submitted to the Auditor General, the Accounting Officer responded in the affirmative.
- 5.8 Paragraphs 272 and 273 – Contingencies Fund Advance Warrants**
- 5.8.1 In responding to a query, the Accounting Officer confirmed that the National Agricultural Research & Extension Institute (NAREI) had its own accounts, which were separate from the Ministry.
- 5.8.2 A Member indicated that it was highlighted in the Auditor General's Report that the sum of \$3.812B was released to GUYSUCO as a loan through Cabinet Decision number CP (2015) 6:3:BB dated 16th June, 2015.
- 5.8.3 He enquired whether the sums were released as a loan or subsidy, since, he was aware that the National Assembly had approved the sum as a subsidy to GUYSUCO.
- 5.8.4 In response, the Accounting Officer informed the Committee that the sums were released as a loan. However, consequent to meetings held with GUYSUCO regarding their current financial position, the Ministry was in the process of recommending to Cabinet to have the decision amended from a loan to a subsidy.

5.8.5 Thereafter, the Auditor General was requested to re-examine the issue and subsequently report to the Committee.

5.9 At 10.55 a.m., the Committee concluded the examination of the above accounts. The Chairman thanked the Accounting Officer and his team for their presence at the meeting.

ITEM 6: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/ Other	Paragraphs in the Auditor General Report	Accounting Officer
Guyana Revenue Authority: (i) Customs & Trade Administration (ii) Inland Revenue	123-145(23) 146-171(26)	Mr. Godfrey Statia

6.1 At 11.00 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Guyana Revenue Authority together with the comments submitted by the Accounting Officer for the year 2015.

6.1.1 The Committee was informed that Mr. Godfrey Statia, Commissioner General was unable to attend the meeting due to unforeseen circumstances.

6.1.2 Officers present for the examination were:

- (i) Ms. Hema Khan - Deputy Commissioner General
- (ii) Ms. Ingrid Griffith - Deputy Commissioner, Corporate Services
- (iii) Mr. Patrick Hyman - Deputy Commissioner, Customs & Enforcement Dept.
- (iv) Ms. Karen Chapman - Deputy Commissioner, Integrated Regional Tax Office
- (v) Mr. Ron Simboo - Deputy Commissioner, Inland Revenue, Debt Management

- (vi) Ms. Alika Austin - Assistant Commissioner, Inland Revenue, Examinations & Compliance
- (vii) Ms. Simone Beckles - Assistant Commissioner, Customs Excise & Trade Division
- (viii) Mr. Wayne Austin - Assistant Commissioner, Inland Revenue, Licence Revenue Operations
- (ix) Mr. Asif Karim - Assistant Commissioner, Revenue Accounting, Registration & Central Data Processing
- (x) Mr. Reishad Khan - Manager, Internal Audit Division

Customs & Trade Administration:

6.2 Paragraphs 123 and 124 – Closure of seizure files

6.2.1 A Member enquired why 138 files remained opened. In response, the Ms. Khan, Deputy Commissioner General indicated that several steps were taken to address the issue. To date, only 40 files remained opened. Mention was made that demand letters were dispatched in some instances and legal advice was sought on the way forward.

6.2.2 Based on a query regarding whether there were instances where offending importers would have attempted to purchase seized goods at auctions. The Accounting Officer responded in the affirmative. She, however, explained that checks were done to ensure that such purchases were not allowed.

6.3 Paragraph 125 – Incomplete Ship Files

6.3.1 In light of several queries, Ms. Khan informed the Committee that the time frame for the closure of ship files was 42 days.

6.3.2 Ms. Beckles, Assistant Commissioner, Customs Excise & Trade Division stated that the Agency was successful in closing an additional 32 ship files. She stated that some of the files remained opened because of outstanding Prior to Processing (PTP) and Permits for Immediate Delivery (PID) to be granted. A detailed report was submitted to the Auditor General in that regard.

- 6.3.3 She then explained the difficulties encountered at some of the wharfs resulting in files being left opened. The Committee was given assurance that strenuous efforts were being made to have the remaining ship files closed.
- 6.3.4 Questioned about whether persons who had outstanding PTPs were issued additional ones, Mr. Hyman stated that, recently, an audit was done on the PTP register and there were a few instances where persons with outstanding PTPs were given additional ones. However, those were for mostly perishable items.
- 6.3.5 He further stated that, at present, the registers were monitored and once it was recognised that an importer had outstanding PTPs they were not issued with another one.
- 6.3.6 Thereafter, the Chairman requested that all documentation on the system that was implemented to correct the issue should be submitted to PAC within two weeks.
- 6.4 **Paragraph 126 – Merchant’s Overtime**
- 6.4.1 Responding to a query, Mr. Hyman informed the Committee that in relation to overtime for 2015, the Agency was successful in the collection of \$11.196M which was outstanding.
- 6.4.2 After a discussion, Ms. Khan was requested to submit the supporting documents to the Auditor General for verification.
- 6.4.3 Questioned about the measures implemented to avoid a recurrence of the issue, Ms. Beckles indicated that the issuance of demand and the collection of revenue was previously done at two locations, however it was now centralised to one location.
- 6.4.4 Based on a query regarding how often internal audits were done to ensure that there were no major variances, Mr. Khan, Manager, Internal Audit Division stated that internal audits were done on an annual basis. At present, reconciliations were being done with a view of resolving the issue in the near future. The Chairman suggested that the Agency should conduct quarterly internal audits in an effort to help improve the system.

- 6.4.5 Subsequently, the Auditor General informed the Committee that a suggestion was made that the Agency, at the beginning of the year, should submit their work plan to the Audit Office so that they could work together to cover all the issues.
- 6.4.6 Ms. Khan stated that the manual system used to reconcile demands and revenues was tedious and posited that the system should be computerised to resolve the issue.
- 6.5 **Paragraph 127 – Demand Registers**
- 6.5.1 A Member requested an update on the demand registers and enquired why they were not presented for audit. Ms. Chapman, Deputy Commissioner, Integrated Regional Tax Office informed the Committee that, at the time of the audit, the registers at New Amsterdam were not maintained, however, the Officer responsible was written to in that regard. At present, the registers were updated and were now available for examination by the Auditors.
- 6.5.2 Following a discussion, Ms. Khan stated that the Agency was having difficulties in locating documents for the period January – April, 2015.
- 6.6 **Paragraphs 128 to 131 were considered.**
- 6.7 **Paragraph 132 – Permits for Immediate Delivery (PIDs)**
- 6.7.1 A Member pointed out that Regulation 50 (9) of the Customs Act required that goods for immediate delivery should be entered within 10 working days from the date of the permit for the delivery of such goods. Nevertheless, there were several instances where entries were entered in the PID Register on an average of sixteen days over the stipulated time frame. He enquired the reasons why extensions were granted.
- 6.7.2 In response, Mr. Hyman, Deputy Commissioner, Customs & Enforcement Department stated that most of the entries were related to duty free sale on fuel. He explained that the current process used was to issue the fuel and subsequently reconciliations would be done. As a result, accumulating the documents to account for the full amount sometimes go beyond the 10 days period. However, a staff was assigned specifically to ensure that the Register was updated.

- 6.8 Paragraph 133 – Exemption files**
- 6.8.1 A Member enquired why a sample of 135 exemption files were requested for audits and only 72 were presented. Ms. Khan, in response, stated that, 107 files were located and efforts were being made to locate the remaining amount.
- 6.8.2 She explained that there were issues of storage space at GRA, hence, there was no proper filing room for the files to be stored. It was also indicated that GRA had commenced scanning of documents, in an effort to resolve the issue.
- 6.9 Paragraph 134 – Difference of \$73.677B between the Summary and the listing of Revenue Loss for Paid Declaration Report**
- 6.9.1 Questioned whether the reconciliation was done, Ms. Khan responded in the affirmative. However, it was pointed out that the Audit Office was in receipt of the two reports but reasons for the discrepancies were not submitted.
- 6.9.2 The Chairman then requested that the supporting documentation should be submitted, within one week, to the Auditor General for verification.
- 6.10 Paragraph 135 – Private Warehouses**
- 6.10.1 Subsequent to several queries, Mr. Hyman informed the Committee of the following:
- (i) Permission to operate 5 warehouses were revoked;
 - (ii) There were security bonds totalling \$370M in the event of liability;
 - (iii) Taxes totalling \$23.8M on 26 pieces of equipment were collected;
 - (iv) Documentation for 22 vehicles, entered as duty free, were found;
 - (v) Records of registration were found for 16 pieces of equipment;
and
 - (vi) Payments for 6 pieces of equipment were being processed.
- 6.10.2 The Chairman then suggested that the information should be submitted to the Auditor General for verification.

- 6.10.3 Questioned about the incident where two vehicles were not located at a warehouse during audits, but re-appeared one week when the Auditors re-visited. Mr. Hyman explained that after receiving the report officials from GRA visited the warehouse the following day and the two vehicles were located. He stated that the warehouse operator had denied the allegation and there were no cameras at the warehouse.
- 6.10.4 A Member enquired whether on both occasions an Officer from GRA was present. Mr. Hyman responded in the affirmative. Asked whether the Officer was still on the job and whether any report on the matter was submitted by the Officer, no definitive response was given. Based on further queries, the Committee was informed that the warehouse was operated by Car Care Enterprise Auto Sales.
- 6.10.5 At that point the Chairman requested that a report, on the name of the Officer, the current status of the individual, whether any report was submitted and what disciplinary action was taken by GRA in that regard, should be submitted to the Committee, at its earliest.
- 6.10.6 A Member enquired what disciplinary action was taken against the warehouse owner. In response, Mr. Hyman stated that a verbal warning was issued and was cautioned that in the event of any further misdemeanours his/her licence would be revoked.
- 6.10.7 Members expressed concerned that the warning was not issued in writing. Moreso, about the whole incident that transpired. Thereafter, the Auditor General was requested to re-examine the issue.
- 6.11 **Paragraphs 136 and 137 – Private Warehouses Bonds**
- 6.11.1 The Committee was informed that requests were sent to the various financial institutions and the responses received were submitted to the Attorney General Chambers. Consequently, a template was received from the Attorney General Chambers which was forwarded to the financial institutions, however, to date no response was received.
- 6.11.2 During a discussion, Members were informed that a register was maintained by GRA, however, the bonds did not carry expiry dates and were not renewed, nevertheless, additional bonds were issued. The Auditor General was asked to verify the information.

- 6.11.3 The Chairman pointed out that none of the 12 bonds requested by the Auditor General in April, 2016 were presented by the agency. The Committee was informed that the bonds were available for examination. Subsequently, the Auditor General was requested to follow up the issue.
- 6.12 Paragraph 138 – Aircraft files**
- 6.12.1 Ms. Khan informed the Committee that all the files were now closed. Ms. Beckles stated that the Auditors were notified that the files were in the filing room awaiting verification.
- 6.12.2 However, when questioned whether the Audit Office was in receipt of the supporting documentation, the Auditor General responded in the negative. It was pointed out that the Auditors were informed that some of the files were at the airport while some were at the filing room.
- 6.12.3 Mention was also made that a request was made for a list of the files from both locations and the audit of the operations at the airport was recently completed. Further, files for 2016 were requested, however, those were not submitted by the Agency.
- 6.13 Paragraph 139 – Electronic Container Scanners**
- 6.13.1 Following a number of queries, Ms. Ingrid Griffith, Deputy Commissioner, Corporate Services informed the Committee that the scanner was operable but not in operation. She stated that there was a difficulty in locating space for the scanner.
- 6.13.2 She explained that, previously, approval was given for the scanner to be operated in the National Park. However, due to the operations of the scanner, damages were done to the said area, as a result the Agency was notified that it could no longer be used at the Park.
- 6.13.3 She apprised Members that Guyana National Industrial Company Inc. (GNIC) had commence preparations to accommodate the scanner, however, financial difficulties were encountered. An update from GNIC would be received within one week.
- 6.13.4 Thereafter, the Chairman suggested that the Finance Secretary should examine the matter and report to the Committee, at its earliest.
- 6.14 Paragraph 140 was considered.**

6.15 At that juncture, Members expressed dissatisfaction with some of the responses provided by the Officers. It was then agreed that the Agency should be given two weeks to re-examine the issues highlighted in the Auditor General's Report and re-appear before the Committee for the examination of its accounts.

6.16 At 1.13 p.m., the Committee terminated the examination of the above accounts.

ITEM 7: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Finance:	14-78 (65)	} Dr. Hector Butts
i. Programme 1 – Ministry Administration	87-102(16)	
ii. Programme 2 – Accountant General	103-122(21)	

7.1 At 1.50 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Finance together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Dr. Hector Butts - Finance Secretary
- (ii) Ms. Jennifer Chapman - Accountant General (ag)
- (iii) Ms. Louise Bouyea - Deputy Finance Secretary
- (iv) Ms. Mandie Mickle - Deputy Accountant General (ag)
- (v) Ms. Gillian Pollard - Deputy Director of Budget
- (vi) Mr. Berkely Wickham - Chairman, National Procurement and Tender Administration Board
- (vii) Mr. Donald De Clou - Chief Executive Officer, National Procurement and Tender Administration Board
- (viii) Mr. Vishun Nand - Chief Accountant
- (ix) Mr. Ajay Nathaniel - Audit Manager

(x) Mr. Daniel Parsan - Audit Supervisor

Public Accounts Statements:

- 7.2 **Paragraph 14 – End of Year Budget Outcome and Reconciliation Report (Revenue)**
- 7.2.1 In response to a query made on the negative variances of \$741M and \$5.575B between the estimates of revenue and the actual Government receipts for current and capital revenues, the Finance Secretary explained that revenue collected was below that which was estimated.
- 7.3 **Paragraph 15 was considered.**
- 7.4 **Paragraph 16 – End of Year Budget Outcome and Reconciliation Report (Current Revenue), Unspent Inter-Departmental Warrants**
- 7.4.1 The Accountant General (ag) indicated that, in an effort to prevent a recurrence of the issue, the Ministry would be issuing a circular which would emphasize the timeliness of Financial Returns for Inter-Departmental Warrants.
- 7.4.2 Responding to a query regarding what was responsible for the shortfall, the Accountant General (ag) informed the Committee that this was due to the financing of a debt. Additionally, she stated that the unspent balance by the Ministry of Health, in that case, totalled \$890.585M.
- 7.5 **Paragraphs 17 and 18 were considered.**
- 7.6 **Paragraphs 19 to 23 – End of Year Budget Outcome and Reconciliation Report (Expenditure)**
- 7.6.1 Questioned whether the unspent balances were returned to the Consolidated Fund, the Accountant General (ag) responded in the affirmative.

- 7.6.2 Questioned further on whether the Contingency Fund Advance Warrant of \$79.200M to purchase materials for the installation of 6000 solar system by the Hinterland Electrification Inc. Programme was approved by the National Procurement and Tender Administration Board (NPTAB), the Finance Secretary indicated that he was unable to provide the information and committed to do so within one week.
- 7.6.3 Based on a query regarding the amount from the Contingency Fund Advance Warrant of \$410M which was allocated to air, sea and land transportation, the Finance Secretary committed to provide the information within one week.
- 7.6.4 The Finance Secretary, in responding to a further query, informed Members that the Ministry was working assiduously to ensure that allocations for capital expenditure for agencies were utilised in a timely manner.
- 7.6.5 Additionally, he stated that the agencies were previously monitored on a monthly basis, however, oversight committees were subsequently established to carry out observations fortnightly. Mention was also made that frequent visits were being made to projects.
- 7.7 **Paragraph 24 was considered.**
- 7.8 **Paragraphs 25 to 32 – Receipts and Payments of the Consolidated Fund**
- 7.8.1 Questioned whether reconciliations were done with regard to all bank accounts, inclusive of those which were dormant, the Accountant General (ag) indicated that the Ministry was currently reviewing all dormant bank accounts with a view to bringing them to closure. She added that the balances of these accounts would be transferred to the Consolidated Fund which would be completed within the next three months.
- 7.8.2 The Committee requested that the Accountant General (ag) should provide a list of all the accounts and balances totalling \$2.008B which represented the bank accounts that were closed during 2015 and was deposited into the new Consolidated Fund.

- 7.8.3 The Accountant General (ag) explained that the Ministry of Finance was still having difficulties accessing information and records of the old Consolidated Fund bank account No. 400 which was closed in 2003. She further stated that advice was being sought from the Auditor General on the way forward.
- 7.9 **Paragraph 33 – Procedure to account for gifts**
- 7.9.1 The Committee was informed that the Ministry of Finance was in the process of verifying the receipts of the gifts and grants received from the various agencies and, in doing so, was able to identify the agencies which were defaulting.
- 7.9.2 The Finance Secretary indicated that a circular would be dispatched to the various agencies reminding them of the accountability of their actions.
- 7.10 **Paragraphs 34 and 35 were considered.**
- 7.11 **Paragraphs 36 to 38 – Expenditure from the Consolidated Fund as compared with the Estimates of Expenditure (Capital)**
- 7.11.1 A Member pointed out that \$8.452B was not expended and queried about the measures implemented by the Ministry to prevent such recurrence.
- 7.11.2 Responding to the query, the Finance Secretary stated that the Ministry was making every effort to curb the problem. He reiterated that oversight committees were being established to address the issue, among other things. It was also indicated that subsequent to 2015, there were improvements, in that regard.
- 7.12 **Paragraphs 39 and 40 were considered.**
- 7.13 **Paragraphs 41 to 46 – Receipts and Payments of the Contingencies Fund**
- 7.13.1 Questioned whether the Ministry was fulfilling all criteria for withdrawals from the Contingencies Fund, the Finance Secretary responded in the affirmative. However, the Chairman referred to comments by the Auditor General which outlined 11 advances totalling \$604.034M which were deemed routine expenditure and did not satisfy the criteria, “*an urgent, unavoidable and unforeseen need for the expenditure*”. He advised that strenuous efforts should be made by the Ministry to ensure adherence to the criteria.

- 7.13.2 The Finance Secretary, in responding to a further query, indicated that all Contingencies Fund accounts for 2015 and 2016 were cleared by the National Assembly. The Chairman suggested that all pertinent documentations should be submitted to the Auditor General for the 2016 audit.
- 7.14 Paragraphs 47 to 49 – Financial Report of the Deposit Fund**
- 7.14.1 The Accountant General (ag) informed the Committee that the Ministry of Finance was unable to resolve the issue since the requisite records were maintained by the agencies prior to 2004 and verifications could not be done.
- 7.14.2 Questioned whether the Ministry was able to establish a Deposit Fund, the Accountant General (ag) indicated that a separate Chart of Account was established.
- 7.14.3 In responding to a query on the status of the Sugar Industry Labour Welfare Fund, the Accountant General (ag) stated that, to date, the Ministry was not in receipt of the Financial Statements. She further stated that for a number of years the Guyana Sugar Corporation Inc. (GUYSUCO) had not levied any funds to the Sugar Industry Labour Welfare Fund.
- 7.15 Paragraph 50 was considered.**
- 7.16 Paragraphs 51 and 52 - Examination of the Financial Report of the Deposit Fund**
- 7.16.1 The Accountant General (ag), in response to a query, indicated that a detail list of the miscellaneous deposits totalling \$3.931B was submitted to the Auditor General.
- 7.17 Paragraphs 53 to 58 – Statement of Assets and Liabilities of the Government**
- 7.17.1 The Accountant General (ag) reiterated that the dormant accounts were being reviewed, with a view to bringing them closure, and subsequently all balances would be transferred to the Consolidated Fund.

- 7.18 **Paragraph 59 – Implementation of the International Public Sector Accounting Standards (IPSAS)**
- 7.18.1 The Committee was informed that the Ministry was in the process of adopting IPSAS. She explained that this would be done in phases, moving from the cash towards the accrual basis.
- 7.19 **Paragraph 60 – Schedule of Public Debt**
- 7.19.1 Questioned whether the six loans agreements were laid in the National Assembly, the Accountant General (ag) indicated that all agreements were laid, with the exception of the loan totalling \$5.293M between Guyana and the Bolivarian Republic of Venezuela. This was as a result of no Sales Contract being signed.
- 7.20 **Paragraphs 61 and 62 were considered.**
- 7.21 **Paragraphs 63 – Unspent balances totalling US\$5.300M from loan disbursements**
- 7.21.1 Based on a discussion, the Committee was informed that the Guyana Power and Light Project was in the implementation stage. In addition, suggestions were made that the funds from the Inter-American Development Bank (IDB) loan could be utilised to finance the Sheriff Street Extension Project since the loan would expire at the end of June, 2017. Furthermore, savings from that project would be utilised to enhance housing projects.
- 7.22 **Paragraphs 64 to 66 – Commitment and Guarantee Fees**
- 7.22.1 The Finance Secretary apprised Members that commitment fees regarding the loan for the Multi-Specialty Hospital were not being paid since the loan was cancelled. The Auditor General was requested to verify the information and update the Committee, in that regard.
- 7.22.2 The Committee was also informed that the balance on the loan contract for the purpose of acquiring, installing and commissioning of fixed and mobile irrigation pumps was amended.
- 7.22.3 In responding to a query on the current status of the loan for the Georgetown Solid Waste Programme, the Finance Secretary committed to submit the information to the Committee, at its earliest.

7.23 Paragraphs 67 to 78 were considered.

Programme 1 – Ministry Administration:

7.24 Paragraphs 87 to 89 – Current Revenue

7.24.1 Questioned whether the total sum was transferred to the Consolidated Fund by National Industrial and Commercial Investments Limited (NICIL), the Finance Secretary responded in the affirmative.

7.24.2 Following a discussion, the Committee was informed that the sum of \$4.601B reflected as sundries was also transferred to the Consolidated Fund.

7.25 Paragraph 90 – Capital Revenue

7.25.1 The Accountant General (ag) informed the Committee that the account was reconciled and explained the reason for the differences. She assured the Committee that the supporting documentation would be submitted to the Auditor General.

7.26 Paragraph 91 - Privatised Companies (Guyana Stores Limited and the National Paints Company)

7.26.1 In response to queries, the Finance Secretary stated that the matter was still engaging the attention of the Court, hence, he was unable to update the Committee on the current status.

7.26.2 Thereafter, the Committee requested that the Finance Secretary write the Attorney General on the way forward and submit the information to the Committee and the Auditor General.

7.27 Paragraphs 92 to 98 – Audit of the Accounts of the Guyana Lottery Commission

7.27.1 Based on a query, the Finance Secretary stated that the agreement entered into by the Government of Guyana and the Canadian Bank Note Ltd (CBN) was a monthly agreement.

- 7.27.2 Additionally, the Accountant General (ag) stated that there was no significant decrease in revenue being received from the Guyana Lottery Company and the revenue was still being stored in a separate bank account.
- 7.27.3 She further stated that it was a policy decision to have those monies transferred to the Consolidated Fund and, therefore, they were awaiting instructions on the way forward, in that regard.
- 7.28 Paragraphs 99 to 101 – Audit of the Accounts of NICIL**
- 7.28.1 The Accountant General (ag) informed the Committee that the accounts were still in the possession of the Forensic Auditors and efforts were being made to have them returned to the Ministry for submission to the Auditor General.
- 7.28.2 Following a query, the Finance Secretary indicated that the outstanding balance of US\$5M was not paid by NICIL. However, a Memorandum was being prepared for submission to Cabinet for a decision on the matter. He committed to update the Committee, in that regard, within one week.
- 7.28.3 Consequently, the Committee was also informed that the 2014 audit for NICIL was not finalised and, therefore, was unavailable to be laid in the National Assembly. Mention was also made that the Ministry of Finance was engaged in works with the agencies with outstanding Reports.
- 7.29 Paragraph 102 - Subsidies and Contributions to Local Organisations**
- 7.29.1 Questioned whether there were any balances at the end of the year that were returned to the Consolidated Fund, the Finance Secretary responded in the affirmative. Responding to a further query, he indicated that GRA and the National Data Management Authority were contacted and advised to submit their Financial Statements for the year 2015.

Programme 2 – Accountant General:

7.30 Paragraph 103 – Overseas Conference and Official Visits

7.30.1 The Accountant General (ag), in response to queries, informed Members that there were no outstanding advances for conferences during the period 2010 to 2015. She indicated that a new policy was implemented which specified that persons with outstanding advances would not be eligible to attend any new conference. In addition, letters would also be sent to individuals and sanctioned could be instituted.

7.31 Paragraph 104 – Stale dated cheques

7.31.1 The Accountant General (ag) indicated that the Ministry was able to update 27 cheques totalling \$2.6M. Notwithstanding that, efforts were being made to have agencies uplift their cheques, however, if that was not done, the outstanding cheques would be updated and deposited into the Consolidated Fund. The Chairman advised that the Ministry should write those agencies, in that regard.

7.32 Paragraph 105 was considered.

7.33 Paragraph 106 – Loss of cash totalling \$206.379M

7.33.1 Questioned about the aforementioned paragraph, the Accountant General (ag) informed Members that those matters were still engaging the attention of the court and the last court hearing was held in July, 2016.

7.34 Paragraph 107 – Un-cleared cheque orders

7.34.1 In answer to a query, the Accountant General (ag) stated that six cheques totalling \$903,753 had been cleared.

7.35 Paragraph 108 – Awarding of Contracts to conduct Forensic Audits

7.35.1 The Committee was informed that the 45 contracts awarded to conduct Forensic Audits were sole sourced. The Finance Secretary explained that, to date, the Ministry was in receipt of 42 of the audits. He stated that the 3 entities with outstanding audits were the Demerara Harbour Bridge, Guyana Geology and Mines Commission and the Drug Procurement Operations, Ministry of Health.

- 7.35.2 The Chairman reminded the Accountant General (ag) that a request for a 'no objection' regarding the contracts for the selection of Auditors should have been sought from the Auditor General.
- 7.36 **Paragraph 109 was considered.**
- 7.37 **Paragraphs 110 to 112 – Integrated Financial Management and Accounting System (IFMAS)**
- 7.37.1 In answer to a query, the Accountant General (ag) informed the Committee that IFMAS was being upgraded. She added that this was being done with the aim of going live in 2018. Questioned whether the upgrade would incorporate NPTAB and Inventory Management, she stated that there was an Asset Module in that regard.
- 7.38 **Paragraphs 113 to 115 – Internal Audit**
- 7.38.1 Mr. Wickham, Chairman, National Procurement and Tender Administration Board informed the Committee that works were, at present, being carried out with the Commonwealth Secretariat to strengthen the Internal Audit Department of the Ministry of Finance along with the six (6) line Ministries. He added that, subsequently, works would also be done with all agencies.
- 7.39 **Paragraphs 116 to 118 – National Board**
- 7.39.1 In response to a query, Mr. Wickham informed Members that all Regional Tender Boards were appointed and the NPTAB had its full complement of members.
- 7.39.2 The Chairman enquired about the status of the implementation of debarring Contractors. Mr. Wickham explained that draft rules were prepared and the Ministry was currently in consultation with the Inter-American Development Bank (IDB) in that regard. He also stated that implementation was expected to be put in place by the end of 2017.
- 7.39.3 Questioned whether the composition of the NPTAB which was not in keeping with *Section 16 of the Procurement Act of 2003* was corrected, Mr. Wickham responded in the affirmative and undertook to submit the information to the Committee and the Auditor General within one week.

7.39.4 Mr. Wickham, in response to queries, explained that the new limits for the various Ministerial Boards were published on 18th February, 2016, in the Extraordinary Official Gazette. In addition, the Ministry of Finance had since issued circulars with the revised thresholds.

7.40 Paragraphs 119 to 122 - National Procurement and Tender Administration Board

7.40.1 Following a discussion which ensued, Mr. Wickham stated that notices were accessible on the Ministry's website. However, he was unable to determine the most recent update and undertook to provide the Committee with the information.

7.40.2 At that juncture, the Chairman recommended that the Auditor General, in his next audit, query the number of cases by which the law was not adhered to.

7.40.3 Responding to a query with regard to the current process of selecting evaluators, Mr. Wickham explained that a committee which comprised the Deputy Chairman, a member of the Board and the Senior Procurement Officer, was established and was tasked with the responsibilities of appointments. He further explained that the Evaluators were appointed at the meetings of the Tender Board.

7.41 At 3.00 p.m., the Committee concluded the examination of the above accounts.

ITEM 8: ANY OTHER BUSINESS

8.1 Amendment to the Rules, Policies and Procedures Manual

8.1.1 The Chairman indicated to Members that the Auditor General was seeking guidance from the Committee on addressing a matter. He requested that the Auditor General explain the issue to the Committee.

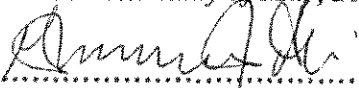
8.1.2 The Auditor General made reference to Section 8 of the Audit Act 2004 which stated, "*the salaries, superannuation, benefits and other conditions of service of the Auditor General shall be same as those of the Chief Justice*", and Section 13(a) of Chapter 81:01 of the Amended Income Tax Act 2004 which stated, "*there shall be exempt from the tax – the official emoluments received by the President both when in and when absent from Guyana and the provisions of this paragraph shall mutatis mutandis apply to the emoluments of the Chancellor and Chief Justice.*".

- 8.1.3 He explained to the Committee that for the years 2013 and 2014 he benefited from the exemption of tax on his emoluments, however, for the year 2015 he was informed, by the Guyana Revenue Authority, that he owed the sum of \$5M in taxes for the year.
- 8.1.4 The Committee, after much deliberation on the matter, decided that the necessary amendments should be made to the Rules, Policies and Procedures Manual regarding the entitlement of the exemption of tax for the Auditor General.
- 8.2 **Appointment of Manager, Works and Structure – Audit Office of Guyana**
- 8.2.1 The Chairman stated that the recommendation to fill the vacant position of Manager, Works and Structure in the Audit Office was before the committee for its approval.
- 8.2.2 After deliberations, the Committee agreed to approve the appointment of Mr. Victor Lall.

Adjournment

At 3.05 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 22nd May, 2017.

Confirmed this 29th day of May, 2017



*Mr. Mohamed Irfaan Ali, M.P.,
Chairman*

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
28TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 22ND MAY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P. - Excused

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.15 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

2.2 Excuses

2.2.1 The Chairman informed the Committee that Hon. Volda A. Lawrence, Hon. Valarie Patterson and Mr. Charrandas Persaud had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 28th Meeting dated May 15, 2017;
- (ii) Minutes of the 25th Meeting held on 3rd April, 2017;
- (iii) Minutes of the 26th Meeting held on 10th April, 2017; and

(iv) The Audit Office of Guyana Briefing Notes and responses received on the Report of the Auditor General for the year 2015 with respect to the following Ministries:

- Ministry of Social Protection;
- Ministry of Business;
- Ministry of Tourism, Industry & Commerce;
- Ministry of Legal Affairs;
- Office of the Prime Minister;
- Ministry of the Presidency; and
- Department of Public Service.

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- (i) Letter dated August 20, 2014 from Mr. Nigel Fisher, Regional Executive Officer, Region No. 1, re: Termination of Contract;
- (ii) Letter dated March 05, 2017 from Mr. Leslie Wilburg, Regional Executive Officer, Region No. 1, re: Submission of documents requested by Public Accounts Committee on matters to Barima/Waini Region 1;
- (iii) Letter dated March 23, 2017 from Mr. Kerwin Ward, Regional Executive Officer, Region No. 9, re: Recovery of Overpayment; and
- (iv) Letter dated May 22, 2017 from Mr. Deodat Sharma, Auditor General, re: Audit of Guyana Missions Overseas.

4.2

Outgoing:

- (i) Letter dated 15th May, 2017 to Mr. Deodat Sharma, Auditor General, Audit Office of Guyana, re: Amendment to the Rules, Policies and Procedures Manual;
- (ii) Letter dated 15th May, 2017 to Mr. Deodat Sharma, Auditor General, Audit Office of Guyana, re: Appointment of Manager, Works and Structure - Audit Office of Guyana;
- (iii) Letter dated 15th May, 2017 to Ms. Abena Moore, Permanent Secretary, Ministry of the Presidency, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;

- (iv) Letter dated 15th May, 2017 to Ms. Abena Moore, Permanent Secretary, Ministry of the Presidency, Office of the Prime Minister, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (v) Letter dated 15th May, 2017 to Mr. Reginald Brotherson, Permanent Secretary, Ministry of the Presidency, Department of Public Service, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (vi) Letter dated 15th May, 2017 to Ms. Rajdai Jagarnauth, Permanent Secretary, Ministry of Business, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (vii) Letter dated 15th May, 2017 to Ms. Lorene Baird, Permanent Secretary, Ministry of Social Protection, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (viii) Letter dated 15th May, 2017 to Ms. Delma Nedd, Permanent Secretary, Ministry of Legal Affairs, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting; and
- (ix) Letter dated 15th May, 2017 to Mr. Derrick Cummings, Permanent Secretary, Ministry of Public Telecommunications & Tourism, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting.

ITEM 5:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Social Protection	456 - 471 (16)	Ms. Lorene Baird

5.1

At 10.20 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Social Protection together with the comments submitted by the Accounting Officer for the year 2015.

- 5.1.1 Officers present for the examination were:
- (i) Ms. Lorene Baird - Permanent Secretary
 - (ii) Mr. Mohan A.G. Ramrattan - Deputy Permanent Secretary
 - (iii) Mr. Whentworth Tanner - Director of Social Services
 - (iv) Ms. Abike Benjamin-Samuels - Deputy Director of Social Services
 - (v) Ms. Sharon Elgin - Chief Accountant
 - (vi) Ms. Jasmin A. Dinally - Special Project Officer
 - (vii) Mr. Ricardo Banwarie - Assistant Chief Probation & Social Services Officer

5.2 Paragraph 456 was considered.

5.3 Paragraph 457 – Old Age Pension Programme

5.3.1 Based on several queries, the Accounting Officer informed the Committee that, at present, issue sheets from Probation Officers and the General Registrar's Office (GRO) was used for the updating of the Old Age Pension Database. She further stated that the Ministry had engaged the Ministry of Public Health regarding the submission of death returns from the Georgetown Public Hospital Corporation (GPHC). To date, no response was received in that regard.

5.3.2 Mention was also made that, recently, funeral homes were written to regarding the submission of a monthly list of persons 65 years and older, who would have died and their family would have used their service. However, to date no response was received.

5.3.3 Questioned about the period it took for a person who would have attained the age of 65 years to receive pension. Mr. Tanner, Director of Social Services stated that upon receipt of the application it took approximately two weeks to make the payments available in most cases. He stated that, previously, it took approximately six weeks. On the other hand, for persons in the hinterland areas the process would take longer than two weeks.

5.3.4 Based on a further query, Mr. Tanner informed Members that persons were still eligible to receive their pension, providing the period spent overseas did not exceed six months in any calendar year.

5.4 Paragraph 458 – Overpayment to Contractor

5.4.1 Following a number of queries, the Accounting Officer informed the Committee that the project was subsequently completed in 2012 by Andre Howard Construction Services.

5.4.2 She stated that all efforts to contact the overpaid Contractor, Mr. Goberdan, proved futile. Consequently, the Solicitor General had recommended that because the Statute of Limitation had elapsed the Ministry should approach the Ministry of Finance for the amount to be written off.

5.5 Paragraph 459 was considered.

5.6 Paragraph 460 – Examination of the Reconciliation Statement from the Guyana Post Office Corporation (GPOC)

5.6.1 A Member enquired whether the reconciliations were completed and what accounted for the differences highlighted in the Auditor General's Report. In response, the Accounting Officer explained that in the preparation of the Old Age Pension Statement the GPOC figures were used, consequently the differences were recognised by the Auditors.

5.6.2 She stated that in 2014, the Auditor General had recommended that the GPOC figures should be reconciled. To date, the Ministry had completed reconciliations for 2012 to 2015 and the findings were submitted to the Auditor General. Furthermore, strenuous efforts were being made to have the reconciliations for 2011 and 2016 completed.

5.6.3 During a lengthy discussion, Members were informed that, at present, there were approximately 50,100 pensioners in register. Further, all pension books were not cashed through Post Offices, since direct payments were made along the Berbice River, the Pomeroon River and the North Pakaraima areas.

5.6.4 Additionally, the Committee was also informed that all pension books were distributed through the Ministry's Offices in every Administrative Region. However, at the end of the year some distributions were done at private residences from time to time. It was agreed that information regarding the total numbers of registered pensioners as at the end of 2015 and 2016 should be submitted to the Committee, at its earliest.

- 5.6.5 Questioned about the current status of the issue with respect to the fraudulent coupons totalling \$990,000. The Accounting Officer stated that all the documentation was submitted to the Auditor General.
- 5.6.6 The Auditor General confirmed that the Audit Office had received the coupons but they were returned to the entity. He advised that it was the responsibility of the Ministry to follow-up the Police report regarding the issue.
- 5.6.7 Following a query, regarding the issue of the unavailability of funds at Post Offices to cash pension vouchers, the Accounting Officer stated that the Ministry would ensure that at the end of each month enough money was paid over to the Post Office to facilitate payments for the following month.
- 5.6.8 She explained that consequent to various robberies at Post Offices, internal security measures were implemented and as such no cash was kept overnight at the Post Offices.
- 5.6.9 Based on a query on whether a fee was charged by GPOC for facilitating the payment of pension, the Accounting Officer responded in the affirmative. She apprised Members that an administrative fee of \$70 per transaction was charged. That amounted to approximately \$4M monthly.
- 5.7 **Paragraph 461 was considered.**
- 5.8 **Paragraph 462 – Maintenance of Log Books**
- 5.8.1 In responding to a query, the Accounting Officer indicated that log books were now maintained for all vehicles. She stated that of the six outstanding log books, four were for the Ministry's generators, one for an unserviceable vehicle and one for the vehicle assigned to the Night Shelter. Notwithstanding that, to date, the log books for the abovementioned vehicles were not located.
- 5.9 **Paragraph 463 was considered.**
- 5.10 **Paragraph 464 – Expense vouchers not stamped with the 'PAID' stamp**
- 5.10.1 The Accounting Officer apprised the Committee that all payment vouchers were now cancelled with the 'PAID' stamp as recommended by the Auditor General.

- 5.11 Paragraph 465 – Maintenance of Utility Registers**
- 5.11.1 The Committee was informed that all Utility Registers had been updated and the requisite reconciliations were completed.
- 5.12 Paragraph 466 – Breaches of the Stores Regulations**
- 5.12.1 Based on a query, the Accounting Officer stated that Stock Ledgers were now maintained by the Accounting Unit and the gate pass system was implemented at the Stores as recommended by the Auditor General.
- 5.13 Paragraph 467 – Control Form Register, Old Age and Public Assistance Books**
- 5.13.1 A Member enquired the reasons why there were instances where Old Age and Public Assistance Books were recorded as issued but the signatures of the persons uplifting the books were not affixed. In response, Mr. Banwarie, Assistant Chief Probation & Social Services Officer stated that in some cases books were not signed due to large crowds when they were being issued. However, when that occurred the Ministry would visit the homes of the persons to have the books signed.
- 5.13.2 Thereafter, the Committee requested that information regarding the number of books issued should be submitted within three days.
- 5.14 Paragraphs 468 and 469 were considered.**
- 5.15 Paragraph 470 – Capital Purchases**
- 5.15.1 The Accounting Officer confirmed that all unspent sums were returned to the Consolidated Fund.
- 5.16 Paragraph 471 – Breach of the Stores Regulations**
- 5.16.1 In light of a query, the Accounting Officer informed the Committee that there was a delay in the marking of the items purchased because the Ministry had one Field Auditor who was responsible for marking the items at the various locations. However, all items were now marked. She assured Members that systems were in place to ensure that items were marked at the Ministry's Stores before being dispatched to other locations.
- 5.17 At 11.15 a.m., the Committee concluded the examination of the above accounts.

ITEM 6:**EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:**

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Business	284 - 288 (5)	Ms. Rajdai Jagarnauth

6.1 At 11.20 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Business together with the comments submitted by the Accounting Officer for the year 2015.

6.1.1 Officers present for the examination were:

- (i) Ms. Rajdai Jagarnauth - Permanent Secretary
- (ii) Ms. Kim Stephen - Deputy Permanent Secretary
- (iii) Ms. Dacia Ferguson - Principal Assistant Secretary (F)
- (iv) Mr. Indranauth Haralsingh - Director, Guyana Tourism Authority
- (v) Mr. Gordon Spencer - Senior Industrial Development Analyst, Department of Industry
- (vi) Ms. Ayanna Stephen - Chief Accountant
- (vii) Ms. Jacqueline Stuart - Accountant/ Admin. Officer, Guyana Office for Investment (GO-Invest)
- (viii) Ms. Liloutie Mangra - Accountant
- (ix) Ms. Tameca Sukhdeo-Singh - Administrator, National Exhibition Centre
- (x) Mr. Kevin Thomas - Senior Accounts Clerk, GO-Invest

6.2 Paragraphs 284 and 285 – Subsidies and Contributions to Local Organisations

6.2.1 A Member requested a status update on the Financial Reports for the three Statutory Agencies under the control of the Ministry. In response, the Accounting Officer informed the Committee of the following:

- (i) Guyana Office for Investment (GO-Invest)
 - 2014 and 2015 Financial Reports were completed and submitted to the Auditor General's Office.

- (ii) Guyana National Bureau of Standards
 - 2010 to 2012 Financial Reports were completed and submitted to the Auditor General's Office; and
 - 2013 to 2015 Financial Reports were being prepared.

- (iii) Small Business Bureau
 - 2015 Financial Report was completed and submitted to the Auditor General's Office.

6.2.2 Mention was also made that by June, 2017, the Guyana Tourism Authority should complete its Financial Reports for the years 2002 to 2004.

6.2.3 In addition, Members were informed that strenuous efforts were being made by the Ministry in collaboration with the agencies to ensure the completion of all outstanding Financial Reports by the third quarter of 2017.

6.2.4 At that juncture, the Auditor General reminded the Accounting Officer that Financial Reports for 2016 were due by 30th April, 2017.

6.3 Paragraphs 286 and 287 - Contract for the provision of roads, drainage structures and infrastructural works at Lethem

6.3.1 In light of a query, regarding the measures in place to ensure the completion of works in accordance with the contractual agreement, the Accounting Officer stated that the Ministry had improved its monitoring system by conducting frequent visits to projects. Furthermore, the Ministry had engaged consultancy firms to assist in the supervision of works. She further stated that the Ministry was awaiting the appointment of an Engineer since July, 2015.

6.3.2 In responding to a further query, the Accounting Officer apprised Members that officials from the Ministry last visited the site in March, 2017. In addition, a Consultant was also on site and that the project was at phase 2 with works ongoing.

6.3.3 The Chairman enquired whether any corrective actions were undertaken by the Ministry with regard to the concerns raised by the Auditor General and whether the retention fees were released.

6.3.4 Consequent to the query made, the Accounting Officer indicated that the retention fees were paid to the Contractor and, the Ministry was subsequently informed that Mr. Alfred Ramcharran, Principal of ACAP Construction and Engineering Inc., no longer resided in Guyana. Thereafter, the Auditor General was requested to follow up the matter.

6.4 Paragraph 288 – Rural Enterprise Development

6.4.1 Based on a query, in relation to the completion of the call center at Enmore, the Accounting Officer informed the Committee that external works were ongoing and some internal works had to be done due to vandalism of the building. She stated that the project was scheduled to be completed by April, 2017, however, an extension was requested by the Contractor.

6.4.2 Questioned whether liquidated damages were applied, the Accounting Officer responded in the negative. She explained that the consultancy firm responsible for the project was currently examining that aspect. The Chairman requested that a report should be submitted to the Committee, within three days, on the actions taken by the Ministry regarding the matter.

6.4.3 Consequent to the Committee being informed that no Performance Bond was extended to cover the extended period, the Auditor General was requested to follow-up the matter.

6.4.4 A Member enquired when the Leguan Chip Factory would commence operation and the reason for the discontinuation of the Wakenaam Factory. In response, the Accounting Officer stated that the Leguan Chip Factory was completed and a review of the proposal received regarding its operations was being done. Notwithstanding, the factory should commence operation by the end of June, 2017.

6.4.5 In relation to the discontinuation of the Wakenaam Chip Factory, the Accounting Officer indicated that she was guided by a review undertaken by the Ministry in 2015. The Chairman requested that a copy of the review should be submitted to the Committee, within three days. He then suggested that the Audit Office Engineers in collaboration with the Ministry of Public Infrastructure should re-examine the issue.

6.5 At 11.50 a.m., the Committee concluded the examination of the above accounts.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Tourism, Industry & Commerce	274 - 283 (10)	Mr. Derrick Cummings

7.1 At 11.55 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Tourism, Industry & Commerce together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Mr. Derrick Cummings - Permanent Secretary
- (ii) Ms. Deborah Mc Nichol-Williams - Deputy Permanent Secretary
- (iii) Mr. Kevyn Murray - Special Assistant to the Permanent Secretary
- (iv) Ms. Joanne Blackman - Expenditure Planning & Management Analyst I
- (v) Mr. Aruph Hamid - Chief Accountant
- (vi) Ms. Mignon Hope - Assistant Accountant (ag)
- (vii) Mr. Frank Gomes - Accountant, Arthur Chung Convention Centre (ACCC)

7.2 **Paragraph 274 – Subsidies and Contributions to Local Organisations**

7.2.1 A Member enquired the current status of the outstanding Financial Statements for the statutory agencies under the control of the Ministry. In response, the Accounting Officer informed the Committee that the Competition and Consumer Protection Commission Financial Statement for 2016 was completed and would be submitted for audit.

7.2.2 Additionally, the Guyana Consumer Association and the Consumer Advisory Bureau status remained the same. However, efforts were being made to have the outstanding Financial Statements prepared and submitted to the Auditor General's Office.

- 7.3 **Paragraphs 275 and 276 were considered.**
- 7.4 **Paragraph 277 – Overpayments totalling \$1.424M for incomplete works, National Exhibition Centre Sophia**
- 7.4.1 Questioned about the current status of the overpayments, the Accounting Officer stated that the Permanent Secretary, Ministry of Business had, on several occasions, engaged the Engineer and team urging them to complete outstanding works, however those efforts proved futile. Consequently, the Ministry had written the Solicitor General on 12th May, 2017, regarding the matter.
- 7.4.2 Based on a further query, the Committee was also informed that the overpayments were made to Kares Engineering Inc.
- 7.5 **Paragraph 278 – Installation of electricity at the Belvedere Estate**
- 7.5.1 Following a query, the Accounting Officer indicated that the Guyana Power and Light Inc. had completed the project.
- 7.6 **Paragraph 279 – Construction of roads, drains, structures and installation of pure water network at Belvedere/Hampshire, Region No. 6**
- 7.6.1 In response to a query, the Accounting Officer stated that the Ministry would engage the Ministry of Finance with regard to the overpayments made to the Contractor.
- 7.6.2 Thereafter, the Auditor General was requested to follow up the matter and report to the Committee, at its earliest.
- 7.7 **Paragraphs 280 to 283 were considered.**
- 7.8 At 12.10 p.m., the Committee concluded the examination of the above accounts.

ITEM 8:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Legal Affairs	472 - 475 (4)	Ms. Delma Nedd

8.1 At 12.13 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Legal Affairs together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Ms. Delma Nedd - Permanent Secretary
- (ii) Ms. Lisette Wills - Principal Personnel Officer
- (iii) Ms. Tracy Blackman - Accountant

8.2 Paragraph 472 was considered.

8.3 Paragraph 473 – Rental of the First Federation Building

8.3.1 Questioned about the current status of the matter in the High Court, the Accounting Officer indicated that the injunctions granted were dismissed on 29th April, 2015. Consequently, a Notice of Appeal, against the decision, was filed by the occupant of the Building on 30th April, 2015. However, a date for the appeal was still pending.

8.4 Paragraph 474 – Overpayments of Salaries and Deductions

8.4.1 In responding to a query, the Accounting Officer informed the Committee that, recently, three notices were placed in the print media requesting the ten overpaid individuals to make urgent contact with the Ministry. To date, two persons had responded. As a result, the outstanding sums for 2009 were reduced to \$164,000, and for 2012 it was reduced to \$90,353. Notwithstanding that, strenuous were being made to have the matter resolved.

8.4.2 The Committee was also informed that the Audit Office was updated on the matter and the supporting documentation was submitted.

8.5 Paragraph 475 was considered.

8.6 At 12.17 p.m., the Committee concluded the examination of the above accounts.

ITEM 9: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Office of the Prime Minister	79 - 86 (8)	Ms. Abena Moore

9.1 At 12.55 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Office of the Prime Minister together with the comments submitted by the Accounting Officer for the year 2015.

9.1.1 Officers present for the examination were:

- (i) Ms. Abena Moore - Permanent Secretary
- (ii) Ms. Christina Mohan - Principal Assistant Secretary (G)
- (iii) Ms. Beverley Alert - Director, Guyana Information Agency (GINA)
- (iv) Mr. Vickram Bath - Finance Manager (ag), National Communications Network (NCN)

9.2 Paragraph 79 – Subsidies and contribution to six Local Organisations

9.2.1 A Member requested a status update on the Financial Statements of the six local organisations under the control of the Office of the Prime Minister. In response, the Accounting Officer informed the Committee of the following:

- (i) Government Information Agency
 - 2014 and 2015 Financial Statements were submitted to the Auditor General; and
 - An Audit firm was engaged by the Audit Office of Guyana regarding audits for 2016, which should commence shortly.

(ii) National Communications Network

- 2015 and 2016 Financial Statements were submitted to the Auditor General.

- 9.2.2 The Committee was also informed that information regarding the Financial Statements of the Guyana Power & Light Inc., Lethem Power Company, Madhia Power & Light Company and the Port Kaituma Power & Light Company Inc., would be submitted subsequently to the Committee, since those agencies were now under the control of the Ministry of Public Infrastructure.
- 9.3 **Paragraph 80 was considered.**
- 9.4 **Paragraph 81 – Contingencies Fund Advance Warrant**
- 9.4.1 A Member enquired the reason why the amount of \$1.550M was used to pay employees of GINA a non-taxable bonus from a Contingencies Fund Advance Warrant of \$11M which was issued to offset partial liabilities to Guyana National Newspaper Limited (GNNL).
- 9.4.2 In response, the Accounting Officer explained that the expenses for GNNL amounted to \$9.450M with a balance of \$1.550M, which was later utilised for the payment of the bonus. She acknowledged that the remaining sums should have been returned to the Consolidated Fund. Members were assured that systems were being implemented to prevent a recurrence.
- 9.4.3 Following a lengthy discussion, the Committee agreed that a copy of the invoice from GNNL should be submitted, within three days. Ms. Alert, Director, GINA stated that based on a Memorandum from the Finance Secretary in December, 2015, the staff were paid the bonus from the Agency's funds. She added that two cheques to the sums of \$1.550M and \$9.450M were received on 7th January, 2016 for payment to GNNL. She then suggested that the Auditors should re-examine the issue since all supporting documents were available for verification.
- 9.4.4 Clarifications were sought from the Auditor General regarding the issue. He advised the Committee that GINA had paid the bonus from their fund but later used the contingency advance to reimburse the expenditure incurred which was incorrect. Members agreed that the Auditor General should follow-up the matter.
- 9.4.5 At the conclusion of the discussion, the Accountant General (ag) advised the Accounting Officer that, in future, the Office should ensure that monies were utilised for the purpose issued for or returned to the Consolidated Fund.

9.5 Paragraphs 82 and 83 – Capital Expenditure, Purchase of Vehicles

9.5.1 A Member enquired the system of procurement used to acquire the Toyota Land Cruiser Station Wagon GX and the reason why two cheques amounting to the total cost of the vehicle was paid to the supplier at the time of procurement. In response, the Accounting Officer stated that the vehicle was sole-sourced from Beharry Automotive Limited.

9.5.2 Ms. Mohan, Principal Assistant Secretary (G) informed the Committee that the cheques were paid at the same time to Beharry Automotive Limited by mistake. She explained that both cheques were cut and the first payment was to be made at procurement while the other at the delivery of the vehicle.

9.5.3 A Member expressed concern about the explanation given to the Committee and posited that cheques were only cut when there was an intention to pay. Consequently, the Accounting Officer agreed to submit to the Committee the relevant information in that regard, within three days.

9.5.4 During a discussion, the Committee was also informed that the scheduled delivery date of the vehicle was July, 2016. However, the Office was notified by the supplier that there was a fire at the factory in Japan and the vehicle would be delivered at a subsequent date. The vehicle was eventually delivered in September 2016.

9.5.5 The Finance Secretary advised the Accounting Officer that at the end of 2015 the money should have been returned to the Consolidated Fund and a rolled-over approval sought from the Ministry of Finance.

9.6 Paragraphs 84 to 86 were considered.

9.7 At 1.45 p.m., the Committee concluded the examination of the above accounts.

ITEM 10: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of the Presidency	177 - 198 (21)	Ms. Abena Moore

10.1 At 1.50 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of the Presidency together with the comments submitted by the Accounting Officer for the year 2015.

10.1.1 Officers present for the examination were:

- (i) Ms. Abena Moore - Permanent Secretary
- (ii) Ms. Paula James - Principal Assistant Secretary (F)
- (iii) Ms. Andrea Branford - Expenditure Planning & Management Analyst II
- (iv) Ms. Nonieka Daniels - Chief Accountant
- (v) Mr. Deonarine Jagdeo - Deputy Director – Institute of Applied Science & Technology
- (vi) Mr. Floyd Levi - Chairman, National Data Management Authority

10.2 **Paragraph 177 was considered.**

10.3 **Paragraph 178 – Subsidies and Contributions to Local Organisations**

10.3.1 A query was made on the status of audit for the Integrity Commission. The Accounting Officer, in response, stated that the Ministry was currently assisting the Integrity Commission in updating its Financial Statements. She added that the audit would be completed within the two months.

10.3.2 Responding to further queries, the Accounting Officer informed the Committee that the Commission was currently staffed with one individual consequent to the expiration of contracts of all other staff. Additionally, she stated that she was unaware of efforts being made to fill the vacancies.

10.4 **Paragraphs 179 to 181 - Capital Expenditure, Lethem to Providence E-Government Project**

10.4.1 Questioned about the status of the Lethem to Providence E-Government Project, Mr. Levi, Chairman, National Data Management Authority explained that no records were located on the disbursement for the sum of \$68.816M. He further mentioned that Mekdeci Machinery and Construction Company was the Contractor for the project in 2010. The Chairman advised that contact should be made with the Contractor, in an effort to ascertain whether he was in receipt of the disbursement.

10.4.2 Members were also informed that the Lethem to Providence E-Government Project was completed.

10.5 Paragraph 182 - Capital Expenditure

10.5.1 Based on a query, Mr. Levi stated that the Ministry was successful in locating the payment vouchers and all other supporting documents in relation to four payments totalling \$19.088M. As a result, the documents would be submitted to the Auditor General for verification

10.6 Paragraphs 183 and 184 – Contingency Fund Advances

10.6.1 A Member queried whether the laptops were received and distributed. Mr. Levi responded in the affirmative. However, he explained that a small percentage was yet to be distributed.

10.6.2 Responding to further queries, he explained that the project for equipping the Hinterland hubs was now the responsibility of the Ministry of Public Telecommunications. He added that the undistributed laptops were allocated to teachers in the Hinterland areas.

10.6.3 Noting the comments made by the Accounting Officer, the Chairman requested that a detailed report should be submitted to the Committee on the distribution of the 9,609 laptops, within one week.

10.6.4 Questioned further on the current status of the 2,859 damaged laptops. Mr. Levi explained that parts from the damaged laptops were used to repair laptops that had encountered technical problems.

10.6.5 He indicated that all laptops to be disposed of were kept in a bond for verification by the Auditors and assured Members that the disposal would be done in an environmentally friendly manner.

10.6.6 Subsequent to a further query, Mr. Levi informed the Committee that the four mini vans were stationed in Georgetown but were used for works in the Coastal Regions.

10.7 Paragraphs 185 and 186 – 103 Stolen laptops

10.7.1 In answering a query with regard to the aforementioned paragraph, the Accounting Officer explained that a letter was sent to the Commissioner of Police. As a result, charges were levelled against Mr. Kanhai on July 24, 2014, who was reported to be in possession of one of the stolen laptops. She added that, to date, the other laptops were not located and disciplinary actions were taken against the Manager and staff of the warehouse.

- 10.8 Paragraph 187 was considered.
- 10.9 Paragraph 188 – Maintenance of Cash Book
- 10.9.1 In responding to queries, Mr. Levi informed Members that a cash book was maintained and undertook to provide the Committee with the cash book balance for 2016, within one week.
- 10.10 Paragraph 189 – Warrants received, Construction of a Rice Cereal Plant at Anna Regina, Region No. 2
- 10.10.1 The Accounting Officer informed the Committee that ownership of the land for the Rice Cereal Plant was not transferred. However, at present, the land was being squatted on and efforts were being made to have the plant commissioned.
- 10.10.2 He also stated that the project was managed by the Institute of Applied Science and Technology (IAST) and a balance of \$1.4M remained in the Institute's account. Questioned about the current balance of the account, the Accounting undertook to submit to the Committee, within one week, all pertinent information in that regard.
- 10.10.3 The Accounting Officer indicated that Mr. Narine was the Head of IAST and was employed on a fulltime basis. He committed to provide the Committee with information on Mr. Narine's remuneration package, within one week.
- 10.10.4 Based on a query, Mr. Jagdeo, Deputy Director, IAST informed the Committee that the Plant was completed and fully equipped. Notwithstanding that, no electricity was supplied to the building. However, the matter was being pursued by the Minister of State.
- 10.10.5 Queries were made on the viability of projects by the IAST. Mr. Jagdeo explained that the projects were viable but they were awaiting the response of the business community to make it commercial.
- 10.11 Paragraph 190 – Equipment for the Rice Cereal Plant at Anna Regina, Region No. 2
- 10.11.1 Questioned whether the equipment was publicly tendered for and whether full amounts were paid to the supplier, Mr. Jagdeo responded in the affirmative. He stated that one bid was received, which was 76.6% higher than the price offered by a supplier in China.

- 10.11.2 He further stated that upon receipt of permission to sole-source the equipment, two Technical Officers, Mr. Manohar from IAST and Mr. Retemyer from Ministry of the Presidency, were sent to China to procure the equipment and ensure that it was delivered.
- 10.11.3 A further query was made on the warranty received with the purchase of the equipment, Mr. Jagdeo committed to submit the information to the Committee, within one week.
- 10.11.4 A Member pointed out that Mr. Retemyer was the Head of the State Asset Recovery Unit (SARU) and enquired under what authority he was selected for the visit to China. The Accounting Officer was requested to submit to the Committee the information, at its earliest.
- 10.12 Paragraph 191 – Breach of the Stores Regulations**
- 10.12.1 The Accounting Officer informed the Committee that systems were put in place to ensure compliance with the Stores Regulations.
- 10.12.2 Responding to queries, the Accounting Officer explained that the issue of unmarked items was consequent to the large volumes of purchases and a shortage of the relevant staff. She assured Members that all the items were listed in the inventory and would be subsequently marked, inclusive of those located within other agencies.
- 10.13 Paragraphs 192 and 193 – Purchase of Equipment**
- 10.13.1 The Committee expressed concern that the Contingency Fund Advance was not issued under the conditions, “*unavoidable, unforeseen and urgent circumstances that are not detrimental to the general health*”, as stipulated by the Law.
- 10.13.2 During a discussion, it was highlighted that, to date, the CCTV systems were not installed and the value of the contract was US\$90.969. Moreover, the Company, Moonblink Communications Inc., was fully paid but was encountering difficulties in delivering their end of the transaction since it was currently in a state of bankruptcy.
- 10.13.3 The Accounting Officer indicated that based on the advice of the Minister of Legal Affairs, the Minister of State was following up the matter. She added that, the Ministry had also engaged the United States of America Embassy in Guyana to assist, in that regard.

- 10.13.4 Thereafter, the Committee requested an update on the matter by Wednesday, 24th May, 2017.
- 10.14 Paragraph 194 – Infrastructural Works at Building E Castellani Compound**
- 10.14.1 Questioned on the status of the overpayment, the Accounting Officer informed the Committee that efforts were being made to have the Contractor, Mr. Jaikishun, refund the overpayments. She stated that no performance bond was placed in the contract, as was the case for the previously mentioned sole-sourced contracts. The Auditor General was requested to examine all contracts that were without bonds.
- 10.14.2 Subsequently, the Accounting Officer posited that Mr. Omar Shariff was the Accounting Officer during the period the contracts were awarded without performance bonds.
- 10.15 Paragraphs 195 to 198 – Capital Subvention**
- 10.15.1 Responding to a query, on the current status of the Police investigation regarding the stolen lights for the Soesdyke-Linden Highway, the Accounting Officer stated that several persons were questioned in that regard. However, investigations were ongoing.
- 10.16 At 2.48 p.m., the Committee concluded the examination of the above accounts.

ITEM 11:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Department of Public Service	199 – 204 (6)	Mr. Reginald Brotherson

- 11.1 At 2.52 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Department of Public Service together with the comments submitted by the Accounting Officer for the year 2015.

- 11.1.1 Officers present for the examination were:
- (i) Mr. Reginald Brotherson - Permanent Secretary
 - (ii) Mr. Keimo Benjamin - Human Resource Officer
 - (iii) Ms. Natasha Chase - Human Resource Officer
 - (iv) Mr. Ryan Cumberbatch - Systems Development Coordinator
 - (v) Ms. Soyinka Grogan - Manager, Scholarships
 - (vi) Mr. Andre Daziel - Chief Accountant
 - (vii) Mr. Aidan Sparman - Student Affairs Officer
 - (viii) Mr. Davin Washington - Technical Officer

11.2 Paragraphs 199 and 200 – Contingency Fund Advance

11.2.1 Following a query on the status of the court proceedings regarding matters involving expenditure totalling \$244M, the Accounting Officer stated that the Commissioner of Police had informed the Ministry that the investigation was ongoing.

11.2.2 A query was made on the justification for which the Contingency Fund Advance was issued. The Accounting Officer was unable to provide the Committee with the information. He explained that Mr. Hyder Ally was the Accounting Officer at the time of that transaction.

11.2.3 Subsequent to a discussion which ensued, the Accounting Officer stated that for 2015, 186 students were granted overseas scholarships and 1,015 students were granted local scholarships. Mention was also made that the local students were offered programmes at the University of Guyana, Guyana School of Agriculture, Government Technical Institute, School of Aeronautical Engineering, and Carnegie School of Home Economics. He added that all awardees of scholarships were contracted to the Government of Guyana.

11.2.4 It was also indicated that all scholarships were publicly advertised and awarded. A detailed report of all scholarships granted was then submitted to the Committee.

11.3 Paragraphs 201 to 202 – Training including Scholarships

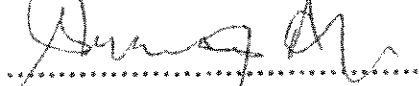
11.3.1 The Accounting Officer, in response to a query, informed the Committee that there were approximately 86 to 100 students in Cuba being supported by the Government of Guyana.

- 11.3.2 The Chairman informed the Accounting Officer of complaints received from several other Accounting Officers regarding the refusal to fill vacancies by the Department of Public Service. The Accounting Officer, in response, stated that refusals were consequent to recommended individuals failing to satisfy required criteria.
- 11.4 **Paragraphs 203 and 204 – Register of Students**
- 11.4.1 The Accounting Officer was requested to submit to the Committee the Register of Students. He stated that, at present, the register was being updated and committed to provide the information to the Committee by the end of 2017.
- 11.5 At 3.08 p.m., the Committee concluded the examination of the above accounts.

Adjournment

At 3.10 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 29th May, 2017.

Confirmed this 1st day of June, 2017


.....
Mr. Mohamed Irfan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
29TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 29TH MAY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P. - Excused

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma) - Excused
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (ag) - (Ms. Jennifer Chapman)

Also in attendance:

Mr. Lakeram Ramkoomar - Audit Director (ag)

Officers

Mr. Nickalai Pryce - Clerk of Committees
Ms. Candayce Girard - Assistant Clerk of Committees
Ms. Maritza Dodson - Assistant Clerk of Committees
Ms. Michelle Chung - Research and Analytical Assistant
Ms. Abiola Bazil - Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.20 a.m.

ITEM 2: ANNOUNCEMENT

2.1 **Welcome**

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

2.2 **Excuses**

2.2.1 The Chairman informed the Committee that Hon. Valarie Patterson and Mr. Charrandas Persaud had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

(i) Notice of the 29th Meeting dated May 22, 2017;

- (ii) The Audit Office of Guyana Briefing Notes and responses received on the Reports of the Auditor General for the year 2015 with respect to the following Ministry/Departments:
- Georgetown Public Hospital Corporation;
 - Ministry of Public Health; and
 - Guyana Defence Force.
- (iii) Letter dated February 14, 2017 from Mr. Gavin Clarke, Regional Executive Officer, Regional Democratic Council, Region No. 10;
- (iv) Letter dated May 23, 2017 from Mr. Reginald Brotherson AA, Permanent Secretary, Ministry of the Presidency, Department of the Public Service, re: Examination of the 2015 Reports of the Auditor General (Response to query); and
- (v) Department of Public Service: 2016 Register of Students by Year of Completion.

3.2

The following documents were circulated at the meeting:-

- (i) Letter dated May 25, 2017 from Ms. Beverley Alert, Director & Coordinator of Public Information, GINA re: Commitment made to the Public Accounts Committee on May 22, 2017; and
- (ii) Copies of incoming correspondence as at **paragraph 4.1.**

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- (i) Letter dated May 24, 2017 from Ms. Rajdai Jagarnauth, Permanent Secretary, Ministry of Business, re: 2015 Public Accounts: Ministry of Business follow-up on PAC Meeting;
- (ii) Letter dated May 25, 2017 from Ms. Lorene Baird, Permanent Secretary, Ministry of Social Protection; and
- (iii) Minutes of the 27th Meeting held on 15th May, 2017.

4.2

Outgoing:

- (i) Letter dated May 23, 2017 to Mr. Allan Johnson, Chief Executive Officer, Georgetown Public Hospital Corporation, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated May 23, 2017 to Ms. Collette Adams, Permanent Secretary (ag), Ministry of Public Health, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting; and
- (iii) Letter dated May 23, 2017 to Col. Paul Arthur, Accounting Officer, Guyana Defence Force, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting.

ITEM 5:

CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 25th MEETING HELD ON 3rd APRIL, 2017

5.1

The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Nigel D. Dharamlall and Mr. Jermaine Figueira, respectively.

ITEM 6:

MATTERS ARISING

6.1

There were no matters arising from the Minutes.

ITEM 7:

CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 26th MEETING HELD ON 10th APRIL, 2017

7.1

The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Nigel D. Dharamlall and Mr. Jermaine Figueira, respectively.

ITEM 8:

MATTERS ARISING

8.1

There were no matters arising from the Minutes.

ITEM 9:

CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 27th MEETING HELD ON 15th MAY, 2017

9.1

The Minutes were confirmed, without corrections, on a motion moved and seconded by Bishop Juan A. Edghill and Mr. Jermaine Figueira, respectively.

ITEM 10: MATTERS ARISING

10.1 There were no matters arising from the Minutes.

ITEM 11: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Georgetown Public Hospital Corporation	445 - 455 (11)	Mr. Allan Johnson

11.1 At 10.30 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Georgetown Public Hospital Corporation together with the comments submitted by the Accounting Officer for the year 2015.

11.1.1 Officers present for the examination were:

- (i) Mr. Allan Johnson - Chief Executive Officer
- (ii) Mr. Ronald Charles - Finance Director

11.2 Paragraphs 445 and 446 – Outstanding Financial Statements

11.2.1 In responding to several queries, the Accounting Officer informed the Committee that Financial Statements for 2015 would be submitted by September, 2017. He added that the Financial Statements for 2016 were, also, not submitted and no actions were taken against the Officers responsible, in this regard.

11.2.2 The Accounting Officer also assured Members that a letter would be sent to the Finance Director enquiring about the reasons for the non-submission of the Financial Statements.

11.2.3 Questioned on the balance of the accounts at the end of the years 2015 and 2016, the Accounting Officer stated that all monies were refunded to the Consolidated Fund. The Committee requested that all documentation, in that regard, should be submitted, within one day.

- 11.2.4 The Chairman cautioned the Accounting Officer about the inaccurate responses he proffered. He stated that the Audit Office records showed that the outstanding balances from 2016 were not refunded to the Consolidated Fund.
- 11.2.5 At that juncture, Mr. Charles attempted to respond to the statement made by the Chairman, but was asked to discontinue, since the Committee was dissatisfied with his explanations.
- 11.2.6 Subsequently, the Committee expressed disappointment in the unpreparedness of the Accounting Officer and Mr. Charles. Members were appalled that the Accounting Officer would appear before the Committee with one member of staff who was unable to assist in answering the queries made.
- 11.3 At 10.45 a.m., the Committee terminated the examination of the above accounts.

ITEM 12:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Public Health	369 - 423 (59)	Ms. Collette Adams

- 12.1 At 11.00 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Public Health together with the comments submitted by the Accounting Officer for the year 2015.
- 12.1.1 Officers present for the examination were:
- (i) Ms. Collette Adams - Permanent Secretary
 - (ii) Ms. Glendon Fogenay - Deputy Permanent Secretary
 - (iii) Ms. Karen Yaw - Director of Planning
 - (iv) Ms. Malkia Idal - Principal Assistant Secretary (F)
 - (v) Mr. Bruce Wills - Engineer

Mr. Trevor Thomas, former Permanent Secretary was also in attendance.

- 12.2 Paragraph 369 was considered.
- 12.3 Paragraph 370 – Overpayment of Salaries and Deductions
- 12.3.1 In light of a query, the Accounting Officer informed the Committee that efforts to locate the overpaid individuals proved futile. She stated that the Ministry had engaged other Governmental Agencies to ascertain whether the persons were under their employ, so that the necessary arrangements could be made to have the overpaid sums deducted from their salaries.
- 12.4 Paragraph 371 - Outstanding Drugs and Medical Supplies
- 12.4.1 Queries were made in relation to the transactions made with Productos Roche. Mr. Thomas explained that a one year contract was signed in 2015, however, all the drugs and medical supplies were not delivered within that year. He added that some were delivered in 2016 and the remainder in 2017.
- 12.4.2 During a discussion, the Committee was also informed that, to date, the outstanding drugs and medical supplies from Caribbean Medical Supplies, Trans Continental Ltd and Henry Schien Inc. were not delivered. Furthermore, no further contracts were issued to the above-mentioned suppliers.
- 12.4.3 Mention was also made that letters were sent to Productos Roche and Henry Schien Inc., for meetings to be held with the Ministry regarding their claims that full deliveries were made.
- 12.4.4 Additionally, the Accounting Officer stated that reconciliations were being done with the Materials and Management Unit (MMU) at Diamond and the Accounts Department of the Ministry. Consequently, the Committee requested that a report on the matter should be submitted within one week.
- 12.4.5 At the conclusion of the discussion, the Accounting Officer agreed that there were shortages of drugs and medical supplies in the health sector which was as a result of suppliers late delivery of the items.
- 12.5 Paragraphs 372 and 373 - Outstanding drugs and medical supplies
- 12.5.1 A Member enquired about the systems implemented to ensure that all drugs and medical supplies would be delivered promptly and in full. The Accounting Officer, in response, stated that a Procurement Department would be established by June, 2017 and contract management would be priority in its responsibilities.

- 12.5.2 Questioned whether the new Department would consider the new Bid Document for the supply of drugs and medical supplies, the Accounting Officer responded in the affirmative. She stated that the new Bid Document was drafted and was submitted to the Public Procurement Commission the previous week. She added that, while awaiting the establishment of the department, reconciliations were being done on all contracts engaged.
- 12.5.3 Based on a query in relation to the handling charges incurred. Mr. Thomas explained that the Ministry would utilise the services of Customs Brokerage for the procurement process which would result in the handling charges. He mentioned that the contracts would be Cost, Insurance and Freight (CIF) delivered to port Georgetown while all costs incurred thereafter would be the responsibility of the Ministry.
- 12.5.4 Based on discussions, the following information was related to the Committee by the Accounting Officer:
- When a company was contracted to supply drugs and medical supplies, the items would be delivered to MMU, Ministry of Public Health;
 - Personnel of the MMU would be in possession of copies of contracts upon delivery of supplies;
 - The MMU was obligated to file reports of deliveries and non-deliveries to the Procurement Department of the Ministry;
 - All contracts signed would contain a liquidated damages clause and it was the responsibility of the individuals signing the contract to activate the clause in the event the supplier did not satisfy the requirements of the contract; and
 - The Permanent Secretary would be updated on information in relation to the performance of contracts and would therefore be aware of shortages of drugs and medical supplies.
- 12.5.5 Thereafter, the Accounting Officer was requested to submit, to the Committee, information in relation to whether there were instances where the liquidation clause of those contracts were activated.

- 12.6 **Paragraph 374 – Outstanding drugs and medical supplies totalling \$26.133M**
- 12.6.1 Questioned on the status of the outstanding drugs and medical supplies, the Accounting Officer indicated that reconciliations were ongoing. She stated that a number of suppliers had delivered in full while others had committed to deliver the outstanding supplies at its earliest.
- 12.6.2 The Chairman expressed concern regarding handling charges totalling \$39,854,000, which, in his view, was excessive for brokerage services. Mr. Thomas explained that the charges vary consequent to different transactions carried out. Noting the comments made, the Accounting Officer was requested to submit, to the Committee, all pertinent information in that regard.
- 12.6.3 Based on further queries, the Accounting Officer confirmed that a Contractors'/Suppliers' Register was maintained by the Ministry. She indicated that the contracts were signed in 2014 and were not multi-year contracts. Further, no roll-over approval was requested for the projects. The Accounting Officer was then requested to submit, to the Committee, detailed information on the contracts awarded.
- 12.7 **Paragraphs 375 – Outstanding Supporting Documentation**
- 12.7.1 A query was made on why the requisite supporting documentations were not submitted for audit. Mr. Thomas stated that efforts were being made to locate all the documents. Consequently, a Member expressed concern regarding the issue of monies being expended without documentations to verify the transactions.
- 12.7.2 The Accounting Officer also indicated that measures were in place to ensure that upon delivery of supplies to the MMU, a Stores Received Note (SRN) would be prepared and sent to the Accounts Department to be cleared before payments were made.
- 12.8 **Paragraphs 376 to 377 – Nine hundred and thirty-three cheques valued at \$1.035B not refunded to the Consolidated Fund**
- 12.8.1 In light of a query, the Accounting Officer stated that some of the cheques were subsequently updated and refunded to the Consolidated Fund. To date, eighteen cheques valued at \$58.418M remained outstanding.

- 12.8.2 Further queries were made, after which the Auditor General apprised Members that some of the cheques were payments of supplies and services from entities such as Farfan & Mendes Group of Companies, N&S Mattai & Company, Laparkan Trading Co. Limited, Guyana National Bureau of Standards, among others.
- 12.8.3 Subsequent to a discussion, the Accounting Officer was requested to submit to the Committee a list of previous years' liabilities for 2015 regarding the cheques that were refunded.
- 12.8.4 In response to a query made on the type of verifications done to reconcile payments, the Accounting Officer informed the Committee that reconciliations were done within the Ministry of Public Health. She explained that a copy of the delivery slip was required to be submitted by the company and that was compared to the SRN from MMU. She added that, in the event the SRN was not located, the signature of the person receiving the supplies on the delivery slip would verify the transaction.
- 12.9 Paragraph 378 – Maintenance of Sectional and Master Inventory of Assets**
- 12.9.1 A query was made on the current status of the Master Inventory. In response, the Accounting Officer stated that the inventory was being updated. She explained that, previously, the inventories were not maintained due to a shortage of staff. However, at present, Field Auditors were assisting in updating the inventories while efforts were being made to recruit an Inventory Clerk.
- 12.10 Paragraph 379 was considered.**
- 12.11 Paragraphs 380 and 381 – Construction of an Acute Care Psychiatric Hospital in Region No. 6**
- 12.11.1 Following a query on the current status of the overpayments made to the Contractor, Mr. Wills informed the Committee that a visit was made by the Auditors during 2016 and the unresolved issues were being addressed.
- 12.12 Paragraphs 382 – Acquisition of Cardiac Cauterisation Laboratory Materials**
- 12.12.1 Questioned whether the Cardiac Cauterisation Laboratory materials were fully operational, the Accounting Officer responded in the affirmative.

- 12.13 Paragraphs 383 – Overpayments to Contractor for works at Doctor’s Quarters at Block ‘A’ Richmond Hall, Linden**
- 12.13.1 Mr. Lall, Engineer, Audit Office, informed the Committee that the project was re-visited and the matter was subsequently resolved.
- 12.14 Paragraph 384 – Cash payments of Salaries**
- 12.14.1 Subsequent to a query, the Accounting Officer stated that, at present, two employees were being paid by cash due to personal challenges of the individuals.
- 12.15 Paragraph 385 - Employees without Taxpayer Identification Numbers (TIN)**
- 12.15.1 Responding to a query on how payments were made to the Guyana Revenue Authority (GRA) for the 148 employees who were not in possession of a TIN, the Accountant General indicated that monthly remittances were sent to GRA and those payments would be recorded for each individual under their registered names. However, consequent to not being in possession of a TIN, individuals would encounter difficulties when filing their Income Tax Returns.
- 12.15.2 The Accountant General informed the Committee that, with effect from 2016, it was decided that persons without a TIN or National Insurance Scheme (NIS) Number would not be added to the payroll.
- 12.15.3 A Member proposed that the Accounting Officer should ensure that efforts were made to assist the staff in acquiring their TIN.
- 12.16 Paragraph 386 – Employees Personal Files**
- 12.16.1 Based on a query, regarding 101 personal files not presented for audit examination, the Committee was informed that the Personnel Department comprised of 22 members of staff who were responsible for the affairs of approximately 3,000 staff under the employ of the Ministry. It was explained that all efforts were being made to locate the outstanding files for submission to the Auditors.
- 12.16.2 Thereafter, the Committee requested that the date of employment and designations of the 101 employees: whether placed under fixed establishment or contracted, should be submitted to the Committee at its earliest.

- 12.16.3 Members then agreed that further discussions on the matter would continue at a subsequent meeting of the Committee.
- 12.17 **Paragraph 387 – Outstanding Drugs and Medical Supplies**
- 12.17.1 Mr. Thomas, when questioned on whether bonds were stipulated in the contracts awarded to the six suppliers with outstanding drugs and medical supplies, responded in the affirmative. The Committee was also informed that the current balance of outstanding drugs and medical supplies totalled \$174,689,000.
- 12.17.2 At this point, Members expressed concern about the recurrences of contracts approved as one year but was rolled over to other years without the relevant approvals being granted. Further, concerns were also raised on the recurrences of outstanding deliveries of drugs and medical supplies.
- 12.17.3 Subsequently, the Accounting Officer was requested to submit to the Committee information on the aforementioned contracts, specifically, the dates awarded and the delivery schedule.
- 12.17.4 A Member then suggested that the Audit Office should conduct a value-for-money audit on drugs and medical supplies.
- 12.18 **Paragraph 388 – Outstanding Drugs and Medical Supplies (Caribbean Medical Supplies Inc.)**
- 12.18.1 In response to a query, the Accounting Officer informed the Committee that Mr. Davindra Rampersaud was the principal for Caribbean Medical Supplies Inc. She added that meetings were held with Mr. Rampersaud and he was subsequently written to, in an effort to resolve the matter.
- 12.18.2 Questioned whether any Contractor who failed to satisfy the contractual agreements in a previous contract was awarded new contracts, the Accounting Officer responded in the negative. However, it was brought to the attention of the Accounting Officer, instances where PAHO did not satisfy contractual agreements but were awarded further contracts. The Accounting Officer was then cautioned that she should refer to the information before her before responding to the Committee.

- 12.18.3 Based on several queries, the Accounting Officer indicated that, at the moment, the contract between the Ministry and Caribbean Medical Supplies Inc. was being investigated. The Committee requested that a copy of the report should be submitted within one week.
- 12.19 **Paragraph 389 - Outstanding Drugs and Medical Supplies (New GPC Inc.)**
- 12.19.1 Responding to queries, the Accounting Officer informed the Committee that the outstanding drugs and medical supplies totalling \$700,000 were delivered in May, 2017 consequent to a meeting held with the supplier.
- 12.20 **Paragraph 390 - Outstanding Drugs and Medical Supplies**
- 12.20.1 The Accounting Officer, in response to a query, stated that systems were in place to ensure that the Procurement Department was equipped with adequate staff to deal with contracts in its entirety.
- 12.20.2 Following several queries, Ms. Yaw indicated that members of staff of the Ministry who were trained in management and evaluation were no longer employed and the current staff did not benefit from that training.
- 12.20.3 Questioned whether storage capacity was a difficulty faced by suppliers resulting in their tardiness in the delivering of drugs and medical supplies, the Accounting Officer stated that, resulting from meetings held with the suppliers to enquire about difficulties faced, that was not indicated. Request was made for the submission of the following information to the Committee, within two weeks:
- Specifications on storage that the Ministry of Public Health adheres to;
 - Reports from assessments on the current suppliers; and
 - Recommendations to alleviate the problems faced.
- 12.21 **Paragraph 391 was considered.**
- 12.22 **Paragraph 392 – Amounts expended on medical treatment locally and overseas**
- 12.22.1 In light of a query with regard to payments totalling \$41.3M for 95 private individuals, who underwent medical treatment, the Accounting Officer stated that treatments were in relation to chronic illnesses and approvals for support were granted in response to requests for assistance.

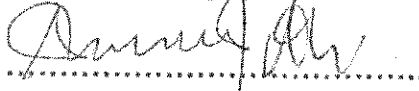
12.23

At 1.05 p.m., the Committee terminated the examination of the above accounts.

Adjournment

At 1.07 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 5th June, 2017.

Confirmed this..1st..day of June, 2017



Mr. Mohamed Irfaan Ali, M.P.,

Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
30TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 5TH JUNE, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma) - Excused
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (ag) - (Ms. Jennifer Chapman)

Also in attendance:

Mr. Lakeram Ramkoomar - Audit Director (ag)

Officers

Mr. Nickalai Pryce - Clerk of Committees
Ms. Candayce Girard - Assistant Clerk of Committees
Ms. Maritza Dodson - Assistant Clerk of Committees
Ms. Michelle Chung - Research and Analytical Assistant
Ms. Abiola Bazil - Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.08 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

2.1.2 He advised members of the media to be cautious in the manner in which they report the proceedings of the Committee. Specific mention was made of the phrase, "chased out", previously stated in an article. He explained that individuals appearing before the Committee would be requested to leave and return at a later date due to their unpreparedness to respond to queries by Members.

2.2 Excuses

2.2.1 The Chairman informed the Committee that Hon. Valarie Patterson had asked to be excused from the meeting.

ITEM 3:

CIRCULATION OF DOCUMENTS

3.1

The following documents had been circulated prior to the meeting:-

- (i) Notice of the 30th Meeting dated May 30, 2017;
- (ii) The Audit Office of Guyana Briefing Notes and responses received on the Reports of the Auditor General for the year 2015 with respect to the following Ministries/ Departments:
 - Ministry of Public Security;
 - Guyana Police Force; and
 - Guyana Defence Force.
 - Guyana Election Commission
- (iii) The Report of the Public Accounts Committee on the Public Accounts of Guyana for the years 2012, 2013 and 2014;
- (iv) Letter dated May 29, 2017 from Mr. Drubahadur, Managing Partner, D. Bahadur & Co. Chartered Accountants, re: Audit of Audit Office of Guyana; and
- (v) Record of Proceedings of the 22nd Meeting held on 6th February, 2017.

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- Letter dated May 11, 2017 from Bibi Zarida Dyal informing Members of the PAC of outstanding payments from the Regional Democratic Council Region No. 2.

4.2

Outgoing:

- (i) Letter dated May 29, 2017 to Ms. Daneilla Mc Calmon, Permanent Secretary, Ministry of Public Security, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;

- (ii) Letter dated May 29, 2017 to Mr. Nigel Hoppie, Assistant Commissioner, Guyana Police Force, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated May 29, 2017 to Col. Paul Arthur, Accounting Officer, Guyana Defence Force, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting; and
- (iv) Letter dated May 29, 2017 to Mr. Keith Lowenfield, Chief Elections Officer, Guyana Elections Commission, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting.

ITEM 5:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Public Security	500 - 519 (20)	Ms. Daneilla Mc Calmon

- 5.1 At 10.20 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Public Security together with the comments submitted by the Accounting Officer for the year 2015.
- 5.1.1 Officers present for the examination were:
 - (i) Ms. Daneilla Mc Calmon - Permanent Secretary
 - (ii) Ms. Shondell Mayers - Principal Assistant Secretary (F)
 - (iii) Ms. Simone Simon - Expenditure Planning & Management Analyst
- 5.2 Paragraph 499 was considered.

5.3 Paragraphs 500 and 501 – Overpayment of Salaries and Deductions

5.3.1 The Accounting Officer informed the Committee that the matter was referred to the Finance Secretary, and, to date, a response was not received. She added that, request for a response was sent to the Finance Secretary, in early 2017, and the Audit Office was cognisant of this information.

5.3.2 The Accountant General apprised Members that a Policy Document was currently being prepared for submission to the Minister of Finance to be presented to Cabinet.

5.3.3 Questioned on measures put in place to prevent future recurrences, in this regard, the Accounting Officer stated that the Personnel Department was working assiduously to ensure documents were forwarded in a timely manner to ensure salaries were not paid to officers who were no longer in the system.

5.4 Paragraphs 502 – Outstanding Payments to Supplier

5.4.1 Responding to a query on the current status on this matter, the Accounting Officer indicated that response was not, to date, received from the Finance Secretary, to whom the matter was referred.

5.4.2 However, the Chairman informed the Accounting Officer that response was sent by the Finance Secretary in February, 2016, in which approval, to write off the amounts owed, was denied consequent to failure to present the supporting documentation to prove that all possible means were attempted to have the payments recovered. He added that the Ministry of Public Security subsequently submitted the Death Certificate of the Supplier, to the Finance Secretary.

5.4.3 The Accounting Officer then concurred with the statements by the Chairman and added that, subsequently, the matter was taken to Cabinet by the Minister of Finance, and, presently, a Policy Document was being prepared.

5.5 Paragraphs 503 and 504 – Overpayment to Contractor (Construction of New Capital Dormitory)

5.5.1 In response to queries, the Accounting Officer stated that the Contractor, Mr. Courtney Ambrose, was not currently engaged in works with the Ministry. She explained that the matter was addressed in the Court where it was dismissed on the grounds of the submission of a release letter, signed by the Permanent Secretary at that time, instructing the forfeit of any further payment. The Accounting Officer was requested to submit, to the Committee, in a timely manner, a copy of the release letter.

5.5.2 The Accounting Officer, in response to further queries, informed the Committee that this matter was also taken to Cabinet and a Policy Document was currently being prepared.

5.6 Paragraph 505 – Overpayment to Contractor (Remedial Works to Albion Police Station)

5.6.1 Based on a discussion which ensued, the Accounting Officer highlighted that the Contractor was Mr. Alvin Hanover, ASH Civil Engineering Works, and the Consultant was E&A Consultants Inc. She indicated that it was the Consultant who signed off for payments to be made for the substandard works. Additionally, she stated that neither the Contractor nor the Consultant was engaged in works with the Ministry.

5.6.2 The Accountant General added that, from information garnered from the Ministry of Finance, it was found that this Contractor was last engaged in works with the Government of Guyana in 2016.

5.6.3 The Accounting Officer informed the Committee that, subsequent to the commitment to repay the outstanding balance, payments totalling \$700,000 was received from the Contractor.

5.7 Paragraphs 506 and 507 – Overpayment to Contractor (Rehabilitation to Kamarang Police Station)

5.7.1 Subsequent to a discussion regarding this matter, the Accounting Officer informed the Committee that no response was received from the Accountant General. However, Mr. Lakeram Ramkoomar - Audit Director (Ag) referred to letter dated 30th May, 2017 from the Contractor, Mr. Hanover, who committed to repay the amounts commencing July, 2017.

5.8 Paragraph 508 – Outstanding Delivery of Capital Items (Industrial Washer and Industrial Dryer)

5.8.1 Questioned whether the Ministry was now in receipt of the industrial washer and industrial dryer, the Accounting Officer responded in the negative. She stated that the items were sole sourced from an American Supplier, Mr. King, Tactical & Commercial Inc. The Committee requested that the letter requesting to sole source the items be submitted, within one week.

- 5.8.2 The Chairman advised that the Accounting Officer write the Embassy of the United States of America, through the Ambassador, requesting their intervention on having this matter resolved.
- 5.8.3 In light of a query made on measures put in place to prevent future recurrences, in this regard, the Accounting Officer indicated that no advance payments would be issued to Suppliers; also, she would ensure a bond is in place for every payment made.
- 5.9 **Paragraphs 509 and 510 were considered.**
- 5.10 **Paragraphs 511 to 513 – Stale-dated Cheques**
- 5.10.1 The Accounting Officer was asked to indicate the reason for the cheques being on hand as of September, 2016. In response, she stated that the Supplier requested that the Ministry hold his cheque since he was out of the jurisdiction.
- 5.10.2 At that juncture, request was made for the submission of the following, to the Committee, within one week:
- Copy of contract;
 - Delivery schedule of items;
 - Date of delivery of items;
 - Supporting documentation to show permission sought for rollover of contract; and
 - Report on the \$48,600M balance not mentioned in the Auditor General's Report.
- 5.11 **Paragraph 514 – Outstanding Delivery of Capital Item (Balahoo Boat)**
- 5.11.1 In response to queries made, the Accounting Officer pointed out that the boat had been handed over to the Guyana Police Force and recorded in their Assets Register and the Supplier was paid.
- 5.12 **Paragraph 515 – Monies not refunded to the Consolidated Fund**
- 5.12.1 Subsequent to a discussion, the Committee was informed that the monies were encashed consequent to the boats being built by individuals from the interior regions, who did not have the prerequisites to carry out cheque transactions. The Accounting Officer, however, agreed with Members that there was a breach to the FMA Act and assured the Committee that there would be no future recurrences, in this regard.

- 5.12.2 The Accounting Officer was requested to provide information to the Committee, within two weeks, on the location of the boat which cost \$844,000, the name of the Contractor and details on how the difference between the \$1.725M and \$844,000 was expended.
- 5.12.3 Members expressed dissatisfaction in the unpreparedness of the Accounting Officer and advised that, in the future, she briefs herself on the paragraphs outlined in the Auditor General's Report, relative to her Ministry, in an effort to be prepared to respond to queries by the Committee.
- 5.13 Paragraph 516 – Outstanding Deliveries of Arms and Ammunition**
- 5.13.1 Subsequent to several queries regarding this matter, the Committee was informed of the following:
- the contract was not multi-year;
 - permission was not granted for the contract to roll over;
 - the items not delivered by the two Suppliers were awaiting clearance by the United States of America Department of Commerce; and
 - There was no liquidated damage clause since the contracts were for the purchase of arms and ammunition.
- 5.13.2 A Member suggested that assistance should be sought from the Embassy of the United States of America, through the Ambassador, in relation to the approval to clear the arms and ammunition.
- 5.14 Paragraph 517 – Outstanding Deliveries of Furniture and Equipment**
- 5.14.1 Members expressed concerns with the breach to the FMA Act, whereby; monies were kept on hand and not refunded to the Consolidated Fund. The Accounting Officer, in response, assured the Committee that there would not be a recurrence, to this effect.
- 5.14.2 Questioned whether the items valued at \$817,000 were delivered, the Accounting Officer responded in the affirmative. She added that all payments were made to the Suppliers.

5.15 Paragraphs 518 and 519 – Special Investigation

5.15.1 During a lengthy discussion, Members were informed that the Finance Department of the Ministry was not adequately staffed but systems were in place to ensure segregation of duties. It was reported that the matter was currently under investigation and the individuals involved in the transactions were sent on administrative leave, with effect from March, 2016, as was recommended by the Public Service Commission upon receipt of the Interim Report.

5.15.2 The Accounting Officer indicated that a team was set up with the responsibility of locating the payment vouchers, but, this was to no avail. Subsequently, the Committee requested that the Accounting Officer submit an update on this matter.

5.16 At 11.45 a.m., the Committee concluded the examination of the above accounts.

ITEM 6: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Guyana Police Force	520-522 (3)	Mr. Nigel Hoppie

6.1 At 11.46 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Guyana Police Force together with the comments submitted by the Accounting Officer for the year 2015.

6.1.1 Officers present for the examination were:

- (i) Mr. Nigel Hoppie - Assistant Commissioner of Police (Finance Officer)
- (ii) Mr. Michael Sutton - Superintendent (Deputy Finance Officer)

- 6.2 Paragraph 520 – Outstanding Overpayment of Salaries and Deductions**
- 6.2.1 Questioned on the status of the overpayments, the Accounting Officer informed the Committee that, subsequent to his previous appearance before the Committee, there was a recovery of \$443,394. He explained that this was achieved consequent to letters being sent to the individuals.
- 6.2.2 Responding to a query on the mechanism now in place to recover the outstanding overpayments, the Accounting Officer stated that the Criminal Investigations Department was requested to assist with the location of those individuals and have them brought in.
- 6.2.3 Subsequent to discussions, the Committee was informed that, in an effort to prevent recurrences of this nature, the Human Resource Department was working closely with the Commanders of each Division to ensure submission would be made verbally, in the first instance, until a report of a rank who would no longer be employed by the Force. This would allow for the Accounts Department to hold the salaries, until instructions on the way forward is received from the Human Resource Department.
- 6.3 Paragraph 521 – Maintenance of Log Books and Historical Records**
- 6.3.1 The Accounting Officer, in response to a query on the measures put in place to ensure all log books and historical records would be available for audit, stated that an Officer was specifically designated to deal with matters in this regard. Therefore, he assured that the log books would be properly maintained and presented upon request.
- 6.4 Paragraph 522 – Monies Unaccounted For**
- 6.4.1 In light of queries, the Accounting Officer assured Members that Collectors Cash Book Statements and related bail records were being updated and monitored by the Deputy Commanders of each Division.
- 6.4.2 A Member commended the Finance Officers for the satisfactory work being carried out in the Guyana Police Force.
- 6.5 At 12.00 p.m., the Committee concluded the examination of the above accounts.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Guyana Defence Force	476 - 498 (23)	Col. Paul Arthur

7.1 At 12.15 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Guyana Defence Force together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1 Officers present for the examination were:

- (i) Colonel Paul Arthur - Quartermaster General
- (ii) Mr. Sherwin Anderson - Lieutenant Colonel, Quartermaster General (ag)
- (iii) Ms. Natasha Stanford - Lieutenant Colonel, Former Staff Officer 1, General 4 Finance/Logistics
- (iv) Mr. John Seepaul - Captain, Staff Officer 3, General 4 Movement
- (v) Mr. Jermain Cort - Commanding Officer, 5 Service Support Battalion
- (vi) Major Hubbard Rodney - Staff Officer 1, General 4 Finance/Logistics (ag)
- (vii) Mr. Jocelyn McAllister - Engineering Officer, 4 Engineer Battalion
- (viii) Captain Kenrick Melville - Officer-in-Charge, Project Execution Unit
- (ix) Ms. Roxanne Devonish - Chief Auditor
- (x) Mr. Sherwin Scipio - Finance Officer
- (xi) Ms. Sharon Sookhoo - Clerk (Finance), 5 Service Battalion

7.2 Paragraph 476 - Outstanding Cheque Orders

7.2.1 A Member enquired the current status of the outstanding cheque orders and the systems in place to ensure that cheque orders were cleared within the stipulated time frame of sixteen days.

7.2.2 In response, the Accounting Officer explained that the 33 cheque orders totalling \$82.642M were for overseas payments. However, to date, all other outstanding cheque orders were cleared.

7.2.3 The Accounting Officer further mentioned that systems were in place to ensure that all prior cheque orders were cleared before the issuance of additional ones. He stated that based on the reasons for the non-clearance, an Officer could be issued a further cheque order.

7.3 Paragraph 477 - Overpayments of salaries and deductions

7.3.1 A Member acknowledged that the Force was successful in recovering overpaid salaries totalling \$365,000. However, salaries and deductions totalling \$725,000 and \$325,000, respectively, remained outstanding.

7.3.2 She enquired whether supporting documentations, regarding the repayments, were submitted to the Guyana Revenue Authority and the National Insurance Scheme in an effort to have the necessary deductions refunded. The Accounting Officer responded in the negative. Nevertheless, he assured Members that both agencies would be notified forthwith.

7.4 Paragraph 478 - Overpayments to Contractor totalling \$216,250, Rehabilitation of Artillery Barracks, Base Camp Stephenson, Timehri

7.4.1 Based on a query regarding the actions taken against the Officer(s) who would have signed off the project, the Accounting Officer indicated that no disciplinary action was taken against the Engineering Officer. He stated that due to the fact that the Contractor was deceased, approval was granted by the Ministry of Finance for the write off of the overpayments.

7.4.2 Consequent to further queries, the Accounting Officer stated that in the event of a recurrence, a warning letter would be issued and placed in the personal file of the Officer or the individual would be surcharged.

7.5 Paragraph 479 - Employees not registered with the National Insurance Scheme (NIS)

- 7.5.1 In light of several queries, the Accounting Officer informed Members that all employees were registered with NIS. However, there were 39 employees with temporary numbers which was as a result of the said employees not visiting NIS Office to obtain a permanent number.
- 7.5.2 Mention was also made that letters were sent to the individuals requesting them to apply for their permanent numbers by a stipulated deadline. If no efforts were made, in that regard, the persons would be removed from the payroll.
- 7.6 **Paragraph 480 - Employees without Tax Identification Numbers (TIN)**
- 7.6.1 A Member, noting that the Force was successful in reducing the number of employees without TIN to four, enquired the mechanisms implemented in that regard. In response, the Accounting Officer stated that letters were sent to individuals requesting that efforts should be made to have the issue resolved. More so, those who did not comply were removed from the payroll.
- 7.6.2 The Accounting Officer also mentioned that the four employees without TIN were stationed in hinterland areas. Notwithstanding, efforts would be made to have the matter resolved.
- 7.7 **Paragraph 481 - Maintenance of Log Books**
- 7.7.1 The Committee was informed that, at present, Unit Commanders were tasked with the responsibility of ensuring that log books were properly maintained. He stated that significant improvements were achieved consequent to the implementation of that initiative.
- 7.8 **Paragraph 482 - Eleven stale dated cheques on hand totalling \$67.251M**
- 7.8.1 The Accounting Officer acknowledged that cheques not refunded to the Consolidated Fund at the end of the year were a breach of *Section 43* of the Fiscal Management and Accountability Act 2003. He assured the Committee that the cheques were subsequently refunded and measures were in place to avoid recurrences.

7.9 Paragraph 483 - Breach of the Stores Regulations

7.9.1 Following a query with respect to the disposal of the unserviceable items, the Accounting Officer stated that for security reasons the unserviceable items were burnt. He informed Members that the items disposed were, mostly, military kits inclusive of old uniforms returned by troops and unusable furniture.

7.9.2 The Committee was also informed that, based on a recommendation by the Auditor General, a register of Government buildings under the control of the Force was created in early 2017.

7.10 Paragraph 484 - Maintenance of Master Inventory

7.10.1 The Accounting Officer, in responding to a query, stated that the Master Inventory was updated and maintained.

7.11 Paragraph 485 was considered.

7.12 Paragraph 486 - Overpayment to Contractor, Completion of the Kitchen Mess Hall building at Air Corps, Timchri

7.12.1 Queries were made with regard to the reasons the Contractor was paid in full before works were completed, and the systems in place to ensure proper monitoring of projects.

7.12.2 In answering the queries, Mr. McAllister, Engineering Officer, 4 Engineer Battalion, apprised Members that:

- The contract was awarded for the construction of a single flat building, however, it was subsequently changed to a two storey building;
- The overpaid Contractor was Narendra latchman and 80% of the works had been completed; and
- The estimated cost for the completion of the two storey building was \$23M.

7.12.3 During a discussion, the Committee was also informed that the decision to change the structure of the building was made by the GDF Board in 2015, after works had commenced for the construction of the single flat.

- 7.12.4 Thereafter, the Accounting Officer was requested to submit to the Committee the date the contract was awarded and information on whether a bid security was in place to cover the additional works. The Chairman then suggested that the Finance Secretary should follow-up the matter.
- 7.13 **Paragraph 487 - Overpayment to Contractor, Rehabilitation of Barrack, Base Camp Kanuku**
- 7.13.1 The Committee was informed that works were completed and the outstanding amounts were repaid by the Contractor.
- 7.14 **Paragraphs 488 and 489 - Overpayment to Contractor, Rehabilitation of Canteen Area, Camp Stephenson**
- 7.14.1 Questioned on the reasons for the overpayment, Mr. McAllister explained that it was an oversight in the submission of the final payment to the Contractor.
- 7.14.2 Noting the comments made, A Member cautioned the Officer and advised him that all responses proffered ought to be candid and no attempt should be made to misrepresent the truth. Consequently, Mr. McAllister confirmed that the overpaid sums were repaid.
- 7.15 **Paragraph 490 was considered.**
- 7.16 **Paragraph 491 - Purchase of seven single cab 4 x 4 pick-ups**
- 7.16.1 The Accounting Officer informed Members that some difficulties were encountered in the delivery process; however, all the vehicles were subsequently delivered to the Force. Additionally, the supplier of the vehicles was Beharry Automotive Limited.
- 7.17 **Paragraph 492 - Certificates of vehicle registration**
- 7.17.1 A query was made regarding three vehicles which had registration numbers different to what was stated on the certificates of vehicle registration. In response, the Accounting Officer explained that the vehicles should have been registered in DBF category; however, they were registered by the supplier, Beharry Automotive Limited under civilian registration. As a result, they were subsequently returned and re-registered.
- 7.18 **Paragraphs 493 and 494 were considered.**

- 7.19 **Paragraph 495 – Overpayment to Contractor, Construction of a reinforced concrete water trestle, installation of storage tanks and plumbing works at Base Camp Seweyo, Linden Soesdyke Highway, Region No. 4**
- 7.19.1 A query was made with respect to the reasons why outstanding plastering works were not completed by the Contractor at the time of the audit. However, Mr. McAllister was unable to provide an appropriate explanation to the Committee in that regard.
- 7.19.2 At that juncture, the Chairman expressed concern on the numerous instances of overpayments to contractors, the lack of supervision of works, variations in contracts, among other things. He advised the Accounting Officer that, in an effort to ensure efficiency, the Force should scrutinise the department which had oversight responsibility of projects.
- 7.20 **Paragraph 496 was considered.**
- 7.21 **Paragraphs 497 and 498 – Contingency Fund Advance Warrant (CFAW)**
- 7.21.1 Questioned on the authority which approvals were granted for funds to be utilised for purposes other than budgeted for, the Accounting Officer stated that approvals would be sought from the Finance Secretary and the Budget Director, Ministry of Finance.
- 7.21.2 Following a discussion, the Chairman commended the Accounting Officer for the efforts made by the Force to resolve some of the issues raised in the Audit General's Report. Nevertheless, he posited that the Committee was dissatisfied with the number of breaches which occurred, especially the issue of overpayments to Contractors.
- 7.22 At 1.20 p.m., the Committee concluded the examination of the above accounts.

ITEM 8:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Guyana Elections Commission	207 - 229 (23)	Mr. Keith Lowenfield

8.1 At 1.22 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Guyana Elections Commission (GECOM) together with the comments submitted by the Accounting Officer for the year 2015.

8.1.1 Officers present for the examination were:

- (i) Mr. Keith Lowenfield - Chief Executive Officer
- (ii) Mr. Joseph Eastman - Chief Accountant

8.2 Paragraphs 207 and 208 - Submission of Financial Statements

8.2.1 Questioned whether the Commission had submitted its Financial Statements for 2015 within the stipulated time frame of no later than four months after the end of the fiscal year, the Accounting Officer committed to submit the information to the Committee. However, Mr. Lakeram Ramkoomar, Audit Director (ag) indicated that the statements were submitted after the stipulated period.

8.2.2 The Accounting Officer noted the comments made and explained the factors which contributed to the late submission of the Financial Statements.

8.3 Paragraph 209 - Obsolete and unserviceable items

8.3.1 A query was made regarding the storage of obsolete and unserviceable items at the Stores at Coldingen. In response, the Accounting Officer stated that the infrastructure was refurbished and strenuous efforts were being made to computerise the system at the location. Further, the Finance Secretary was written to regarding the approval for the items to be written off.

8.4 Paragraph 210 - Outstanding supply of Polaroid Film valued at \$14.868M

8.4.1 A Member enquired whether any legal action was taken against the supplier, ACME. The Accounting Officer stated that the Commission had engaged legal counsel on the matter and was awaiting a response on the way forward, since the company was no longer in existence.

8.4.2 At that point, the Accounting Officer was advised that it was unacceptable that over one year and no legal action was taken. Consequent to a discussion, the Accounting Officer undertook to submit to the Committee a copy of the letter sent to the lawyer on the matter.

8.5 Paragraph 211 - Outstanding advances totalling \$520,000

8.5.1 Questioned on the current status of the outstanding advances, the Accounting Officer stated that the Commission was awaiting advice from the Finance Secretary on the way forward.

8.5.2 The Finance Secretary indicated that with respect to the write off of the advances the Ministry of Finance was guided by the Fiscal Management and Accountability Act and Cabinet Decision. However, the Minister of Finance had recommended that a letter should be sent to Cabinet requesting that the authority remained under the purview of the Ministry. Based on Cabinet's decision the necessary advice would be issued regarding the write off of the advances.

8.6 Paragraph 212 was considered.

8.7 Paragraph 213 - Digital Cameras stolen from GECOM Stores

8.7.1 In light of several queries, the Accounting Officer stated that based on advice from the Commissioner of Police there were no incriminating evidence to institute charges against any of the individuals.

8.7.2 Members were also informed that in an effort to avoid recurrences, the following measures were implemented:

- The Stores was refurbished;
- The level of security at the location was increased; A Security Officer was placed at the door of the Stores and CCTV cameras were installed around the entire compound; and

- Items entering and leaving the Stores were subject to two security checks, one at the gate and the other at the Stores.

8.7.3 A lengthy discussion ensued, after which the Committee was informed that at Field Offices, items were placed in a strong box and stored at a designated storage area. Further, the boxes were only opened or closed with the approval of the Registration Officer and duplicate keys were kept at the Office of the Chief Executive Officer.

8.8 Paragraph 214 - Overpayment to Contractor, Construction of fence at GECOM Office, Charity, Essequibo Coast

8.8.1 Subsequent to a query, the Accounting Officer mentioned that several reminder letters were sent to the Contractor regarding the refund of the overpayment. Consequently, a lawyers' letter was sent to the Contractor on 13th April, 2017, requesting that payments should be made within one week upon receipt of the letter; hence legal actions would be taken. To date, no response was received from the Contractor and the lawyer was following up the matter.

8.8.2 The Chairman enquired what directives were given to the lawyer regarding the matter. The Accounting Officer stated that the Commission had advised the lawyer, Mr. Roysdale Ford, to proceed with taking the Contractor to Court. The Committee then requested that a copy of the letter to the lawyer should be submitted, the following day.

8.9 Paragraph 215 - Amounts totalling \$5.655B approved for Current and Statutory Expenditures

8.9.1 A Member enquired the reason for the shortfall of \$2.071B. In response, the Accounting Officer informed the Committee that the approved allocation included amounts to be expended for Local Government Elections, however, the elections were not held that year. He stated that every year the estimates approved would include amounts to accommodate Local Government Elections.

8.9.2 Based on a further query, Members were assured that at the end of 2015 the unspent amounts were refunded to the Consolidated Fund.

- 8.10 Paragraphs 216 and 217 - Field Materials and Supplies, Contract for the supply of narrow head diagonal pliers**
- 8.10.1 In answering a query, regarding \$14.868M expended for the purchase of narrow head diagonal pliers, the Accounting Officer stated that the pliers were used by Presiding Officers on polling day to remove the top of ballot boxes without damaging the aperture. Notwithstanding that, the pliers were returned by the Officers after election and were properly stored at the Commission Stores.
- 8.10.2 During a discussion, the Committee was informed that quotations for the abovementioned pliers were received from four suppliers as follows:
- Standard Distributors - \$6,195
 - Fix It Hardware - \$9,000
 - Kanhai's Electrical - \$9,000
 - National Hardware Guyana Limited - \$13,420
- 8.10.3 Responding to further queries, the Accounting Officer informed Members that new ballot boxes were not purchased for every Election, since some of the boxes were reused. He explained that providing there were no legal issues relative to the specific Elections, the boxes were emptied and stored away for future use.
- 8.11 Paragraph 218 - Amounts totalling \$197.899M expended for Office Materials and Supplies**
- 8.11.1 The Committee expressed concern that amounts totalling \$82.169M which represented full payments on nine contracts awarded by NPTAB to the same supplier for the purchase of toners and cartridges. Subsequently, queries were made regarding the issue, however, the Accounting Officer was unable to explain the reasons the contracts were split.
- 8.11.2 He expounded that a special investigation on the matter was being carried out by the Auditor General. He undertook to submit to the Committee a copy of the report as soon as it was available.
- 8.11.3 During a discussion, Members were informed that the contracts were awarded to M-Tech Business Solutions. Thereafter, the Auditor General was requested to provide the Committee with the supporting documentation regarding the contracts awarded in May, 2015.

- 8.11.4 A Member also requested that the letter of request to NPTAB for sole-sourcing the items and a copy of the Tender Board approval should be submitted to the Committee by Friday, June 9, 2017.
- 8.12 **Paragraph 219 – Breach in the Stores Regulations 1993, Stores and other Public Property**
- 8.12.1 Based on a query, the Accounting Officer stated that strenuous efforts were being made to have the matter resolved. He added that due to the fire at GECOM in 2006, the Commission was experiencing difficulties in ascertaining opening balances for the successive years.
- 8.12.2 Consequently, the Auditor General was requested to consider measures that could be implemented to resolve the issue.
- 8.12.3 Mr. Lakeram Ramkoomar, Audit Director (ag) advised the Accounting Officer that a stock ledger should be maintained at the Stores, while a stores ledger should be retained in the Office.
- 8.13 **Paragraph 220 was considered.**
- 8.14 **Paragraph 221 - Un-presented expense vouchers and supporting documentation**
- 8.14.1 Following a query, the Accounting Officer stated that, eight of the eleven vouchers remained outstanding. He explained that all efforts were being made to resolve the matter, at its earliest.
- 8.14.2 The Accounting Officer further mentioned that the outstanding supporting documentations were available for presentation to the Auditor General. The Chairman suggested that the documents should be submitted, forthwith.
- 8.15 **Paragraph 222 was considered.**
- 8.16 **Paragraph 223 - Capital Expenditure totalling \$235.809M**
- 8.16.1 A Member enquired why the total sum of \$235.809M was expended under Programme 111 – Elections Commission although \$220,871 of the amount was allocated under Programme 112 – Elections Administration.

- 8.16.2 In response, Mr. Eastman, Chief Accountant, explained that the Commission had received an unconfirmed Cabinet Decision on January, 19, 2015, which allocated the amount under Programme 111. However, noting that Elections were conducted under Programme 112, advice was sought from the Budget Officer, Ministry of Finance, who indicated that the Commission could only act on the unconfirmed cabinet decision.
- 8.17 **Paragraphs 224 to 228 - Amounts expended on Furniture and Equipment totalling \$179.759M**
- 8.17.1 Members noted that special audits on the aforementioned paragraphs were carried out by the Auditor General. A request was made for the reports to be submitted to the Committee, at its earliest.
- 8.18 **Paragraph 229 was considered.**
- 8.19 At 2.56 p.m., the Committee concluded the examination of the above accounts.

ITEM 9: ANY OTHER BUSINESS

- 9.1 **Draft Report of the Public Accounts Committee on the Public Accounts of Guyana for the years 2012, 2013 & 2014**
- 9.1.1 The Chairman proposed that Members should peruse the draft report and submit any amendment(s) to the Clerk of the Committee for consideration at the next meeting of the Committee.

Adjournment

At 2.57 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 12th June, 2017.

Confirmed this 10th day of July, 2017

*Mr. Mohamed Irjaan Ali, M.P.,
Chairman*

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
31ST MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 12TH JUNE, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)

CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P. - Absent

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma) - Excused
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Also in attendance:

Mr. Lakeram Ramkoomar - Audit Director (Ag)

Officers

Mr. Nickalai Pryce - Clerk of Committees
Ms. Candayce Girard - Assistant Clerk of Committees
Ms. Maritza Dodson - Assistant Clerk of Committees
Ms. Michelle Chung - Research and Analytical Assistant
Ms. Abiola Bazil - Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.10 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

2.2 Excuse

2.2.1 The Chairman informed the Committee that Hon. Valarie Patterson had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 31st Meeting dated June 5, 2017;
- (ii) Minutes of the 28th Meeting held on 22nd May, 2017;

- (iii) Minutes of the 29th Meeting held on 29th May, 2017;
- (iv) The Audit Office of Guyana Briefing Notes and responses received on the Report of the Auditor General for the year 2015 with respect to the following Ministries:
 - Ministry of Foreign Affairs;
 - Ministry of Indigenous Peoples' Affairs; and
 - Ministry of Education.
- (v) Letter dated May 11, 2017, from Ms. Bibi Zarida Dyal, Vegetable Supplier, re: Request for intervention by the Public Accounts Committee to obtain outstanding payments; and
- (vi) Submission from Ms. Abena Moore, Permanent Secretary, Ministry of Presidency, re: Information as requested by PAC on the Report of the Auditor General for 2015 with respect to the Office of the Prime Minister;
- (vii) Submission from Ms. Abena Moore, Permanent Secretary, Ministry of Presidency, re: Information as requested by PAC on the Report of the Auditor General for 2015 with respect to the Office of the Presidency; and

3.2 The following document was circulated at the meeting:-

- Letter dated June 9, 2017, from Mr. Alfred King, Permanent Secretary, Ministry of Indigenous Peoples' Affairs, re: Updated response received on the Report of the Auditor General for the year 2015 with respect to Ministry of Indigenous Peoples' Affairs.

ITEM 4: CORRESPONDENCE

4.1 Incoming:

- Letter dated June 7, 2017, from Mr. Allan Johnson, Chief Executive Officer (ag), Georgetown Public Hospital Corporation, re: Examination of the 2015 Report of the Auditor General.

4.2 Outgoing:

- (i) Letter dated June 5, 2017, to Mr. Alfred King, Permanent Secretary, Ministry of Indigenous Peoples' Affairs, re: 2015 Public Accounts -- Notice of and Invitation to attend PAC Meeting;

- (ii) Letter dated June 5, 2017, to Mr. Vibert Welch, Permanent Secretary, Ministry of Education, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated June 5, 2017, to Ms. Audrey Waddell, Director General, Ministry of Foreign Affairs, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (iv) Letter dated June 5, 2017, to Mr. Vibert Welch, Permanent Secretary, Ministry of Education, re: Examination of the 2015 Report of the Auditor General (to assist in the presentation by Ministry of Indigenous People's Affairs); and
- (v) Letter dated June 5, 2017, to Ms. Delma Nedd, Permanent Secretary, Ministry of Legal Affairs, re: Examination of the 2015 Report of the Auditor General (to assist in the presentation by Ministry of Education).

ITEM 5: CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 28TH MEETING HELD ON 22ND MAY, 2017

- 5.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Bishop Edghill and Mr. Figueira, respectively.

ITEM 6: MATTERS ARISING

- 6.1 There were no matters arising from the Minutes.

ITEM 7: CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 29TH MEETING HELD ON 29TH MAY, 2017

- 7.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Bishop Edghill and Mr. Persaud, respectively.

ITEM 8: MATTERS ARISING

- 8.1 There were no matters arising from the Minutes.

ITEM 9:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Foreign Affairs	172 - 176 (5)	Ms. Audrey Waddell

9.1 At 10.15 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Foreign Affairs together with the comments submitted by the Accounting Officer for the year 2015.

9.1.1 Officers present for the examination were:

- (i) Ms. Audrey Waddell - Director General
- (ii) Mr. Khemraj Singh - Head of the Expenditure, Planning & Management Unit
- (iii) Ms. Mignon Patrick - Chief Accountant

9.2 Paragraph 172 - Unspent balances approximating \$109.241M not refunded to the Consolidated Fund at the end of the fiscal year 2015

9.2.1 Subsequent to a query, the Accounting Officer informed the Committee that all unspent balances as at 31st December, 2015 were refunded to the Consolidated Fund in 2016. She explained that the tardiness was due to the late completion of the reconciliation of accounts at the Ministry's Headquarter.

9.2.2 She explained that the Ministry's Expenditure, Planning & Management Unit was non-functional. However, in an effort to avoid recurrences of the issue, the Unit was recently strengthened and home-based Accountants, who were familiar with the Ministry's accounting procedures, were assigned to each Mission.

9.2.3 Questioned on how funds were transferred and utilised by the Missions, Ms. Patrick, Chief Accountant explained that funds were remitted to the Missions on a quarterly basis, through the Bank of Guyana, subsequent to the submission of their Cash Flow Statements.

- 9.2.4 Based on further queries, the Accounting Officer indicated that the Missions were required to send to the Ministry, on a monthly basis, their Income and Expenditure Statements after which reconciliations would be done at the Headquarter.
- 9.3 Paragraph 173 - Unspent balances totalling \$13.900M for the fiscal year 2015**
- 9.3.1 The Accounting Officer, in responding to a query, stated that Guyana High Commission, South Africa and the Guyana Embassy, Kuwait unspent balances were refunded. However, the Guyana Embassy, Havana had used the unspent balances to offset over expenditure in other line items.
- 9.3.2 In acknowledging that it was incorrect to utilise funds other than for the purpose it was approved, the Accounting Officer explained that, previously, the Mission did not have an Accountant and the financial reporting was done by students that were there on a short term basis. She advised Members that an Accountant was subsequently assigned to the Mission.
- 9.4 Paragraph 174 - Outstanding Advances totalling \$7.485M related to years prior to 2009**
- 9.4.1 Mr. Khemraj Singh, Head of the Expenditure, Planning & Management Unit indicated that once the Ministry's Budget was approved by the National Assembly, a memorandum would be sent to each Mission authorising their current and capital expenditure for the year by line item. Thereafter, the Missions would submit their Cash Flow Statements and funds would then be released accordingly. Mr. Singh further explained that in the event of a shortfall, approval would be sought from the Ministry of Finance for the additional sums.
- 9.4.2 During a discussion, the Accounting Officer informed the Committee that the monies approved for individuals attending overseas conferences/meetings were charged to the Accountant General's Account under line item 6262.
- 9.4.3 Mr. Singh pointed out that with regard to the outstanding advances prior to 2009 totalling US\$34,840.93 for Guyana Embassy in Washington; the Ministry was successful in clearing an additional US\$20,510. Notwithstanding that, strenuous efforts would be made to have the outstanding US\$14,330.93 cleared at its earliest.

- 9.4.4 Mention was also made that, in an effort to prevent recurrences, the Ministry in collaboration with the Ministry of Finance had implemented a system where unless a previous advance was cleared an Officer would not be issued an additional one to attend another conference/meeting.
- 9.4.5 The Accountant General advised the Committee that a circular was issued during 2017 notifying Officers that no additional advances would be issued unless outstanding advances were cleared within seven days after their return.
- 9.5 **Paragraphs 175 and 176 - Remittance of High Commissions, Embassies and Consulates monthly revenues**
- 9.5.1 Following several queries, the Accounting Officer informed the Committee that in some instances revenues collected at the Missions were not remitted on a monthly basis due to the fact that the monies received were minimal and the cost of remitting the amounts was higher than the actual revenues. In those cases, the Mission would accumulate revenues for approximately three months then remit the funds.
- 9.5.2 She further stated that there were also occasions where Missions would experience difficulties in obtaining United States dollars to remit the revenues on a monthly basis.
- 9.6 At 10.40 a.m., the Committee concluded the examination of the above accounts.

ITEM 10:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Indigenous Peoples' Affairs.	230 - 263 (34)	Mr. Alfred King

- 10.1 At 10.45 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Indigenous Peoples' Affairs together with the comments submitted by the Accounting Officer for the year 2015.

10.1.1 Officers present for the examination were:

- (i) Mr. Alfred King - Permanent Secretary
- (ii) Ms. Sherie Fedee - Deputy Permanent Secretary
- (iii) Ms. Michelle Hope - Principal Assistant Secretary (G)
- (iv) Mr. Jude Da Silva - Programme Coordinator
- (v) Mr. Anil Roberts - Principal Regional Development Officer
- (vi) Ms. Derryann Edinboro - Assistant Secretary (G)
- (vii) Ms. Samantha Jarvis-Wright - Chief Accountant
- (viii) Mr. Charles Collymore - Internal Auditor

Mr. Vibert Welch, former Permanent Secretary was also in attendance.

10.2 **Paragraph 230 was considered.**

10.3 **Paragraph 231 - Outstanding Cheque Orders**

10.3.1 A Member, noting that a Return Cheque Order Register was now being maintained by the Ministry, requested a status update on the outstanding cheque orders. In response, the Accounting Officer indicated that the system implemented was efficient and efforts were on-going to ensure the completion of the reconciliation of cheque orders by the end of September, 2017.

10.3.2 He further stated that the Ministry was cognizant that the stipulated timeframe to clear cheque orders was sixteen days. Nevertheless, because of the vast geographical areas the Ministry was responsible for, a number of challenges were frequently encountered; hence, resulting in the non-compliance of the stipulated period.

10.3.3 Notwithstanding that, Officers were regularly reminded of their responsibility to ensure that all cheque orders were cleared in a timely manner. Moreover, meetings were held with Heads of Department regarding the issue.

10.4 **Paragraph 232 - Maintenance of Contract Register**

10.4.1 The Accounting Officer in responding to a query assured Members that, at present, a Contract Register was maintained by the Ministry. He added that the register for the current year was up-to-date; however, efforts were being made to complete prior years' by September, 2017.

- 10.5 **Paragraph 233 - Purchase of five tractors, one trailer and implements for various Amerindian Villages**
- 10.5.1 A Member enquired whether all five of the tractors were registered and whether they were functioning. In response, the Accounting Officer stated that advice was sought from the Commissioner General, via letter dated May 19, 2017, in relation to the registration of the vehicles. However, because of the time lapse, the Ministry had experienced difficulties in the compilation of the necessary documentation for submission to GRA to facilitate the registration of the two unregistered tractors. The Accounting Officer also posited that all the tractors were fully operational.
- 10.6 **Paragraph 234 - Differences in Fuel Slips and Register**
- 10.6.1 The Accounting Officer informed the Committee that, previously, no system was in place for the monitoring of fuel returned slips and reconciliations were not done in a timely manner. To date, the Ministry was successful in reducing the \$2.828M difference to \$809,375 and efforts were on-going to resolve the issue.
- 10.7 **Paragraph 235 - Amounts totalling \$47.058M expended under Dietary**
- 10.7.1 The Chairman enquired about the tender process used to award a contract totalling \$6.759M to a single supplier for the supply of fruits, greens and vegetables to the Amerindian Hostel. In response, the Accounting Officer indicated that a three quotation method was used. Additionally, the Contract was awarded to the supplier based on the Ministry's historical knowledge of the individual.
- 10.7.2 Based on a further query, the Accounting Officer confirmed that a Register of Suppliers was maintained by the Ministry. Mr. Lakeram Ramkoomar, Audit Director (Ag) was requested to verify the information communicated by the Accounting Officer and report to the Committee, within one day.
- 10.7.3 The Chairman then pointed out that on December 15, 2015 a payment voucher was prepared for an amount of \$251,200 but a cheque was processed for \$2.512M on January 5, 2016. Moreover, during the audits it was observed that the details for the payments were entered in the Integrated Financial Management System (IFMAS) on 29th December 2015, however, the cheque value was entered rather than the voucher amount.

10.7.4 Consequently, a lengthy discussion ensued and a number of concerns were raised by Members of the Committee. The following were some of the queries made:

- (i) The name of the supplier;
- (ii) Whether the supplier was engaged in other contracts within the Ministry;
- (iii) The current status of the \$2.261M overpaid to the supplier;
- (iv) The systems implemented to avoid recurrences of the issue;
- (v) Whether the contract was for supplies to the Hostel for the entire year and the total number of persons catered for at the Hostel; and
- (vi) Whether payments were made before or after the supply of the items.

10.7.5 In response, the Accounting Officer stated the following:

- (i) The contract was awarded to Davendra Sugrim of Section 'J' Bourda Market;
- (ii) No further contracts were awarded to the supplier after 2015;
- (iii) To date, \$258,170 of the overpaid sum remained outstanding;
- (iv) The Chief Accountant was requested to ensure that all cheques prepared was in conformity with the value of the related payment voucher;
- (v) The Hostel accommodated an average of 150 - 180 Amerindians and the contract was awarded for supplies for the entire year; and
- (vi) Payments were made after items were delivered.

10.7.6 Questioned about the reason why the contract was awarded to one supplier when records showed that approval was granted for two suppliers as follows:

1. Ms. Omwattie Ramsaywack - \$1.524M
2. Mr. Davendra Sugrim - \$1.685M

The Accounting Officer was unable to provide an explanation and committed to submit the details to the Committee at its earliest. The Chairman then enquired what portion of the \$47.058M was expended for the Amerindian Hostel for dietary items, exclusive of the mentioned \$6.759M.

- 10.7.7 In response, the Accounting Officer stated that additional sums were expended on dietary items for persons at the Hostel. He added that, he could not provide an accurate amount in that regard but committed to provide the information to the Committee, as soon as possible. As a result, the Committee agreed to a twenty minutes suspension to allow the Ministry to retrieve the information for the continuation of discussions on the issue.
- 10.7.8 After the suspension, the Accounting Officer informed the Committee that efforts were being made by the Officers to acquire a detailed breakdown of the \$47.058M expended through IFMAS. He apologised for the delay, but explained that the authorised Officer was on sick leave and was now at the Ministry assisting in retrieving the information.
- 10.7.9 The Audit Director advised the Committee that checks revealed that there was no Register of suppliers at the Ministry. The Accounting Officer apologised for misleading the Committee but stated that his response was based on advice by the Deputy Permanent Secretary.
- 10.7.10 The Chairman then indicated that checks also revealed that the supplier had supplied the Ministry in 2016. The Accounting Officer, for a second time, apologised to the Committee and stated that he was advised by the former Permanent Secretary and the Deputy Permanent Secretary.
- 10.7.11 Members were of view that the Accounting Officer and team were ill-prepared to answer the queries raised. At that point, the Committee agreed that the Ministry should re-appear at a subsequent meeting.
- 10.8 At 12.15 p.m., the Committee terminated the examination of the above accounts.

ITEM 11:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Education	307 - 345 (39)	Mr. Vibert Welch

11.1 At 1.20 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Education together with the comments submitted by the Accounting Officer for the year 2015.

11.1.1 Officers present for the examination were:

- (i) Mr. Vibert Welch - Permanent Secretary
- (ii) Ms. Adele Clarke - Deputy Permanent Secretary (Finance)
- (iii) Ms. Jacqueline Simon - Human Resource Manager
- (iv) Ms. Ave Cummings - Accountant
- (v) Mr. Vishwanauth Bhookmohan - Senior Procurement Officer
- (vi) Mr. Khemraj Jailal - Internal Auditor

Ms. Delma Nedd, former Permanent Secretary was also in attendance.

11.2 Paragraphs 307 and 308 - Overpayment in Salaries and Deductions

11.2.1 A Member enquired about the current status of the overpayments and the systems implemented by the Ministry to avoid recurrences. In response, the Accounting Officer stated that the Ministry was successful in recovering overpayments totalling \$601,000 for the years 2010 to 2014. He indicated that, to date, amounts totalling \$864,000 remained outstanding.

11.2.2 Additionally, the sum of \$40,000, which represented overpayments to the Guyana Revenue Authority (GRA) and the National Insurance Scheme (NIS), remained outstanding for the year 2015. However, both agencies were written to regarding the repayment of the overpaid sums.

- 11.2.3 The Accounting Officer also informed the Committee that, in an effort to recover the outstanding overpayments, letters were sent to all Government Agencies to ascertain whether any of the overpaid individuals were currently under their employ, to facilitate the necessary deductions from their salaries. Further, public notices were placed in the print media inviting the overpaid individuals to engage the Ministry in relation to payments.
- 11.2.4 During a discussion, the Accounting Officer explained that systems were implemented to ensure the timely communication of information regarding persons proceeding on any category of leave to the Accounting Unit, for the relevant pay changes to be made.
- 11.3 **Paragraph 309 was considered.**
- 11.4 **Paragraph 310 - Statutory Entities under the control of the Ministry**
- 11.4.1 Based on a query, regarding the current status of the outstanding Financial Statements for President's College, the Accounting Officer apprised Members of the following:
- 2002 to 2004 audits were completed;
 - 2005 to 2007 Financial Statements were submitted to the Audit Office on June 9, 2017; and
 - 2008 to 2016 Financial Statements would be completed by November, 2017.
- 11.5 **Paragraph 311 - Outstanding Distribution Reports, School Feeding Programme**
- 11.5.1 Subsequent to a query, the Accounting Officer indicated that all outstanding Distribution Reports from the Regions were submitted to the Auditors. Notwithstanding that, a Member enquired about the reasons for the non-submission of reports at the time of the audit.
- 11.5.2 In response, Ms. Clarke, Deputy Permanent Secretary (Finance) stated that there were a number of challenges encountered in the Hinterland Regions, which resulted in the tardiness of the submission of the reports. She explained that at Regions No. 1 and 8 items were distributed once per term while distribution at Region No. 7 was done on a bi-monthly basis. As a result, the reports from those Regions were submitted based on the distribution period.

- 11.5.3 During a lengthy discussion which ensued, several queries were made. Subsequently, Members were informed that, previously, the juice distributed through the School Feeding Programme was supplied by Demerara Distillers Limited (DDL), however, there were a number of reports that some of the supplies upon delivery were spoilt. As a result, the contract was awarded to Caribbean International Distributors Inc. (CIDI), through selective tendering process.
- 11.5.4 Members were also informed that the contract awarded required that the supply should be box juice with a shelf life of at least six months and should contain at the minimum 25% natural juice. The Accounting Officer undertook to submit to the Committee the percentage of natural juice in the juice supplied, within one day.
- 11.5.5 In addition, mention was made that the contract for the supply of biscuits was awarded to Banks DIH Limited through sole sourcing. Further, the biscuits were fortified and specifically made for distribution to schools.
- 11.5.6 Questioned on the procedure used to procure transportation for the distribution of juice and biscuits to schools. Ms. Clarke indicated that for the Hinterland Regions, the items were sent to the Regional Administration Offices. Through collaborative efforts with the Regional Education Officers and District Education Officers the items would be distributed to the various schools.
- 11.5.7 Thereafter, the Accounting Officer was requested to submit to the Committee, information on the number of schools benefitting from the School Feeding Programme, specifically with respect to juice and biscuit.
- 11.6 Paragraph 312 – Non-Compliance with the Stores Regulations**
- 11.6.1 Based on queries made, it was indicated that training was conducted with the Stores Clerks and all relevant staff, in that regard; monitoring was being done to ensure compliance with the Stores Regulations.
- 11.6.2 Additionally, it was mentioned that there was a shortage of staff, which contributed to records not being updated and no segregation of duties. Approval was sought from the Public Service Commission (PSC) to fill the vacant positions of 2 Storekeepers, 2 Stores Clerks and 3 Ledger Clerks. Response was received from PSC, regarding the position of Storekeeper III, which stated that no candidate met the criteria and therefore the post remained vacant. Request was made for a copy of the response received from PSC to be submitted to the Committee.

11.6.3 A Member further enquired on how donations were treated in the assets inventory. Ms. Clarke, in response informed Members that donations would be recorded in the Gift Register. She added that the Register was currently being updated and would thereafter be submitted to the Finance Secretary.

11.7 **Paragraph 313 – Outstanding Delivery of Equipment**

11.7.1 A discussion ensued following which the Committee was informed that:

- The Supplier was Action Tyre, for which the Principal was Mr. Ron Persaud;
- The matter was taken to Court since samples provided were rejected consequent to inspection done by Mr. Carl Benn, Principal, Government Technical Institute. Mr. Benn indicated that they did not match the description as was requested;
- The Court matter was dismissed on March, 20, 2017 on the grounds that no agreement was put into evidence and more specifically, there was no description of the items to be supplied;
- A Notice of Appeal was filed for and the matter was currently pending in the Court of Appeal.

11.7.2 Thereafter, a Member apprised the Committee that until the appeal is slated for hearing, it is not *sub judice*. With great concern, he notified Members that if the matter was concluded in October 2016 and the appeal was filed in February 2017, the appeal would have therefore been out of time and leave of the Court would have had to be sought, in that regard.

11.8 **Paragraph 314 – Outstanding Overpayments to Contractors**

11.8.1 Ms. Nedd, Former Permanent Secretary of the Ministry of Education, in response to a query, indicated that the matter was currently engaging the attention of the Ministry of Legal Affairs and a response would shortly be received.

11.9 **Paragraph 315 – Establishment of a Housing Revolving Fund**

11.9.1 Based on a query, the Accounting Officer informed the Committee that the Housing Revolving Fund was a project embarked on to assist teachers to acquire loans to build their own homes.

- 11.9.2 Ms. Nedd, in response to a query, stated that advice was sought, from the Finance Secretary, on the modalities to proceed with the matter. She added that the difficulties encountered were consequent to the logistics of the fund.
- 11.9.3 The Finance Secretary reiterated that the account exists and contains \$200M. Additionally, he stated that he was currently seeking guidance on how the matter should be proceeded with.
- 11.9.4 In response to further queries, Ms. Clarke mentioned that the account holding \$200M was currently with the Bank of Guyana and the custodian of the account was the Ministry of Finance. Questioned on the signatories of the account, the Accounting Officer committed to submit the information, within one day.
- 11.9.5 The Accounting Officer indicated that he was following up with the Finance Secretary, but, to date, they did not meet. He explained that he did not commence consideration of the agreement between the Ministry of Education and the Guyana Teacher's Union (GTU) and committed to do so. Thereafter, he would engage the GTU, within one week.
- 11.9.6 At that juncture, the Chairman expressed great disappointment in the responses that were being given by the Accounting Officer to the Public Accounts Committee. He requested that the Finance Secretary take note of the responses being given to queries by Members and the manner in which it was being done.
- 11.10 **Paragraphs 316 to 318 –University of Guyana Science and Technology Support Project**
- 11.10.1 A query was made on the current status of the University of Guyana Science and Technology Support Project. The Accounting Officer, in response informed the Committee that works were currently being concluded and all works would be completed by September 30, 2017. Ms. Clarke added that, initially, works should have been completed by June 30, 2017, however, since this was unsuccessful, a three month extension was granted for completion, in this regard.
- 11.10.2 Following further queries, the Accounting Officer stated that the additional \$212.325M expended on the project was consequent to unforeseen expenses in the civil works component of the project. Additionally, Ms. Clarke explained that this resulted in the creation of a dummy transaction and the additional monies were derived from disbursements by the World Bank to the project's account.
- 11.11 **Paragraph 319 was considered.**

11.12 Paragraphs 320 to 322 – Unpresented Employees’ Personal Files

11.12.1 Subsequent to several queries made on the 34 employees whose personal files were not presented at the time of the audit, Ms. Simon outlined the following:

- 6 employees were recruited by the Minister. These employees consisted of 2 Advisors, 1 Confidential Secretary, 1 Personal Assistant, 1 Administrative Assistant and 1 Public Relations Assistant;
- 6 employees were recruited through applications previously submitted and recorded. These employees consisted of 3 Drivers, 1 Confidential Secretary, 1 Data Processing Operator and 1 Cleaner; and
- 22 employees were recruited from applications received, in response to Public Service Commission (PSC) Circulars dated October 14, 2014, September 18, 2014 and March 16, 2015. These employees consisted of Driver Mechanic, Research Officer, Engineer, Quality Assurance Officer, Technical Assistant, etc.

11.12.2 Ms. Clarke, in response to a further query, indicated that, at the Exit Conference held prior to this Meeting, all requested information, regarding these 34 employees were submitted to the Auditor General, with the exception of the PSC Circulars.

11.12.3 Thereafter, the Auditor Director (ag.) confirmed that the responses given by Ms. Clarke were accurate.

11.13 Paragraphs 323 to 326 - Contracts awarded for Training and Development

11.13.1 In light of queries, it was stated that a decision was made by the Ministry of Education to utilize its internal resources for the project of writing the Atlantic Reader. It was explained also that the penalty was not enforced consequent to the delays in supply due to an ambiguity in the instructions given to the suppliers.

11.13.2 Mr. Bhookmohan, responding to a further query, informed Members that the proof product received from the Supplier, which was done within the contracted deadline, did not meet the requirements of the Ministry. He added that the reconciliation of the dates of delivery was subsequently discussed with the Auditor General and it was understood that the penalty could not have been imposed on the Supplier.

11.14 Paragraph 327 - Non-compliance with Stores and Financial Regulations

11.14.1 Questioned on the status of the two log books not presented for examination by the Auditors, Ms. Clarke indicated that they pertained to New Opportunity Corps (NOC) and Kuru Kuru Training Centre. She further stated that the log book for the NOC was inadvertently listed for an unserviceable vehicle and the log book for the Kuru Kuru Training Centre was misplaced. Additionally, she mentioned that verification of the unserviceable vehicle of NOC was not done.

11.15 Paragraphs 328 and 329 – Provision of Hot Meals to Schools Programme

11.5.1 In response to a query, Ms. Clarke explained that the difference in the number of students receiving hot meals and those enrolled resulted from difficulties in the access of birth certificates for the children. She further explained that children who presented their birth certificates were placed on a permanent register while those who did not were placed in a temporary register, until it was presented. She added that children who move in and out of the interior locations were also provided with hot meals.

11.5.2 Members advised that the temporary register should have been presented to the Auditors and, also, that the Ministry should assist in attaining birth certificates for those children without.

11.5.3 Subsequent to a Member's query on controls put in place for the handling of funds for the Programme, Ms. Clarke stated that Mr. Jarvis of the School Feeding Unit supervised a team which would make scheduled visits on a monthly basis, to monitor the procedures of the Programme. Thereafter, the Committee requested that the Accounting Officer submit a copy of the Monitoring Reports for 2015.

11.5.4 Responding to further queries, Ms. Clarke informed Members that the cost of one hot meal was \$175. Additionally, she committed to submit, to the Committee, the total cost attributed to monitoring the Programme and details of allowances that Officers, engaged in providing this service, would receive.

11.16 Paragraph 330 – Security Grants

11.16.1 In light of queries, Ms. Clarke indicated that this grant was given to schools within District 11 (Georgetown). She explained that it was the responsibility of the schools to contract security firms, but, the Ministry would now take that responsibility by carrying out an open tendering process, which would be done for the next budget year.

- 11.16.2 Ms. Clarke, responding to a further query, stated that the grants cover the total security cost. The Committee requested the submission of the names of security firms that were used and the names of their principals.
- 11.16.3 Questioned whether, by way of policy, students of District 11 were required to contribute to security cost in schools, , the Accounting Officer responded in the negative.
- 11.17 **Paragraph 331 – Construction of Zeeburg Secondary School**
- 11.17.1 Following queries, Ms. Clarke informed the Committee that the discrepancy pertained to the type of wood used to construct the doors at the school. She apprised Members that the matter was resolved and the Audit Office was cognizant of such.
- 11.18 **Paragraphs 332 and 333 were considered.**
- 11.19 **Paragraph 334 – Secondary Education Improvement Project**
- 11.19.1 Members requested that the Accounting Officer submit to the Committee in a timely manner, details of the measurable improvements in Mathematics at the secondary level, consequent to investments made to strengthening the capacity of Secondary School Mathematics teachers.
- 11.20 **Paragraphs 335 to 338 were considered.**
- 11.21 **Paragraph 339 – Noncompliance with the Stores Regulations**
- 11.21.1 A Member enquired whether the boats used to transport school children in the Pomeroon River and school buses in various regions labelled "*David G.*" were the possession of, maintained by or expended on the Ministry of Education. The Accounting Officer responded in the negative.
- 11.21.2 The Accounting Officer was requested to follow-up on, and submit to the Committee, within one week, information related to the Regional Educational Programme providing any support to the above-mentioned means of transporting school children. Information was also sought on the cost for the support given and the cost, if any, incurred by students to use these means of transportation.

11.22 Paragraph 340 – Unpresented Payment Vouchers

11.22.1 Based on a query on the reason for the twenty-nine payment vouchers totalling \$106.184M not being presented for audit, Ms. Ave Cummings, Accountant, indicated that it might have resulted from misfiling or the vouchers being in the possession of Officers at the time requested by the Auditors. She added that the matter was resolved subsequent to the Exit Conference.

11.23 Paragraph 341 – Un-cleared Cheque Orders

11.23.1 Ms. Cummings, in response to several queries, informed the Committee that the issue regarding 144 cheque orders totalling \$144.618M not being cleared at the time of the audit, was as a result of:

- (i) Some institutions, namely, the Essequibo Technical Institute, payments being uplifted on a monthly basis and subsequently cleared; and
- (ii) Schools with catering grants lasting for the school's term, cheques being cleared at the end of the term.

11.23.2 The Committee advised that the defaulting Officers should be written. The Accountant General added that, until previous cheque orders were cleared, no new cheque orders should be granted.

11.24 Paragraph 342 was considered.

11.25 Paragraph 343 – Tender Board Minutes

11.25.1 Subsequent to discussions, it was stated that the Ministry was in possession of a Contracts Register. It was explained that Minutes of the Tender Board Meeting was kept but it was hand-written and not typed out. The Accounting Officer was requested to submit same to the Auditor General, within one week.

11.25.2 The Committee requested the submission of the number of contracts signed and executed in 2015 and, also, the value of all contracts signed in 2015, within one week.

11.25.3 Thereafter, the Chairman indicated his disappointment in the unpreparedness of the Accounting Officer.

11.26 Paragraphs 343 and 344 – Special Investigation

11.26.1 The Chairman advised that the Report from the investigation should be submitted in the Public Accounts Committee soonest possible.

11.27 At 3.44 p.m., the Committee concluded the examination of the above accounts.

Adjournment

At 3.45 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 19th June, 2017.

Confirmed this 10th day of July, 2017

*Mr. Mohamed Irfaan Ali, M.P.,
Chairman*

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
32ND MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 19TH JUNE, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)
CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P. - Excused

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (Ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 Bishop Juan A. Edghill called the meeting to order at 10.18 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Presiding Member welcomed Members, Advisors and Staff to the meeting. He informed the Committee that the Chairman would be late.

2.2 Excuses

2.2.1 The Committee was informed that Ms. Pauline Campbell-Sukhai had asked to be excused from the meeting consequent to travel duties.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

(i) Notice of the 32nd Meeting dated June 14, 2017;

- (ii) The Audit Office of Guyana Briefing Notes and responses received on the Report of the Auditor General for the year 2015 with respect to the following Ministries/ Departments:
- Ministry of Education, Department of Culture, Youth & Sport; and
 - Georgetown Public Hospital Corporation.
- (iii) Letter dated June 6, 2017, from Mr. Keith Lowenfield, Chief Election Officer, Office of the Elections Commission, re: Supply of additional documents for Guyana Elections Commission – 2015 Audit Report;
- (iv) Letter dated June 12, 2017, from Ms. Kim Williams Stephen, Regional Executive Officer, Region No. 6 – East Berbice/Corentyne, re: Update of the Auditor General’s Report 2015 on Region No. 6 for the PAC – Paragraph 614; and
- (v) Record of Proceedings of the 28th Meeting held on 22nd May, 2017.
- (vi) Record of Proceedings of the 22nd Meeting held on 6th February, 2017.

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- Letter dated June 14, 2017, from Brigadier George A. Lewis, Chief Executive Officer (ag), Georgetown Public Hospital Corporation, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting.

4.2

Outgoing:

- (i) Letter dated June 12, 2017, to Ms. Melissa Tucker, Permanent Secretary (ag), Ministry of Education, Department of Culture, Youth & Sport, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated June 12, 2017, to Mr. Allan Johnson, Chief Executive Officer, Georgetown Public Hospital Corporation, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting;
- (iii) Letter dated June 12, 2017, to Ms. Collette Adams, Permanent Secretary (ag), Ministry of Public Health, re: 2015 Public Accounts – Notice of and Invitation to attend PAC Meeting; and

(iv) Letter dated June 12, 2017, to Mr. Alfred King, Permanent Secretary, Ministry of Indigenous People's Affairs, re: Examination of the 2015 Report of the Auditor General (to assist in the presentation by Ministry of Education, Department of Culture, Youth & Sport).

ITEM 5: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Department of Culture, Youth & Sports	424-444 (21)	Ms. Melissa Tucker

5.1 At 10.24 a.m., the Committee continued consideration of the Report of the Public Accounts with respect to the Department of Culture, Youth & Sports together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 At that point Mr. Ali assumed the position as Chairman and invited the Accounting Officer to introduce her team.

5.1.2 Officers present for the examination were:

- (i) Ms. Melissa Tucker - Permanent Secretary (ag.)
- (ii) Mr. Alfred King - Former Permanent Secretary
- (iii) Mr. Emrys Wilson - Principal Assistant Secretary (F)
- (iv) Mr. Quiency Hinds - Head, Procurement
- (v) Ms. Alexis Sullivan - Senior Personnel Officer
- (vi) Ms. Michelle Seepersaud - Accountant
- (vii) Mr. Sheldon Alexander - Accountant
- (viii) Mr. Winsley Josiah - Supplier Officer
- (ix) Ms. Yonette Scott - Transport Officer
- (x) Mr. Dennis Heywood - Procurement Officer

5.2 Paragraphs 424 and 425 - Employees without NIS Numbers

5.2.1 The Accounting Officer, in response to queries, stated that the missing receipts were not located and a letter was sent to the National Insurance Scheme (NIS), in that regard, but no response was received. She added that, in an effort to prevent a recurrence, new employees were required to be in possession of NIS numbers before being included on the payroll.

5.3 Paragraph 426 – Audit Report for National Sports Commission

5.3.1 In light of a query on the status of the Audit Reports for the National Sports Commission for the years 2011 to 2014, the Accounting Officer indicated that they were laid in the National Assembly on October 13, 2016.

5.3.2 The Auditor rebutted the claims by the Accounting Officer and stated that the 2014 Report was not laid since the Audit Office of Guyana was currently compiling the Reports for 2014 and 2015.

5.4 Paragraphs 427 and 428 – Special Project Bank Account

5.4.1 A Member enquired on the current status of the Special Project Bank Account and the reasons for revenues from various agencies being deposited into this account. The Accounting Officer, in response pointed out that the Accountants were in the process of reconciling the account, and, also, she was endeavouring to close the account and have the resources transferred to the Consolidated Fund.

5.4.2 The Auditor General informed the Committee that, consequent to Exit Conference on the 2015 Report, it was highlighted that the Department of Culture, Youth and Sports, in 2016, commenced refunding to the Consolidated Fund, monies for the Guyana National Stadium and Guyana Classic.

5.4.3 Questioned on whether monies were used from this account, the Accounting Officer committed to submit information.

5.4.4 At that juncture, the Chairman compelled the Advisors, who accompanied the Accounting Officer, to pay keen attention to the queries made by Members so that they may be able to assist her in her responses.

5.4.5 Following a discussion, it was stated that the reconciliation for 2014 had been completed and that of 2015 was ongoing and would be completed by August, 2017. It was explained that resources of this special account was for special projects financed by the UNDP, UNICEF, and transfers for special purposes through the Lottery Fund.

5.4.6 The following information was requested to be submitted, to the Committee:

- (i) The number of projects funded by this special account, since its establishment;
- (ii) Reason for the balance not being transferred to the Consolidated Fund;
- (iii) List of activities funded by the special account, for the period under review;
- (iv) The reason for the difference in the opening balance for 2015 stated in this Meeting being \$70,424,297 as against \$70.297M, as stated in the Auditor General Report;
- (v) The closing balance of the special account for 2015; and
- (vi) The closing balance of the cash book for 2015.

5.4.7 Subsequently, the Accountant General advised that the Accounting Officer should close the special account, with immediate effect, and transfer all monies to the Consolidated Fund. She added that, in dealing with transactions of this nature in the future, when funds are received from international donors, the Accountant General would be written seeking approval for the establishment of a Deposit Fund Account. She stated that the monies for the transactions of this account would be deposited into the Consolidated Fund and this result in accountability and transparency for every transaction.

5.5 **Paragraph 429 – Monies not refunded to the Consolidated Fund**

5.5.1 The Accountant General advised that, with regard to payments to a contractor or any other cheques not under the name of the Accounting Officer, the individual is required to endorse the cheque. She added that, the cheque should not be deposited into an account without the endorsement of the individual, and, also, if the cheque was crossed, it would have to be deposited into the individual's personal account and not into a Government Account.

- 5.5.2 Questioned whether the project was subsequently completed, the Accounting Officer responded in the affirmative. Further questioned whether there were any subsequent recurrences, in this nature, the Accounting Officer responded in the negative.
- 5.6 **Paragraph 430 – Unpresented documentation for Audit and Undelivered Seiko Track & Field Electronic System and Starting Gun RG**
- 5.6.1 Based on a query on the status of the unpresented evidence for audit, the Accounting Officer indicated efforts were ongoing to locate the awards. She added that she was in receipt of reference numbers but not the actual documentation.
- 5.6.2 In response to further queries, the Accounting Officer informed the Committee that, consequent to investigations, a Police Report was received in April, and subsequently presented to the Auditor General. She highlighted that the Report stated that no evidence was found to link any individual to the theft of the items, and she was currently preparing a Loss Report to submit to the Finance Secretary.
- 5.6.3 Mr. Heywood, responding to queries, informed Members that the items, with a value of US\$3,000.00 were delivered directly to the Synthetic Track due to consideration made for handling damage to the items. He added that the items were not recorded in the Assets Register.
- 5.6.4 The Committee requested that the Accounting Officer submit information in relation to the arrival, marking and coding of the items, within one week.
- 5.6.5 A Member pointed out that special emphasis should be placed on security and accountability of items purchased by Government Agencies. The Chairman added that, this would be highlighted as a recommendation under Stores in Public Accounts Committee's Report, in an effort to have the Treasury Memorandum address this issue.

5.7 Paragraph 431 - Unpresented Log Books

5.7.1 A Member expressed disappointment that the Accounting Officers did not implement the recommendation by the Public Accounts Committee. She stated that it was recommended, several years ago, that, at the end of each year, all log books should be retrieved and there should be issuance of new log books at the beginning of a new year. She added that this was recommended in an effort to curb the problem of log books not being located for audit.

5.7.2 The Chairman indicated that the Committee should decide on how sanctions, in that regard, might become operational.

5.7.3 The Finance Secretary informed Members that this matter would be raised at the Heads of Budget Meeting.

5.7.4 Questioned on the current status of the log books, the Accounting Officer apprised Members that one log book, relating to a tractor of the Kuru Kuru Training Centre, was still not located. She added that, all log books of serviceable vehicles were being maintained.

5.8 Paragraph 432 – Assets not available for Verification

5.8.1 The Accounting Officer, in response to a query, indicated that the assets were subsequently verified.

5.9 Paragraph 433 – Unpresented Expense Vouchers

5.9.1 Responding to a query on the current status of the expense vouchers not presented for audit, the Accounting Officer stated that there were currently three Accountants tasked with locating the outstanding 29 expense vouchers. She added that, this matter should be resolved by August, 2017.

5.10 Paragraphs 434 and 435 – Employment Cost

5.10.1 In response to queries, the Accounting Officer informed the Committee that there were two unauthorised Officers: a Sports Organiser with salary of \$54,934 and a Senior Training Officer with salary of \$107,485. The Committee requested that the Accounting Officer submit, within one week, the Regions in which Sports Organisers were located.

- 5.10.2 Based on further queries, the Accounting Officer indicated that 50 Officers were employed with a breach since five were approved by the Public Service Commission. The Accounting Officer was requested to submit, to the Committee, within one week, details of the designations, salaries and method of recruitment of the 55 new employees.
- 5.11 Paragraph 436 – Fuel Reconciliation**
- 5.11.1 In light of queries, the Accounting Officer stated that the Fuel Consumption Register was being updated and all of the charge bills were subsequently presented for audit.
- 5.12 Paragraph 437 – Breach of the Procurement Act 2003**
- 5.12.1 The Accounting Officer agreed that there was a breach of the Procurement Act 2003 for the year under review. She added that Tenders were now being publicly advertised.
- 5.13 Paragraph 438 - Breach of Stores Regulations of 1993**
- 5.13.1 The Chairman advised that, in acknowledging the accountability and responsibility of the Stores Department of every office, there should be a nationwide Training Programme for all Storekeepers.
- 5.13.2 A Member queried whether there was the full complement of staff in the Stores Departments. The Accounting Officer responded in the negative.
- 5.13.3 The Committee advised the Finance Secretary to address the matter of having all Stores Departments comprise the full complement of staff, in an effort to achieve segregation of duties.
- 5.14 Paragraph 439 – Revenues from the National Cultural Centre deposited into Special Bank Account**
- 5.14.1 Based on a query on the purpose for the Special Bank Account, the Auditor General indicated that the new proceeds received by the National Cultural Centre should have been deposited into the Consolidated Fund and the Parliament should have been approached with an appropriation account to offset any expenditure.

- 5.14.2 The Accounting Officer informed the Committee that efforts were being made to curb this problem.
- 5.14.3 The Accountant General advised that this account should be closed at the Commercial Bank and reopened at the Central Bank, since this account would currently be incurring bank charges and interest.
- 5.14.4 Responding to further queries, the Accounting Officer indicated that the revenue totalling \$52.675M was collected for the year 2015. She added that the events which generated the most revenue were 'Link Show' and 'Nothing to Laugh About'. Also, a waiver was offered for all religious events.
- 5.15 Paragraph 440 – Outstanding Expense Voucher**
- 5.15.1 Questioned whether the outstanding Expense Voucher was presented for audit, the Accounting Officer responded in the negative. She added that it was not yet located. Responding to a further query, the Accounting Officer stated that the value of this voucher was \$14,051,250.
- 5.16 Paragraphs 441 and 442 – Overpayments to Contractors:**
- Installation of Water Distribution Line and System at Synthetic Track and Field Facility; and
 - Installation of Night Lighting System at Synthetic Track and Field Facility
- 5.16.1 In response to queries, the Accounting Officer indicated that, subsequent to writing the Contractors and Consultants, she, along with the Head of Procurements, met with the Contractors and Consultants, in that regard. She added that, thereafter, she met with the Auditor General, who agreed to review the projects.
- 5.16.2 The Accounting Officer, responding to further queries informed the Committee that the consultancy firm used for both Projects was Innovative Consultancy, which, she added, was not currently engaged with any works for the Department.

5.17 Paragraphs 443 – Outstanding Financial Returns

5.17.1 In light of queries, the Accounting Officer stated that Officers were tasked with monitoring warrants and following up on the outstanding Financial Returns, but, to date, this was to no avail. She added that the three Department Warrants totalling \$4M was to be expended on Grounds Enhancement Projects. Thereafter, the Committee requested that the Accounting Officer submit a copy of the list of Grounds, in that regard.

5.18 Paragraph 444 was considered.

5.18.1 At 12.16 p.m., the Committee concluded the examination of the above accounts.

ITEM 6: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Georgetown Public Hospital Corporation	447-455 (9)	Brigadier George Lewis

6.1 At 1.00 a.m., the Committee continued consideration of the Report of the Public Accounts with respect to the Georgetown Public Hospital Corporation together with the comments submitted by the Accounting Officer for the year 2015.

6.1.1 Officers present for the examination were:

- (i) Brigadier George Lewis - Chief Executive Officer (ag.)
- (ii) Mr. Ronald Charles - Director, Finance
- (iii) Ms. Rohmena Chung - Director, Human Resources
- (iv) Ms. Kamal Haricharan - Director, Facilities Management
- (v) Ms. Pavita Ramkissoon - Director, Internal Audit
- (vi) Mr. Gerron Parker - Head, EPMU
- (vii) Ms. Yvonne Bullen - Administrative Manager (Pharmacy)

6.1.2 Brigadier Lewis informed the Committee that Mr. Mohamed Karimullah resigned with effect from June 15, 2017 from the Georgetown Public Hospital Corporation (GPHC), following a period of sick leave. In addition, Mr. Allan Johnson was no longer employed by GPHC.

6.2 Paragraph 447 – Undelivered X-ray Cassettes

6.2.1 Following several queries, a discussion ensued. It was mentioned that, resulting from an investigation conducted by the Guyana Police Force (GPF), it was found that the Shell Company, AJ Med X-ray, with which the transaction was carried out, was defunct. It was thereafter advised by the GPF to write off the transaction.

6.2.2 The Accounting Officer informed the Committee that the Company was selected through a Three -Quote System. He indicated that payment for the full value of the items was done, by wire transfer, through the Guyana Bank for Trade and Industry, to the Company on November 22, 2010. He added that the intervention of the police was sought on January 27, 2015.

6.2.3 Responding to further queries, the Accounting Officer assured Members that the matter would be resolved before the next year of review, and, in an effort to prevent future recurrences, GPHC would be careful in its selection of Companies to engage with.

6.2.3 The Chairman advised that, since the Company was an American Company, assistance should be sought from the Embassy of the United States of America on the matter.

6.3 Paragraphs 448 – Overpayment of Salaries and Deductions

6.3.1 In response to queries, the Accounting Officer informed Members that the overpayments in salaries and deductions resulted from employees leaving the job without adequate notice. He added that all employees were paid through the bank.

6.4 Paragraph 449 – Misappropriation of Monies

6.4.1 Subsequent to queries, the Accounting Officer highlighted that investigations were still ongoing by the Director of Public Prosecutions and the police and they were in constant contact with GPHC and the Audit Office, in that regard. He added that the person involved would be charged and placed before the court.

- 6.4.2 A Member enquired on the measures put in place to avoid recurrences. The Accounting Officer explained that, since he was so recently appointed, he had not, to date put any measures in place, in that regard, but assured that he would assess the current operations and make decisions thereafter.
- 6.4.3 In light of a further query, the Accounting Officer informed the Committee that internal investigations were carried out before the matter was handed over to the police. He added that the services of the cashier, involved in this matter, were terminated.
- 6.5 Paragraph 450 was considered.**
- 6.6 Paragraph 451 – Unpresented Payment Vouchers**
- 6.6.1 Questioned on the status of the 31 payment vouchers valued at \$66,169 not presented for audit, the Accounting Officer indicated that all were subsequently submitted to the Auditor General for verification, and, the matter was therefore resolved.
- 6.7 Paragraph 452 – Noncompliance with the FMA Act 2003**
- 6.7.1 Based on a query of the status of the thirteen cheques valued at \$19.941M not refunded to the Consolidated Fund, the Accounting Officer, in response, stated all refunds, in that regard were made and the matter was therefore concluded.
- 6.8 Paragraph 453 – Unmaintained and Unpresented Log Books**
- 6.8.1 Responding to a query, the Accounting Officer informed Members that the problem arose since Log Books were allocated to Drivers instead of vehicles. He assured the Committee that this was corrected and added that a Transport Officer was now responsible for monitoring Log Books. Additionally, he stated that Drivers were being taught how to maintain their Log Books and he expressed satisfaction in the improvements seen, thus far.
- 6.9 Paragraph 454 – Expired Drugs and Medical Supplies**
- 6.9.1 The Committee requested that the Accounting Officer submits the total value of expired goods.

- 6.9.2 In response to a further query, the Accounting Officer highlighted that the majority of expired goods were donated drugs and medical supplies. In most cases of donation; the items would be close to their expiration. He added that he was embarking on implementing a policy that goods being donated and purchased should have a minimum shelf life of eighteen months. Also, monthly reviews would be done to check on the remaining shelf life of items.
- 6.9.3 The Accounting Officer, responding to further queries stated that there were three bonds operating during the year under review and added that, with the new Integrated System now being embarked on, there would be one bond.
- 6.9.4 Questioned whether any private bond was currently storing items for GPHC, the Accounting Officer responded in the affirmative, stating that there was one.
- 6.9.5 Following a further query, the Accounting Officer apprised Members that, with effect from June 9, 2017, GPHC ceased storing items at the New GPC Inc. However, there was an outstanding balance of approximately \$50M owed to the New GPC Inc. and GPHC was currently in the process of paying off that balance.
- 6.9.6 A query was made on how a deficit of goods was usually satisfied. The Accounting Officer, in response informed Members that the request would be made to the Ministry of Public Health or the purchase was made by way of selective tendering from a prequalified list of tenderers. The Chairman explained that in purchasing goods from a prequalified list of tenderers, all tenderers should be allowed to submit quotations for the goods and then a decision should be made on the suitable tenderer.
- 6.9.7 In light of a further query, the Accounting Officer stated that he was unable to justify the actions of Pharmacy Bond staff who were reluctant to allow verification of the expired drugs. Additionally, he stated that some of the officers were relocated to other departments within the organisation, subsequent to being cautioned about their behaviour. They were also warned that disciplinary actions would be taken in the event of a recurrence.
- 6.9.8 In responding to a query on the systems previously in place to manage the shelf life of drugs, the Accounting Officer mentioned that there were monthly checks evaluating expiry dates and the First-In First-Out System. He added that the new system would be a computerised system which would be a national project.

6.9.9 A Member then enquired on whether there was now a reduction in the overstock and shortages of items. The Accounting Officer informed the Committee that all discrepancies were resolved and the Auditor General was cognisant, in that regard.

6.9.10 At that juncture, a Member expressed his satisfaction in the manner in which the team were responding to queries by the Committee.

6.9.11 The Accounting Officer was questioned on whether he was pleased with the current supplies to efficiently manage GPHC. In response, he indicated that he was not yet in a position to make a judgment. He added that he would need to review the current system before he could make a pronouncement, in that regard.

6.10 Paragraph 455 – Unpresented Expense Vouchers

6.10.1 Following queries, the Accounting Officer indicated that the 21 Expense Vouchers valued at \$5.565M were submitted to Auditor General, one month preceding this Meeting. He explained that the matter resulted from systemic problems and that adjustments were being made in the Finance and Procurement Departments, in an effort to prevent future recurrences.

6.10.2 At that juncture, a Member commended the Accounting Officer and his team on their satisfactory performance in appearing before the Committee.

6.10.3 At 1.53 p.m., the Committee concluded the examination of the above accounts.

ITEM 7: EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Public Health	369 - 423 (59)	Ms. Collette Adams

7.1 At 1.55 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Public Health together with the comments submitted by the Accounting Officer for the year 2015.

- 7.1.1 The Committee acknowledged that paragraphs 369 to 392 were considered at its 29th meeting held on Monday, 29th May, 2017.
- 7.1.2 Officers present for the examination were:
- (i) Ms. Collette Adams - Permanent Secretary
 - (ii) Mr. Glendon Fogenay - Deputy Permanent Secretary (F)
 - (iii) Ms. Karen Yaw - Director of Planning
 - (iv) Ms. Malkia Idal - Principal Assistant Secretary (F)
 - (v) Mr. Chetwyn Phoenix - Principal Personnel Officer
 - (vi) Mr. Bruce Wills - Engineer
 - (vii) Ms. Alexis Sears - Manager, Materials Management Unit (MMU), Diamond
 - (viii) Dr. Mohamed Riyasat - Chief Executive Officer, Linden Hospital Complex (LHC)
 - (ix) Mr. Trevor Vangenderen - Admin Manager, LHC
 - (x) Ms. Carlotta Mc Kinnon - Chief Accountant, LHC
 - (xi) Ms. Michelle Bollers - Senior Personnel Officer, LHC

7.2 Paragraph 393 – Medical Treatment Files

7.2.1 A Member enquired about the current status of the Medical Treatment Files and the reconciliation with respect to amounts totalling \$10M paid to the Caribbean Heart Institute (CHI) for medical treatment which was not utilised but retained by the Institute.

7.2.2 In response, the Accounting Officer stated that based on reconciliation, it was observed that there were a total of ninety-eight files rather than one hundred and one that was previously reported. To date, ninety-two files were found and submitted for audits. She assured Members that efforts were being made to locate the outstanding six files.

7.2.3 Notwithstanding that, reconciliation was being done with the Ministry of Public Health, Georgetown Public Hospital Corporation (GPHC) and CHI regarding the unutilised \$10M, in an effort to bring the matter to a closure.

7.3 Paragraphs 394 and 395 - Utilities Registers

7.3.1 Based on a query, the Accounting Officer stated that previously the registers were not properly maintained, thus, details of some of the buildings were inadvertently omitted. She explained that there were also instances where bills were recorded in the Administration Department Register but not in the Accounts Department Register. Thereafter, the Accounting Officer indicated that corrective actions were taken and the matter was resolved.

7.4 Paragraph 396 was considered.

7.5 Paragraphs 397 and 398 - Linden Hospital Complex

7.5.1 Subsequent to a query, the Accounting Officer indicated that a meeting would be held with the Minister of Public Health regarding the issue of whether LHC would be an autonomous or semi-autonomous body or whether it would remain under the control of the Ministry.

7.5.2 Questioned about the systems implemented to avoid recurrences of overpayment in salaries and what was being done to recover overpaid salaries, to two individuals, totalling \$23,930 and \$18,000, respectively, Dr. Mohamed Riyasat, Chief Executive Officer, LHC, indicated that letters had been sent to the bank requesting that the monies should be deducted from the individuals accounts. However, the Hospital was informed that there were no funds in the said accounts. Consequently, no further actions were taken to address the matter.

7.5.3 The Committee was also informed that in the event an employee was absent for more than three days systems, were in place to ensure that the information was communicated to the Accounts Department, forthwith, so that the necessary precautions could be taken.

7.5.4 Following a discussion, in relation to the maintenance of a Master Inventory and the system used to procure items for the Hospital, the Committee was informed that there were no copies of the Stores Regulation 1993 at the institution. Consequently, the Officers were urged to obtain a copy of the Regulation and put systems in place to ensure compliance with the Regulation.

7.5.5 In light of a query on the system in place for the disposal of expired drugs, the Accounting Officer stated that the Ministry had ten logistics Officers who were, at present, compiling a list of all the expired drugs which would then be sent to the Food & Drug Department so that the drugs could be disposed.

- 7.5.6 A Member enquired about the current status of the un-presented log books. In response, Mr. Trevor Vangenderen, Administrative Manager indicated that previously the books were not signed by the Supervisors. He explained that the books were subsequently updated and sent to the Ministry of Public Health and the Auditors.
- 7.5.7 At that point, the Auditor General advised the Committee that the Audit Office was not in receipt of the log books. As a result, the Accounting Officer undertook to re-examine the issue and report to the Committee, with one week.
- 7.5.8 Questioned about the nineteen outstanding Combined Requisition and Issue Vouchers (CRIVs), Mr. Vangenderen stated that the CRIVs were not uplifted by LHC. The Auditor General undertook to follow-up the matter and report to the Committee.
- 7.5.9 A query was made with respect to the reasons why 59,932 expired drugs were found during audits at LHC. Dr. Riyasat apprised Members that the drugs were donations received from Food for the Poor Inc. and other Non-Governmental Organisations (NGOs), with short shelf life. However, because of the volume of the drugs some were not consumed before the expiration.
- 7.5.10 Members of the Committee were further informed that a system was implemented where the Hospital would not accept drugs and medical supplies with a shelf life of less than a year.
- 7.6 Paragraph 399 - Maintenance of Permanent Stores Register**
- 7.6.1 A Member enquired why, to date, a Permanent Stores Register was not maintained at the Kingston Bond and the systems being implemented to resolve the issue.
- 7.6.2 In response, the Accounting Officer stated that there were numerous issues at the Kingston Bond, dating back a number of years. She explained that a meeting was held with the Auditor General on the way forward. She added that, at present, the Ministry was carrying out stock counts and updating the Stock Ledgers and Registers for the current period, whilst awaiting the completion of the reconciliation for prior years.

- 7.7 **Paragraph 400 - Materials Management Unit (MMU) Diamond Warehouse**
- 7.7.1 In response to a query regarding the maintenance of a Control Forms Register at the warehouse, Ms. Alexis Sears, Manager, informed the Committee that the registers were ordered but were not uplifted from the Kingston Bond.
- 7.7.2 Subsequent to a further query, regarding the issue where the value of expired items could not have been determined because of the absence of pricing information from MMU, the Auditor General was requested to follow-up the matter and report his findings to the Committee. A discussion ensued and the Accounting Officer assured Members that systems were being implemented to correct the situation.
- 7.7.3 Questioned about the systems in place to ensure the disposal of 2,871 expired drugs, which were on the shelves, at MMU Diamond, the Accounting Officer stated that, at the moment, all the expired drugs had been disposed of and systems were implemented to facilitate the removal of additional expired drugs within one week.
- 7.7.4 Based on further queries, the Accounting Officer mentioned that in an effort to ease the logistical problem, the Ministry was in the process of acquiring a new truck to facilitate the distribution process. Furthermore, additional staff were employed at the bond and the Regional Health facilities were requested to submit their CRIVs to the Ministry in a timely manner.
- 7.7.5 During a discussion, the Committee was also informed that drugs and medical supplies were stored at MMU, the Central Supply Unit (CSU) and the Sussex Street Bond. Further, approximately 50% of supplies were stored at MMU.
- 7.7.6 Ms. Sears also related the process used to distribute items to Regional Health Facilities. She explained that the Regions would send their CRIVs to the bond requesting medication. The Data Entry Clerk along with the Pharmacy Logistics Officer would validate the CRIVs then the information would be entered. Thereafter, the items for far flung areas would be uplifted by the relevant Officer(s), while the Ministry would deliver the items for neighbouring locations.

- 7.7.7 She added that one of the major challenges was the lack of human resource to carry out the distribution. At present, there were vacancies for eight Stores Attendants, two Supervisors for the Intake and Dispatch Department and one Supervisor for the Inventory Department. She indicated that, a month ago, the Ministry had written the Public Service Commission for the vacancies to be filled, to date, no response was received.
- 7.8 **Paragraph 401 - Clearance of Cheque Orders**
- 7.8.1 A Member enquired about the system implemented to ensure the clearance of cheque orders within the stipulated sixteen days. In response, the Accounting Officer stated that letters were sent to all Heads of Department in that regard. As a result, cheque orders were now being cleared within an average of two weeks.
- 7.8.2 The Committee was also informed that, at present, the Ministry was without a Procurement Officer. However, interviews were recently conducted for persons to fill the vacant positions within the Procurement Department.
- 7.9 **Paragraph 402 - Warrants totalling S890.585M from all the Administrative Regions in 2015**
- 7.9.1 Based on a query, the Accounting Officer informed the Committee that the Ministry was unable to procure medical supplies for some of the Regions since the warrants were received in the last quarter of the year. As a result, the Ministry would not have been able to procure the items before 31st December, 2015; hence, the monies were refunded to the Consolidated Fund.
- 7.10 **Paragraph 403 was considered.**
- 7.11 **Paragraph 404 - Goods received before the award of the contract and the preparation of the Requisitions to Purchase (RTP)**
- 7.11.1 Questioned why the Ministry had received goods valuing \$5.371M before the award of the contract and the preparation of the RTP. The Accounting Officer was unable to provide an answer and undertook to submit the information to the Committee, at its earliest.
- 7.12 **Paragraph 405 was considered.**
- 7.13 **Paragraph 406 - Stores and other Public Property**

7.13.1 The Accounting Officer informed the Committee that discussions were ongoing with the Auditor General on the way forward in relation to the writing off of the outstanding prior years stock balances, among other things. She stated that the Ministry did not have the full complement of staff needed at the Stores. As a result, the Public Service Commission was written to in May, 2017 with respect to the filling of vacancies.

7.14 Paragraph 407 - \$596.439M expended under Capital Programs

7.14.1 In light of a query, with respect to the construction of Port Kaituma Hospital, Members were informed that the consultancy firm supervising the project was Kalitech Inc. and the Contractor was R. Bassoo and Sons. In addition, the Accounting Officer indicated that the contract was awarded in December, 2015 and should have been completed by October, 2016.

7.14.2 A Member pointed out that the sum of \$729.215M was allocated for capital expenditure, however, \$596.439M was expended and enquired about the remaining sums. In response, the Accounting Officer stated that the difference was rolled over to 2016 for works to be completed at GPHC and the Ministry of Public Health building.

7.14.3 Thereafter, the Chairman requested that the roll over approval should be submitted to the Committee by the end of the week.

7.15 Paragraphs 408 and 409 - Georgetown Public Hospital Corporation

7.15.1 Noting that approximately \$60M of the sums allocated to GPHC for several projects was not expended, a Member enquired what was done with the unspent amount. The Accounting Officer undertook to submit the information to the Committee, at its earliest.

7.15.2 Questioned whether the orthopedic saw was purchased and delivered to GPHC, the Accounting Officer responded in the affirmative. However, the Auditor General indicated that based on his records the saw was not purchased.

7.15.3 At that point, the Accounting Officer explained that the cost of the saw was \$5.926M. However, the Hospital was subsequently informed that the company was unable to supply the saw. As a result, GPHC had returned the cheque to the Ministry and it was refunded to the Consolidated Fund.

- 7.15.4 A Member mentioned that a contract valued \$8.096M was awarded for the procurement of nine fuel meters and enquired whether the meters were installed. In response, the Accounting Officer stated that eight meters were installed. She assured the Committee that the remaining pump would be installed forthwith.
- 7.16 **Paragraphs 410 to 413 were considered.**
- 7.17 **Paragraph 414 - Five contracts totalling \$158.231M awarded for works at the Port Kaituma Hospital**
- 7.17.1 A Member enquired whether the advance payment was recovered with respect to the contract for site development works. The Committee was informed that the works were delayed because of inclement weather. Notwithstanding that, the Contractor was written to and advised that works should be completed by 30th June, 2017.
- 7.17.2 Questioned about the status of the Mobilisation Bond and the name of the Contractor, Mr. Bruce Wills, Engineer, stated that the consultancy firm was Kalitech Inc. and the Contractor was Alvin Chowramotoo. He also mentioned that the bond had expired in 2016 but was subsequently renewed, however, it had expired for a second time. Nevertheless, the Contractor had agreed to submit a new bond to the Ministry the following day. Thereafter, a Member requested that a copy of the bond should be submitted to the Committee by the end of the week.
- 7.17.3 Based on a further query, on whether the Consultant was engaged in other works with the Ministry, Mr. Wills responded in the negative. The Chairman then expressed dissatisfaction regarding the inadequate supervision of the projects.
- 7.18 **Paragraphs 415 and 416 were considered.**
- 7.19 **Paragraph 417 - Amounts totalling \$75.175M allocated for the purchase of medical equipment**
- 7.19.1 A Member enquired whether the medical equipment purchased were in the possession of the Ministry. The Accounting Officer responded in the affirmative. However, she indicated that some of the items were delivered in January and December, 2016, while the remaining items were delivered in March, 2017.
- 7.20 **Paragraphs 418 and 419 were considered.**

7.21 Paragraph 420 - Purchase of one mini-bus

7.21.1 Following a query, the Accounting Officer confirmed that the mini-bus was delivered to the Linden Hospital Complex in November, 2016.

7.22 Paragraph 421 - The sum of \$32.320M allocated for the purchase of equipment and furniture

7.22.1 The Accounting Officer, in responding to a query, informed the Committee that all the items were delivered to the Ministry and were operational. The Committee then requested that the delivery dates of the items should be submitted, within one week.

7.23 Paragraphs 422 and 423 were considered.

7.24 At 4.15 p.m., the Committee concluded the examination of the above accounts.

ITEM 8: TO CONSIDER THE DRAFT REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2012, 2013 & 2014

8.1 The Chairman acknowledged that the Draft Report was previously circulated to Members; however, no amendments were submitted. He proposed that the Report should be finalised and submitted to the Clerk of the National Assembly for it to be laid in the National Assembly.

8.2 The Committee then agreed that the Chairman and the Hon. Volda A. Lawrence would re-examine the Report after which the Clerk of the Committee would make the necessary amendments.

ITEM 9: ANY OTHER BUSINESS

9.1 Letter dated 16th June, 2017 from Ms. Carol Corbin, Chairperson of the Public Procurement Commission (PPC)

- 9.1.1 The Chairman informed Members that the abovementioned letter was received from PPC. He stated that the letter was a request for the Committee to re-consider its recommendations regarding the remuneration package, specifically the salary scale and the issuance of duty free concession, for the Chief Executive Officer and the two senior staff of the Commission. The request was consequent to the individuals' indication to the Commission that the salary scale being proposed by the Committee was below their current income, among other things.
- 9.1.2 He urged Members to support the recommendations previously made, since the Committee had indicated in its recommendations that if the 1st Rank candidate did not accept the proposal, it should be offered to the 2nd Rank candidate. He posited that the Commission could re-advertise for the positions, in an effort to find a candidate who would accept the package being proposed.
- 9.1.3 Thereafter, the Hon. Volda Lawrence suggested that the letter should be circulated to Members of the Committee for perusal. She indicated that the Government Members would peruse the letter and would report its recommendations at the next meeting of the Committee. At that juncture, the Clerk of the Committee was requested to circulate the letter to Members of the Committee.

Adjournment

At 4.20 p.m., the meeting was adjourned *sine die*.

Confirmed this.....¹⁰ day of July, 2017

.....
Mr. Mohamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
33RD MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 10TH JULY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)
CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)
(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jermaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

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

Ms. Pauline Campbell-Sukhai, M.P. - Excused

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)

The Finance Secretary - (Dr. Hector Butts)

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

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 Bishop Juan A. Edghill called the meeting to order at 10.10 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Presiding Member welcomed Members, Advisors and Staff to the meeting.

2.2 Excuses

2.2.1 The Committee was informed that Ms. Pauline Campbell-Sukhai had asked to be excused from the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 33rd Meeting dated July 6, 2017;
- (ii) Minutes of the 30th, 31st and 32nd Meetings held on 5th, 12th and 19th June, 2017, respectively;

- (iii) The Audit Office of Guyana Briefing Notes and responses received on the Report of the Auditor General for the year 2015 with respect to the following Ministry/Agency:
 - Ministry of Indigenous Peoples' Affairs; and
 - Guyana Revenue Authority.
- (iv) Record of Proceedings for the following meetings:
 - 23rd Meeting held on 13th February, 2017;
 - 24th Meeting held on 20th February, 2017; and
 - 1st Special Meeting held on 27th February, 2017.
- (v) Copies of incoming correspondence as at paragraph 4.1.

ITEM 4:

CORRESPONDENCE

4.1

Incoming:

- (i) Letter dated June 16, 2017 from Ms. Coral Corbin, Chairperson Public Procurement Commission;
- (ii) Letter dated June 15, 2017 from Ms. Daneilla Mc Calmon, Permanent Secretary of the Ministry of Public Security, re: Response to the Public Accounts Committee (51 - Ministry of Home Affairs and 52 - Ministry of Public Security);
- (iii) Letter dated June 22, 2017 from Ms. Melissa Tucker, Permanent Secretary, Department of Culture, Youth & Sport, Ministry of Education, re: Updates on Audit Report; and
- (iv) Letter dated June 30, 2017 from Mr. Vibert A. Welch, Permanent Secretary, Ministry of Education re: Ministry of Education – Response to Question.

4.2

Outgoing:

- (i) Letter dated July 6, 2017 to Mr. Alfred King, Permanent Secretary, Ministry of Indigenous Peoples' Affairs, re: Notice of and Invitation to attend PAC Meeting - Examination of the 2015 Report of the Auditor General;

- (ii) Letter dated July 6, 2017 to Mr. Vibert Welch, Permanent Secretary, Ministry of Education, re: Examination of the 2015 Report of the Auditor General (to assist in the presentation by Ministry of Indigenous Peoples' Affairs); and
- (iii) Letter dated July 6, 2017 to Mr. Godfrey Statia, Commissioner General, Guyana Revenue Authority, re: Notice of and Invitation to attend PAC Meeting - Examination of the 2015 Report of the Auditor General.

ITEM 5: CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 30TH MEETING HELD ON 5TH JUNE, 2017

- 5.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Audwin Rutherford and Mr. Nigel D. Dharamlall, respectively.

ITEM 6: MATTERS ARISING

- 6.1 There were no matters arising from the Minutes.

ITEM 7: CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 31ST MEETING HELD ON 12TH JUNE, 2017

- 7.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Audwin Rutherford and Mr. Nigel D. Dharamlall, respectively.

ITEM 8: MATTERS ARISING

- 8.1 There were no matters arising from the Minutes.

ITEM 9: CORRECTION AND CONFIRMATION OF THE MINUTES OF THE 32ND MEETING HELD ON 19TH JUNE, 2017

- 9.1 The Minutes were confirmed, without corrections, on a motion moved and seconded by Mr. Nigel D. Dharamlall and Mr. Audwin Rutherford, respectively.

ITEM 10: MATTERS ARISING

- 10.1 There were no matters arising from the Minutes.

ITEM 11:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Guyana Revenue Authority: (i) Customs & Trade Administration (ii) Inland Revenue	123-145(23) 146-171(26)	Mr. Godfrey Statia

11.1 At 10.22 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Guyana Revenue Authority together with the comments submitted by the Commissioner General for the year 2015.

11.1.1 The Committee acknowledged that paragraphs 123 to 140 were considered at its 27th meeting held on Monday, 15th May, 2017.

11.1.2 Officers present for the examination were:

- (i) Mr. Godfrey Statia - Commissioner General
- (ii) Ms. Hema Khan - Deputy Commissioner General
- (iii) Ms. Ingrid Griffith - Deputy Commissioner, Operational Support Services
- (iv) Mr. Patrick Hyman - Deputy Commissioner, Customs & Enforcement Dept.
- (v) Mr. Rajendra Singh - Assistant Commissioner, Revenue Protection
- (vi) Ms. Karen Chapman - Deputy Commissioner, Integrated Regional Tax Office
- (vii) Mr. Ron Simboo - Deputy Commissioner, Inland Revenue, Debt Management
- (viii) Ms. Alike Austin - Assistant Commissioner, Inland Revenue, Examinations & Compliance
- (ix) Ms. Simone Beckles - Assistant Commissioner, Customs Excise & Trade Division
- (x) Mr. Asif Karim - Assistant Commissioner, Revenue Accounting, Registration & Central Data Processing

- (xi) Mr. Wesley Duke - Assistant Commissioner, Law Enforcement & Investigation Division
- (xii) Mr. Wayne Austin - Senior Manager, Inland Revenue, Licence Revenue Operations
- (xiii) Mr. Reishad Khan - Manager, Internal Audit Division

Customs & Trade Administration:

- 11.2 Paragraphs 141 and 142 - Submission of Value Added Tax (VAT) Returns**
- 11.2.1 A Member enquired about the systems implemented to ensure that defaulting taxpayers submit outstanding returns. In response, Mr. Simboo, Deputy Commissioner, Inland Revenue, Debt Management, stated that the total number of delinquent registrants was 766. He explained that the 1,509 defaulting taxpayers mentioned in the Auditor General's Report included persons who were de-registered and those pending re-registration.
- 11.2.2 Members were also informed that GRA would issue demand notices to delinquent individuals/companies; failing to submit their returns would result in legal action being taken in that regard.
- 11.2.3 Subsequently, the Commissioner General apprised the Committee that the Total Revenue Integrated Processing System (TRIPS) contained numerous inaccuracies. He stated that figures mentioned by Mr. Simboo were derived from the manual system.
- 11.2.4 Based on comments made by the Presiding Officer, the Commissioner General agreed that the updated information should have been submitted to the Auditor General for verification. He assured the Committee that the issue would not recur in the examination of the 2016 accounts.
- 11.2.5 At that point, Mr. Ali assumed the position as Chairman. Following several queries by Members of the Committee, the Commissioner General stated that:
- (i) At present, staff training was being conducted in several areas since it was observed that there was a shortage of trained personnel;
 - (ii) In 2017, GRA upgraded some of its computers and other requisite equipment were also purchased; and

(iii) GRA was awaiting the submission of the individual modules of TRIPS (TRIPS II) from Crown Agents, which would assist in the minimisation of revenue shortfall pending the re-introduction of the Automated System for Customs Data (ASYCUDA).

11.2.6 Based on further queries, the Commissioner General indicated that he was dissatisfied with the performance and support service of Crown Agents. He added that the Government had expended over \$4.6B on the new TRIPS II, hitherto, no module have been finalised. Hence, GRA had since ceased payments and, as a result, the company had submitted modules for testing.

11.2.7 The Commissioner General also apprised Members that the contract with Crown Agents provided for training of staff, however, when the modules were finalised training would commence. In addition, there were no manuals for TRIPS II. On the other hand, because ASYCUDA was a worldwide software, manuals which were updated continually were available.

11.3 **Paragraph 143 - Un-posted VAT Returns**

11.3.1 Subsequent to a query, the Commissioner General explained the procedure used in addressing appeals. He stated that, at present, GRA had been finalising returns at a faster pace compared to previous years. He added that returns were held longer at the VAT Tribunal.

11.3.2 The Committee was also informed that VAT Returns attracted a penalty and interest when filed late. However, if there were appropriate grounds for the late submission of VAT Returns the penalties could be waived but the interests would be imposed.

11.4 **Paragraph 144 - VAT Refunds**

11.4.1 The Commissioner General was requested to update the Committee on the current status of the \$16M and \$470M variances highlighted in the Auditor General's Report. As a result, the Committee was informed that the variances were refunds not posted in TRIPS. However, reconciliations were done and the mentioned \$16M had been reduced to \$10.9M while the \$470M was reduced to \$19.2M.

11.4.2 In addition, the Commission General assured Members that systems were in place to avoid recurrences and strenuous efforts were being made to have the matter resolved.

- 11.5 **Paragraph 145 - Amounts totalling \$122.217M reflected as deposits not on Bank Statement (Bank Account No. 0162500447003)**
- 11.5.1 In light of a query, the Commissioner General indicated that the abovementioned amount represented deposits made to a VAT account at the Bank of Guyana. He explained that the variances occurred because of transposition errors made during the writing up of the deposit slips.
- 11.5.2 The Chairman posited that a system of checks and balances should always be in place and such errors should not be taken lightly. He then enquired whether the matter was resolved, the Commissioner General responded in the affirmative.

Inland Revenue:

- 11.6 **Paragraph 146 - Non-compliance with the requirements of the Income Tax Act by self-employed persons**
- 11.6.1 A Member enquired about the method used to ascertain the total number of active self-employed persons and the systems implemented to ensure that outstanding returns were filed.
- 11.6.2 In response, the Commissioner General stated that the figures generated from TRIPS were inaccurate. He posited that in comparing the revenues collected from employed persons and that of self-employed persons, it was evident that there were not 126,669 registered self-employed persons as mentioned in the Auditor General's Report. Moreover, TRIPS contained information relating to categories of persons that should not have been removed, such as housewives, pensioners, deceased persons, among others.
- 11.6.3 The Chairman questioned why the information was not conveyed to the Auditor General at the Exit Conference and the measures being implemented to resolve the issue. The Committee was informed that in an effort to improve the current system, companies were being urged to submit their information via soft copy and returns were being recorded in electronic format.

- 11.6.4 During a discussion, the Commissioner General indicated that based on third party information and the data on file, GRA would issue demand notices to defaulting persons. He added that discussions were on-going in collaboration with other agencies in an effort to retrieve information on a broader basis. Mention was also made that, at present, GRA would work along with the various Municipalities in an effort to gather information on self-employed persons who would have sought permission from them to vend.
- 11.7 Paragraph 147 - Decline in Professional Fees**
- 11.7.1 Following a query, the Commissioner General informed the Committee that the decline in professional fees in 2015 compared to 2014 was consequent to GRA receiving fewer applications for professional certificates for that year.
- 11.7.2 During a discussion, Members were also informed that requests were made for the Court matter to be concluded given the fact that it had engaged the attention of the Court since 2003. Notwithstanding, to date, the matter was still an *ex parte injunction*.
- 11.8 Paragraph 148 - Professional Certificates**
- 11.8.1 The Chairman enquired whether the lists of registered professionals from the various professional bodies were submitted to the Auditor General for examination. In response, the Commissioner General indicated that the requested lists, with the exception of the registered legal professionals, were submitted for audits. He stated that, at present, GRA was not in receipt of the outstanding list.
- 11.8.2 The Chairman then suggested that GRA should engage the Court in an effort to acquire the outstanding information. The Commission General undertook to follow up the matter and submit the list to the Auditor General, at its earliest.
- 11.9 Paragraph 149 - Corporation Tax Returns**
- 11.9.1 Based on a query regarding the Companies Tax Returns Register which was not presented for audit, the Commissioner General stated that he was puzzled that the register was not presented since it was electronic and a copy could have been readily available through TRIPS.
- 11.9.2 Mr. Simboo pointed out that the Auditors had access to the printout and had indicated that the matter was inadvertently highlighted in the report.

- 11.9.3 Consequently, Ms. Canterbury, Audit Supervisor, Audit Office posited that the Auditors did not have access to TRIPS but rather depended on the Heads of Department to submit the requested information. She stated that because there was no department which dealt specifically with Corporate Tax, information with respect to demand issues, the number of registered companies, among other things was gathered from various Heads.
- 11.9.4 Thereafter, Mr. Simboo explained that the information might not have been submitted to the Auditors because of a breakdown in communication. At that point, the Chairman proposed that the Auditor General when requesting information should copy all letters to the Commissioner General.
- 11.9.5 In light of a query on the procedure of appeals with respect to Corporate Returns, the Commissioner General stated that when a return was submitted and GRA raised an assessment, the taxpayer had forty-five days to object to the assessment. When an objection was made, the reason(s) must be conveyed. In the event that GRA should disagree with the objection, additional information would be sent to the taxpayer to substantiate the Authority's position.
- 11.9.6 Moreover, if a response was delayed in that regard, GRA would then issue a demand notice, at which point the taxpayer could appeal to the Board of Review or a Judge in Chambers. Subsequently, if the taxpayer won the case through a Judge, GRA was given a time to make repayments at an interest rate of 6%. On the other hand, if the taxpayer won through the Board of Review he would be repaid, within one month, without any interest.
- 11.10 Paragraphs 150 and 151 - Travel Voucher Tax**
- 11.10.1 In responding to several queries, the Commissioner General stated that the outstanding amounts highlighted in the Auditor General's Report were as a result of airlines which filed bankruptcy or ceased operation in Guyana. He pointed out that Bonds were not in place at the time; however, discussions were held with the Ministry of Public Infrastructure, Ministry of Tourism and the Cheddi Jagan International Airport in that regard.
- 11.10.2 In an effort to avoid recurrences, GRA had advised that airlines would not be registered without the necessary Bond(s) in place, with the exception of Caribbean Airline which was not required to have a bond. Mention was also made that a system was implemented where Travel Voucher Tax was now being collected by the airlines on behalf of GRA, at present, payments were being made on time.

- 11.11 Paragraph 152 – Outstanding Travel Voucher Tax by Airline**
- 11.11.1 Questioned on the current status, in this regard, the Commissioner General indicated that the airline, Conviasa Airline, ceased operation in Guyana and he was in the process of carrying out legal actions, in an effort to obtain monies from their jurisdiction.
- 11.11.2 He added that a cost benefit analysis would be done to find out whether it was practical to seek the monies owed through legal actions as against disregarding the matter.
- 11.12 Paragraph 153 – Objections and Appeals**
- 11.12.1 Responding to queries, the Commissioner General informed Members that there were more outstanding cases, in this regard, which occurred before 2012 and were not reflected in the audit. He explained that efforts were currently ongoing to resolve these matters. He assured that the next audit would include the decision made to deal with all outstanding matters which occurred before 2012. He stated that a maximum of 5% of tax assessments were usually appealed.
- 11.13 Paragraph 154 – Un-presented Files for Audit**
- 11.13.1 The Commissioner General, in responding to queries, expressed his dissatisfaction in the Department's response to the matter. He posited that he was aware that it is necessary to present all requested documentations, regardless of its current location.
- 11.13.2 Responding to the Chairman's query on the status of the presentation of files for the 2016 audit, Ms. Karel Canterbury, Audit Supervisor, stated that 50% of the files requested were not presented.
- 11.13.3 The Commissioner General, in response, requested that the list of outstanding Taxpayers' files be sent to him and he would make them available for audit.
- 11.13.4 A Member suggested that the Commissioner General should assign staff to work along with the Auditors to ensure all requests would be fulfilled. The Commissioner General, in response, indicated that all Heads of Departments were tasked, in that regard. He added that he would usually suggest that requests be made to him, by way of email, and he would, thereafter, forward the requests to the relevant Heads of Departments for actions to be taken.

- 11.13.5 The Auditor, in response, stated that all Heads of Departments were currently in receipt of the list of outstanding Taxpayers' files, which was sent on March 21, 2017.
- 11.13.6 Thereafter, the Chairman advised that the Internal Audit Department should work with the State Auditors in providing all requested documentation.
- 11.13.7 At that point, Ms. Canterbury highlighted that the Internal Audit Department was also in receipt of the list of outstanding Taxpayers' files. She added that it was customary for the Internal Audit Department to work along with the State Auditors. The Commissioner General then acknowledged the fault of his office and assured the Committee that the matter would be resolved.
- 11.14 Paragraph 155 – Un-presented Documentation for Audit**
- 11.14.1 Questioned on whether the outstanding list of delinquent taxpayers was presented to the Auditors, the Commissioner General responded in the negative. He requested that the specifications of the delinquency be stated and committed to subsequently present the documentation, regarding this, to the Auditors.
- 11.15 Paragraph 156 – Liquor Licences Not Renewed**
- 11.15.1 A Member enquired on whether there would be a component of the IT Department that would be able to identify and reveal all businesses that do not renew their liquor licences. The Commissioner General, in response, informed the Committee that, based on information received from the Bureau of Statistics late last year, there were 30,000 businesses defaulting, in that regard. He indicated that a team was established to investigate all business operating without licence and all licenced business which were not paying their dues.
- 11.15.2 Thereafter, he explained that the decision was made not to write defaulting persons in 2016 to purchase licences since more revenue was expected to be collected in 2017, after the 100% increase in cost for a licence. He added that the defaulting persons were written in April, 2017. He further assured Members that there would be significant improvements and, also there would be an increase in the revenues being collected.

11.16 Paragraph 157 – Field Visits Not Carried Out

- 11.16.1 Based on a query, the Commissioner General indicated that, subsequent to this audit, field visits were carried out by the Licence Revenue Office (LRO) and Integrated Regional Tax Office (IRTO), to determine whether businesses in default were operational.
- 11.16.2 Thereafter, the Chairman requested that the Commissioner General submit, to the Auditor General, inspections reports, in that regard.
- 11.16.3 A Member enquired on the process in which businesses without a liquor licence could obtain such in the timeliest manner. The Commissioner General explained that it could be a lengthy process, however, provisional licences were being granted. The Member then commended the Commissioner General on this venture.
- 11.16.4 The Member further enquired about the stamping of imported liquors. The Commissioner General, in response, informed the Committee that this would be embarked on during August – September, 2017, for imported liquors and cigarettes.
- 11.16.5 A subsequent query was made on how cases of businesses in possession of liquors without receipts would be treated. The Commissioner General, responding to the query, stated that a visit would be done and all inventory would be accounted for, valued, and, thereafter, stamped.

11.17 Paragraph 158 – Unmaintained Trade and Miscellaneous Licences Registers

- 11.17.1 The Commissioner General, in response to queries, highlighted that, in his best knowledge, information from registers could be presented immediately upon request since it was electronically done and expressed his disappointment at this not being done in this instance.
- 11.17.2 Consequently, the Chairman suggested that the sanctions taken against Officers who did not carry out their duties should be stated in the Auditor General's Report.
- 11.17.3 At that juncture, Ms. Canterbury informed the Committee that Mr. Austin subsequently provided the information and the matter was resolved.

11.18 Paragraph 159 – Comparative Analysis of Internal Revenue paid into the Consolidated Fund for 2014 and 2015

11.18.1 A Member, subsequent to highlighting various activities which showed increases in revenue paid into the Consolidated Fund, enquired on what resulted in the increases.

11.18.2 In response, the Commissioner General indicated that the increase in revenues from Corporation Tax on Private Sector Companies resulted from an increase in economic activities for the year in review. He added that the increase in revenues from PAYE resulted from an increase in taxing benefits in kind to employees and an increase of employees registered.

11.18.3 Responding to a further query, the Commissioner General stated that, as a result of taxing benefits in kind, the disposable incomes of employees were reduced. He added that the purpose of the tax office is to administer the laws, which govern tax, fairly and consistently by ensuring that all taxpayers pay the prescribed taxes.

11.19 Paragraph 160 – Un-reconciled Returns by Employees

11.19.1 In light of queries, the Commissioner General informed Members that, he was desirous of the compilation of Form IIs to be done separating those of the Public Sector from those of the Private Sectors. He explained that the Form IIs which were unbalanced were from the Public Sector, while those from the Private Sector were balanced. He added that, the Public Sector was not submitting Form II's and payments on a timely basis. He apprised Members that letters were sent to Government agencies outlining requests, in that regard.

11.19.2 The Chairman enquired, from the Auditor General, whether there was evidence of improvements in the 2016 audit. The Auditor General responded in the negative. Consequently, the Chairman advised that the Auditors, in the future, seek assistance from the Commissioner General, by way of email, in instances of not being provided with requested information by the relevant staff.

11.19.3 The Commissioner General was requested to submit, to the Committee, within two weeks, a list of Public Sector agencies which were not compliant in relation to the submission of their Form II's.

- 11.20 Paragraph 161 – Under-Deductions of Earnings of Taxpayers**
- 11.20.1 Questioned on the current status of the outstanding liabilities to be collected from the taxpayers, the Commissioner General stated that five were outstanding with a sum of \$10.4M and the reconciliation, regarding this matter, was ongoing.
- 11.21 Paragraph 162 – Un-presented Supporting Evidence for Audit**
- 11.21.1 A Member enquired on whether this matter was resolved. The Commissioner General, in response, mentioned that the matter was not previously resolved, however, the supporting evidence was available for verification by the Auditors.
- 11.21.2 A further query was made on the reason for the supporting evidence not being presented. In response, the Commissioner General stated that at the time of the request, the books were being used by the two airports.
- 11.22 Paragraph 163 – Dishonoured Cheques**
- 11.22.1 Subsequent to a query on the current status of the dishonoured cheques, the Commissioner General informed the Committee that the vehicle, for which the dishonoured cheque valued at \$2.065M was received, was in the possession of the Guyana Revenue Authority, and, consequent to the sale of the vehicle, the monies received would be transferred to the Consolidated Fund.
- 11.23 Paragraphs 164 to 166 – Bank Reconciliation**
- 11.23.1 Based on a query of the current status of the five bank accounts with reconciling differences totalling \$55.120M, the Commissioner General indicated that this matter was not yet resolved, and the letter was sent to the Finance Secretary in May, 2017, requesting advice on the way forward. He added that, to date, a response was not received.
- 11.23.2 A query was made on the purpose of those accounts. Ms. Khan, in response, highlighted that the accounts at Republic Bank were used as ‘in transit’ accounts for branches and wharves, where night deposits were done which were subsequently transferred to the revenue account, whereas, the accounts at the Bank of Guyana were revenue accounts for Value Added Tax (VAT), Internal Revenue, Customs and LRO, where revenues from these accounts were transferred to the Consolidated Fund subsequent to reconciliations.

- 11.23.3 Questioned on the current status of the undeclared deposits totalling \$12.542 in Republic Bank Account No. 654-462-1, Ms. Khan, in responding, informed the Committee that that account was reconciled.
- 11.23.4 Further questioned on the probable causes of the need for those reconciliations, an Officer explained that the previous reconciliations were not being done in the prescribed manner and, therefore, a decision was made to carry out reconciliations from the period of 2011; consequent to that, various transactions would relapse and then be reconciled.
- 11.24 Paragraph 167 was considered.**
- 11.25 Paragraphs 168 to 171 – TRIPS and ASYCUDA**
- 11.25.1 The Commissioner General, in response to a query, stated that a Business Case Analysis was conducted, by officials of the United Nations Development Programme, on moving from Total Revenue Integrated Processing System (TRIPS) to the Automated System for Customs Data (ASYCUDA).
- 11.25.2 Responding to a further query, the Commissioner General informed Members that the total cost of implementing ASYCUDA would be US\$2.1M. He explained that the cost of the single window activity was US\$2.3M, but, this was ruled out since a duplication of efforts was anticipated consequent to the Ministry of Business currently embarking on this system.
- 11.25.3 In light of an additional query, the Commissioner General indicated that works on implementing this system should commence in September, 2017 and end by December, 2017, as was stipulated in the contract.
- 11.25.4 A query was made on the expected results from ASYCUDA being implemented. The Commissioner General, in his response, outlined the following:
- It was operational in over 100 countries;
 - It has a common database;
 - It produces electronic information;
 - It would be efficiently updated;
 - System is expected to pay for itself a few months after implementation from increase in revenues;
 - It would produce electronic payments and declarations; and
 - It would reduce the time for clearing containers by 75%.

- 11.25.5 Questioned on preparations on going for embarking on this venture, the Commissioner General highlighted that there was training for staff who would be working with the system.
- 11.25.6 At that point, the Chairman resumed his position and commended the Commissioner General on the manner in which he responded to queries by the Committee. He indicated that it was expected that the Commissioner General would address all matters outstanding and prevent recurrences, resulting in an agency which would be efficient. He mentioned the desire for an agency without internal barriers, but, with structured management and wished him well in his stewardship of the agency.
- 11.25.7 The Commissioner General, in response, assured the Committee that there would be major improvements in moving forward.
- 11.25.8 At 2.25 p.m., the Committee concluded the examination of the above accounts.

ITEM 12:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Commissioner General
Ministry of Indigenous Peoples' Affairs.	230 - 263 (34)	Mr. Alfred King

- 12.1 At 2.30 p.m., the Committee continued consideration of the Report of the Public Accounts with respect to the Ministry of Indigenous Peoples' Affairs together with the comments submitted by the Accounting Officer for the year 2015.
- 12.1.1 The Committee acknowledged that paragraphs 230 to 235 were considered at its 31st meeting held on Monday, June 12, 2017.
- 12.1.2 Officers present for the examination were:
- (i) Mr. Alfred King - Permanent Secretary
 - (ii) Ms. Sherie Fedee - Deputy Permanent Secretary

- | | |
|---------------------------------|-------------------------|
| (iii) Mr. Jude Da Silva | - Programme Coordinator |
| (iv) Ms. Samantha Jarvis-Wright | - Chief Accountant |
| (v) Ms. Vivette Wellington | - M.D.O |
| (vi) Ms. Shondell Charles | - Storekeeper |
| (vii) Ms. Liona Adonis | - Stock Verifier |

Mr. Vibert Welch, former Permanent Secretary was also in attendance.

12.2 Paragraph 236 – Safe Contents

12.2.1 Questioned on the current status of the stale-dated cheque, the Accounting Officer, in response, stated that the cheque was updated and refunded to the Consolidated Fund.

12.3 Paragraphs 237 and 238 – Works at the National Exhibition Centre

12.3.1 Mr. Welch, in response to a query, acknowledged that the commingling of capital and current budget was an error that he was made aware of after the voucher was already processed.

12.3.2 Further queries were made, regarding this matter, on the following:

- The line item under which the \$280,000 was listed;
- The contracted sums awarded on each part of the arrangement;
- Accountability for the difference in the amount spent, \$8.102, and the amount awarded, \$10.279M, for these works

12.3.3 Consequent to the Accounting Officer's inability to respond to the queries, further considerations on the paragraphs were deferred to the next Meeting of the Committee.

12.4 Paragraph 239 – Amerindian Development Fund

12.4.1 A query was made on whether the remaining sum from the \$287.400M budgeted was returned to the Consolidated Fund. The Accounting Officer responded in the affirmative.

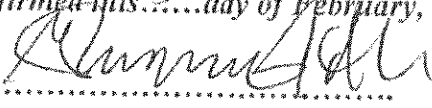
12.4.2 However, the Chairman, in response to the Accounting Officer's statement, highlighted that it was inaccurate, since this was not done. He added that a refund to the Consolidated Fund was not required since the monies expended were releases and the balance of the budgeted sum was not released.

- 12.4.3 Based on an additional query, the Accounting Officer stated that the vouchers totalling \$66.574M were subsequently presented for verification.
- 12.4.4 Thereafter, the Chairman informed the Committee of the Audit Manager's indication of their non-receipt of the vouchers. However, the Auditor, whom the Accounting Officer stated received the vouchers, was not present at the Meeting. The Chairman requested that the Auditor be immediately contacted, however, efforts in doing so were futile.
- 12.4.5 Subsequently, a Member expressed disappointment in the presentation of the Accounting Officer and team. She explained that it was most disappointing due to the fact that the current Accounting Officer and his predecessor were privy to a wealth of experience. She also stated that the Auditor General should, at all Meetings, have all relevant staff in attendance. Thereafter, she requested that further considerations on the matter be deferred to the next Meeting of the Committee.
- 12.4.6 At that point, the Chairman indicated his concurrence with the Member.
- 12.4.7 At 2.55 p.m., the Committee terminated the examination of the above accounts.
- ITEM 13: TO CONSIDER THE DRAFT REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE PUBLIC ACCOUNTS OF GUYANA FOR THE YEARS 2012, 2013 & 2014**
- 13.1 The Chairman informed the Committee that the Report of the Public Accounts Committee on the Public Accounts of Guyana for the Years 2012, 2013 & 2014 was signed, subsequent to its thorough perusal by himself and the Hon. Volda A. Lawrence, and would be sent to the next Sitting of the National Assembly.
- ITEM 14: ANY OTHER BUSINESS**
- 14.1 **Letter dated June 16, 2017 from Ms. Carol Corbin, Chairperson of the Public Procurement Commission (PPC)**
- 14.1.1 The Chairman invited comments from Members, on letter dated June 16, 2017, from Ms. Carol Corbin, Chairperson of the Public Procurement Commission.

- 14.1.2 A Member informed the Committee that the Government gave consideration to and advised that approval for the \$100,000 increase in salary for the three supporting staff be granted. However, approval was not granted for duty free concession, which was also requested.
- 14.1.3 The Committee agreed, and added that the position of Chief Executive Officer (CEO) should be re-advertised.

Adjournment

At 3.05 p.m., the meeting was adjourned to 10.00 a.m. on Monday, 17th July, 2017.

Confirmed this ^{5th} day of February, 2018

.....
Mr. Mohamed Irfaan Ali, M.P.,
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION OF THE ELEVENTH
PARLIAMENT OF GUYANA (2015-2017)

MINUTES OF THE
34TH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT 10.00 A.M.
ON MONDAY, 17TH JULY, 2017
IN THE PARLIAMENT CHAMBER,
PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN.

MEMBERS OF THE COMMITTEE (9)
CHAIRPERSON (1)

Mr. Mohamed Irfaan Ali, M.P.

Other Members

From A Partnership For National Unity/Alliance For Change (APNU/AFC) (5)

(Nominated by the Committee of Selection on 4th September, 2015)

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

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

Mr. Jernaine Figueira, M.P.

Mr. Charrandas Persaud, M.P.

Mr. Audwin Rutherford, M.P.

From the People's Progressive Party (PPP) (3)

(Nominated by the Committee of Selection on 4th September, 2015)

Ms. Pauline Campbell-Sukhai, M.P.

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

Mr. Nigel D. Dharamlall, M.P.

Advisors

The Auditor General - (Mr. Deodat Sharma)
The Finance Secretary - (Dr. Hector Butts)
The Accountant General (ag) - (Ms. Jennifer Chapman)

Officers

Mr. Nickalai Pryce	- Clerk of Committees
Ms. Candayce Girard	- Assistant Clerk of Committees
Ms. Maritza Dodson	- Assistant Clerk of Committees
Ms. Michelle Chung	- Research and Analytical Assistant
Ms. Abiola Bazil	- Research and Analytical Assistant

ITEM 1: CALL TO ORDER

1.1 The Chairman called the meeting to order at 10.10 a.m.

ITEM 2: ANNOUNCEMENT

2.1 Welcome

2.1.1 The Chairman welcomed Members, Advisors and Staff to the meeting.

ITEM 3: CIRCULATION OF DOCUMENTS

3.1 The following documents had been circulated prior to the meeting:-

- (i) Notice of the 34th Meeting dated July 11, 2017; and
- (ii) The Audit Office of Guyana Briefing Notes on the Report of the Auditor General for the year 2015 with respect to the following Ministries/Regions:
 - Ministry of Indigenous Peoples' Affairs;
 - Region No. 2 – Pomeroon/Supenaam; and
 - Region No. 8 – Upper Potaro/Siparuni.

3.2

The following documents had been circulated at the meeting:

- (i) Audit Office of Guyana Budget Proposal for 2018 (Briefing Notes, Current and Capital Expenditure);
- (ii) Audit Office of Guyana Estimate of Current and Capital Expenditure for 2018; and
- (iii) Letter dated July 15, 2017 from Mr. Vibert A. Welch, Permanent Secretary, Ministry of Education, re: Response to paragraphs 237 and 238 of the Report of the Auditor General for the year 2015 on behalf of the Ministry of Indigenous Peoples' Affairs.

ITEM 4:

CORRESPONDENCE

4.1

Incoming: Nil

4.2

Outgoing:

- (i) Letter dated July 11, 2017, to Mr. Alfred King, Permanent Secretary, Ministry of Indigenous Peoples' Affairs, re: 2015 Public Accounts - Notice of and Invitation to attend PAC Meeting;
- (ii) Letter dated July 11, 2017, to Mr. Rupert Hopkinson, Permanent Secretary, Region No. 2 - Pomeroon/Supenaam, re: 2015 Public Accounts - Notice of and Invitation to attend PAC Meeting; and
- (iii) Letter dated July 11, 2017, to Mr. Rafael Dowes, Permanent Secretary, Region No. 8 - Upper Potaro/Siparuni, re: 2015 Public Accounts - Notice of and Invitation to attend PAC Meeting.

ITEM 5:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Ministry of Indigenous Peoples' Affairs.	230 - 263 (34)	Mr. Alfred King

5.1 At 10.15 a.m., the Committee commenced consideration of the Report of the Public Accounts with respect to the Ministry of Indigenous Peoples' Affairs together with the comments submitted by the Accounting Officer for the year 2015.

5.1.1 The Committee acknowledged that paragraphs 236 to 238 were considered at its 33rd meeting held on Monday, 12th June, 2017.

5.1.2 Officers present for the examination were:

- | | | |
|-------|----------------------------|-------------------------------------|
| (i) | Mr. Alfred King | - Permanent Secretary |
| (ii) | Ms. Sherie Fedee | - Deputy Permanent Secretary |
| (iii) | Ms. Michelle Hope | - Principal Assistant Secretary (G) |
| (iv) | Ms. Jude Da Silva | - Programme Coordinator |
| (v) | Ms. Samantha Jarvis-Wright | - Chief Accountant |
| (vi) | Ms. Rosamund Daly | - Social Worker, Education |
| (vii) | Mr. Charles Collymore | - Internal Auditor |

Mr. Vibert Welch, former Permanent Secretary was also in attendance.

5.1.3 The Chairman referred to letter dated July 15, 2017, received from Mr. Welch, in which he apologised and sought to justify the actions taken in paragraphs 237 and 238.

5.1.4 The Committee acknowledged the letter. However, the Chairman indicated that the actions were still in breach of the financial regulations.

5.2 Paragraph 239 – Unpresented Payment Vouchers

5.2.1 A Member enquired about the current status of the verification of the amounts totalling \$66.574M. The Accounting Officer, in response, indicated that 48 payment vouchers, totalling \$52.853M, were subsequently verified and efforts were ongoing to locate the outstanding 15 payment vouchers.

5.2.2 Following a further query, the Accounting Officer explained that the difficulty in verifying these amounts was as a result of payment vouchers being at the Ministry of Finance and not in the possession of the Ministry of Indigenous Peoples' Affairs.

5.2.3 The Accountant General informed the Committee that the request for the payment vouchers totalling \$66.574M was sent by the Ministry of Indigenous Peoples' Affairs on Thursday, July 13, 2017, and the 48 payment vouchers were located by Friday, July 14, 2017.

- 5.2.4 Thereafter, the Chairman queried the reason for the delay of a year to locate the payment vouchers. The Accounting Officer, in response, regrettably stated that no efforts were made to obtain the vouchers. He added that several factors contributed to the inability to locate payment vouchers but guaranteed that systems were now put in place to eliminate such recurrences.
- 5.3 **Paragraph 240 – Distribution of Tractors and Trailers, Ploughs and Harrows**
- 5.3.1 Questioned whether all the assets were verified and accounted for, the Accounting Officer responded in the affirmative.
- 5.3.2 Further questioned on whether the assets to be distributed to Yarakita, Sebai and Karrau were delivered, the Accounting Officer responded in the affirmative and added that this was done on June 7, 2017.
- 5.3.3 The Chairman then highlighted that this task was undertaken two years after the procurement of the assets and enquired where were the assets during those two years. In response, it was explained that the items were paid for in the latter part of 2015, after which, it was delivered to and kept at the dorms and subsequently delivered to the Ministry in 2017.
- 5.3.4 Following several unsatisfactory responses to further queries, the Chairman expressed his frustration and stated that it was evident that there was no contract for this transaction.
- 5.3.5 In light of a query about the authorisation for payments to be made and on what basis this was done, the Auditor General informed the Committee that this was done by the Deputy Permanent Secretary upon receipt of approval from NPTAB.
- 5.3.6 Thereafter, a Member enquired whether there were any previous occurrences whereby payments were signed off consequent to the receipt of approval from NPTAB and without the creation of a contract. The Chairman requested that the Auditor General investigate, in this regard.
- 5.3.7 Furthermore, the Chairman indicated that the procurement process used in this case was sole sourcing for a John Deere equipment. He added that, from information received from Dr. Butts, the Ministry was written to by NPTAB reminding them of the requirement of submitting a copy of the contract within five (5) days of it being signed. He subsequently requested that the Auditor General investigate thoroughly on all queries made.

5.4 Paragraph 241 – Outstanding Progress Reports

- 5.4.1 Questioned on the current status of the outstanding Progress Reports from the Village Councils, the Accounting Officer stated that, to date, submission was made of fourteen (14) Progress Reports, totalling the sum of \$28.9M, leaving six (6) outstanding, totalling the sum of \$10.91M.
- 5.4.2 A query was made on what authority the resources of 2015 were expended in 2016. The Accounting Officer, in response, stated that this was done without any authority and was therefore a breach of the Fiscal Management and Accountability Act (FMAA). He explained that the projects were submitted as proposals from various villages through the Projects Unit and transferred to the Village Councils.
- 5.4.3 Based on a query on the completion of the projects, the Accounting Officer indicated that fourteen (14) were completed. However, Ms. Da Silva stated that the projects were not verified since completed.
- 5.4.4 Subsequently, the Auditor General informed the Committee that, from a verification done by his office, it was found that a project which should have been the construction of a duck pen was instead the construction of a chicken pen.
- 5.4.5 A Member enquired on the standard process for verification. Ms. Da Silva, in response, informed Members that there were Management Development Officers (MDOs) in each region, tasked with the responsibility of verification in every village. Additionally, she stated that they would report to the Community Development Officers (CDOs), who report directly to the Ministry.
- 5.4.6 In light of a further query on whether reports were being received of verification done, Ms. Da Silva explained that Village Councils would submit reports, inclusive of photographic evidence, of the completion of projects.
- 5.4.7 Thereafter, the Chairman requested that the Auditor General review the verification of all projects completed.

5.5 Paragraph 242 – Non-verification of Musical Instruments

- 5.5.1 A Member enquired on the authority on which the resources of 2015 were expended in 2016. The Accounting Officer, in response, stated that this decision was taken by his office and acknowledged that this resulted in a breach of the FMAA.
- 5.5.2 It was also mentioned that, to date, no physical verification of the assets were done. Ms. Da Silva added that she was in possession of all bills and receipts used in the purchases, but that was deemed insufficient evidence of the transactions without physical verification of such.

- 5.5.3 The Accounting Officer, in response to a query on the names of the six (6) villages which benefited from the purchase of the musical instruments, listed Huradi, Rincon, Santa Rosa Island, Surama, White Water and Waramuni.
- 5.5.4 Based on a query on the reason for the procurement being done in parts by the Ministry and by the Village Councils, the Accounting Officer explained that this was done consequent to previous purchases done by the Ministry not meeting the specifications required by the villages.
- 5.5.5 In response to a further query on the systems in place to monitor the work of the CDO's and the effectiveness of such, the Accounting Officer highlighted that these Officers were managed by Principal Development Officers who were provided with regular updates on works carried out which was subsequently reported to the Ministry on a weekly basis. Additionally, he stated that there was room for improvements in the current system and efforts were being made to enhance it.
- 5.6 **Paragraph 243 - Nonverification of Cassava Mills and Facilities Constructed**
- 5.6.1 In light of a query, the Accounting Officer informed the Committee that the assets and works were verified by the MDO's who prepared and submitted reports, in that regard. He added that verification was not done by the Auditor General's office.
- 5.6.2 Questioned on the general shortfalls in the verification process by the Ministry, the Accounting Officer explained that this was as a result of a shortage of MDO's who were tasked with assessing large numbers of villages. Additionally, he stated that efforts were being made to recruit more MDO's.
- 5.7 **Paragraphs 244 and 245 – Water Transport**
- 5.7.1 The Accounting Officer, in response to a query, acknowledged that the Ministry was guilty of systemic failures. He added that the engines were delivered to the villages in March, 2017.
- 5.7.2 The Chairman expressed his disappointment and highlighted that the warrantee for the engines would have expired during the time it was held in the stores and therefore was not utilised.
- 5.8 **Paragraphs 246 and 247 – Undelivered All-Terrain Vehicles (ATVs)**
- 5.8.1 In light of several queries, the Accounting Officer indicated that there was no contract for this transaction in which four (4) ATVs were procured. He added that the process of procurement was by quotation request and payments were made by the RTP and voucher system.

- 5.8.2 Responding to further queries, the Accounting Officer stated that VAT refund was not received from supplier. Subsequently, the Chairman informed the Committee that a tax waiver was granted for the procurement of the ATVs and therefore the refund should have been received.
- 5.8.3 At that juncture, a Member requested that the Ministry be given some time to prepare once again and return at a later time during the meeting. PS Welch should assist the current Accounting Officer in responding to queries since transactions were carried out during his tenure.
- 5.8.4 Consequently, Members agreed to suspend the examination of the Ministry's Accounts and the Accounting Officer was advised to meet with his group and peruse the remaining paragraphs while arriving at responses to possible queries by the Committee. The Committee then proceeded to examine the Accounts of Region 2. (See Item 6)
- 5.8.5 At 2.10 p.m. the Committee resumed the examination of the Ministry's Accounts.
- 5.9 Paragraph 248 – Unregistered ATVs**
- 5.9.1 Questioned whether the registration was now completed for the ATV's, the Accounting Officer responded in the negative and added that efforts were ongoing in this regard.
- 5.9.2 The Chairman then highlighted that officers of the Guyana Revenue Authority were now present in the Regions to carry out the exercise of registering the bikes and enquired whether the Accounting Officer was taking advantage of this service. The Accounting Officer responded in the affirmative.
- 5.10 Paragraph 249 was considered.**
- 5.11 Paragraph 250 – Log Books not presented for Verification**
- 5.11.1 In response to a query of the maintenance of Log Books, the Accounting Officer stated that all Log Books were updated and being monitored on a monthly basis by the Principal Assistant Secretary (G) and the Internal Auditor.
- 5.12 Paragraphs 251 to 254 – Amerindian Purposes Fund (APF)**
- 5.12.1 A query was made on the measures put in place to strengthen the management of and proper record keeping of the projects funded by the APF
- 5.12.2 The Accounting Officer, in response indicated that there was now a cash register which was managed by the Chief Accountant. Additionally, he stated that monthly statements were provided for scrutiny by the Internal Auditor.

- 5.12.3 He further stated that, as agreed on in seasonal meetings held with the Accountant General, Finance Secretary and Auditor General, once Cash Books were completed for 2015, 2016 and 2017, which were now updated, and balance for 2015 was reconciled, all balances would then be transferred to the Consolidated Fund and all transactions would now operate out of that account.
- 5.12.4 A Member enquired whether the Ministry was equipped with all the relevant staff to successfully carry out this system. The Accounting Officer, in response, related that there was a constraint, in that regard, and added that the problems faced were as a result of the receipt of the resignation of the previous Accountant whose records were not updated.
- 5.12.5 In light of a query on the relevant staffing required and steps being taken to acquire such, the Accounting Officer informed the Committee that there were vacancies for an Accountant and two Accounts Clerks and presently, the matter was with the Public Service Commission (PSC) which was currently at the interviewing stage and assured that the positions would be filled by the end of July.
- 5.13 Paragraphs 255 and 256 – Expenditure of the APF**
- 5.13.1 Based on a query of the systems put in place to ensure that the APF was adequately supervised, the Accounting Officer reiterated the responsibilities of the Chief Accountant and Internal Auditor regarding this.
- 5.14 Paragraph 257 – Outstanding Advances**
- 5.14.1 In responding to queries, the Accounting Officer indicated that thirty (30) advances valued at \$19M were cleared and forty-four (44) advances valued at \$20M were yet to be cleared. Additionally, he stated that the Chief Accountant and Internal Auditor were working assiduously to complete this exercise by September, 2017.
- 5.14.2 Questioned on what resulted to the outstanding advances, the Accounting Officer highlighted that this was as a result of a lack of management controls, which occurred in approving multiple advances to one officer with outstanding advances.
- 5.15 Paragraph 258 – Unverified Projects funded by Presidential Grants**
- 5.15.1 The Chairman enquired whether all the projects were completed and verified.
- 5.15.2 The Accounting Officer, in response, informed the Committee that Reports for 21 projects were submitted while Reports for 39 projects valued at \$53M were outstanding. He added that this matter would be resolved by August, 2017.

- 5.15.3 Thereafter, the Chairman advised that the Accounting Officer resolve this matter himself, as against delegating the responsibility to another officer.
- 5.15.3 Questioned on the measures put in place to ensure that Village Councils account for the awards they were in receipt of, the Accounting Officer stated that Field Auditors were sent to villages to verify that monies were spent for the intended purposes.
- 5.15.4 Further questioned on the reason for the delay in receiving the reports, the Accounting Officer informed Members of the challenge of some officers to prepare reports which consequently results in them relying on officers of the Ministry to assist in this regard.
- 5.15.5 A Member advised that a standardised Report should be prepared and consultations should be held with all Village Councillors to educate them on preparing such. He added that this would assist in receiving Reports in a timely manner.
- 5.16 Paragraph 259 – Unpresented Supporting Documentation for Community Support Officers (CSOs) Stipend**
- 5.16.1 In light of a query, the Accounting Officer indicated that all payment vouchers were submitted to the Auditor General, for verification.
- 5.17 Paragraph 260 was considered.**
- 5.18 Paragraph 261 – Outstanding Overpayment to Contractor**
- 5.18.1 Based on queries, the Accounting Officer stated that the payment was authorised by the then Accounting Officer and the name of the contracting company was Triple A General Contracting.
- 5.18.2 The Chairman advised that the Accounting Officer publish a public advertisement inviting the contracting company to settle the outstanding debt, and, also, that the Attorney General's office be written to, seeking legal actions be taken against the company.
- 5.18.3 The Accounting Officer, in response indicated that the latter was carried out, but response was not received. Thereafter, the Chairman requested that a copy of the letter be given to the Finance Secretary for his intervention in the matter.

- 5.19 Paragraph 262 – Supply and Installation of Solar Photovoltaic System**
- 5.19.1 A Member requested an update on the transaction. The Accounting Officer, in response explained that several meetings were held with officers of the Ministry of the Presidency and the Guyana Energy Agency (GEA) but neither could account for this transaction. He highlighted that nothing was supplied by GEA and payment was made to the Ministry of the Presidency by warrant.
- 5.19.2 Responding to further queries, the Accounting Officer stated that the transaction was not traceable by the Ministry of the Presidency since no evidence of such was left by the former Accounting Officer of that Ministry. Thereafter, the Chairman requested that the Auditor General investigate this matter as a separate and distinct issue.
- 5.19.3 The Accountant General then informed the Committee that from information received from International Facility Management Accounting System (IFMAS) it was found that the Ministry of the Presidency refunded \$101M but it was not yet ascertained what amount pertained to this transaction.
- 5.20 Paragraph 263 was considered.**
- 5.20.1 The Chairman expressed grave disappointment in the manner in which responses were received from the Accounting Officer and highlighted that it was evident that there were systemic problems within this Ministry. He requested that there be significant improvements in future presentations.
- 5.20.2 At 2.35 p.m., the Committee concluded the examination of the above accounts.

ITEM 6:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 2 - Pomeroon/Supenaam	541-554 (14)	Mr. Rupert Hopkinson

- 6.1 At 12.45 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 2 - Pomeroon/Supenaam together with the comments submitted by the Accounting Officer for the year 2015.

- 6.1.1 The Committee acknowledged that paragraphs 543 to 550 were considered at its 25th meeting held on Monday, 3rd April, 2017.
- 6.1.2 Officers present for the examination were:
- (i) Mr. Rupert Hopkinson - Regional Executive Officer
 - (ii) Ms. Baramdai Seepersaud - Regional Education Officer
 - (iii) Dr. Afarah Khan - Regional Health Officer (ag)
 - (iv) Ms. Portia Jacobs - Expenditure Planning & Management Analyst
 - (v) Mr. Latchman Singh - Regional Engineer
 - (vi) Bibi Rameeza Mullah - Principal Personnel Officer
 - (vii) Ms. Shusheila Boodram - Chief Accountant (ag)
 - (viii) Mr. Jaikumar Singh - Transport Officer
 - (ix) Ms. Mellone Frank - Auditor, Ministry of Communities

Mr. Jaigobin Jaisingh, Deputy Permanent Secretary, Ministry of Communities, was also in attendance.

6.2 Paragraphs 551 and 552 - Shortfall in Capital Expenditure totalling \$65.665M

- 6.2.1 Based on a query, whether the Region had overcome the challenges it faced resulting in the aforementioned shortfall in capital expenditure for the year 2015, the Accounting Officer stated that the three projects were rolled over to 2016.
- 6.2.2 Questioned whether the Region had multi-year approvals for the three projects, the Accounting Officer responded in the affirmative. At that point, the Chairman pointed out that the projects were re-budgeted for in 2016, hence, there was no multi-year approval.
- 6.2.3 Subsequent to further queries, the Accounting Officer indicated that works at Aurora Primary School and Wakapoa Dorms were completed. He stated that the Region was cognisant that the construction of the Aurora Primary School would not have been completed in 2015 because of the scope of works.
- 6.2.4 The Accounting Officer also informed Members of the Committee that, in relation to the purchase of the generator, the Region had encountered difficulties in acquiring the necessary approval from National Procurement and Tender Administration Board (NPTAB). As a result, the generator was not purchased and the Region was in the process of refunding the cheque to the Consolidated Fund.

- 6.2.5 At that juncture, the Chairman sought an explanation with respect to the authority on which the cheque was prepared since no approval was issued by NPTAB. In response, the Accounting Officer stated that a verbal approval was given by the Permanent Secretary, Ministry of Communities for the Region to sole-source the item. Thereafter, a lengthy discussion ensued.
- 6.2.6 Noting that the aforementioned cheque was dated December 30, 2016, a Member suggested that it should be refunded to the Consolidated Fund forthwith. She enquired about the measures that would be implemented to ensure that the urgently needed generator was supplied to Hospital Suddie.
- 6.2.7 Questioned for a second time whether the Permanent Secretary, Ministry of Communities had instructed the Region to sole-source the item, the Accounting Officer stated that the Region was advised to acquire quotations from several suppliers. However, only one quotation was received from Machinery Corporation of Guyana Limited (MACORP), hence, the cheque was prepared.
- 6.2.8 Mr. Jaigobin Jaisingh, Deputy Permanent Secretary, Ministry of Communities, stated that the Permanent Secretary had informed him that the Region was advised to pursue quotations for the generator. Nevertheless, if quotations were not received then approval should be sought from Tender Board for sole-sourcing the item.
- 6.2.9 Subsequent to the discussion, a Member enquired about the total number of students occupying the Wakapoa Dorms. Ms. Baramdai Seepersaud, Regional Education Officer, stated that construction of the dorms was completed in December, 2016. However, to date, the dorms have not been furnished. The Member then enquired whether the Region's 2017 Budget catered for the furniture. Ms. Seepersaud responded in the affirmative.
- 6.2.10 Based on further queries, the Accounting Officer indicated that the items were tendered for in March, 2017 and the contract was awarded in April, 2017. At present, the Region was awaiting the delivery of the items which should be completed by July, 2017. The Auditor General was requested to follow-up the issue.
- 6.2.11 In light of another query, Mr. Latchman Singh, Regional Engineer informed the Committee that electrical works were carried out. However, the buildings were without electricity since the Region was awaiting the installation of a solar system. The installation should be completed within a few days.

- 6.3 **Paragraph 553 - Overpayment to Contractor (Construction of RC water trestle at Public Hospital Suddie)**
- 6.3.1 A Member enquired whether overpayments totalling \$285,000 were repaid by the Contractor. The Accounting Officer informed the Committee that additional works were completed by the Contractor to offset the overpaid amount. Moreover, the works were verified by the Auditors.
- 6.3.2 Mr. Victor Lall, Manager of Works and Structure Unit, Audit Office, explained that at the time of the audit there were outstanding works to be completed. However, he confirmed that works were subsequently completed and verifications were done by the Auditors, in that regard.
- 6.3.3 A Member opined that the Auditor General's recommendation in the Report was not in tandem with what was explained by the Officers. She added that mention should have been made about the incomplete works at the time of the audit in the Report.
- 6.4 **Paragraph 554 - Capital Purchases**
- 6.4.1 In answer to a query, the Accounting Officer informed the Committee that all the items purchased had been supplied and were operable. He added that the items were also verified by the Auditors.
- 6.5 Thereafter, the Chairman pointed out that there were several issues raised in the Auditor General's Report which Members of the Committee were displeased with. He recommended that all efforts should be made by the Region to have those issues resolved.
- 6.6 A Member also highlighted that there were numerous occasions of non-compliance with various regulations. She suggested that the Accounting Officer should ensure that he had within his ambit copies of the relevant laws and regulations to avoid such recurrences.
- 6.7 At 1.40 p.m., the Committee concluded the examination of the above accounts.

ITEM 7:

EXAMINATION OF THE PUBLIC ACCOUNTS OF GUYANA FOR THE FISCAL YEAR ENDING 31ST DECEMBER, 2015, TOGETHER WITH THE REPORT OF THE AUDITOR GENERAL THEREON, IN RESPECT OF THE FOLLOWING:

Ministry/Department/Other	Paragraphs in the Auditor General Report	Accounting Officer
Region No. 8 - Potaro/Siparuni	647-682 (36)	Mr. Gavin Gounga

7.1

At 1.45 p.m., the Committee commenced consideration of the Report of the Public Accounts with respect to Region No. 8 - Potaro/Siparuni together with the comments submitted by the Accounting Officer for the year 2015.

7.1.1

The Committee acknowledged that paragraphs 647 to 652 were considered at its 26th meeting held on Monday, 10th April, 2017.

7.1.2

Officers present for the examination were:

- (i) Mr. Gavin Gounga - Regional Executive Officer (ag)
- (ii) Dr. Mario Kanhai - Regional Health Officer (ag)
- (iii) Mr. Rabindra Singh - Regional Education Officer
- (iv) Mr. Joseph Patterson - Regional Engineer
- (v) Mr. Courtney Handy - Superintendent of Works
- (vi) Ms. Debbie Collins - Chief Accountant
- (vii) Ms. Sharon George - Assistant Accountant
- (viii) Ms. Mellone Frank - Auditor, Ministry of Communities

Mr. Jaigobin Jaisingh, Deputy Permanent Secretary, Ministry of Communities, was also in attendance.

7.2

Paragraph 653 - Maintenance of Log Books

7.2.1

Based on a query, the Accounting Officer informed the Committee that all log books, with the exception of those assigned to all-terrain vehicles (ATVs) in the North Pakaraima area, were properly maintained. He explained that there were no designated ATV riders in the North Pakaraima and from time to time Labourers would be used, in that regard.

7.2.2

Subsequent to further queries, the Accounting Officer indicated that, at present, five ATVs were operable. He added that fuel was being purchased from the Guyana Oil Company Limited (GUYOIL) at Madhia and warehoused at Kato. In relation to the issuance of fuel to vehicles consigned to the Region, the Overseer was tasked with that responsibility.

- 7.3 Paragraphs 654 and 655 - Breaches of the Stores Regulations**
- 7.3.1 In light of a query, the Accounting Officer informed the Committee that the inventory was being updated at the Stores.
- 7.4 Paragraph 656 - Un-cleared Cheque Orders**
- 7.4.1 A Member enquired about the current status of the un-cleared cheque orders and the measures implemented to resolve the issue. In response, the Accounting Officer stated that for the year 2015, 39 of the 62 outstanding cheque orders were cleared. Further, 4 were cleared for the year 2013. Notwithstanding, strenuous efforts were being made to have the remaining cheque orders cleared.
- 7.4.2 Thereafter, the Chairman expressed dissatisfaction with the approach taken by the Region in having the matter resolved. The Accounting Officer then informed the Committee that a Chief Accountant was recently appointed to the Region and, confidently, within three months there should be great improvement.
- 7.4.3 At that point, the Auditor General advised the Accounting Officer to ensure that efforts would be made to have the issue resolved before three months, to avoid it re-appearing in the 2016 Report. He suggested that work study students attached to the Region could be utilised to assist in locating the outstanding cheque orders.
- 7.4.4 The Accounting Officer assured Members of the Committee that all available resources would be utilized to bring the matter to a closure, at its earliest.
- 7.5 Paragraph 657 - 141 cheques valued at \$4.444M not refunded to the Consolidated Fund**
- 7.5.1 A query was made with regard to the current status of the aforementioned cheques. Noting the disparate explanation proffered by the Accounting Officer, the Chairman enquired whether the Officer had seen the 2015 Report of Auditor General which was being considered by the Committee. The Accounting Officer responded in the negative. He stated that he had not received a copy from the former Accounting Officer.
- 7.5.2 Consequently, Members agreed to suspend the examination of the Region's Accounts and the Accounting Officer was advised to acquire a copy of the Report from the Parliamentary Library. The Committee then proceeded to re-examine the public accounts of the Ministry of Amerindian Affairs as at 5.8.5.
- 7.5.3 At 2.37 p.m. the Committee resumed the examination of the Region's Accounts.

- 7.6 **Paragraphs 658 and 659 - Outstanding Payment vouchers**
- 7.6.1 Subsequent to a Member's request, the Auditor General confirmed that the outstanding payment vouchers were located at Sub Treasury and presented for audit, as indicated by the Region.
- 7.7 **Paragraph 660 – Overpayments to Contractors totalling \$12.781M during the years 2011 and 2013**
- 7.7.1 Questioned about the reasons for the overpayments and the systems implemented by the Region to prevent recurrences. The Accounting Officer stated that the overpayments were as a result of imprecise Bill of Quantities. Mention was also made that all the overpaid Contractors were written to and they had since committed to repay the outstanding amounts by December 31, 2017. To date, two Contractors started repayments.
- 7.7.2 Based on a further query, the Committee was informed that the Bill of Quantities was now being accurately prepared. Questioned whether any of the overpaid Contractors were engaged in other works in the Region, the Accounting Officer responded in the affirmative.
- 7.7.3 Members sought clarity on exactly how the inaccurate preparation of Bill of Quantities could have led to the overpayments. Noting the Accounting Officer's response, a Member pointed out that the Auditor General had highlighted in the Report that the issue was as a result of payments being made for works not completed.
- 7.7.4 During a lengthy discussion, Members were informed that the names of the overpaid Contractors were:
1. Mr. Nigel Forde
 2. Mr. Troy Dainty
 3. Mr. Ramuping Wilson
 4. Mr. Curtis Garraway
 5. Mr. Salim Yusuf
- 7.7.5 The Accounting Officer also indicated that the aforementioned Contractors, with the exception of Mr. Troy Dainty, were awarded other contracts within the Region. Subsequently, the Accountant General was requested to follow up the issue with a view of pursuing whether payments due to the Contractors, for other works done, could be stopped pending repayments of the overpaid amounts.
- 7.7.6 Additionally, the Committee was informed that the Contractors were last written to on July 10, 2017 and all had committed in writing to repay the outstanding monies. Nevertheless, legal advice would be sought on the way forward.

- 7.7.7 At that juncture, the Chairman requested that the Accounting Officer read the letters of commitment received. After listening to the details of three of the letters, Members were appalled that they were sent to the Region on the exact date and further had the identical wording, as if drafted by one individual and then signed by the Contractors.
- 7.7.8 The Chairman posited that it was evident that there was collusion between the Regional Democratic Council (RDC) and some of the Contractors to rob the State and an investigation should be carried out. Similar sentiments were also expressed by Members of the Committee. Consequently, the Accounting Officer was requested to submit copies of the letters to the Committee.
- 7.7.9 A Member enquired whether the Region, as indicated in their response, sought advice from the Ministry of Communities with regard to what disciplinary action could be instituted against the Contractors. In responding, Mr. Jaisingh, Deputy Permanent Secretary, Ministry of Communities stated that he was aware that the Regions were advised to take legal action against the overpaid Contractors.
- 7.7.10 Mr. Jaisingh, opined that the Accounting Officer was unprepared to answer the queries raised by Members of the Committee. He enquired whether the Region could reappear before the Committee, at a later date.
- 7.7.11 At the conclusion of the discussion, Members recommended that the Accounting Officer should submit to the Committee a detailed report on the remaining paragraphs to be examined (paragraphs 661 to 682), within one week. The report would then be circulated to Members of the Committee for consideration, after which the Region would respond to the concerns raised.
- 7.7.12 The Chairman advised the Accounting Officer that the Committee would highlight in its Report that it was unable to conclude the examination of the Region's Accounts as a result of the unpreparedness of the Accounting Officer. He further stated that as it related to the issue of misrepresented information being provided to the Committee by the Region, the Committee would recommend that the necessary disciplinary action should be taken.
- 7.7.13 At 3.15 p.m., the Committee terminated the examination of the above accounts.

ITEM 8: ANY OTHER BUSINESS

8.1 Audit Office of Guyana Budget Proposal 2018

8.1.1 Noting that the aforementioned Budget Proposal was circulated at the meeting, the Chairman suggested that Members of the Committee should submit their comments/amendments, to the Clerk of the Committee by Monday, July 24, 2017.

8.1.2 He stated that the timely submission of Members amendment(s), if any, would assist the Auditor General in submitting the proposal to the Ministry of Finance within the stipulated deadline.

8.2 Closing Remarks

8.2.1 The Chairman expressed gratitude to the Members of the Committee, Advisors, and Staff of the Parliament Office and Audit Office for their hard work and tremendous support extended throughout the year. He also thanked the media for their presence at meetings and stated that the work of the Public Accounts Committee was being recognised. He opined that that brought good views to the Parliament of Guyana.

Adjournment

At 3.20 p.m., the meeting was adjourned *sine die*.

Confirmed this ⁵.....day of February, 2018



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Mr. Mohamed Irfaan Ali, M.P.,
Chairman

