

11 57

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE OF THE LEGISLATIVE ASSEMBLY ON THE
DIRECTOR OF AUDIT'S REPORT ON THE ACCOUNTS OF THE TRANSPORT AND
HARBOURS DEPARTMENT FOR THE YEAR ENDED 31ST DECEMBER, 1961.

LEGISLATURE,
Public Buildings,
Georgetown.

17th August, 1964.

Your Honour,

We, the Chairman and Members of the Public Accounts Committee have the honour to submit our Report on the Accounts of the Transport and Harbours Department for the year ended 31st December, 1961.

2. The composition of the Committee and the Advisers were as set out in the Appendix.

3. The Committee sat on one occasion - Thursday, 12th September, 1963, to consider the Director of Audit's Report on the Accounts of the Transport and Harbours Department for the year 1961.

4. Mr. J.A.E. Young, General Manager of the Transport and Harbours Department and Mr. J. Oudkerk, Chief Accountant, were present at the Meeting. We wish to record our thanks for the replies and explanations given by these Officers on the various questions raised.

5. The related paragraph number in the Report of the Director of Audit is shown at the top of the paragraphs in this Report.

Paragraph 1 - Rendition of Accounts

6. We view with concern the submission of the accounts for audit on 20th December, 1962, nearly one year after the period to which they relate, despite the assurance given by the General Manager to this Committee during the enquiry into the 1960 Report, that earlier submission of the 1961 statements would be made.

7. We were informed that the submission of the financial statements was dependent upon the closing of the Treasury accounts, which had been delayed by shortage of staff, and the late arrival of accounting machines.

Paragraph 7 - Control of Expenditure - Excess Expenditure

8. We were informed by the General Manager that automatic covering approval of excess expenditure was no longer anticipated, but the Department being a semi-commercial undertaking it was sometimes compulsory to spend money without prior approval to avoid interruption of the services. He hoped for improvement in the 1962 report which the Committee trusts will materialise.

Paragraph 8 - Estimating

9. We were informed that the practical difficulty in estimating the cost of repairs to ships was that at the time estimates are prepared, the condition of ships could not be readily determined, without withdrawal from service for examination in dock. Estimates were therefore more or less based on the condition of the vessel at the last docking, but where extensive deterioration was found, it was more economical to proceed with the entire job than to effect the limited repairs originally estimated.

10. We recommend that the rotation programme of docking should be strictly adhered to, and that estimates should be as realistic as possible.

His Honour the Speaker,
Legislative Assembly.

..

Paragraph 10 - Statement of Capital Expenditure from Development Fund

11. We recommend that this statement should be prepared in comparative form, agreed upon by the General Manager and the Director of Audit.

Paragraph 11 - Demerara Ferry Terminals

12. We recommend that competitive tenders should be invited for the supply of all stores and materials required for use by the Department.

Paragraph 12 - Construction of Hog Island Stelling

13. We note that misinterpretation of the regulations relating to local allowances resulted in unnecessary payments amounting to \$3,675.00, and recommend that in cases where the wording of regulations are not sufficiently explicit, early clarification by the financial officers should be sought.

Paragraph 13 - Rehabilitation of Permanent Ways

14. We are deeply concerned that as a result of the protracted indecision of Government with regard to the policy concerning the future of the railway, Development Funds had to be utilised to maintain the minimum standard of safety required on the Permanent Way.

15. We therefore consider it imperative that an early declaration of policy concerning the railway should be made by Government.

Paragraph 14 - Replacement of Pilot Launch

16. We note that the use of funds provided for the replacement of the Pilot Launch for the purchase of a Buoy Tender instead, was approved by the Ministry of Communications and Council of Ministers but not by the Legislative Assembly.

Net Revenue Account - Transport Services - Statement IIIParagraphs 15 and 16 - Net Deficiency

17. We reiterate our deep concern expressed in the Committee's previous reports over the increasing Net Deficiency.

18. We view with concern that the hope expressed to the World Bank Mission that Capital Expenditure on the rehabilitation of railways and ships would transform the deficit into a surplus has not materialised despite further expenditure of 10 million dollars.

19. We were again informed by the General Manager of the inadequacy of the capital invested, and the uneconomical expenditure involved in overhauling and maintaining worn out equipment which should have been but has not been replaced because of lack of money.

20. We therefore recommend again that urgent action be taken to investigate the administration, organisation and future policy of the Department, with a view to reducing the ever increasing net deficiency.

Paragraph 18 - Interest Charges - \$2,884.46

21. We note that the question of interest charges on the Harbour services has now been settled.

Paragraph 19 - Verification of Assets

22. We note with satisfaction the existence of a proper system of stores accounts which reveals the total cost of stores used annually and the total balance on hand.

Paragraph 21 - Traffic and Other Accounts Receivable - \$396,930.25

23. We were informed that a review had been made of the general position regarding credit facilities to consignors, and that all account customers had been called upon to make surety deposits. We recommend strict enforcement of this requirement.

Paragraph 27 - Surplus on Working (Harbour and Pilotage Services)

24. We were informed that the decrease in the surplus on these services as compared with the previous year was due to a decrease in the number of ships entering the harbour.

Paragraph 31 - Local purchases

25. We were informed that tenders for the supply of burnt earth were now invited, and hope that Tender Board procedure will be applied generally to all purchases in the future.

Paragraph 33 - Stock Verification

26. We trust that a proper reconciliation between bin and ledger balances is now being maintained. We consider that such an important aspect of stores control should not be neglected for lack of funds.

Paragraph 35 - Daily wage Rate

27. We are concerned over the number of daily wage rates now in existence, and trust, that despite the practical difficulties, the exercise now being carried out to prepare an overall wage structure will soon be completed, approved, and introduced.

Paragraph 36 - Central Workshop Accounts

28. We were informed that a system for the proper classification of the job costing records had been devised, and trust that it will in future be possible for a satisfactory audit of the Central Workshop to be carried out.

Paragraph 37 - Mechanisation of Accounting Systems

29. It was explained by the General Manager that the accounts of the goods wharf had not yet been mechanised, as he was not satisfied that the type of machine contemplated was the most suitable. He had arranged with a firm of consultants to examine and make recommendations for the mechanisation of the accounting work of the Department as well as the goods wharf.

30. The Committee hopes that the Consultants' recommendations and implementation thereof, will not be unduly delayed.

Paragraph 39 - Insurance Premiums - Collection

31. We recommend that a firm decision should be taken as to whether the cost to the Department of deducting premiums of employees should be regarded as a concession, or as a charge recoverable from the Insurance Companies.

Paragraph 41 - Pension Computation

32. We are concerned that the method of calculation of the pensions and gratuities of certain employees of the Transport and Harbours Department, under the Transport and Harbours Regulations, 1941, should be in conflict with the Pensions (Consolidation) Ordinance, 1957.

33. We recommend that early action should be taken to effect the necessary amending legislation.

Administration

34. We wish to express our appreciation of the efforts of the present Management to increase the revenue of the Department by going out for new business, by improved services, and by offering competitive rates in some cases, and by consulting with the Director of Audit on ways to improve its accounting efficiency.

35. We are of the opinion that the effort made in the Transport and Harbours Department, could be duplicated with advantage in other Government Departments.

We have the honour to be,
Your Honour's obedient servants,

W.O.R. Kendall

W.O.R. Kendall - Chairman

.....
 G. Robertson
G. Robertson

 * *Victor Downer*
 V. Downer

M. Hamid
 M. Hamid

Mohamed Shakoor
 M. Shakoor

J.G. Joaquin
 J.G. Joaquin

P.S. d'Aguiar
 P.S. d'Aguiar

Members

E.V. Viapree

 E.V. Viapree
 Secretary.

1159

A P P E N D I X

The Composition of the Committee was as under:-

Chairman - Mr. W.O.R. Kendall

Members - Mr. G. Robertson
Mr. V. Downer
Mr. M. Hamid
Mr. M. Shakoor
Mr. J.G. Joaquin
Mr. P.S. d'Aguiar

with

Secretary - Mr. E.V. Viapree, Acting Clerk of the Legislature.

Advisers - Mr. J.C. Young, Director of Audit (Ag.)
Mr. C.M. Fraser, Accountant General
Mr. G.W. Williams, Principal Assistant Secretary (Ag.),
Ministry of Finance

with Mr. W.C. Lee, Auditor

and Miss M. Fung, Auditor
