

REPORT OF THE DIRECTOR OF AUDIT
ON THE ACCOUNTS OF BRITISH GUIANA
FOR THE YEAR ENDED 31ST DECEMBER, 1960.

CONTENTS

	<u>PARAGRAPHS</u>
INTRODUCTION	1 - 19
ANNUAL ABSTRACT ACCOUNT	20 - 34
STATEMENT OF ASSETS AND LIABILITIES	
Assets	35 - 48
Liabilities	49 - 56
LOANS FROM PUBLIC FUNDS	57 - 62
DEVELOPMENT FUND	63 - 67
MINISTRY OF FINANCE	
General	68 - 79
Customs and Excise Department	80 - 85
Inland Revenue Department	86 - 89
CHIEF SECRETARY'S OFFICE	
Public Service Commission	90, 94, 95
Information Services	91
Central Stationery Store	92
Interior Department	93
ATTORNEY GENERAL'S OFFICE	
Official Receiver, Public Trustee, and Crown Solicitor	96
MINISTRY OF COMMUNICATIONS AND WORKS	
Public Works Department	97 - 115
Post Office	116 - 127
Post Office Telecommunications	128 - 132
Civil Aviation	133
MINISTRY OF TRADE AND INDUSTRY	
Geological Surveys	134
Co-operative Development	135
Forest Department	136 - 138
MINISTRY OF COMMUNITY DEVELOPMENT AND EDUCATION	
Education Department	139 - 143
MINISTRY OF NATURAL RESOURCES	
Agriculture Department	144 - 153
Drainage and Irrigation Department	154 - 158
Land Development Department	159 - 161
Lands and Mines Department	162 - 163

PARAGRAPHS

MINISTRY OF LABOUR, HEALTH, AND HOUSING

Medical Department	164 - 173
Registrar General	174 - 175
Housing Department	176 - 181

OTHER ACCOUNTS	182 - 186
----------------	-----------

GENERAL	187 - 188
---------	-----------

ANNEXURES

Losses of Cash and Stores due to Theft, Fraud, or Irregularity reported to the Audit Department since the date of the last Audit Report	I
Misallocations of £50(\$240) and over brought to notice too late for adjustment	II
Arrears of Revenue	III
Authorities for Expenditure - Recurrent	IV
Authorities for Development Expenditure	V
Other Accounts audited by the Audit Department	VI

REPORT OF THE DIRECTOR OF AUDIT, BRITISH GUIANA,
ON THE ACCOUNTS OF THE TERRITORY
FOR THE YEAR ENDED 31ST DECEMBER, 1960.

INTRODUCTION

For the purpose of this Report, comments on various matters have been set out in accordance with Ministerial responsibilities for subjects and departments as assigned during 1960, and the official designations used are those which were then appropriate.

2. The Accounts for the year ended 31st December, 1960, were closed during August, 1961, and the printed Annual Financial Statements were formally submitted for audit between 29th September and 12th October, 1961. These statements were, however, found to contain many typographical errors. Corrected statements were received on 2nd November, 1961.

3. There are no outstanding questions, other than those mentioned in this Report, which affect or are likely to affect the accuracy of the Annual Abstract Account or the Statement of Assets and Liabilities.

4. Manner in which the Accounts have been kept and rendered. The comments which appear later in this Report indicate that, in general, the manner in which the accounts have been kept and rendered was far from satisfactory. The explanations received in reply to audit queries and observations have attributed these defects largely to lack of staff or sufficiently experienced staff and, occasionally, to inadvertence. It is evident, however, that there is wide disregard or unawareness of Financial and Stores Regulations and much indifference on the part of officers who are responsible for supervision and control. The position in the Treasury also gives some cause for concern, as evidenced by the state of the below-the-line accounts for 1960 and the manner in which certain records have been kept, and the present congested office space is not conducive to efficiency.

5. Treasury Supervision. Under the Regulations, the Accountant General is responsible for the general management and supervision of all the accounting operations of the Government but his Department has not been provided with staff for the purpose of inspecting departmental accounts and procedures and

he is thus unable effectively to discharge this responsibility. At this stage of the Territory's constitutional development and in view of the increasing volume and variety of its financial operations, it appears to be more necessary than ever that its accounting machinery should be administered, and should function, efficiently.

6. Programme of Work. The examination of the accounts of the Treasury and the self-accounting Departments for the year 1960 has been completed, but, as regards the remainder of the annual programme, certain departmental accounts in Georgetown and the accounts at several outstations have not yet been examined. The normal audit procedure applicable to the accounts of self-accounting Departments includes examination of their monthly abstracts of receipts and payments before incorporation in the accounts of the Treasury so that errors might be found and adjusted in good time. This feature of the procedure has, regrettably, been missing for a long time and, at present, audit examination lags about eight months behind the accounting in these Departments. The existence of these arrears of audit can hardly be regarded with complacency and the circumstances which have contributed to and prolong this very unsatisfactory situation are referred to in paragraph 187, of this Report.

7. Audit Queries. 547 audit queries and 290 spot queries were issued on the accounts for the year. There are 219 unsettled audit queries in respect of the years 1958 - 1960, as shown hereunder -

Department	1958	1959	1960
Accountant General	-	9	19
Public Works	4	3	53
Post Office	-	2	45
Drainage & Irrigation	-	-	5
Agriculture	-	1	11
Customs & Excise	-	-	6
Education	-	-	6
Lands & Mines	-	-	8
Local Government	-	-	6
Medical	-	-	12
Other	-	1	28
TOTALS	4	16	199

8. Delayed Action On Audit Queries And Memoranda. There has been some improvement recently in the manner in which Ministry and Departmental Offices deal with queries and correspondence arising from audit and this has been due partly to a change in procedure whereby queries are sent direct to Departments instead of through the Accountant General's Office and partly to the introduction by the Audit Department of monthly notifications to the Ministries and Departments of cases in which no reply has been received for three months. It should not, of course, be necessary for reminders to be issued on this scale in view of the clear duty and responsibility of administrative and executive officers in this matter, as laid down in Financial Regulations. But it is nevertheless evident that officers in responsible positions are not sufficiently aware that delayed or casual attention to audit queries, inquiries, or suggestions is against the public interest, particularly when fraud or other irregularity appears to be involved.

9. Spot Query Registers. In order to save time and paper and expedite action on audit queries which relate to minor matters and can be settled immediately, the use of spot query registers was introduced in November, 1960, in Departments where a running audit is carried out. This system was welcomed by the Departments concerned and has, so far, proved a useful innovation but better co-operation by departmental officers is required.

10. Overpayments Recovered. A total of \$12,202.87, has been recovered, as a result of audit queries, since the issue of the Audit Report on the 1959 Accounts.

11. Lack of information required for Audit purposes. It was mentioned at paragraph 33 of the 1959 Audit Report that this Department was not kept sufficiently well informed of policy decisions which had financial and accounting implications and was thus handicapped in its work. As a general rule, this Department should be automatically notified as soon as such decisions are taken or special financial or accounting arrangements proposed or approved; but it is, unfortunately, still the case that such information has to be sought out from time to time when it is evident that the administrative action taken or about to be taken affects the audit programme or the audit examination to be applied to the accounts, or when the course adopted does not appear, in the light of audit experience, to be in the best interest of the Government.

12. Checks against fraud and irregularity. It cannot be said, in view of the frauds, irregularities, and accounting shortcomings disclosed since the issue of the Audit Report on the 1959 Accounts, that there has been any general improvement in the application of the checks or the supervision required by regulation

or other directive. Administrative and supervisory responsibilities and accounting duties and procedures should be clearly defined and set out and there should be no departure from the approved regulations or rules without prescribed authority.

13. Conveyance of cash - Security Arrangements. It was brought to notice that, in the rural areas, the movement of substantial amounts of cash in the normal course of duty was not adequately protected or arranged. The Accountant General has consequently issued circular instructions to Ministries and Departments regarding security measures to be taken and reduction of the risks involved.

14. Internal check. It has been suggested by this Department that, in view of the general inattention to internal check of accounts and cash transactions, departmental surprise inspections of cash and other valuables should be required to be carried out at least once a quarter and the results recorded in a special book which should be available at all times to the Audit Department.

15. Losses. Thirty-seven cases involving cash losses and one hundred cases involving stores losses have come to notice since the date of the 1959 Audit Report and are scheduled as Annexure I to this Report; some of these cases are specially mentioned later in this Report. Delayed or unduly long drawn out departmental action in these matters has become a marked tendency. In some cases, the lapse of time has made it difficult, if not impossible, to place responsibility and take disciplinary action.

16. Several reports and other communications regarding losses of cash or stores have been observed to be signed, on behalf of Heads of Departments, by officers of varying status. As recommendations for write-off or surcharge, which are the personal responsibility of Heads of Departments, appear to be regarded in some Departments as matters falling within the competence of officers other than Heads, the Secretary to the Treasury has recently issued a circular requiring all such recommendations to be personally signed by the Head or Deputy Head of Department.

17. Tabling of Audit Report - 1959. The Director of Audit's Report on the Accounts of the Colony for 1959 was laid before the Legislature on 19th October, 1960. The Report of the Director General of the Overseas Audit Service was received in May, 1961, but has not yet been laid.

18. Public Accounts Committee's Report - 1959. The Report of the Public Accounts Committee in respect of the year 1959, was tabled in the Legislature on 17th May, 1961, and was, by Resolution No. XVII dated 24th May, 1961, referred to the Government for consideration. The Government's comments have not yet been tabled.

19. Financial Administration and Audit Ordinance. With reference to paragraph 32, of the 1959 Report, and as a result of Constitutional changes which came into force in August, 1961, the Legislature has recently passed a Financial Administration and Audit Ordinance "to regulate the receipt, control, and disbursement of public moneys, to provide for the audit of the accounts in relation thereto and to provide for other matters connected with or incidental to the purposes aforesaid."

ANNUAL ABSTRACT ACCOUNT

20. Errors of Classification. The account as rendered contains misallocations which were brought to notice too late for adjustment within the year's accounts. Those which are \$240.00, (£50) or more in amount are set out in Annexure II to this Report. The misallocations not yet admitted by Accounting Officers are so indicated, and those requiring adjustment are being kept in view.

21. Assessment and Collection of Revenue. Subject to the comments in this Report, the assessment and collection of revenue has been satisfactory. As indicated in the Account, receipts from five heads of revenue exceeded the amounts estimated by a total of \$4,838,709.00, but there were shortfalls on six heads totalling \$193,747.00. The excess of actual receipts over the total revenue estimate was therefore \$4,644,962.00.

22. Classification of Receipts. There appears to be some need for a review of the present classifications and for re-wording in some cases. For example, the head "Fees of Court or Office" comprises no less than 53 subheads covering a very wide field and including revenue from such sources as Land Development Schemes, the Marketing Organisation, and the Housing Estates which can hardly be regarded as fees.

23. Arrears of Revenue. An analysis of arrears as at 31st December, 1960, totalling \$1,826,881, prepared from unverified returns submitted by departments, is attached as Annexure III. This year's total exceeds the previous year's by \$23,108.62. Specific comments on arrears are made later in this Report.

24. Authorities for Expenditure. The authorities for Recurrent Expenditure for the year 1960, are set out in Annexure IV to this Report. The final schedule of excesses totalling \$498,943, has not yet received the approval of the Legislature.

25. Authorities for Expenditure - 1959. With reference to Appendix III of the 1959 Audit Report, the Final Schedule of unauthorised excesses for 1959, totalling \$266,103.65, received the covering approval of the Legislature on 14th July, 1961, and of the Secretary of State on 13th November, 1961. The Supplementary Appropriation Ordinance (No. 23 of 1961) allowing and confirming all Recurrent Expenditure additional to that provided for by the Appropriation Ordinance, 1959, amounting to \$870,139.09, was passed by the Legislature on 14th June, 1961; notice of non-disallowance has not yet been seen.

26. Control of Expenditure. The Account shows that expenditure under twenty-six heads exceeded the amounts appropriated by \$1,424,907, but the additional provision granted during the year on supplementary estimates amounted to \$3,346,966, and covered 246 subheads. At the date of this Report the final schedule of excess expenditure, totalling \$498,943, on 116 subheads, awaits the covering approval of the Legislature. While these figures may not appear to be particularly significant in relation to a budget of \$50,462,418, expenditure control, in general has been far from satisfactory. Certain aspects of this matter are referred to in the succeeding paragraphs.

27. Deferred Payments. Despite the clear injunctions contained in Financial Regulations, a large number of liabilities are not, for sundry reasons, discharged before the close of the year in which they are incurred and it would appear that many payments are deferred in order to avoid excesses, or further excesses, on voted provision. It follows that the voted provision for the following year is chargeable, to an undetermined extent, with payments which have not been provided for and that budgetary control is thus undermined at the outset of the financial year. As regards liabilities incurred but not discharged during the year under review, it has been observed that, to date, 36 departments have received the Accountant General's authority to charge numerous payments totalling \$354,416.92, to the relevant 1961 votes; of this sum, \$100,346.77, represented expenditure incurred against 28 exhausted votes under 10 heads of expenditure.

28. Defective Departmental Control. Under Financial Regulations, Heads of Departments are primarily responsible for the proper control of expenditure and disciplinary action may be taken against accounting officers when votes are prematurely exhausted or overspent or expenditure is incurred without authority. Previous Audit Reports would not

indicate that Departmental Heads, in general, satisfied themselves as to the adequacy of their departmental arrangements for the control of expenditure or that effective action was taken to curb the incurring of expenditure which exceeded the amount of the vote or was of a kind not provided for. It will be observed from this Report that, in general, there has been little improvement in this direction.

29. An audit scrutiny of the expenditure records of the Treasury in November, 1960, disclosed apparently unauthorised excesses on 51 subheads totalling \$1,375,539; these excesses were brought to the notice of the Financial Secretary and the Accountant General and it was subsequently learnt that the latter communicated with the Heads of Departments concerned and that, in some cases, he received belated replies to the effect that the Ministries considered it too late to obtain supplementary provision; he received no reply from some Departments.

30. In reply to the Accountant General's circular request dated 1st August, 1961, various explanations or admissions regarding unauthorised excesses at 31st December, 1960, were received; such as non-approval of applications for supplementary provision submitted in December, 1960, unpaid accounts for the previous year, upward revision of salaries of subordinate employees and of subsistence allowances, misallocations, departmental oversight, and inability to control certain kinds of expenditure. These explanations, however, largely amount to admissions that continuous and effective checks were not kept on departmental vote accounts, that the needs for additional provision were not reported nor applications made in good time, and that, in some cases, expenditure was incurred when it was known that the authorised provision was inadequate.

31. Credit to Votes. Financial Regulations permit adjustments between votes in settlement of interdepartmental transactions within the same year's accounts, and this accounting procedure is applied to large scale transactions such as the supply of first aid medicines and dressings by the Central Medical Store, uniforms by the Police Quartermaster's Store, and bread by the Prison Bakery to other Government Departments or Institutions. These adjustments, for one reason or another, have the effect of obscuring the actual and proper expenditure of the supplying Department; in the case of the Prisons Department, the expenditure on the subhead 9. Bakery for 1960, has been shown as a net credit of \$1,256.09, against an approved provision of \$18,000.00. It would therefore appear that the present accounting practice adversely affects budgetary control and should be reviewed. This matter was brought to the notice of the Secretary to the Treasury who expressed the view that there was no reason to vary the present practice regarding interdepartmental adjustments.

32. Incurring of expenditure before provision of funds. Several cases have come to notice in audit of the incurring of expenditure before the necessary financial provision was obtained. The payments were charged temporarily to advance accounts or to the provision for other works or services. These proceedings, which were clearly contrary to the financial regulations relating to control of expenditure, were brought to the notice of the Financial Secretary and it is understood from the Ministry of Finance that circular instructions on this matter will shortly issue.

33. Sanctioning of Additional Provision. Contrary to Financial Regulations, the prior approval of the Secretary of State was not sought for additional provision exceeding \$37,500, on each of several subheads of expenditure, authorised under special warrants during 1960. Covering approval has been received.

34. Unvouched Expenditure. The present position is set out below -

Department	1957	1958	1959	1960
	\$	\$	\$	\$
Treasury	-	-	73,175.98	146,251.05
Public Works	-	-	-	2,689.63
Drainage and Irrigation	9,194.19	-	-	176,385.32
Totals	9,194.19	-	73,175.98	325,326.00

With reference to paragraph 50 of the 1959 Audit Report, the above figures would indicate some improvement in the handling and custody of vouchers; arrangements have since been agreed on to enable an earlier search to be made for missing vouchers, and to make available for audit inspection those which may be required in connection with Police investigations.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

35. Cash and Investments. Except where stated otherwise, the existence of the cash and investment assets has been verified with the relevant Bank Certificates, Board of Survey Reports, honour certificates, the United Kingdom Comptroller and Auditor-General's certificates, and by physical check of securities in the Accountant General's custody.

36. Imprests - Local - \$212,915.06. This figure includes a sum of \$5,543.45 representing the balances of ordinary imprests which should have been fully retired by 31st December, 1960, in accordance with the regulations. These balances were paid into the Treasury in January, 1961, with the exception of amounts of \$610.00, and \$67.63, in respect of the Customs and Excise and the Medical Departments, respectively, which are under audit inquiry. Bank certificates have not been seen in support of sub-imprest balances totalling \$35,934.18, included in the balance of the standing imprest of the Agriculture Department.

37. Remittances - \$86,944.52. As a result of many compensating errors in the subsidiary accounts in the Treasury, this asset is supported by sundry debit and credit balances giving a final net debit balance of \$86,944.52. Analysis of this balance, and of the departmental balances it comprises, has been requested; it would appear from information obtained to date that it largely consists of cash remittances to the United States during 1960, to buy livestock (see paragraph 153) and that, to a small extent, the revenue and expenditure figures for the year 1960, may be affected by unadjusted entries in the "Remittances between Chests" accounts which are under investigation.

38. Invested Surplus Balances. This investment is shown on Statement II(1) at a market value of \$394,560.46, which exceeds the correct market value, as shown in the Statement of Investments (VI), by \$2.00. The error is to be corrected in the 1961 accounts.

39. Advances - Public Officers. The indebtedness of public officers at 31st December, 1960, in respect of bicycle, motor vehicle, and salary (leave, etc.) advances amounted to \$30,184, \$1,065,871, and \$1,191,530, respectively. An undetermined portion of the amount owing on leave advances was chargeable to the 1961 provision for leave passages. The total balances shown on Statement IV (\$15,513.52, \$850,753.64, and \$966,282.95, respectively) do not include the balances on advances made by the Self-Accounting Departments, (Public Works, Drainage and Irrigation, and Post Office), as these form part of the respective Sundry Accounts' balances shown separately on the Statement. As indicated in the succeeding paragraphs, effective supervision and control do not appear to have been exercised over personal advance accounts during recent years and certain unsatisfactory features, including those mentioned below, are under correspondence with the Accountant General.

40. Bicycle Advances - \$30,184. The Treasury ledger balances at 31st December, 1960, include 32 debit balances totalling \$896.88, on which no instalments had apparently been paid for varying periods, up to 3 years; at the same time, there were 52 credit balances totalling \$747.26, the majority of which were brought forward from the years 1958 and 1959.

41. Motor Vehicle Advances - \$1,065,871. The Treasury ledger balances as at 31st December, 1960, include 44 debit balances totalling \$28,402.29, which should largely have been cleared but have been static for varying periods up to 3 years. Some of the debtors are no longer in the service of the Government. At the same time, however, there were 34 credit balances totalling \$4,798.20, and several of these were of long standing.

42. Salary Advances (Leave, etc.) - \$1,191,530. The state of these advance accounts has for a long time been very unsatisfactory and radical measures now appear to be necessary to remedy the situation and restore proper control. The Treasury ledger as at 31st December, 1960, includes 168 debit balances totalling \$68,495.70, which, for the greater part, should have been entirely cleared. The settlement of many of these balances has been the subject of correspondence over the last 5 years, and an unknown number of the debtors are no longer in the service of the Government. It would appear, however, that the Treasury ledger accounts include many uncorrected errors in postings as no fewer than 283 credit balances totalling \$31,721.25, have been observed, many of which have been brought forward over the last 3 years.

43. Working capital advances to B.G. Airways (Govt.). The balance of \$564,158, at 31st December, 1960, as reflected in Statement IV, represents working capital advances totalling \$700,000 less a sum of \$135,842, being part losses sustained by the airline in the years 1956 and 1957, which was written off against public funds in the Territory's Accounts for 1959. The General Revenue Balance must be held to be immobilised to the extent of the balance of these advances which are interest free. (See paragraph 186 also).

44. Advances to British Guiana Electricity Corporation. The balance of \$98,102.40, shown on Statement IV represents payments made through the Crown Agents for electricity generating plant and equipment. It is understood that these payments are to be charged to the allocation for Electricity Development under the current Development Programme but further information is awaited as to the precise liability of the Corporation; in this connection, legislation was enacted in December, 1960, to provide for the issue of debentures by the Corporation to the Government as security for capital expenditure met from Development funds.

45. Advances on Account of Revision of Salaries and Wages. Toward the close of 1959, advances subject to certain conditions were made to subordinate employees and labourers in anticipation of the upward revision of their salaries and wages which was approved in 1960. The total outstanding at 31st December, 1960, as shown on Statement IV, was \$99,672.27, of which a considerable portion should apparently have been cleared; in the absence of analysis and reconciliation with Departmental balances, it would not appear that any real control has been exercised by the Treasury.

46. Miscellaneous Advance Accounts - delayed clearance. The Accountant General's attention has been invited to 18 balances totalling \$19,495.07, which apparently should have been cleared by 31st December, 1960.

47. Reconciliation of balances of Departmental and Treasury Advance Accounts. Except for the balances shown against the Transport and Harbours Department (\$1,289,626.60) and Postmaster General - Sundry Accounts (\$156,596.87), it has not yet been possible to ascertain that reconciliation has been effected between Departmental and Treasury balances and this deplorable situation is under correspondence with the Accountant General. In this connection, specific comments are made later in this Report regarding inadequate departmental accounting control.

48. Deposits Invested. This asset is shown at market price except for certain funds and security deposits whose ledger values are not normally so adjusted, as indicated in Statement VI. The amount of \$260.56, shown as on deposit in the Joint Consolidated Fund for the British Guiana Loan Stamp Duty Account is overstated by \$79.20, and there is a corresponding overstatement of the liability included in "Deposits for Investment". The investment of \$8,000, on behalf of the Amerindian Purposes Fund in the Lethem Trade Store is also overstated, by \$800, with a corresponding overstatement of the liability.

LIABILITIES

49. Deposits transferable to revenue. The balances at 31st December, 1960, as listed in Statement III, include two amounts totalling \$12,865.59, which have since been transferred to revenue following audit inquiries. Certain other balances which appear to have been transferable to revenue are under inquiry.

50. Deposit Accounts in Debit. Deposit accounts should not show debit balances unless the circumstances are exceptional, in which case the debit balance should be cleared at the earliest opportunity. At 31st December, 1960, there were 10 debit balances totalling \$6,887.79, of which \$2,479.79, represented 5 balances brought forward from 1958 and 1959. These accounts are under inquiry.

51. Unreconciled Balances of Deposit Accounts. No certificate or statement of agreement or reconciliation has been seen in respect of 99 balances, totalling \$942,890.52, included in Statement III. Departmental certificates of balance have been seen in respect of 15 accounts but the departmental and Treasury figures were not in agreement and were not reconciled, while the departmental statements produced in respect of 6 accounts did not constitute reconciliation.

52. Deposits - Demerara Electric Company Limited. With reference to paragraph 67 of the 1959 Report, the charges payable by the Company for the supplementary supply of electricity from Government plant were subsequently agreed on by the Finance Secretariat, the Company, and the Ministry and were paid by the Company up to the date of the purchase of its installations by the Government.

53. United Kingdom Exchequer Loans. With reference to paragraph 47 of the 1959 Report, further loans totalling \$8,004,000, were received during 1960. The annual statement of Receipts and Payments in connection with the Development Programme for 1960, as required by the Secretary of State, is under audit.

54. General Revenue Balance Account. The balance of this account at 31st December, 1960, is shown as \$5,179,054.23, on the Statement of Assets and Liabilities but the correctness of this figure is affected to the extent of errors and omissions mentioned elsewhere in this Report. The sum of \$5,506,193.74, representing the excess of revenue over expenditure for the year 1960, is shown in Statement II(4) as appropriated to the Development Fund but the necessary statutory authority has not been seen. The transfer of the year's surplus to the Development Fund is an annual feature, the statutory authority therefor not being obtained until some time after the event. The procedure followed does not afford the Legislature much real control over the General Revenue Balance.

55. Development Fund. This liability is reflected as the balance of the Development Fund Account which is set out as Statement XIII. The underissues in respect of Colonial Development and Welfare Schemes referred to in the footnote to this statement have not yet been audited.

56. Contingent Liabilities. With reference to note (i), the capital deficiency of the Post Office Savings Bank, as ascertained by audit, was \$2,657,039.09 and, with reference to note (ii), the capital debenture loans and working capital advances were made by the Colonial Development Corporation.

LOANS FROM PUBLIC FUNDS (STATEMENT II(7))

57. Housing Loans to Public Officers. During 1952 - 1953, sums of \$300,000, and \$180,000, were appropriated from the proceeds of a loan raised by the Government and from the revenue of the Territory, respectively, to establish a fund for the purpose of lending public officers the money to acquire their own homes. A further sum of \$300,000, was raised in 1958 on a debenture loan from the New Widows and Orphans' Fund to establish another fund for the same purpose. The two funds are administered by a Public Officers' Housing Loans Committee, through the agency of the New Building Society Limited, but the sums

provided by the Government for their establishment are repayable under certain terms and conditions and they are consequently recorded as loans in the accounts of the Treasury. In the abovementioned Statement, however, no terms of repayment are shown against the 1952 - 1953 Fund while the terms of repayment shown as "Repayable in 30 years" against the 1958 Fund are not a proper description. The annual reports and financial statements of the Committee for the years 1959 and 1960 have not yet been supplied to this Department. These matters are under correspondence with the Accountant General.

58. La Penitence Housing Scheme. A balance of \$176,466.45, is shown as outstanding at 31st December, 1960, but this figure has not yet been verified. It is evident that considerable expenditure was incurred on this scheme in addition to that met from loan funds and that, through oversight or unawareness, there has been misallocation of revenue to an unknown extent between the Government Housing Estates and the Refunds of Loans subheads. The balance shown on the Statement has been arrived at by deducting from the loan expenditure figure of \$520,000, amounts totalling \$170,233.91, being receipts from the sale of houses and land, and a sum of \$170,299.64, representing the estimated value of the developed area occupied by rented apartments owned by the Housing Department. This matter is also under correspondence with the Accountant General.

59. New Amsterdam - Improvement of water supply and Extension of Georgetown Pure Water Supply to areas comprising the Greater Georgetown Area. According to information so far available, the New Amsterdam and Georgetown Municipalities are liable for only 50 per cent of the amounts of \$283,159.10, and \$838,134.15, respectively, shown on the Statement as borrowed from the Central Government over the years 1955 - 1960, and it is observed that they have been paying into the Treasury, annually, 50 per cent of the loan charges calculated on the funds progressively made available. No terms of repayment are indicated on the Statement nor are any repayments reflected thereon. The existing financial and accounting arrangements are under audit inquiry.

60. British Guiana Credit Corporation. The balance of \$10,388,385.38, shown on the Statement of Loans from Loan Funds as at 31st December, 1960, represents the capital issued to the Corporation by the Government, less the sum of \$329,231, representing the expenses of organisation (\$137,248) and the operating deficit at 30th June, 1959, (\$191,983), which was written off with the Governor-in-Council's approval in 1960. The Corporation has an additional capital liability of \$970,602.24, to the Government, representing the loan liabilities taken over in 1954 from the now defunct Co-operative Credit Banks: this liability has been omitted from the body of the Statement of Loans from Revenue but is included in the footnote; the other

items in this footnote are liabilities only to the extent that the Corporation is accountable for monies collected from debtors. No terms of conditions have been fixed for repayment of capital by the Corporation, nor is any provision for this purpose made in its Accounts.

61. Loans to Hindu Religious Society. Interest free loans totalling \$85,180, were made to the Hindu Religious Society during 1952 - 1954, with the approval of the Finance Committee of the Legislature. No terms of repayment were fixed and no repayment has yet been made.

DEVELOPMENT FUND

62. Authorities for Expenditure. The authorities for expenditure from the Development Fund for the financial year ended 31st December, 1960, are included in Annexure V to this Report. It will be observed that covering approval has not yet been obtained for expenditure totalling \$11,273.51, in excess of the funds provided on 5 subheads, as at 31st December, 1960. Statement XIVA reflects apparently unauthorised excesses totalling \$1,584,924, on 51 items within 17 subheads; these excesses did not cause the total provision on any of the subheads to be exceeded but virement authorised by the Financial Secretary in such cases has been seen only in respect of a total sum of \$10,711.07.

With reference to Appendix III of the 1959 Audit Report, the final schedule of unauthorised excesses on subheads for the year 1959 (\$129,941.82) received the covering approval of the Legislature on 28th December, 1960.

63. Appropriations from the General Revenue Balance. The transfer of the 1959 revenue surplus of \$3,255,992.13, from the General Revenue Balance Account to the credit of the Development Fund Account for 1959, referred to at paragraph 29 of the 1959 Audit Report, was eventually authorised by Ordinance No. 23 of 1960, which was passed by the Legislature on 21st October, 1960. A revenue surplus of \$5,506,193.74, for 1960, has been similarly transferred in the 1960 Accounts (see paragraph 54).

64. Annual Statement of Development Expenditure - 1960. The total expenditure for the year (\$15,800,866), shown on Statement XIV fell short of the total original estimate by \$8,878,852; it comprised \$4,792,132, in respect of Colonial Development and Welfare Funds and \$11,008,734, met from other sources. This Statement includes certain misallocations, as indicated in Annexure II to this Report, and is subject to such observations as may arise from the audit examination of the Colonial Development and Welfare Statements for 1960.

65. Loan Expenditure - Statement VII. This statement includes expenditure amounting to \$1,230,588.30, in respect of a loan raised under Ordinance No. 22 of 1935 which was repaid in 1960, but does not include the payment of \$1,200,000, on 31st December, 1960, towards the purchase of the Demerara Electric Company Limited, under the authority of Ordinance No. 30 of 1960, as indicated in Statement V(iv).

66. Control of Expenditure. The comments made earlier in this Report regarding defective departmental control and the incurring of expenditure before the provision of funds also apply, to a large extent, to development expenditure; and, as indicated in paragraph 71, it was observed that the Government was financially committed on a large contract in anticipation of a Colonial Development and Welfare Grant which did not materialise.

67. Nugatory Expenditure. The annual Audit Reports on the Territory's Accounts indicate that the Development Fund has, since its establishment in 1954, borne a considerable amount of expenditure for which value was not received. In this connection, it is observed that the sum of \$1,846,930, was expended during 1956 - 1960 on preliminary works for the re-building of the East Coast Main Road and that in 1961 another contract was awarded for a survey of an alternative alignment on the railway embankment. In reply to an audit inquiry about the matter, the Financial Secretary stated that nugatory expenditure on this project could not be ascertained until the alignment of the road was finally decided on.

MINISTRY OF FINANCE

68. System of Account. It was suggested by this Department that, "the impending constitutional developments would, in due course, involve significant changes in the Territory's financial and accounting administration, consideration might be given to the adoption of the Departmental Sub-Accountant system, as far as practicable, as a means of training departments to assume larger financial and accounting responsibilities; an outline of the accounting procedure to suit local requirements was also submitted. Further advantages of such a system would be that the Treasury could exercise a check on departmental receipts, which it has not been in a position to do heretofore, and a much earlier audit check of these receipts would automatically follow. At present, checks on revenue collection and the accounting for receipts rest almost entirely with the Audit Department.

69. Stores Regulations. The present regulations have been amended in several respects since they issued in 1953 but it is evident that they are now generally inadequate. Draft regulations have been submitted by this Department for consideration in the preparation of new stores regulations which should be framed so as to provide a comprehensive guide for officers who are responsible for or whose duties relate to the procurement, custody, disposal, and accounting for stores and equipment. Further action on this matter is awaited.

70. Awarding of Contracts. The procedures leading to the award of contracts do not appear to have been satisfactory in some respects and there seems to be some need for more precise and comprehensive regulations to suit present conditions and recent changes and developments in financial administration.

71. Construction of two diesel tugs for the Public Works Department. The Central Tender Board awarded a contract to a local firm to build two steel-hulled diesel tugs for the sum of \$176,400, after considering the tenders received from the local firm and, through the Crown Agents, from United Kingdom and European firms. According to information received, tenders were not invited locally by advertisement in the public press nor was the formal approval of the Governor-in-Council obtained. The subsequent application for a Colonial Development and Welfare grant to meet 50 per cent of the cost of four tugs, inclusive of the two already contracted for, was not entertained.

72. Making of Uniforms for the Police Force and certain other categories of Government Employees. For many years Police and Volunteer Force uniforms have been made by tailors engaged by the Commissioner and at piece rates approved by him, and these arrangements were recently extended to uniforms for bailiffs, messengers, janitors, etc. The average annual expenditure on this service for the Police Force (excluding the cost of materials) is estimated at \$24,000, and it was suggested by this Department that it should be provided for under a contract awarded in accordance with the regulations. The Commissioner of Police, however, considered the existing arrangements to be in the best interest of all concerned and the Financial Secretary agreed that they should continue, with the proviso that all future variations in rates should be subject to Treasury approval.

73. Authorisation of Motor Car and Leave Advances. The power to authorise advances to public officers to buy motor cars (or other means of transport) for use on official duty and to assist them to go on leave abroad is exercisable by Heads of Departments in accordance with prescribed terms. It has been observed that, in certain cases, this authority has been improperly or incorrectly exercised and that departmental supervision and control of repayments has not been satisfactory. In view of the size and number of these advances (total balances on motor car, etc., and leave advances at 31st December, 1960, were \$1,096,055, and \$1,191,530, respectively), it was suggested by this Department to the Financial Secretary that the present arrangements governing these advances required review.

74. Advances for official travelling expenses. Financial Regulations permit Heads of Departments to advance reasonable sums, subject to a limit of \$240 in each case, to officers and employees on account of travelling and subsistence allowances to which they are entitled while travelling on official duty. The Regulations also require such advances to be accounted for in full immediately on the officer's or employee's return. The attention of certain Heads of Departments was invited to several cases in which advances appeared

to be excessive, or were not repaid for a considerable time after the claims for allowances had been paid, or were currently outstanding. Remedial action was promised or has been taken in these cases but a general circular from the Ministry of Finance appears to be desirable.

75. Use of Government Vehicles in the Interior Districts. It has been observed that Government vehicles are used, to an undetermined extent and at public expense, for non-official purposes at some Interior stations. It has been suggested by this Department that the Government's policy in this respect should be clearly stated and, if necessary, instructions issued regarding the collection of charges for private use.

76. Certification of Local Purchase Orders. Departmental certificates given on the copies of local purchase orders in support of payments to suppliers have frequently been observed to be defective or inadequate: there was no clear reference to the necessary entry in a ledger or on an inventory, or the certificate was not signed by the proper officer, or the designation of the certifying officer was not inserted. It has been suggested to the Accountant General that a circular might issue on this matter, but it would be more satisfactory if simple, detailed instructions were included in the Stores Regulations.

77. Control of Receipt Books. A large number of receipt books have not been produced for audit inspection at various offices and, when the circumstances relating to the disappearance or misplacement of receipt forms and books are taken into consideration, it would appear that departmental control is, to a large extent, indifferent. Certain cases are specifically referred to later in this Report. It is also evident that more care might be devoted to the keeping of the Treasury register, and the supporting requisitions, which are the sole means by which overall control can be exercised by the Accountant General.

78. Departmental Deposit Accounts. The manner in which deposit accounts are kept varies from department to department and is generally unsatisfactory. A standard form to improve departmental control and provide a ready analysis has been submitted by this Department for the consideration of the Accountant General.

79. Writing off of fines and costs imposed by Magistrates. In accordance with an administrative directive issued twenty years ago, lists of fines and costs not collected or satisfied for three years following that in which they were imposed are submitted annually by magistrates with a request for authority to write-off. On the assumption or on assurance that the prescribed action to collect has been taken, write-off has been approved by the Financial Secretary without

further inquiry. A total of \$22,188.61, was so approved in respect of arrears as at 31st December, 1959; lists totalling \$19,661.68, not including the East Berbice District, have been submitted for approval to write-off from the arrears as at 31st December, 1960. The foregoing procedure has apparently been regarded by the Administration as in accord with Financial Regulations but it is not clear to this Department that it does not constitute assumption of the power of the Courts, if not of the Governor, as regards the remission of such penalties and costs, and information on these points is awaited. It would appear that unexecuted commitment warrants are held by the Police for five years before they are returned to the Magistrate's Office from which they issued and, as money is thus collectible on Commitment Warrants which may be held by the Police for two years after the penalties have been written off in the Magistrates' books, the present arrangements might well encourage irregularity.

CUSTOMS AND EXCISE

80. Manifests - Arrears of Jerquing. The jerquing of manifests has been very much in arrear for some years now despite the temporary re-employment of retired Customs Officers specifically to clear the arrears, and the adoption of other expedients to this end. A serious shortcoming has been, and still is, the unduly delayed submission of cleared manifests by Customs Officers in charge of transit sheds. It is understood from the Comptroller that the maximum time which should elapse between the date of a ship's report and the submission of the manifest for jerquing is three months, but this limit has been largely exceeded. The position at 30th September, 1961, was that no aircraft manifests for 1960, nor any information relating thereto, were available for audit, and, according to the Jerquer's register, two ships' manifests for 1959, sixteen for 1960, and seventy-eight for the half-year ended 30th June, 1961, had not been submitted; the jerquing of the manifests submitted was also very much in arrear, 432 not having been done in respect of the year 1960.

81. Irregularities in connection with overtime fees. An apparent misappropriation of public funds, amounting to \$17,857.41, in connection with overtime fees payable to Customs and Excise Staff, came to notice in March, 1961. Investigation revealed the apparent forgery of a large number of overtime vouchers in support of fictitious payments during the period January, 1960, to February, 1961, from the imprest account. A junior clerk of the Department has been committed for trial in the Supreme Court on a charge of forgery. A new system of control has been drawn up but it is not known whether it has yet been put into operation. Serious supervisory negligence appears to be involved in this case and the matter is being kept in view.

82. Undeclared Cargo. It was brought to the notice of the Comptroller in December 1959, following an audit examination of certain manifests, that cargo subsequently unloaded at Mackenzie had not been declared, as required by law, when the ships arrived at Georgetown. A reply was received in May, 1961, to the effect that these cases could not be dealt with so long after the event but that the ships' agents had been informed that such explanations as they had offered would not be accepted in future, and that Customs Staff had been instructed to give more care and attention to the rummaging of vessels proceeding from Georgetown to other points.

83. Private Warehouse Attendance Charges. Following on an audit query, a supplementary claim for \$523.16, for Customs attendance at a private warehouse during 1960 was rendered in 1961. This claim has not yet been settled and it is understood that its propriety is disputed by the Warehouse-keepers. Further information is awaited.

84. Personal Advance Accounts. Departmental control and supervision of the repayment of leave, motor car, bicycle, or furniture advances granted to the staff is normally exercised by means of a memorandum ledger in which individual accounts are kept. In the Customs Department, however, this record was not kept and was opened only recently when the matter was brought to notice in the course of audit.

85. Customs Post, Morawhanna. An audit inspection in May, 1961, revealed that revenue was paid over to the Sub-Treasury at Mabaruma once a month, instead of at the earliest opportunity, certain essential records were not kept, and a considerable quantity of bottled spirits and beer and tinned fruit juice, seized in 1959, was still in custody. It was also noted that the cost of maintaining this outpost for the years 1959 and 1960 was approximately \$8,000 per annum whereas the total revenues were \$536.64, and \$405.36, respectively. The Comptroller stated, in a very long delayed reply to an audit memorandum, that appropriate action had been taken on the shortcomings brought to notice but that, as regards the economy of maintaining the outpost, the important consideration was its preventive function.

INLAND REVENUE

86. Assessment and collection of Income Tax. It has been suggested to the Commissioner that the information at present provided by the taxpayers' registers might, to some extent, be conveniently amplified to promote better control of assessment operations. His comments on this and several other matters, including the many cases of arrears involving objections or otherwise delayed action, and the unsatisfactory recovery of tax from cases placed in the hands of the Crown Solicitor, have just been received and are being dealt with. Additional assessments have been raised in respect of certain under-assessments, resulting from error or understatement of income, which were observed in the course of audit.

87. Arrears of Income Tax. The Statement of Arrears of Revenue as at 31st December, 1960, includes a sum of \$752,304.74, in respect of Income Tax, but this figure represents the amount still uncollected at that date in respect of the arrears at 31st December, 1959, and evidently includes a large amount of tax in dispute. It is understood that the arrears list as at 31st December, 1960, has not yet been completed.

88. Assessment and collection of Estate Duty. Errors in computation or declared values brought to notice at a recent audit inspection resulted in recoveries of duty amounting to \$4,874.44; a further sum of \$561.74, is due for recovery. Certain assets observed in audit to have been excluded from the computation of duty are under investigation by the Commissioner.

89. Arrears of Estate Duty. As in the case of Income Tax, the arrears of Estate Duty (\$34,113.69) shown in the Statement of Arrears of Revenue as at 31st December, 1960, represents the amount uncollected at that date in respect of years prior to 1960. Arrears totalling \$118,276.82, (on 19 estates) as at 30th June, 1961, and relating to the years 1957 - 1960, were observed at a recent audit inspection.

CHIEF SECRETARY'S OFFICE

90. Public Service Commission. In preparation for the ~~1~~ ¹ndi ~~1~~ ¹ntional changes and with effect from 1st December, 1960, the Public Service Commission absorbed the Personnel Section of the Establishment Department, the Chief Establishment Officer becoming Secretary to the Commission. The remainder of the Staff of the Establishment Department, and their functions, were at the same time, transferred to the Finance Secretariat and the Department thus ceased to exist. The salaries of the reallocated staff for the month of December were, nevertheless, charged to the vote provided for the Establishment Department and are so reflected in the 1960 Accounts.

91. Information Services. An audit inspection revealed sundry shortages in the stocks of official publications held for sale, unauthorised writes-off from stock, unsatisfactory storage arrangements, and the absence of an up-to-date record of the main stock of the 1953 Edition of the Laws of British Guiana which was kept in the Customs Warehouse. Several general receipt books and a cash book were not produced for inspection, but four of the receipt books have since been reported as in the possession of district officers. The Chief Information Officer stated that he had taken steps to rectify the shortcomings brought to notice but that satisfactory storage of publications was difficult to arrange. A physical check of the main stock of the abovementioned Laws, in February, 1961, showed that it consisted of 6,681 volumes valued at \$71,228.43; it is presumed to have been entirely destroyed in the Customs Warehouse fire of 11th March, 1961.

92. Central Stationery Store. It was brought to the notice of the Controller of Government Printing and Stationery that many departmental requisitions on the Central Stationery Store were not prepared in accordance with the instructions issued to guard against irregularity, and that abnormal increases were apparent in the consumption of certain items of stationery. Further instructions, by circular, were consequently issued regarding control and economy in the ordering and use of stationery.

93. Interior Department - District Commissioner's Office, Mabaruma. It was observed at an audit inspection in May, 1961, that a Class II Clerk with only three years' service was assigned the duties and responsibilities of Sub-Treasury Cashier and Book-keeper, Clerk of Court, and Collecting Officer. These functions are normally those of a considerably more senior and experienced officer. Certain breaches of the regulations were also observed: the remittance book bore no evidence of check for the period January - September, 1960; a register of cheque books was not kept; and the licences register for 1960 was not written up. Two general receipt books, three Collecting Officer's receipt books, and the Post Office Savings Bank Passbook for the Morawhanna Local Authority's Community Fund were not produced for inspection and are, apparently, still missing.

94. Overseas Training - Defaulting Trainees and Students. In view of the number of cases in which various persons have from time to time defaulted on the agreements under which the Government assisted in financing their overseas training and the difficulties experienced in recovering the funds advanced, it would appear that greater care might be exercised in granting such assistance and that better arrangements should be made to secure recovery in cases of default.

95. Computation of Superannuation Benefits of non-pensionable Government Employees. The existing rules governing the computation of superannuation benefits of non-pensionable employees are, to some extent, ambiguous and have been subject to conflicting interpretation for some time. In view of this difficulty, clarification of certain points was sought by this Department from the Secretary of the Public Service Commission in January, 1961. A reply was received four months later to the effect that the matter was one which should be dealt with by the Finance Secretariat; it was thereupon referred to the Financial Secretary but no further information has been received. In the opinion of this Department, there is, for more than one reason, an urgent need for the re-drafting and re-issue of the rules, in a more precise form, by the appropriate administrative authority.

ATTORNEY GENERAL

96. Official Receiver, Public Trustee, and Crown Solicitor's Office. An audit inspection in December, 1960, revealed a very unsatisfactory state of affairs. The remittance book had not been written up for the preceding ten months; a cheque for \$1,003.53, dated 1st July, 1960, in favour of the Public Trustee was apparently overlooked in the safe for several months and not brought to account until its existence was

disclosed by audit; the writing up of the cash books was in arrear and the normal daily check of cash was not done; payments from the funds of estates under administration were supported by vouchers in a form which has been standard for a long time but which no longer appeared to be adequate; the ledger accounts of several estates showed debit balances; 100 unclaimed balances totalling \$3,839.99, had not been paid over to the Treasury as provided for by law; transfers of securities between estates were not authorised in writing by the Public Trustee; rent collection on properties held in trust was very much in arrear; and the particulars of estates, other than those in liquidation, were not adequately recorded. The Official Receiver, Public Trustee, and Crown Solicitor explained that the shortcomings reported were largely due to pressure of work or insufficient staff; but the absence of internal check and supervision of accounts is cause for serious concern, particularly when trust funds in addition to public funds are involved, and the generally unsatisfactory situation in this office indicated the urgent need for a survey of staffing requirements and a re-arrangement of accounting duties and responsibilities. These matters were brought to the notice of the Accountant General and the Ministries concerned, but no information has yet been received as to remedial action taken.

MINISTRY OF COMMUNICATIONS AND WORKS

PUBLIC WORKS DEPARTMENT

97. Unallocated Stores - Tabular Summary (Statement II(8)). The practice which has been followed by the Public Works Department for some time now in compiling the annual tabular summary appears to be one which is conducive to error and which has led to several errors being included in the printed summary for the year 1960. A revised summary has been prepared by this Department showing a final stock balance of \$1,080,801.44, which is not in balance with the financial records to an unaccountable difference of \$2,682.99. The revised figures also affect the net expenditure shown under Head 44A, subhead 16, in Statement IB. The matter is under correspondence with the Director of Public Works.

98. Unallocated Stores - Accounting Arrangements. Several unsatisfactory features have been observed in the existing arrangements: inadequate internal control over the use of ledger cards and local purchase order books, the verification of goods received, and the filing of vouchers in support of issues; inadequate documentation of returned stores; and the failure to carry out the daily balancing of issues against charges raised owing, to a certain extent, to the large number of petty issues. Detailed suggestions have been made by this Department to remedy these defects. It was also brought to notice that the receipted copies of 198 combined requisition and issue vouchers for 1960 could not be produced for audit inspection; as these

vouchers constitute the evidence that the stores reached their proper destination, their non-production indicated a very unsatisfactory state of affairs. Further information is awaited.

99. Unallocated Stores - Financial Control. In view of the purpose which Unallocated Stores are intended to serve and in order to minimise the risk of loss from overstocking and deterioration, the annual estimates of the Territory, as approved by the Legislature, include a total limit for purchases and specific provision for net expenditure (purchases less issues to other services and works) for the year, and these stores are further subject to a maximum limit to the total value of the stocks which might be held. As in recent years, these controls were not effective during 1960 and at the close of the year the approved estimate for purchases (\$1,270,000) was exceeded by \$526,940.84, the net expenditure provision (\$20,000) by \$73,495.85, and the maximum stock value (\$750,000) by \$330,801.44, as determined by the Audit Department. No authority has been seen for any of these excesses. It would further appear that the internal arrangements for financial supervision and control have not been adequate. Itemised stock levels have not been fixed, redundant or very slow moving stores valued at \$21,846.68, were in stock at the close of the year, and the Unallocated Stores account for 1960 was observed to have been credited with a sum of \$225,180.40, representing the value of issues actually made from stock in 1961. These matters are under correspondence with the Director of Public Works.

100. Stone Crushing Plant - 1960 Account. The Territory's Accounts for the year (Statement IB) reflect a net credit of \$6,649.58, in respect of expenditure on the Stone Crushing Plant. The annual financial statement for 1960 was recently received and will be examined in the course of the next inspection visit to Makouria where the detailed records are kept. The stock balances at 31st December, 1960, are shown at a total value of \$69,807 and, as has been the practice, were transferred in the accounts for 1960 to the Public Works Department Unallocated Stores and transferred back to the Plant as from 1st January, 1961; this procedure, however, does not appear to be correct and it has been suggested that as the account of the Plant's transactions is in fact a manufacturing suspense account, a maximum stock balance should be fixed by the Legislature and an annual tabular summary included in the Territory's Accounts as in the case of the Public Works Department Unallocated Stores.

101. Stone Crushing Plant - Stock Deficit. A shortage of 1,481 tons of stone chips and siftings, valued at \$4,454, was recently reported by the Director of Public Works. It is attributed mainly to the lack of proper gauging equipment since the commencement of operations at Makouria in 1958, an unsatisfactory feature which has previously been the subject of audit comment. It is understood, however, that weighing machines have been installed in 1961.

102. Advance Accounts - Control. As indicated in the following paragraphs, accounting control of advances made by the Public Works Department has, in general, been very unsatisfactory.

103. Personal Advance Accounts. In reply to audit observations regarding the irregular repayment of sundry advances, it was stated that certain balances had since been settled in full or in part, regular deductions from salary or wages would be made, recovery was under investigation in some cases, and authority to write-off was being sought in respect of amounts owing by persons no longer employed by the Department.

104. Advances - Revision of salaries and wages. With reference to paragraph 50, the Public Works Department Head Office accounts reflected seventeen district balances at 31st December, 1960, totalling \$39,567.84. It would appear that sundry accounting errors and omissions resulted in the major portion of this sum not being cleared but it is understood that a reconciliation of balances is being undertaken in order to rectify the matter.

105. Advances - Overpayments to Contractors. It is understood that, following audit inquiry, action is being taken to recover certain overpayments totalling \$1,300.95, which have been outstanding for an unduly long time.

106. Advances - Works for other Departments. The state of these accounts has for a long time been the subject of audit inquiry. At 31st December, 1960, there were 137 debit balances totalling \$54,699.56, and 97 credit balances totalling \$46,522.21, resulting in a net debit balance of \$8,177.35. Many of these balances related to previous years' transactions which apparently had not been settled through oversight or misunderstanding. The Director of Public Works recently reported that the net debit balance was reduced to \$3,984.88, but that the remaining balances on individual accounts could not be identified or were not admitted by the Departments concerned. In the circumstances, he sought authority to settle the matter finally by using the credit to offset the debit balances and charging the remaining \$3,984.88 to any departmental vote with sufficient funds to accommodate it. The Secretary to the Treasury has, however, agreed to our suggestion that the matter should be further investigated.

107. Debit balances on Deposit Accounts. The departmental accounts reflected 35 debit balances totalling \$40,991.77, as at 31st December, 1960. This total includes the sum of \$32,204.69, against Local Authorities for the maintenance of overhead water tanks and pumps, and sundry amounts brought forward from previous years. Accounting control does not appear to have been exercised over these transactions and information as to clearance is awaited.

108. Allocated Stores - Georgetown. The stocks consist of surpluses returned from completed works and include redundant machine spares of a book value of \$14,020, which appear to be difficult to dispose of. The ledger accounts are kept for both quantities and values and the balances at 31st December, 1960, included certain equipment and machine spares which had been disposed of by sale and should have been written off. It has been suggested to the Director of Public Works that, for various reasons, consideration might be given to disposing of the present stocks to the best advantage and closing the Store.

109. Lorry Establishment. Several instances of very heavy repair costs have been observed. These include expenditures of \$5,868, \$3,571, and \$6,102, during 1960 on three lorries which were put into use in 1952, 1956 and 1959, respectively. No explanation has yet been received regarding the particular cases brought to notice but there is reason to conclude that repairs have not been subject to effective control or to the consideration of economy; the Director of Public Works stated that a system for thorough inspection, estimating, and assessing the economy of repairs was instituted in 1961.

110. Water Transport Suspense Account. Expenditure of \$31,689, for the year 1960, is shown in the Territory's Annual Accounts but this is a net figure after deducting receipts from hire of craft and the value of services charged to other votes, amounting to \$76,534, from a gross expenditure of \$108,223. It has been suggested that the position would be clearer and Legislative control would be better served if ordinary craft maintenance were provided for as a subhead of expenditure, and running costs debited to a below-the-line account which should be cleared by receipts from hire and credits for services chargeable to other votes. It would also appear that a review of the rates of hire is overdue.

111. Workshop Suspense Account. The gross expenditure on materials and labour exceeded the approved gross provision of \$275,000, by \$208,756.50, for which no authority has been seen. Recoveries from other votes amounted to \$484,884.79, with the result that a net expenditure credit of \$1,128.29, is shown in the Territory's Annual Accounts for 1960. Certain outstanding adjustments and apparent discrepancies in the workshop accounts are, however, under correspondence. It was brought to the notice of the Director of Public Works that the control of spare parts, on which there is heavy annual expenditure, was very unsatisfactory, all purchases being dealt with as immediate issues to the workshop foremen in whose custody spare parts were held for indefinite periods before installation; it is understood that steps have since been taken to secure better control.

112. Hire of Tractor - East Bank Road. An audit query was raised on the apparently unjustified expenditure of \$7,378.87, on the hire of a tractor for work on the East Bank Road, in view of the purchase price of such a tractor being very much less, that is, \$4,316.62. It was explained that a tractor was purchased as soon as it was realised that it was more economical for the Department to buy one for this purpose but that the hire continued for another two months while the new tractor was adjusted and tested for satisfactory operation.

113. Overtime Payments. It was observed in audit that, for the week ended 28th June, 1960, workshop employees were paid for 900 hours overtime. Further inquiry elicited the information that for the period June - December, 1960, a total of \$20,466, was paid to these employees for overtime work, as against \$89,178, for normal hours. As overtime rates are time and a half and double time, it would appear that the employment of additional labour would have resulted in substantial savings. The Director of Public Works holds the view, however, that several factors make overtime on this scale unavoidable in the workshop. It is nevertheless apparent that control of overtime not only at Headquarters but also in the Districts is generally unsatisfactory and, it has been suggested to the Secretary to the Treasury that there is urgent need for an investigation of overtime expenditure in the Service as a whole.

114. Labourers' Time Records. It came to notice in February, 1960, that the time records had been falsified in regard to overtime worked by weekly employees in a certain district and that the system of recording time and preparing paylists was not in accord with the approved instructions. It was not possible to ascertain the extent of the fraud as, owing to indifferent departmental supervision, the time records for four months disappeared from the district office. A clerk was charged by the Police with falsification of the records and so causing the improper payment of \$31.91 and was placed on a bond by the Court. A subsequent audit spot check of road gangs in another district revealed that control of workmen's time was not entirely satisfactory.

115. Sub-division of Contracts. The Regulations permit District Engineers to enter into contracts for works and services which do not involve sums in excess of \$1,000 and prohibit the sub-division of contracts for the purpose of bringing the amounts within this limit. It was observed that a District Engineer entered into twenty-three contracts for a certain work involving payments totalling \$15,777.85 to a single contractor and into four contracts for another work involving a total payment of \$2,770.40 to the same contractor. The Director of Public Works has stated that these sub-divisions were done in good faith for reasons of expediency. District Engineers, however, appear to experience some difficulty in keeping within the abovementioned limit.

POST OFFICE

116. Internal Check and Supervision. The attention of the Director of Posts and Telecommunications was invited to several unsatisfactory aspects of the arrangements for internal check and supervision at Headquarters. Examination of Headquarters and District payments was conspicuously ineffective in view of the large number of breaches of Financial Regulations which apparently passed unnoticed and continued to do so after an assurance of remedial action had been given; it would appear that although postmasters' compliance with the Regulations was specially requested, no corresponding instructions were issued to the examining staff at Headquarters. The agreed arrangements to provide for a more effective examination of district cash accounts, with particular reference to control of receipt books, were also observed not to have been implemented. And it was further disturbing to note that the inward remittances books were not written up as prescribed by the Regulations so as to afford proper supervision and check.

117. Departmental Inspection of Post Offices and Postal Agencies. Departmental inspections fell short of the approved programme by 104 in 1960. Of those not done, 62 should have been carried out in the December Quarter. The Director of Posts and Telecommunications explained that for more than two months of the year the post of Inspector of Post Offices was not occupied and for a period of three months it was filled by an officer who did not possess a motor car but that, in any case, it was impossible for the Inspector to pay a quarterly visit to each post office and postal agency, and he was making fresh departmental arrangements to improve the situation.

118. Control of Receipt Books. The Post Office Department uses a very large number of receipt books and an efficient system of control over the wide distribution is accordingly necessary but, unfortunately, this has not been evident over the last few years and authority for the write-off of 108 books, issued departmentally during 1955 - 1956 but not accounted for since, is being sought. In November, 1960, an audit inquiry was addressed to the Director of Posts and Telecommunications regarding 302 books issued during 1957 - 1959 which did not appear to have been returned as exhausted, although there is a departmental instruction that books should be recalled three months after issue, and 14 books, apparently returned to Headquarters, which were not produced for audit; a reply is still awaited.

119. Returned Letter Office. No supervision appears to be exercised over this office the duties of which were performed for some time during 1960 by a Clerical Assistant. The values register was not properly written up, and undelivered inland money orders and postal orders valued \$808.60 were not paid into revenue, as required by the Regulations, until the omissions were brought to notice by audit.

120. Wireless Licences - Control. It was brought to notice in October, 1960, that a large number of licence books issued during 1956 - 1959 were shown in the registers as outstanding but this matter does not appear to have been investigated yet. It was suggested by the Audit Department that as these licences are fixed value forms better control might be exercised if a licence account were substituted for the licence register and it has been agreed by all concerned that this method of control should be adopted.

121. Overtime Payments. The sum of \$23,000 was provided in the Approved Estimates for 1960 to meet expenditure on overtime work, not including the Telecommunications and Electrical Inspectors' Branch. The actual expenditure was \$91,312. The same provision (\$23,000) was made for the year 1961 but at 31st July, 1961, the actual expenditure had amounted to \$113,024. Several questions have been raised in audit regarding rates paid, inadequacy of information on vouchers, and payments made to clerical staff, and it is by no means clear that satisfactory control is exercised, in general, on overtime arrangements. It was suggested to the Financial Secretary that, in the circumstances, an immediate investigation of overtime expenditure in the Post Office Department should be made.

122. Hire-purchase of 2 houses at Wismar. The Post Office Department entered into an arrangement in 1959 for the hire-purchase of two houses at Wismar from the Housing Department for the sum of \$10,490. The instalments on the houses, which are occupied by post office personnel, have been paid from the recurrent provision for the rental of branch offices and quarters at the rate of \$638.40 per annum. It was suggested by the Audit Department that, for more than one reason, this arrangement was inappropriate, and the Secretary to the Treasury has recently decided that the outstanding balance on the houses should be paid off by the Post Office Department as a charge against a Development allocation.

123. Stamp Duties. The revenue from this source for the year 1960 (\$78,469.76) includes a monthly transfer of \$3,000 from Post Office stamp sales representing the estimated value of stamps affixed to documents as required by law. It has been suggested that this figure, which was fixed since 1954, is no longer appropriate and that the amount to be so transferred should in future be calculated as a percentage of stamp sales. The matter is being kept in view.

124. Trunk Line Charges. An audit query was raised on apparent short charges for trunk calls between Georgetown and New Amsterdam and it has been explained that, although not in accord with the present regulations, the charges for trunk calls are calculated so as to give effect to the intention behind

the regulations. This is an unusual situation which, it was understood from the Director of Posts and Telecommunications, was to be referred to the Ministry.

125. Subscribers' Accounts - Overseas Radio-telephone Charges. It has not been possible to verify in audit that all charges payable were debited to Subscribers' accounts owing to the copies of debit notes not being presented in numerical sequence and to the posting of debit totals which were not supported by lists. A procedure which would be satisfactory for audit purposes has been suggested.

126. Public Telephone Booths - Revenue Control. The arrangements for the clearing of coin boxes from telephone booths and checking, recording, and accounting for the cash collected have been observed to be very unsatisfactory in practice. Varying periods, in some cases as long as 6 weeks, have elapsed between removal of the boxes from the booths and bringing the cash to account, and the amounts collected are, in many instances, substantially less than the amounts that it would appear should have been collected. The comments of the Director of Posts and Telecommunications on this matter are awaited.

127. Parcels Post - Unused Cash Register. A recent audit survey of the inventory of this office disclosed a National Cash Register stored beneath a counter. Further inquiry revealed that this machine, for the purchase of which the sum of \$4,405 was provided, was received in September, 1956, but was never put into use as it proved to be unsuitable for the purpose for which it was intended. It is understood that it will be utilised at a district post office in the near future, but the circumstances which led to the purchase of an expensive piece of unsuitable office equipment and then permitted it to remain unused for five years have not been explained.

POST OFFICE TELECOMMUNICATIONS

128. Termination of services of Apprentice and Temporary Telephone Operators. The Director of Posts and Telecommunications notified 16 apprentice and 3 temporary telephone operators on 31st March, 1960, that their services were not required after that date and, in accordance with their terms of employment, these employees were granted leave with pay for periods ranging from 23 days to 84 days with effect from 1st April, 1960. They were also paid one month's salary in lieu of notice. A reply is awaited from the Director of Posts and Telecommunications regarding the propriety of paying salary in lieu of notice in addition to leave salary, in these circumstances.

129. Cancellation charge on order for Air-Conditioning Equipment. In January, 1960, the sum of \$538.68 was paid by the Crown Agents, on behalf of this Government, as the cost of cancelling an order for air conditioning equipment which had been intended for the Mackenzie Telephone Exchange. According to information received, the order

was placed in 1956 but was cancelled on the ground of economy. It is not known whether consideration was given to the needs of any other Department for this equipment.

130. Rural Electrification Scheme - Disposal of Wallaba Poles. During the latter half of 1957, orders were placed with selected suppliers for 5,975 wallaba poles costing \$181,587.50 as a matter of "extreme urgency" in connection with the Rural Electrification Scheme. Stock-piling of these poles then proceeded at the suppliers' timber grants, on behalf of the Scheme, until the end of October, 1958, when the Scheme came to a halt and, according to the records available, 2,781 poles costing \$84,757 had been stock-piled. It would appear that by March, 1960, 626 poles had been delivered in Georgetown and utilised on other works but information is awaited from the Director of Posts and Telecommunications regarding the disposal of the entire stock and the total cost including storage expenses which subsequently arose. The expenditure on the Scheme as a whole has been charged to the Development Fund and amounts to \$190,624, as shown in the Territory's Accounts for the years 1957 - 1960.

131. Dieselelne Shortage, 1956 - 1957. It was brought to notice in 1958 that dieselelne valued at \$1,452, approximately, had apparently not been accounted for in shipments to the Lethem lighting plant during the years 1956 and 1957. As no explanation of the discrepancy was received up to February, 1960, the Minister issued instructions for a departmental investigation. A departmental committee of enquiry was appointed in May, 1960, but does not yet appear to have submitted its report; it is understood that the convenor went on six months' vacation leave shortly after appointment and a member was subsequently assigned duties which precluded his serving on the committee.

132. Lighting Plant, Essequibo Boys' School. A small lighting plant was observed, in September, 1960, to have been in storage at the Essequibo Boys' School for about six years. This plant was the property of the Telecommunications Department and was apparently serviceable but, through oversight, had been abandoned at the School. It is understood that arrangements have since been made for its return to Headquarters.

CIVIL AVIATION

133. Head Office. The revenue collected by this Department consists mainly of aerodrome fees, rental of houses, and charges for water and electricity supplied to consumers at Atkinson Field. The revenue records, in general, have not been kept in a satisfactory manner: they do not lend themselves to internal control or check, and it has not been found possible to carry out an effective audit. The arrangements under which gasoline pipeline facilities are paid for by a

/gasolene

gasolene supplier at Atkinson Field are also not entirely satisfactory while sundry fees provided for in the Colonial Air Navigation Order, 1955, do not, as a rule, appear to be collected. The arrears return as at 31st December, 1960, totalled \$18,891 exclusive of the year 1960 for which the figures have not been submitted; the greater portion of this sum is owed by British Guiana Airways Limited (the former owners of British Guiana Airways (Government) and the remainder includes the sum of \$2,329 in respect of house rents over the years 1950 - 1959. The comments of the Director of Civil Aviation on the abovementioned matters are awaited.

MINISTRY OF TRADE AND INDUSTRY

GEOLOGICAL SURVEYS

134. Head Office. It was observed in the course of an audit inspection carried out at Headquarters in January, 1961, that there were no records of purchases to facilitate a satisfactory check of the returns relating to labourers' rations submitted by field officers, no accounts were kept of priced containers (gasolene, cooking oil, and biscuit drums), and there were sundry breaches of the stores regulations.

CO-OPERATIVE DEVELOPMENT

135. Head Office - Irregularities. Inquiry into the suspected misappropriation of cash by the accounts clerk at Headquarters revealed that a cash book (other than office imprest) was not kept and that superficial internal check permitted the apparently fraudulent suppression, for a long time, of an official receipt book from which receipts were issued for contributions paid by the Co-operative Societies into the Audit and Supervision Fund which is under the control of the Commissioner. The Clerk has been charged by the Police with the theft of \$222.20 but the total sum not accounted for is not yet known. The examination of transactions of the Fund ceased to be the duty of the Audit Department 12 years ago on the establishment of a Co-operative Union for the purpose of audit and supervision, but this body does not appear to have functioned and the audit of the Societies has been carried out by departmental officers; the fees collected therefor were held in a bank account until 1958 when a deposit account for this purpose was opened in the Treasury. It has been arranged for the Audit Department to resume examination of the Fund's transactions commencing with the 1961 account.

FOREST DEPARTMENT

136. Divisional Forest Headquarters - Bartica. It was brought to notice that the arrangements governing the collection and paying in of revenue by forest rangers did not enable the Divisional Forest Officer to exercise enough supervision and control over these transactions and it has been agreed that they should

/be modified

be modified accordingly. Considerable arrears of royalty were observed, and while the Conservator of Forests is of the view that monthly payments are convenient to all concerned and the situation is under control, the law does not provide for the latitude generally allowed in the collection of royalty.

137. Alleged evasion of Royalty. The Conservator of Forests reported in June, 1961, that, as a result of a departmental report received by him in October, 1960, he had carried out investigations which indicated that a logger had supplied various consignees in Georgetown, between August, 1959, and September, 1960, with shipments of greenheart which were not covered by removal permits and on which royalty estimated at \$19,196.40 was not paid. The matter is at present under Police investigation.

Audit inspections have indicated the need for a review of the existing system for the collection of royalty on removal permits.

138. Central Timber Manufacturing Plant. The revenue and expenditure of the Plant for 1960 are shown as \$168,580 and \$214,800, respectively, in the Territory's Accounts. Owing to the unsatisfactory state of the records, however, the audit of the accounts for 1959 and 1960 was discontinued in March, 1961. The matter was discussed with the Conservator of Forests and it was agreed that stock balances as at 31st December, 1960, should be ascertained by his Department for the purpose of introducing a new system of account, with the Accountant General's concurrence, as from 1st January, 1961. An outline of a system, with specimen forms, was submitted in April, 1961, by the Audit Department for consideration.

MINISTRY OF COMMUNITY DEVELOPMENT AND EDUCATION

EDUCATION

139. Head Office. Many shortcomings were observed in the course of an audit inspection carried out in October, 1960, at the Head Office of the Education Department. These included the absence of ledger accounts for leave advances received by school teachers and departmental staff, non-collection or collection at arbitrary rates of house rent from certain head teachers, cash grants to governing bodies not fully accounted for, apparent lack of control over the purchase and consumption of foodstuffs at the Government Training College and the supply of free meals to non-resident staff, generally unsatisfactory accounting and excessive motor car hire in the Examinations Section, and the non-production for audit of 55 general receipt books. After a lapse of nearly seven months, a reply was received from the Director of Education to the effect that the errors and omissions brought to notice had been remedied and that other matters, including the missing receipt books, were under investigation. In addition to the above observations,

it has recently come to notice that the Department has prepared a list of balances owing on leave advances to school teachers, as at 31st December, 1960, totalling \$44,262.67, whereas the Treasury account shows a balance of \$78,514.66; no evidence of reconciliation has been seen.

140. Overseas Examinations - Deposit Account. Examination fees collected from candidates are paid into this account and the fixed fees due to Overseas Examination Bodies and expenses incurred locally are paid from it. At 31st December, 1960, the balance of this account was \$45,045.96 but the Director of Education found it necessary to apply in June, 1961, for a sum of \$48,192.70 representing, almost entirely, the amount by which the fees collected fell short of the expenses to be paid. A special warrant to meet the deficit as a charge against public funds was approved by the Executive Council who at the same time decided that the Director of Audit should be asked to design a system of control which would preclude the recurrence of a deficit. This request was not conveyed until three and a half months later.

141. Capital grants to Secondary Schools. As under the existing regulations, the aid to be given to a school on the Aided Schools List should be prescribed by the Governor-in-Council, the issue of capital grants on the authority of the Minister was questioned by this Department. The Permanent Secretary to the Ministry of Education held that, as the Governor-in-Council had approved of the schools concerned being aided, it was unnecessary to obtain authority at the same level for capital grants, but the Financial Secretary supported the audit view that proper authority had not been obtained. The expenditure charged to public funds as "Grants to Aided Secondary Schools" for the year 1960 amounted to \$256,467.74.

142. School Feeding Division. The records of the Division's liability to suppliers for biscuit tins were found, in the course of audit, to be grossly inaccurate. They showed 5,057 empties as owing at 31st December, 1960, to a supplier whereas the actual quantity was 1,981, valued at \$2,377.20. It is understood that this matter was rectified but there was nevertheless a shortage of 51 empties due to theft. There appeared to be undue delay in returning containers to suppliers: at 31st December, 1960, 198 were outstanding in respect of the year 1958, and 1,359 in respect of the year 1959, valued at \$2.00 each. During 1960, food yeast biscuits valued \$742.21, were found to be infested with vermin and destroyed. Neither the supplier nor the Division admitted liability and the source of the infestation apparently could not be traced.

143. Anna Regina Government School. Sundry small amounts of revenue have been collected at this school in connection with its livestock farm, handicraft, and

domestic science activities and these transactions have necessitated the use of official receipt books and the keeping of a cash book. It was brought to notice, as a result of audit inspections during recent years, that no cash book was produced in respect of the years 1956 and 1957 and that five general receipt books were missing. The latest information received on the matter, in April, 1961, was that a departmental investigation placed collective responsibility on the accounting staff at Headquarters some of whom had been transferred or had resigned and that it was possible that the records in question had been inadvertently destroyed during cleaning-up operations at Headquarters in 1959.

MINISTRY OF NATURAL RESOURCES

DEPARTMENT OF AGRICULTURE

144. Head Office - Imprest Account. With reference to the non-production of bank certificates in support of sub-imprest balances totalling \$35,934.18, at 31st December, 1960, mentioned in paragraph 41 above, a cash survey at Headquarters in April, 1961, revealed that the Head Office imprest had been increased from the authorised figure of \$52,500.00 to \$101,094.80 by the appropriation, without the authority of the Financial Secretary, of the sum of \$49,936.57 allocated to the Agricultural Officer, Suddie, and other sub-imprests amounting to \$575.00. The sum of \$101,036.68 was accounted for by cash on hand and in bank amounting to \$20,176.45, expenditure vouchers amounting to \$62,580.71, and departmental advances totalling \$18,279.52. There was an unexplained shortage of \$58.12 and clearance of certain personal advances for travelling and removal expenses was overdue. Apart from the operation of much bigger imprest than that authorised, which has evidently resulted in delayed accounting for a large amount of expenditure, it would not appear that any check of this imprest account was carried out by a senior departmental officer.

145. Central Agricultural Station. Mon Repos. Although this station was established about three years ago and there has been a considerable amount of correspondence on the need for supervision and internal check of cash and stores transactions, a recent audit inspection disclosed that departmental arrangements in these matters were still far from satisfactory. The proper procedure was not being followed in dealing with money received through the post, there was no departmental check on the imprest of \$16,000, the stores records and the arrangement of stocks did not permit ready and effective verification, an audit check of the stock of gasoline disclosed an unexplained shortage of 191½ gallons, the records relating to farm produce were inadequate, revenue was held by the Veterinary Section for unduly long periods, and the inventory of agricultural machinery was incomplete. It was also observed that several past and present officers

of the Department owed sums ranging from \$16 to \$118 for farm produce supplied to them over the years 1957 - 1960; while it is a practice of long standing, the propriety of supplying the staff of the Department with eggs, milk, etc., at below market prices and on credit, appears to be open to question in present circumstances. It has come to notice very recently, as a result of an audit inquiry, that subordinate employees at this station have, improperly, been enjoying rent-free quarters; the Director of Agriculture has instructed the collection of the appropriate rent, with effect from 1st September, 1961, from the 20 employees in occupancy and has recommended waiver of rentals prior to this date.

146. Agricultural Office, New Amsterdam. A generally unsatisfactory state of affairs was disclosed at an audit inspection in April, 1960. The shortcomings observed included unwarranted delays in the paying in of revenue by certain Field Assistants and by the Veterinary Section, unsatisfactory records of the receipt and distribution of pure line seed padi, unduly long outstanding payments for pure line seed padi supplied to Thrift and Credit Societies, and the absence of supervision and internal check. Departmental reprimands were issued in connection with the delayed paying in of revenue. The outstandings on the seed padi accounts are under further investigation.

147. Field Assistant's Office, Mara. Despite the assurance given by the Director of Agriculture, in September, 1960, that it had been arranged for Field Assistants to remit revenue at half-monthly intervals to the Agricultural Officer, New Amsterdam, and for the latter to check their cash books once every quarter, it was disclosed at a very recent audit inspection of the Mara Office that the cash book had not been written up for the last six months and that no revenue had been remitted to the New Amsterdam Office for the same period. The cash on hand, including a cheque for \$502.35 which was six months old, was \$185.01 short of the total to be accounted for. The matter is under correspondence.

148. Anna Regina - Pure Line Seed Padi Accounts. No reply has been received to audit observations submitted in November, 1960, on the general lack of consignees' acknowledgments of receipt of shipments of padi from Anna Regina, outstanding payments on certain shipments totalling 2,438 bags between March, 1958, and January, 1960, and the indebtedness of Thrift and Credit Societies in the amounts of \$4,458.20, \$191.95, and \$862.39, for padi supplied to them during the years 1958, 1959, and 1960, respectively.

149. Hosororo Station, North West District. The Agricultural Officer at this Station is provided with an imprest of \$4,000 to pay labour and day to day expenses but is required to send his payment vouchers to Headquarters in Georgetown for reimbursement, despite his proximity to the District Sub-Treasury.

An audit inspection in May, 1961, disclosed that there was no imprest cash on hand and that payments not yet reimbursed, according to vouchers at the Station and at Headquarters, totalled \$4,817.48. The officer stated that he had borrowed \$1,000 from a merchant of the District to meet wages payments; if this was so, there was a cash deficit of \$182.52. A reply was very recently received from the Director of Agriculture to audit observations on this very unsatisfactory situation submitted about five months previously. It was explained that there was no cash shortage as there were additional vouchers to cover the amount reported and that arrangements were being made for this officer to recoup his imprest payments at the District Sub-Treasury.

150. Veterinary Division. A quantity of rabies vaccine reputed to have been purchased toward the end of 1958 for \$5,422.50 (landed cost), was reported by the Director of Agriculture, in April, 1960, as "Expired". The vaccine was subsequently destroyed, as recommended by the Board of Survey. Audit inquiry at the Veterinary Office elicited verbal information that it had been acquired for preventive measures and, as it was to be issued free of charge, was not entered in the stores ledger.

151. Hire of Lorries to Transport Coconut Seedlings. During the period February, 1960, - June, 1961, a sum of \$7,161.81 was paid to two private operators for the hire of their lorries for the collection and distribution of coconut seedlings. No tender was invited or contract entered into for these services. It is understood that two new trucks have since been acquired and hiring from private operators should no longer be necessary.

152. Marketing Schemes. Provision is made annually in the Recurrent Estimates of the Department of Agriculture for the net deficits on these undertakings whose accounts are audited by this Department. The annual audited statements are laid separately before the Legislature. The net deficits for the period 1956 - 1960, which have been charged to public funds, are as follows -

	1960 \$	1956-1960 \$
Central Produce Depot	157,825.99	652,453.16
New Amsterdam Produce Depot	12,506.52	37,941.76
Ham & Bacon Factory	6,387.71	19,604.93
Processing Factory	34,474.97	152,207.11
Fish Market and Centre	59,134.31	227,842.10
Milk Pasteurisation Plant	246,275.21	575,603.52
	516,604.71	1,665,652.58

/the

The deficits in respect of the Central and New Amsterdam Produce Depots for the year 1960 are as shown on the annual financial statements which are under audit. The deficits in respect of the Ham and Bacon Factory, the Processing Factory, and the Milk Pasteurisation Plant for the year 1960 are subject to minor adjustments. The Fish Market and Centre and the Milk Pasteurisation Plant commenced operations in 1957.

153. Purchase of livestock in the United States and Canada. During 1960 sums amounting to US \$75,360 and Canadian \$2,900 were remitted to a Senior Officer to buy cattle and pigs in the United States and Canada, respectively, on behalf of the Department. The officer has refunded the sum of US \$21,991.29 and, it is understood, has rendered vouchers totalling US \$36,929.88 which have not yet been admitted by the Treasury. It is not known whether all the livestock purchased has arrived in British Guiana, nor has any information been received yet regarding the purchasing arrangements and the authority therefor. The matter is under audit inquiry.

DRAINAGE AND IRRIGATION DEPARTMENT

154. Agricultural Machinery Hire Pool. The annual financial statements for the years 1959 and 1960 have not yet been submitted for audit but the revenue and expenditure as shown in the Territory's Annual Accounts for these years reflect substantial losses, as set out below.

	1959 \$	1960 \$
Expenditure (Head 11A. Subhead 4)	258,531.04	236,978.90
Revenue (Head IV. Subhead 11)	177,791.73	172,745.28
Excess of Expenditure over Revenue	80,739.31	64,233.62

With one exception, the districts' deposit balances have not been reconciled with the Head Office balances as at 31st December, 1960.

155. Certification of Accounts - Delegation of authority by Engineers. It was considered necessary to bring to the notice of the Ministry a case in which an adjustment voucher debiting an expenditure allocation under the personal control of an Engineer was certified by the Clerk-in-Charge instead of the Engineer, contrary to the department's financial instructions which had received the approval of the Accountant General. The Director of Drainage and Irrigation considered the audit objection trifling, but this case is indicative of a tendency to abdicate personal authority and responsibility.

156. Aluminium houses purchased for Block III Cattle Pasture. An audit query was raised in 1959 on the purchase of six Kingstrand aluminium houses in 1958 for \$8,169.70 against the provision for the Block III Cattle Pasture. These houses were ordered in September, 1958, directly from a local firm without reference to the Public Works Department's Unallocated Stores or to the Regional Tender Board, as required by the regulations, and there were differences in prices for houses of the same type. The breaches of the regulations have not been explained but an over-payment of \$187.50 was recovered as a result of the audit query. It is understood that three of the houses have been assembled but are not occupied, that the other three are still in their crates, and that their utilisation must await the creation of a Pasture Authority. It is thus apparent that this expenditure was incurred three years, to date, before it was necessary.

157. Expenditure on repairs to barge "Transfer". The sum of \$4,497.40 representing the cost of repairs carried out in 1959 to this barge, which had been lent to the Government of St. Kitts, was paid in 1960 from the voted provision for the maintenance and operation of plant and equipment. An audit inquiry as to the recovery of this expenditure elicited the reply that the advice of the Permanent Secretary of the Ministry had been requested on the matter.

158. Salaries Records - Head Office. Audit examination of these records, which are kept in the form of a card system, disclosed some general improvement on the manner in which they were kept for 1959, but it was again necessary to bring a number of omitted entries to the notice of the Director of Drainage and Irrigation.

LAND DEVELOPMENT DEPARTMENT

159. Amazon-Charity Scheme. The arrears of revenue at this Scheme are very unsatisfactory in relation to its size. The arrears at 31st December, 1960, consisted mainly of rentals on land leased for residence or cultivation and included a considerable amount in respect of previous years. It would not appear that demand notices have had much effect and it is understood that legal proceedings are now contemplated.

160. Anna Regina Scheme. A departmental board of survey from Headquarters reported in October, 1960, that a large stock of wallaba posts had deteriorated in open storage, sundry redundant items including machine spares had been in stock for a long time, and storage conditions and arrangements were generally unsatisfactory. Information was received, after a considerable lapse of time, that appropriate action was being taken on these matters.

161. Cane Grove - La Bonne Mere Scheme. The Land Development Department gave up the administration of this Scheme with effect from 1st July, 1960, and handed over its buildings and works to the Departments of Local Government, Agriculture, and Drainage and Irrigation to whom certain functions were assigned. The equipment and stores were distributed between the Agriculture and Drainage and Irrigation Departments and the Vergenoegen and Black Bush Polder Schemes, and the Scheme's accounting records were removed to the Department's Head Office. The arrears of revenue (land rent, hire of agricultural machinery and equipment, etc.) at the time of the Department's withdrawal from the Scheme were considerable and collection is done by a departmental clerk on periodic visits. At 31st December, 1960, the arrears totalled \$62,205.20, exclusive of agistment fees which are collected by the Agriculture Department. A recent audit examination of the stores ledgers and inventory, which was postponed for a long time owing to these records not being completely written up and closed off, revealed certain very unsatisfactory features: many ledger accounts were closed by footnotes (instead of issue postings) referring to the transfer of the balances; a very large quantity of stores, mainly machine spares, did not appear to have been handed over and the disposition of these items was obscure; and many items on the inventory of tools and mechanical equipment were not marked off or acknowledged as handed over. These matters are under correspondence.

LANDS AND MINES DEPARTMENT

162. Head Office - Accounting for inward remittances. An audit inspection in October, 1960, revealed that sundry cheques, money orders, and postal orders totalling \$136.40 had been on hand for periods ranging from three months to five days without being receipted or brought to account, in contravention of Financial Regulations. The Commissioner has explained the unsatisfactory position as being largely due to the delay in recovering office files from the districts, but it would appear that a review of the combined accounting and documentation procedure in this Department is long overdue.

163. Control of Revenue. It is evident that the existing arrangements do not afford satisfactory accounting control over the collection of revenue. The granting of a lease often takes years to finalise and this necessitates the keeping of several large applications registers, concurrently, to record payments made under provisional authority to occupy land; the revenue registers are numerous, and, in general, cumbersome, hand-written records which are not totalled and do not facilitate the keeping of control accounts; and arrears are not subject to properly organised review or collecting procedures. Consideration is now being given to the installation of a machine posting system which will provide better detailed records and ready information as to the state of the revenue collection.

MINISTRY OF LABOUR, HEALTH AND HOUSING

MEDICAL

164. Control of Expenditure. Previous audit reports have referred to the inadequacy of expenditure control in this Department. This condition persisted in 1960. The payments in respect of expenditure incurred in 1960, which the Accountant General authorised as charges against the recurrent 1961 provision (paragraph 27 refers), include a total of \$83,335.15 incurred by the Medical Department, of which the sum of \$19,269.02 related to votes which were exhausted at 31st December, 1960.

165. Head Office - Accounting Supervision and control. An audit inspection in April, 1961, revealed shortcomings which give cause for serious concern about the supervision and control exercised over the accounting work in this office. Fifty-four receipt books used at Headquarters have not been produced for audit, and the disposition of a large number of receipt books apparently issued over the last 12 years to field officers and rural dispensaries are also under inquiry. It was also observed that Financial Regulations were not complied with as regards the keeping of a register of cheque books, despite the theft of a cheque book in 1959 and the forgery of cheques for large sums in 1958 and 1959 against the Department's account; or as regards the maintenance of a revenue collectors' chart as a means of supervising the paying in of revenue by hospitals and dispensaries. And, in the absence of proper records, it could not be ascertained that District Medical Officers, who were permitted private practice, had been paying the required contributions to revenue. Appropriate action has been promised by the Ministry on these and other matters brought to notice.

166. Mosquito Control Service. Audit examination of the stores accounts could not be carried out as the majority of the vouchers were not available. It was apparent that no attempt had been made to file vouchers properly and that the new storekeeper was unacquainted with Stores Regulations. It is understood that these matters have since been rectified.

167. Georgetown Hospital. The accounting arrangements for cash and stores in the various sections of this institution and the manner in which fees for operations are fixed, varied, or waived leaves much to be desired. The procedure followed in the Out-patients Section, where the poverty and pauper certificates stipulated in the regulations are no longer submitted and fees are waived in many cases for no obvious reason, also appears to need regularising. Suggestions for better control of revenue and cash and stores transactions have been submitted by the Audit Department. It was brought to notice, in the course of audit that there were, apparently, irregularities in connection

with the daily meat deliveries at this institution; the receiving and issuing arrangements, however, were too loose to enable a clear case to be made out, and there was no evidence of any internal supervision.

168. Suddie Hospital. The state of the arrears of in-patient fees at this institution was very unsatisfactory; a large number of unpaid accounts were guaranteed by Government officers or employees, including a number of persons on the hospital staff, from whom no effort was apparently made to collect. The dietary of the nursing staff has for a long time not been governed by an authorised diet scale and this circumstance has permitted a great deal of latitude and some impropriety in dietary issues, while the consumption of drugs during 1960 could not be checked owing to the inadequacy of the records. It was also observed that for a considerable period subsequent to May, 1960, the hospital was without an ambulance and the driver apparently had no duties to perform; it was learnt in January, 1961, that alternative duties had recently been assigned to him.

169. Bartica Hospital. Revenue control and the state of the arrears at this institution were observed to be unsatisfactory, the arrangements for procuring foodstuffs and fuel were uneconomical, and dietary issues were made in accordance with scales which were not duly authorised. No action was taken to recover the cost of a charter flight in connection with medical treatment of a Company employee until the matter was brought to notice by audit a year after the flight.

170. Mabaruma Hospital. It has been brought to notice that there were serious breaches of the regulation governing the remittance of cash receipts. Salary refunds totalling \$368.18 were retained for several months before remittance to Headquarters while patients cash deposits and hospital fees totalling \$159.10 were retained for periods ranging from twelve to six weeks. At this institution, also, revenue control and the state of the arrears were unsatisfactory.

171. Mahaica Hospital. An audit investigation, in October, 1960, of suspected irregularities in the hospital dispensary revealed that no control or supervision was exercised over the ordering and consumption of drugs and other medical supplies and that there was evidence of a substantial loss in expensive drugs. Following Police investigations, the dispenser was interdicted and charged with the fraudulent falsification of entries relating to the issue of certain drugs valued at \$770.55 and the case is awaiting trial. The total value of the irregular issues reported by the Ministry is \$1,402.63.

172. Patients' Property Deposit Accounts. No evidence was seen of reconciliation of the balances shown in the books at the hospitals with those shown in the books at Headquarters. The accounting procedure for in-patients' cash deposits for hospital charges no longer appears to be suitable to present needs and a new procedure has been suggested by the Audit Department which should reduce the clerical work and the possibility of fraud or irregularity.

173. Consultation Fees - Georgetown Hospital. Specialist officers attached to the Georgetown Hospital are entitled, under a Government Order "to receive the full fees for private consultations paid into the Treasury". It is not clear from the audit view-point, however, that the payment to these officers of the full fees collected for consultations at the hospital during official hours, as is the case at present, is covered by this decision or is in accordance with the Regulations and enlightenment on this point is awaited. Confirmation has also been requested as to the propriety of the retention by medical officers of the fees received for issuing certificates to out-patients in connection with sickness benefits.

REGISTRAR GENERAL

174. General Register Office - Internal Supervision and Control. An audit inspection in May, 1961, disclosed various shortcomings in this office - sundry breaches of Financial and Stores Regulations, many clerical omissions, missing fixed fee forms, and undesirable arrangements regarding security - which indicated that internal supervision and control were far from satisfactory. The revenue receipts for the period 14th July, 1959, to 13th September, 1960, were not checked, however, as the cash book and other records were in Police custody. The Ministry requested the Registrar General to take immediate steps to ensure better supervision.

175. Apparent misappropriation of revenue. Consequent on a report by the Registrar General in May, 1959, of irregularities in connection with the issue of a copy of a birth certificate, the office procedures were examined by the Audit Department and certain measures were agreed on for immediate implementation. In July, 1959, the Registrar General submitted a list of apparent misappropriations of fees totalling \$508.40 in respect of the period January to May, 1959, as disclosed by a departmental investigation, but, despite repeated audit inquiries as to further developments, the matter was then allowed to remain in abeyance for a little more than a year before the report required in such cases was submitted to the Financial Secretary. The audit inspection referred to in paragraph 174 indicated that an additional sum of \$105.12 was not accounted for but, as stated, the transactions for a certain period were not examined as the accounting records were then in Police custody. No charge has been laid by the Police nor any disciplinary action taken, to date, and it has been suggested by this Department that this very unsatisfactory situation be referred to the Minister of Finance in connection with the proposed write-off.

HOUSING DEPARTMENT

176. Arrears of revenue. The total of the statement of arrears as at 31st December, 1960, is \$153,967.32 but this figure includes a considerable sum on Treasury deposit at that date in respect of deductions from salaries and wages while it excludes amounts outstanding for certain services and schemes. The arrears on hire-purchase and aided self-help houses are particularly unsatisfactory.

177. Debtors' Accounts. It has not been found practicable to check these accounts, which are kept in the form of a card system, in the absence of satisfactory means of identifying payments with postings.

178. Control of Receipt Books. Forty-two general receipt books were not produced for audit inspection but it has since been learnt that all except two have been located.

179. Fire Insurance on Hire Purchase and Aided Self-help Houses. A large number of persons neglect to pay premiums when due and the Department advances the amounts when so notified by the insurance companies. The unsatisfactory features of this arrangement are that public funds bear improper charges pending recovery (\$5,418 in 1960), an unnecessary accounting and collecting task is placed on the Department, and the houses are not covered by insurance for an average period of two months. It was brought to notice in audit that certain accounts had not been debited, apparently through oversight, with premiums totalling \$870.65.

180. Mechanical Workshop, La Penitence. This workshop repairs and maintains vehicles and other mechanical equipment, but the absence of records indicates little control over the utilisation of spare parts, materials, and tools or over the work done.

181. Stores - La Penitence. The audit reports on storekeeping in the Housing Department over the last few years have described a very unsatisfactory state of affairs. Subsequent to the seizure of a stores ledger by the Police early in 1958, no ledger accounts were kept for the items included in that ledger; but a summary of the transactions in one of these items, corrugated aluminium sheets, was prepared in the course of audit from the available records, in March, 1961, and a very large shortage was indicated. This shortage was later confirmed by a Board of Survey at an approximate value of \$13,000. The ledger accounts referred to have since been written up and it has been decided that a complete survey of stocks at La Penitence should be carried out so as to ascertain the total extent of losses and to enable take-over of the serviceable stores by the Public Works Department. It is understood that disciplinary action will be considered in the light of the total ascertained loss and the Police report on their investigation of the apparent theft of aluminium sheets, but it is evident that supervision and control

of stores transactions and storekeeping arrangements have been seriously neglected. It is a matter for concern that despite the irregularities which occurred in the purchasing of materials a little over three years ago and led to the dismissal of a public officer and the compulsory retirement of another, stores administration deteriorated to such an extent as to permit further large scale irregularities to pass unnoticed.

OTHER ACCOUNTS

182. In addition to the approved programme for the Territory's Accounts, inclusive of the Transport and Harbours Department, the Audit Department carries out, under statute or by administrative arrangement, the audit of 122 other Accounts, as listed in Annexure VI to this Report. The audited statements and the audit reports are submitted to the appropriate Authority. Copies of the audited annual accounts of two Government undertakings, whose auditors are a firm of chartered accountants, are supplied to the Director of Audit who comments on such matters as he considers are of special concern to the Legislature.

183. Trades Unions. In order that effective action might be taken to remedy the general and the many shortcomings in the book-keeping and accounting of Trades Unions, a discussion was held with officials of the Trades Unions Council. As a result, draft instructions for the guidance of Unions were submitted by the Audit Department to the General Secretary in May, 1961, but it is not known whether any further action has been taken in this matter.

184. Central Housing and Planning Authority. The financial statements of this Authority for the year 1959 were first submitted for audit in June, 1960. A lengthy examination disclosed numerous errors and omissions in the accounts and the Housing Administrator was requested to make the necessary corrections and submit fresh statements. New statements were received in July, 1961, but on examination were again found to reflect such a large number of errors that yet another set had to be prepared. This third set of statements, received in November, 1961, awaits examination.

185. Local Government Authorities. With reference to the audits undertaken by the Audit Department, as listed in Annexure VI to this Report, the accounts of 4 Authorities for the year 1959 and 8 Authorities for the year 1960 have not yet been audited. It is regrettable that these audits should be so much in arrear but this is due to non-availability of the audit staff necessary to keep the work up to date.

186. British Guiana Airways(Government). The accounts of this undertaking are audited by a firm of chartered accountants but no annual audited accounts appear to have been presented to the Legislature since its acquisition by the Government in 1955 for the sum of \$822,923. From information obtained to date, this airline was managed on behalf of the Government by

95

British West Indian Airways Limited for a period of two years (April, 1957, to March, 1959) under an agreement which was approved by the Legislature. Since then, the responsibility for its administration appears to have rested solely with the Ministry of Communications and Works but it is not known precisely what control has been exercised over the annual budget. The audited balance sheet as at 31st December, 1960, discloses a capital liability of \$993,254, to the Government, exclusive of working capital advanced (see paragraph 48), and an accumulated loss of \$943,817, after providing for depreciation and obsolescence.

GENERAL

187. Staff. With reference to paragraph 6, it has been brought to the notice of the Government that the present establishment of the Audit Department is clearly insufficient to do all the work required of it. This difficult situation has existed for a long time and has been made even more so by the poor book-keeping and accounting and the defective supervision encountered in so many departments, the incidence and investigation of fraud, and the departure during the last two years, for one reason or another, of many members of the audit staff with a fair amount of audit training and experience. For some time now departmental efforts have been specially directed towards obtaining maximum effectiveness from as well trained an audit staff as circumstances permitted in order to stem and overtake arrears, but the achievement of maximum efficiency of the existing staff still would not obviate the need for more officers at certain levels and it is to be hoped that for 1962 the action taken on the representations made by this Department in this respect will be such as to enable substantial progress to be made towards completion of the annual audit programme in good time; in this connection, it must be borne in mind that the responsibilities placed on the Director of Audit by the Financial Administration and Audit Ordinance, 1961, include a time limit for the submission of his Annual Report on the Territory's Accounts.

188. Acknowledgments. The energy and sense of responsibility shown by the Staff of the Audit Department in dealing with a heavy programme of work during the past year is very much appreciated. The co-operation and assistance received from the Accountant General, Permanent Secretaries, and Heads of Departments in the course of our work is gratefully acknowledged.

D. V. Dunder
Director of Audit

AUDIT DEPARTMENT,
GEORGETOWN,
BRITISH GULIANA.

9th December, 1961.

A. CASH (1)

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
ACCOUNTANT GENERAL:					
1	Shortage of Cash, Cashier Treasury	28	22		Financial Secretary
2	Overpayment of Pension	626	51		" "
3	Shortage of cash, Cashier Treasury	60	10	Cashier surcharged \$15.00	\$43.10: " "
4	Fraudulent receiving of Public Health Inspectors' salary	195	35		Not yet settled
AGRICULTURE:					
5	Theft of cash, Produce Depot, New Amsterdam	200	00	Supervisor surcharged	
6	Theft of Revenue and Imprest cash & vouchers	220	83	Clerk surcharged	
7	Misappropriation of proceeds of retail milk sales, Pasteurisation Plant	49	70		Financial Secretary
CO-OPERATIVE:					
8	Misappropriation of Public Funds	222	20		Not yet settled
CUSTOMS:					
9	Overpayment of salary to a guard	187	18		Not yet settled
10	Misappropriation of Public Funds	17,837	41		" " "
DRAINAGE AND IRRIGATION:					
11	Paymasters' Shortages	105	86		Financial Secretary
12	Shortage in Surveyor's Imprest	96	75		" "
EDUCATION:					
13	Unpaid balance of Leave Advance	75	82		" "
FIRE PROTECTION:					
14	Loss of Cash	50	00	Officer surcharged	

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		£	¢		
	FORESTRY:				
15	Theft of Cash	68	25	Clerk surcharged	
16	Shortage of Royalty, Berbice	65	84		Not yet settled
17	Irregularities, Demerara Division	19,196	40		" " "
	LABOUR:				
18	Indebtedness of Farm Labourer	250	83		Secretary to the Treasury
	LANDS AND MINES:				
19	Overpayment of salary, unpaid leave advance balance and indebtedness of Surveyors Apprentice	131.	20	£103.50 recovered	Balance not yet settled
	LICENCE REVENUE:				
20	Cash Shortage	50	00	£ 25.00 recovered from one clerk £ 25.00 to be recovered from another	
	MINISTRY OF COMMUNITY DEVELOPMENT AND EDUCATION:				
21	Outstanding and unpaid balances Olympic Committee 1956	3,794	00		Governor-in-Council
	MINISTRY OF HEALTH, LABOUR AND HOUSING:				
22	Overpayment of salary	2,998	65		Not yet settled
23	Shortage in Cashier's Imprest	36	80		" " "
	POLICE:				
24	Cash shortages, Police Station, New Amsterdam	60	00	Recovered	
25	Cash collected on Commitment Warrants	113	00		" " "

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		₹	¢		
POST OFFICE:					
26	Shortage in COD Trade Charges, Mackenzie Post Office	5,237	14	Officer imprisoned	Not yet settled
27	Loss of Inland Postal Order, Anna Regina	50	56	No loss; Inland Postal Order not cashed	
28	Shortage in cash, Suddie Post Office	100	00	Telegraph Clerk surcharged	Not yet settled
29	Shortage of Postal Orders, Anna Regina	13	49		
30	Loss of Inland Postal Order, Reliance Post Office	20	20	Recovered	
PRISONS:					
31	Overpayment of salary to dismissed officer	24	52	Paying clerk surcharged \$5.00	Financial Secretary
PUBLIC WORKS:					
32	Paymasters' Shortages	609	73	Paymasters surcharged \$501.08	\$121.47 Financial Secretary \$187.18 not yet settled
33	Overpayment on measurements of Burnt Earth	1,102	60		" " "
34	Wages paid to unknown person	49	00	Witnesses to payment surcharged	
SOCIAL ASSISTANCE:					
35	Balances of motor car and furniture advances owing by Public Assistance Officer	2,947	61		Not yet settled
36	Overpayment of allowance	5	00		Financial Secretary
37	Overpayment of salary	104	87		" "

A. CASH (2)

Losses of Cash Outstanding From Previous Report

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
AGRICULTURE:					
1	Forged purchase vouchers, Produce Depot	926	10		Financial Secretary
2	Produce Depot, New Amsterdam	200	00		Not yet settled
3	Two Minor Losses	17	02		Financial Secretary
DRAINAGE AND IRRIGATION:					
4	Two Minor Losses	32	31	\$2.57	\$ 7.72: Financial Secretary \$22.02: Not yet settled
INTERIOR:					
5	Imprest Cash stolen, Kamarang	525	00		Not yet settled
LOCAL GOVERNMENT:					
6	Village Council cash short	228	03	Recovered	
7	Revenue misappropriated - West Demerara	27	00	Employee imprisoned	No loss to Government
LANDS AND MINES:					
8	Land Ranger, Revenue unaccounted for	7	00		No loss to Government
MEDICAL:					
9	Cheques forged on Salaries Bank Account	28,728	72	Two of the accused imprisoned One acquitted	Not yet settled
POLICE:					
10	Falsification of cash book	26	76		No loss to Government
POST OFFICE:					
11	Misappropriation of Reserve, Petero	1,446	32	Agent imprisoned	Not yet settled
12	Counter shortage, General Post Office	52	46	Officer surcharged \$39.46	\$13.00: Financial Secretary
13	One Minor Loss	20	00	\$20.00	

A. CASH (2) Contd.

ANNEXURE I

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
	PUBLIC WORKS:				
14	Fraudulent alteration of wages vouchers, East Bank Road			Amount not yet known	Not yet settled
15	Paymasters' shortages	404	81	Paymasters surcharged 50%	50%: Financial Secretary
16	Two Minor Losses	27	98	Recovered \$16.65	\$11.33: Financial Secretary
	SOCIAL ASSISTANCE:				
17	Improper payment of assistance	Not yet	known	-	Not yet settled
18	Cash short - New Amsterdam	114	50		Financial Secretary
19	One Minor Loss	10	25	Officer surcharged	

B. STORES (1)

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
AGRICULTURE:					
1	Theft of battery, Central Agricultural Station	40	00		Financial Secretary
2	Theft of 29 bags padi and 29 empty bags	295	80		" "
3	Hacksaw and tools, Central Agricultural Station	46	90		" "
4	1 - 12 volt generator	68	86	Employees surcharged	
5	Spanner, Saw and Galvanised Sheets	35	50		Director of Agriculture
6	Citrus Fruit	120	00		Financial Secretary
7	Theft of parts from motor car	103	85		" "
8	Theft of 12 volt battery from Central Agricultural Station	38	00		" "
9	Theft of 11 Rhode Island hens from Central Agricultural Station	33	00		" "
10	Theft of 1 (one) Holstein Heifer	350	00		" "
11	Theft of metal tool kit	60	00		Not yet settled
12	16 head of cattle from St. Ignatius	800	00		" " "
13	Lucas 12 Volt Generator	50	00		Financial Secretary
14	22 pillows from Central Agricultural Station	66	00		Not yet settled
15	One ½ h.p. Delco Motor	87	00		" " "
CIVIL AVIATION:					
16	Theft of ^{fire} extinguisher from Atkinson Field	28	00		Director of Civil Aviation
17	Theft of two Dunlopillo cushions	40	00		" " " "
CUSTOMS AND EXCISE:					
18	Theft of outboard motor, Morawhanna	72	00		Financial Secretary
19	Theft of 2 cartons cigarettes from Government Warehouse	174	80		" "
DRAINAGE AND IRRIGATION:					
20	Tools from Fowler Challenger Tractor	8	55		Director of Drainage and Irrigation
21	112 square feet Crabwood boards	22	40		" " " " "
22	1 rear wheel of Fordson Tractor	90	00		Financial Secretary
23	1 - 12 volt generator	85	00		" "
24	Shortages in stock - Capoey	1	56		Director of Drainage and Irrigation
25	Larceny of 6 Fuel lines Bagotville	68	00		Financial Secretary
26	Larceny of 15 pieces greenheart	42	00		Director of Drainage and Irrigation
27	Theft of one coil wire rope	150	00		Financial Secretary

B. STORES (1)

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
AGRICULTURE:					
1	Theft of battery, Central Agricultural Station	40	00		Financial Secretary
2	Theft of 29 bags padi and 29 empty bags	295	80		" "
3	Hacksaw and tools, Central Agricultural Station	46	90		" "
4	1 - 12 volt generator	68	86	Employees surcharged	
5	Spanner, Saw and Galvanised Sheets	35	50		Director of Agriculture
6	Citrus Fruit	120	00		Financial Secretary
7	Theft of parts from motor car	103	85		" "
8	Theft of 12 volt battery from Central Agricultural Station	38	00		" "
9	Theft of 11 Rhode Island hens from Central Agricultural Station	33	00		" "
10	Theft of 1 (one) Holstein Heifer	350	00		" "
11	Theft of metal tool kit	60	00		Not yet settled
12	16 head of cattle from St. Ignatius	800	00		" " "
13	Lucas 12 Volt Generator	50	00		Financial Secretary
14	22 pillows from Central Agricultural Station	66	00		Not yet settled
15	One ½ h.p. Delco Motor	87	00		" " "
CIVIL AVIATION:					
16	Theft of ^{fire} extinguisher from Atkinson Field	28	00		Director of Civil Aviation
17	Theft of two Dunlopillo cushions	40	00		" " " "
CUSTOMS AND EXCISE:					
18	Theft of outboard motor, Morawhanna	72	00		Financial Secretary
19	Theft of 2 cartons cigarettes from Government Warehouse	174	80		" "
DRAINAGE AND IRRIGATION:					
20	Tools from Fowler Challenger Tractor	8	55		Director of Drainage and Irrigation
21	112 square feet Crabwood boards	22	40		" " " " "
22	1 rear wheel of Fordson Tractor	90	00		Financial Secretary
23	1 - 12 volt generator	85	00		" "
24	Shortages in stock - Capoey	1	56		Director of Drainage and Irrigation
25	Larceny of 6 Fuel lines Bagotville	68	00		Financial Secretary
26	Larceny of 15 pieces greenheart	42	00		Director of Drainage and Irrigation
27	Theft of one coil wire rope	150	00		Financial Secretary
28	Theft of equipment from dragline, Whim	111	95		" "
29	Theft of equipment from dragline, Whim	35	32		Director of Drainage and Irrigation

B. STORES (1) Contd.

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
	DRAINAGE AND IRRIGATION (CONTD.):				
30	Theft of articles from dragline, Whim	66	77		Financial Secretary
31	Theft of ballahoo, Boerasirie Project Area	150	00		" "
32	Shortage of Tools 10 R.B. Dragline	46	08		" "
33	Theft of Bunk House roof	80	00		" "
34	Theft of tools and Dieselene from Dragline West Bank Demerara	76	61		Secretary to the Treasury
35	Loss of 1 German 100' steel tape	27	95		Director of Drainage and Irrigation
	FIRE PROTECTION:				
36	Loss of stores by fire	6,911	19		Not yet settled
	GEOLOGICAL SURVEY:				
37	Prismatic compass, Bartica	62	40		Financial Secretary
38	Liquid prismatic compass	62	60		" "
39	Loss of Seagull Outboard Motor	260	00		" "
	GOVERNMENT INFORMATION SERVICES:				
40	Volumes of Laws of British Guiana by fire	71,228	43		Not yet settled
	HOUSING:				
41	Theft of generator from Ferguson Tractor	50	00		Financial Secretary
42	Stores shortages	13,190	00		Not yet settled
	LAND DEVELOPMENT:				
43	Stores shortages revealed by survey of stores, Cane Grove	281	24		" " "
44	Hydraulic Jack	27	80	Mechanic surcharged	
45	Theft of 2 magnetos	140	00		Financial Secretary
46	10 bags basic slag fertiliser	54	92		" "
47	Theft of alemite grease gun, Anna Regina	90	00	Recovered from operator and others	
48	800 feet boards, Dairy pen, Greenwich Park	48	00		Financial Secretary
	MINISTRY OF HEALTH, LABOUR AND HOUSING:				
49	Misappropriation of drugs - Mahaica Hospital	1,402	63		Not yet settled
50	Theft of electric desk fan, Georgetown Hospital	42	70		Financial Secretary
51	Loss of dextrose and Sterivac Solution	33	90		Director of Medical Services
52	2 duck-billed specula	32	52		Permanent Secretary

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		£	¢		
MINISTRY OF HEALTH, LABOUR AND HOUSING (CONTD.):					
53	Stores, Mahaica Hospital	127	38		Not yet settled
54	Loss of camera, range finder and case	197	00	Employee surcharged \$50.00	\$147.00 written off by Financial Secretary.
55	1 duck-billed speculum	29	16		Not yet settled
56	Theft of surgical equipment, Georgetown Hospital	47	75		Financial Secretary
57	Theft of table top and desk drawer	50	00	Employee surcharged \$ 5.00	\$45.00 written off by Financial Secretary
58	Shortage of supplies, New Amsterdam Hospital	Not determined			Not yet settled
59	Linen and crockery Interns' Flat	30	86		Financial Secretary
MINOR INDUSTRIES:					
60	Jewellery from Sales and Display Centre	33	25		Financial Secretary
POST OFFICE:					
61	4 - one gallon cans white paint, Skeldon	38	00	Employee convicted; 2 tins recovered \$19.00	\$19.00 Financial Secretary
62	18 coils copper wire from Telecommunications Stores	1,386	00	\$924.00 recovered	\$462.00: " "
63	Theft of Telephone Cable	381	63	Cable valued \$62.00 - recovered	Financial Secretary
64	Tools and wheel-barrow, Vreed-en-Hoop	44	58		Not yet settled
65	Stamps, stationery, and Inland Postal Orders by fire at Queen's Warehouse on 11th March, 1961	(Face Value) 30,000 00			" " "
66	258 - 12¢ and 284 - 6¢ B.G. Aerogrammes	Not determined			Face value of forms written off by Financial Secretary
67	Stores destroyed by fire	117,665	57		Not yet settled
PRISONS:					
68	Theft of 2 raincoats from Prison Compound, Georgetown	58	00		Financial Secretary
PUBLIC WORKS:					
69	Theft of scrap pieces of old electric wire	27	75	Accused convicted	Financial Secretary
70	Lucas Electric Petrol Pump	35	00		" "
71	Shortage of 63.85 tons of stone, Makouria	178	78		" "
72	Losses revealed by stock verification at Central Stores	644	29		The Governor
73	Stock deficiencies	27	76		Director of Public Works
74	1 gallon paint by leakage	7	05		" " " "
75	144 feet wire rope Sea Defence, West Coast Berbice	28	00		Financial Secretary

B. STORES (1) Contd.

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
	PUBLIC WORKS (CONTD.):				
76	Larceny of one oxygen guage, and one acetylene guage	50	00	Overseer and operator surcharged \$10.00 each	Balance written off by Financial Secretary
77	One J.D. ½" Water Pump	50	00		Not yet settled
78	19 gallons Tereso No. 65 Lubricating Oil (leaking drum)	38	00		Director of Public Works
79	Sinking and salvaging of Pontoon, and 140tons boulder	700	00		Financial Secretary
80	Theft of explosives, Bartica-Potaro Road Project	71	69		" "
81	6 corrugated galvanised sheets in transit	25	27		Director of Public Works
82	Stores shortages, Pure Water Supply	84	31		Financial Secretary
83	Theft of used batteries, propellers and radiators	772	00		Not yet settled
84	Shortages revealed by stock verifications, Suddie	212	49		Financial Secretary
85	Theft of 2 steel drums at Alness	50	00		Director of Public Works
86	Theft of machine tools at Atkinson Field	482	58		Secretary to the Treasury
87	Shortages of tools revealed by stock verification	626	56		Not yet settled
88	Theft of one 12 volt generator	71	64		" " "
89	Small tools, Emergency Sea Defences, West Coast Demerara	44	44		Director of Public Works
90	Bulldozer seat	101	43		Not yet settled
91	Lumber by deterioration	92	00		Financial Secretary
92	Aluminium Telehoist Pump	250	00		Not yet settled
93	Theft of one Tarpaulin	35	00		Financial Secretary
94	6 iron shelves and 1 spindle, Kingelly Sluice	75	00		" "
95	Loss of equipment and rations due to sinking of boat	126	23		" "
96	Theft of one Tarpaulin	43	50		Director of Public Works
97	Theft of one electric pump motor	100	00		Not yet settled
98	Theft of mild steel plate	74	44		Financial Secretary
99	Theft of ten 8' galvanised corrugated sheets	40	00		Secretary to the Treasury
100	3 gallons paint	28	19		Not yet settled

LOSSES OF STORES OUTSTANDING FROM PREVIOUS REPORT

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
<u>AGRICULTURE:</u>					
1	Theft of fish from Depot	166	32		Financial Secretary
2	Milk churns stolen, Mahaicony	40	00		" "
3	Heifer stolen, Mon Repes	150	00		Not yet settled
4	Micrometer missing, Mon Repes	28	00	Recovered \$28.00	
5	Fifteen Minor Losses	151	32	" \$32.50	Director of Agriculture \$ 83.82 Financial Secretary \$ 20.00 Not yet settled \$ 15.00
<u>CO-OPERATIVE:</u>					
6	One Minor Loss	21	00		Not yet settled
<u>DRAINAGE AND IRRIGATION:</u>					
7	Tools stolen from dragline	95	78	Recovered \$ 1.75	Financial Secretary
8	Thirteen Minor Losses	146	92	" \$ 4.80	Director of Drainage & Irrigation \$142.12
<u>FOREST:</u>					
9	Three Minor Losses	19	82	" \$ 4.00	Conservator of Forests \$ 11.82 Financial Secretary 4.00
<u>GEOLOGICAL:</u>					
10	Platinum Crucible Stolen	80	00		Financial Secretary
<u>GOVERNMENT INFORMATION SERVICES:</u>					
11	One Minor Loss	15	00		Chief Information Officer
<u>HOUSING:</u>					
12	Tools stolen, La Penitence	303	89		Not yet settled
13	Stores Stolen, La Penitence	297	54	Recovered \$70.74	Financial Secretary \$226.80
14	Generators stolen from tractors	150	00		" "
<u>LAND DEVELOPMENT:</u>					
15	One Minor Loss	5	00		Director of Land Development

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		£	p		
	<u>LANDS AND MINES:</u>				
16	Theft of Office Equipment	516	00	Watchman surcharged \$ 5.00	Financial Secretary
	<u>LOCAL GOVERNMENT:</u>				
17	Boat sunk	150	00		" "
	<u>MEDICAL:</u>				
18	Loss of drugs in transit	170	00		" "
19	Loss of linen, Public Hospital, Georgetown	109	24		Not yet settled
20	Four Minor Losses	15	70		Director of Medical Services
	<u>MINOR INDUSTRIES:</u>				
21	Jewellery missing	92	50		Financial Secretary
	<u>POLICE:</u>				
22	Seized whisky stolen - approximately	138	00		" "
	<u>POST OFFICE:</u>				
23	Water Pump stolen	100	00		" "
24	Petrol unaccounted for	101	22	Recovered \$47.50	" "
25	Tools stolen	377	16		" "
26	Bicycle stolen, McKenzie	35	00	Officer surcharged	" "
27	Cement stolen, Anna Regina	44	12		" "
	<u>PUBLIC WORKS:</u>				
28	Brass bearings stolen	45	00		Not yet settled
29	Cement shortage	121	00		" " "
30	Tools stolen, Mahaica	20	20		" " "
31	Tar short	557	78		" " "
32	Tarpaulin stolen from tug	200	00	Watchmen surcharged	
33	Scrap lead stolen	32	00		Financial Secretary
34	Lorry generator stolen	40	00		" "
35	Lumber stolen	118	06		" "

B. STORES (2) Contd.

ANNEXURE I

ITEM NO.	BRIEF DESCRIPTION OF THE CASE	AMOUNT		RECOVERY OR ACTION	AUTHORITY FOR WRITE-OFF
		\$	¢		
<u>PUBLIC WORKS CONTD:</u>					
36	Stores Short, Springlands	78	78		Not yet settled
37	Tools lost, Yard	59	55		" " "
38	Cement stolen	133	80		Financial Secretary
39	Engine block stolen, Yard	30	00		" "
40	Block chain stolen	35	00		" "
41	Tug light stolen	35	00		" "
42	Electric wire stolen, Best Hospital	28	80		" "
43	Tools stolen from Workshop	219	00		" "
44	Roofing stolen off field office	27	65		" "
45	Spares and stores shortages	556	73		" "
46	Damage to tug	1,752	06	Captain surcharged 5%	Secretary of State
47	Forty-three Minor Losses	427	98	Recovered \$57.02	Financial Secretary \$320.99 Director of Public Works \$23.06 Not yet settled \$26.91
<u>SOCIAL ASSISTANCE:</u>					
48	Theft from ration store	136	92		Financial Secretary

MISALLOCATIONS - \$50 AND OVER BROUGHT TO NOTICE TOO
LATE FOR ADJUSTMENT IN THE ACCOUNTS
FOR THE YEAR, 1960

1. ADMITTED BY THE ACCOUNTANT GENERAL

Allocated To Head and Sub-head	Amount \$ ¢		Should Have Been Allocated To Head and Sub-head
Exp.			
12A Education - S/H 1	Dr.	854 00	12A Education - S/H 14
23 Land Development - S/H 12	Dr.	414 00	23 Land Development - S/H 10
27 Medical - S/H 17	Dr.	521 47	Dev. VII - Health - S/H 5
32 Miscellaneous - S/H 23	Dr.	320 40	Deposits for Investment - Post Office Savings Bank
33 Miscellaneous - S/H 6	Dr.	4,094 75	33 Miscellaneous - S/H 2
38 Post Office -S/H 1	Dr.	911 28	40 Post Office Savings Bank - S/H 1
44A Public Works and Sea Defences - Annually Recurrent- S/H 22B	Dr.	477 55	44A Public Works and Sea Annually Recurrent - S/H 21B
44A Public Works and Sea Defences - Annually Recurrent- S/H 5	Dr.	934 56	52 Public Works - Non- Recurrent - S/H 5
44A Public Works and Sea Defences - Annually Recurrent- S/H 1	Dr.	2,008 08	52 Public Works - Non-Recurrent - S/H 5
Advances - Director of Public Works	Dr.	1,448 03	12A Education - S/H 22C
Dev. VIII - Housing - S/H 1.18	Dr.	1,408 00	Dev. VIII - Housing - S/H 1.15
Dev. XII - Public Works S/H 7	Dr.	357 20	Dev. XII - Public Works S/H 9

In addition there were 24 misallocations of under \$50 (\$240.00) each, totalling \$1,503.30 which were brought to notice too late for adjustment.

ANNEXURE II (Contd.)

2. NOT YET ADMITTED BY THE ACCOUNTANT GENERAL

Allocated To		Amount		Should Have Been Allocated To
Head and Sub-head		\$	¢	Head and Sub-head
Rev.				
IV	Fees of Court - S/H 26	Cr. 10,207	07	IV Fees of Court - New Sub-head was required.
IV	Fees of Court - S/H 29	Cr. 3,237	51	IV Fees of Court - New sub-head was required.
X	Miscellaneous - S/H 1	Cr. 1,819	71	Dev. XI Post Office - S/H 2.
Exp.				
12A	Education - S/H 53	Dr. 1,483	30	Dev. IV Education - S/H 3.
44A	Public Works and Sea Defences - Annually Recurrent- S/H 15	Dr. 414	25	8 Civil Aviation - S/H 10.

In addition there was one misallocation of under £50 (\$240.00) of \$103.35 which was brought to notice too late for adjustment.

ARREARS OF REVENUE AT 31ST DECEMBER, 1960

Department	1956 and Previous Years		1957		1958		1959		1960		Total Arrears at 31.12.60	
	£	¢	£	¢	£	¢	£	¢	£	¢	£	¢
Agriculture	323	41	402	77	337	52	188	03	5,470	45	6,722	18
Analyst	-	-	-	-	-	-	-	-	46	00	46	00
Audit	-	-	-	-	-	-	-	-	400	69	400	69
Central Housing and Planning Authority	1,681	14	6,027	28	14,621	80	24,831	97	106,805	13	153,967	32
Civil Aviation	16,649	95	118	00	1,469	09	653	66	-	-	18,890	70
Customs and Excise	398	61	14	42	105	60	162	50	366	82	1,047	95
Drainage and Irrigation	3,074	31	-	-	-	-	-	-	-	-	3,074	31
Education	-	-	-	-	-	-	55	00	357	50	412	50
Essequibo Boys' School	-	-	16	66	61	26	33	93	468	27	580	12
Licence Revenue	-	-	101	00	50	00	31	00	67	50	249	50
Inland Revenue	-	-	-	-	-	-	-	-	936,348	82	936,348	82
Government Printing	-	-	-	-	1,358	80	-	-	604	80	1,963	60
Geological Surveys	-	-	-	-	8	76	-	-	1	66	10	42
Fire Protection	192	13	11	34	132	48	83	95	424	78	844	68
Forests	2,771	55	909	29	1,535	08	4,241	82	58,325	40	67,783	14
Land and Mines	23,394	57	4,213	21	4,894	08	4,043	93	9,351	34	46,697	13
Land Development	87,703	33	21,598	69	17,278	29	24,575	10	-	-	151,155	41
District Administration East Berbice	-	-	552	01	150	00	305	00	-	-	1,007	01
District Administration East Demerara	-	-	-	-	-	-	1,499	76	-	-	1,499	76
District Administration Essequibo	-	-	-	-	-	-	-	-	567	68	567	68
District Administration West Demerara	-	-	-	-	-	-	395	75	-	-	395	75
Magistrate's Office Georgetown	21,999	99	13,155	11	56,705	06	39,496	38	104,278	76	235,635	30
Magistrate's Office Berbice	3,144	05	3,559	75	6,669	54	7,736	54	16,048	01	37,157	89
Magistrate's Office Courantyne	729	33	669	52	1,423	38	1,284	10	8,350	62	12,456	95
Magistrate's Office East Demerara	929	46	1,625	61	2,265	64	3,047	66	16,741	36	24,609	73
Magistrate's Office West Demerara	2,031	53	2,588	52	3,134	30	2,908	60	12,308	78	22,971	73
Magistrate's Office Essequibo	1,499	28	1,691	87	1,686	94	3,760	23	7,787	87	16,426	19
Medical	10,276	16	2,944	60	2,942	26	4,593	74	-	-	20,756	76
Posts and Telecommunications	1,952	30	836	56	2,647	81	1,779	97	47,114	99	54,331	63
Prisons	-	-	-	-	-	-	-	-	35	80	35	80
Public Works	4,623	46	463	74	954	08	641	21	2,151	75	8,834	24
TOTALS	183,374	56	61,499	95	120,431	77	127,149	83	1,334,424	78	1,826,880	89

AUTHORITIES FOR EXPENDITURE FOR THE
YEAR, 1960

A. ORIGINAL ESTIMATES

- (a) Approved by the Legislative Council on 22nd January, 1960.
- (b) Approved by the Secretary of State in his despatch No. 676 of 2nd September, 1960.

B. APPROPRIATION ORDINANCE

- (a) Enacted by Ordinance No. 4 of 1960, which was passed by the Legislative Council on 22nd January, 1960.
- (b) Notice of non-disallowance was published in the Official Gazette of 24th September, 1960.

C. (1) PROVISIONAL GENERAL WARRANT

The Provisional General Warrant was signed by the Financial Secretary on 2nd January, 1960.

(11) GENERAL WARRANT

The General Warrant was signed by the Financial Secretary on 25th January, 1960.

D. EXPENDITURE IN EXCESS OF THE ESTIMATES

Schedule Nos.	Period	Amount ₹	Date Approved By Legislative Council	Date Approved By Secretary of State
1 - 10	January - February	126,420	15. 6.60	30.1.61 Savingsgram No. 84
1 - 24	March - May	67,112	19.10.60	do.
1 - 28	June - July	180,649	30.12.60	do.
1 - 53	August - September	418,644	9.12.60	do.
1 - 50	October - November	510,802	21.12.60	do.
1 - 81	December	2,043,339	28.12.60	do.
	Final	498,943	Not yet Approved	-

E. SUPPLEMENTARY APPROPRIATION ORDINANCE

- (a) Enactment. Not yet notified
- (b) Non-disallowance. Not yet notified.

OTHER ACCOUNTS AUDITED BY THIS DEPARTMENT

Independent Or Statutory

Amerindian Purposes Fund

Boodhoo Memorial Scholarship Fund

British Caribbean Currency Board (B.C. Centre)

British Council

British Guiana Museum

Buxton Scholarship Fund

Central Housing & Planning Authority

De Saffon Trust Fund

Drainage & Irrigation Board

Fines Funds (15)

Fire Brigade Reward Fund

General Nursing Council

Georgetown Planning Commissioners

Georgetown Town Council

Georgetown Sewerage and Water Commissioners

Georgetown Mariners' Club

Immigration Accounts

Infant Welfare & Maternity League

Jackson Memorial Scholarship Fund

Kamarang Trade Store

Lethem Trade Store

Local Government Board Districts' Guarantee Fund

Ministry of Pensions

Mitchell Trust Fund

Mutual Security Agency

New Amsterdam Town Council

New Widows & Orphans' Fund

Pateir Trust Fund

Post Office Savings Bank

Public Free Library

Public Officers' (Defaults) Reserve Fund

Public Officers' Housing Loan Committee

Public Officers' Insurance Scheme

Remembrance Day Relief Committee

Supreme Court Law Library

Sugar Industry Labour Welfare Fund

Sugar Industry Rehabilitation and Price Stabilisation Funds

Trotman Trust Fund

Village Chairmen's Conference Scholarship Fund.

Independent Or Statutory (Contd.)Local Government Authorities (17):-

1. Crabwood Creek Village District
2. Lots Nos. 67-74 Village District
3. Lots Nos. 57-66 Village District
4. Lots Nos. 52-56 Village District
5. Lancaster-Liverpool-Manchester Village District
6. Ulverston-Alness-Salton Village District
7. Rose Hall Village District
8. Whim Village District
9. Buxton & Friendship Village District
10. Beterverwagting-Triumph Village District
11. Plaisance Village District
12. Kitty & Alexanderville Village District
13. Lodge Village District
14. Christianburg and Wismar Village District
15. Canals Forder Village District
16. Bartica Village District
17. East Mahaicony Village District

Trade Unions (44):-

The British Guiana Labour Union
 Man-Power Citizens' Association
 The Transport Workers' Union of British Guiana
 British Guiana Post Office Workers' Union
 British Guiana Amalgamated Building Trade
 Workers' Union
 Government Employees' Union
 Cosmopolitan Workers' Union
 British Guiana Commission Agents' Association
 The Forest Products Association of British Guiana
 British Guiana and West Indies Sugar Boilers' Union
 The British Guiana Licensed Spirit Dealers'
 Association
 The British Guiana Dental Assistants and Mechanics'
 Association
 British Guiana Headmen's Union
 The Municipal Labour Trades Union
 Sugar Estates Clerks' Association
 The British Guiana Bakery Proprietors' Association
 The Guiana Industrial Workers' Union
 The Guianese Workers' Federation
 The British Guiana Civil Service Association

Trade Unions (44) Contd.

Public Works, Pure Water Supply, and Sea Defences
Workers' Union

The British Guiana Land Surveyors' Association

The Clerical and Commercial Workers' Union

The British Guiana Mine Workers' Union

Federation of Unions of Government Employees

The Printers' Industrial Union

Public Works Department Contractors' Association

Saw-Mill and Woodworkers' Union

British Guiana Trades Union Council

British Guiana Women's Social Union

British Guiana Postmasters' Union

British Guiana Medical Employees' Union

Local Government Officers' Association

British Guiana Seafarers' Union

General Workers' Union

British Guiana Hire Car Owners' Union

B.G. Rice Marketing Board Workers' Union

British Guiana Rice Workers' Union

Guiana Air Transport Trade Union

British Guiana Law Clerks' Association

British Guiana Rice Millers' and Landlords Association

The Pilots' Association of British Guiana

The United Mineral and General Workers' Union

The British Guiana Teachers' Association

The British Guiana Women's Public Health Officers
Association

Government Ancillary Organisations

Central Produce Depot

Minor Industries

Commodity Control

Milk Pasteurisation Plant

Fish Market & Centre

New Amsterdam Produce Depot

Ham & Bacon Factory

Processing Factory

AUDIT CERTIFICATE

The attached Statements have been examined in accordance with Article 113 of the Constitution under the British Guiana (Constitution) Order in Council, 1961. I have obtained all the information and explanations that I have required, and I certify, as a result of this audit, that in my opinion the Statements are correct, subject to the observations contained in my Report dated the 9th December, 1961.

L. V. Dandridge

Director of Audit

AUDIT DEPARTMENT,
GEORGETOWN,
BRITISH GUIANA.

9th December, 1961.

139

STATEMENT
BRITISH GUIANA ANNUAL
STATEMENT SHOWING THE TOTAL RECEIPTS

RECEIPTS	Amount Estimated		Actual Receipts		More Than Estimated		Less Than Estimated	
	\$	c.	\$	c.	\$	c.	\$	c.
HEADS OF REVENUE								
I. Customs & Excise	24,736,800	00	28,103,304	68	3,366,504	68		
II. Licences	998,000	00	1,061,035	52	63,035	52		
III. Internal Revenue	17,462,000	00	18,670,183	01	1,208,183	01		
IV. Fees of Court or Office, Payments, etc.	2,691,100	00	2,688,816	24			2,283	76
V. Post Office Telegraphs & Telephones	1,656,600	01	1,745,826	89	89,226	89		
VI. Rents	235,000	00	204,718	10			30,281	90
VII. Forests, Lands & Mines	898,925	00	1,010,683	42	111,758	42		
VIII. Interest	865,100	00	815,273	58			49,826	42
IX. Refunds of Loans made by the Colony	680,000	00	593,584	26			86,415	74
X. Miscellaneous	1,328,100	00	1,304,161	12			23,938	88
Total Annually Recurrent Revenue	51,551,625	00	56,197,586	82	4,838,708	52	192,746	70
XI. Sale of Crown Lands							1,000	00
XII. Sale of Colony Lands		1,000						
Grand Total Revenue	51,552,625	00	56,197,586	82	4,838,708	52	193,746	70
OTHER MATTERS OF ACCOUNT.								
Advances	\$	13,119,241	54					
Advances — Joint Consolidated Fund		11,812,800	00					
Deposits		38,305,722	94					
Deposits for Investment		20,946,502	66					
Deposits Invested		7,582,557	51					
Imprests		537,947	41					
Remittances		38,552,859	46					
Public Debt Funded —								
Sinking Funds	\$	1,600,020	47					
Sinking Funds Investments		5,822,627	15					
H.M.G. Exchequer Loan		8,004,000	00					
Repayment of H.M.G. Loan		508,144	86					
Repayment of Colonial Development and Welfare Loans		52,564	06					
Loan Expenditure Ord. 22 of 1935		1,230,588	30					
Barclays Overseas Development Corporation Ltd.		1,200,000	00	18,417,944	84			
Loan Account		5,500,000	00					
Trustees of Sinking Funds		18,217,586	48					
Invested Surplus Balances		22,618	02					
				173,015,780	86			
Total	..	..	..	229,213,367	68			
Development Fund	..	..	..	18,835,895	86			
Total	..	..	..	248,049,263	54			

I.
 ABSTRACT ACCOUNT, 1960.
 AND PAYMENTS IN THE YEAR 1960.

PAYMENTS		Amount Approved	Actual Expenditure	Excesses	Savings
		\$ c.	\$ c.	\$ c.	\$ c.
HEADS OF EXPENDITURE					
BALANCE AT 31ST DECEMBER, 1959			303,559 54		
I.	Governor	50,851 00	57,381 21	6,529 21	
1A.	Governor's Secretariat	41,684 00	43,260 56	1,576 56	
2.	Legislature	168,311 00	176,627 82	8,316 82	
3.	Agriculture	1,962,068 00	2,138,056 57	175,988 57	
4.	Analyst	69,120 00	57,863 45		11,256 55
5.	Audit	174,528 00	168,863 86		5,664 14
6.	Central Housing, etc.	50,761 00	51,275 01	514 01	
7.	Chief Secretary's Office	83,408 00	98,777 26	15,369 26	
7A.	Establishment	168,862 00	165,002 13		3,859 87
7B.	Information Services	180,497 00	174,569 40		5,927 60
8.	Civil Aviation	203,765 00	217,754 42	13,989 42	
9.	Co-operatives	171,353 00	168,172 86		3,180 14
10.	Customs and Excise	706,591 00	691,358 26		15,232 74
11.	Drainage & Irrigation Department	581,575 00	568,976 67		12,648 37
11A.	do. do. Annually Recurrent	337,844 00	299,650 53		38,193 47
12 & 12A.	Education	6,840,985 00	6,886,077 34	45,092 34	
13.	Essequibo Boys' School	111,954 00	86,539 71		25,414 29
14.	Finance — Finance Secretariat	57,535 00	57,614 56		4,920 44
14A.	do. Statistical Bureau	24,711 00	25,112 19	401 19	
15.	do. Accountant General	141,779 00	135,323 87		6,455 13
15A.	do. Central Registry	26,407 00	26,251 69		155 31
16.	do. Licence Revenue	69,041 00	68,330 95		710 05
17.	do. Inland Revenue	153,638 00	147,476 41		6,161 59
18.	Fire Protection	492,645 00	445,910 58		46,734 42
19.	Forest	638,730 00	568,303 46		70,426 54
20.	Interior	209,416 00	197,708 11		11,707 89
21.	Labour	181,084 00	169,121 20		11,962 80
22.	Lands and Mines	441,400 00	455,928 25	14,528 25	
23.	Land Development	680,283 00	633,359 38		46,923 62
24.	Law Officers	125,088 00	129,887 44	4,799 44	
25.	Local Government	334,905 00	342,330 36	7,425 36	
25A.	do. do. Social Welfare	105,493 00	104,554 30		938 61
25B.	Probation Service	59,032 00	60,028 45	996 45	
26.	Magistrates	421,937 00	415,620 17		6,316 83
27.	Medical	1,266,365 00	1,337,106 90	70,741 90	
27A.	do. Bacteriological	196,964 00	161,900 77		35,063 23
27B.	do. X-Ray	101,559 00	95,490 72		6,068 28
27C.	do. Hospitals & Dispensaries	4,443,915 00	4,382,797 65		61,117 35
28.	Ministry of Communications & Works	48,570 00	59,879 34	11,309 34	
29.	Ministry of Labour, Health & Housing	41,897 00	44,262 35	2,365 36	
30.	Ministry of Natural Resources	55,312 00	50,628 26		4,683 74
31.	Ministry of Trade & Industry	106,834 00	64,673 30		42,160 70
32.	Miscellaneous	2,043,108 00	2,578,742 95	535,634 95	
33.	do. Subventions Etc. Municipal	423,225 00	461,959 38	38,734 38	
34.	do. do. Other than Municipal	1,323,145 00	1,338,516 75	15,371 75	
35.	Official Receiver	33,502 00	39,366 38	5,864 38	
36.	Pensions & Gratuities	2,118,073 00	2,340,777 75	222,704 75	
37.	Police	3,482,473 00	3,333,026 84		149,446 16
38.	Post Office	1,331,457 00	1,481,707 26	150,250 26	
39.	do. Telecommunications & Electrical Inspectors' Branch	931,713 00	918,870 00		12,843 00
40.	do. Savings Bank	60,431 00	57,434 95		2,996 05
41.	Prisons	496,276 00	467,078 72		29,197 28
42.	Public Debt	6,133,400 00	5,764,803 98		368,596 02
43.	Public Service Commission	38,572 00	34,425 53		4,146 47
44.	Public Works Department	1,213,083 00	1,195,928 62		17,154 38
44A.	do. and Sea Defences — Annually Recurrent	3,601,350 00	3,579,727 59		21,622 41
45.	Registration — Births, Deaths & Marriages	64,417 00	61,531 51		2,885 49
45A.	Registration — Immigration Office	28,670 00	24,941 57		3,728 43
46.	Social Assistance	1,860,426 00	1,837,852 82		22,573 17
47.	Supreme Court	394,651 00	398,179 07	3,528 07	
48.	Transport & Harbours	1,800,000 00	1,828,748 17	28,748 17	
49.	Volunteer Force	114,168 00	104,580 82		9,587 18
50.	Loans from Public Funds	245,000 00	208,662 96		36,337 04
51.	Commodity Control	96,581 00	65,645 79		30,935 21
52.	Public Works Non-Recurrent	300,000 00	344,125 88	44,125 88	
GRAND TOTAL EXPENDITURE		50,462,418 00	50,691,393 08	1,424,907 07	1,195,931 99
OTHER MATTERS OF ACCOUNT					
Advances	10,076,905 37				
Advances — Joint Consolidated Fund	16,478,400 00				
Deposits	38,522,789 95				
Deposits for Investment	20,528,511 82				
Deposits Invested	6,575,883 18				
Imprests	636,039 58				
Remittances	38,622,847 46				
Public Dept Funded —					
Sinking Funds	\$ 1,744,300 43				
Sinking Funds Investments	5,678,347 19				
H.M.G. Exchequer Loan	508,144 86				
Colonial Development and Welfare Loans	52,564 06				
Stockholders Ord. 22 of 1935	1,230,588 30				
Loan Expenditure Ord. 30 of 1960	1,200,000 00				
Loan Expenditure H.M.G. Loan	8,004,000 00	18,417,944 84			
Loan Account	5,500,000 00				
Trustees of Sinking Funds	18,217,586 48				
General Revenue Balance A/C	5,528,811 76		179,105,720 44		
Balance Brought Down			303,559 54		
Development Fund			15,831,069 43		
Balance on Accountant General's Account at 31st December, 1960			2,117,521 05		
Total			248,049,263 54		

R. P. FARNUM
 Accountant-General. (Agd)

T.P. Farnum
 29th September, 1960

STATEMENT II

(I)

Statement of Assets and Liabilities as at 31st December, 1960

Previous Year		LIABILITIES	Previous Year		ASSETS
\$ 3,595,062.58	Deposits	\$ 3,377,995.57	\$ 114,822.89	Cash Balances	
37,587,477.47	Deposits for Investment	38,005,468.31	720.00	Imprest—Local	\$212,915.06
5,201,672.25	General Revenue Balance Account	5,179,054.23	Cr 303,559.54	Australia	720.00
	Development Fund	2,409,800.03	16,956.52	Accountant General's Account	2,117,521.05
638,400.00	Advances made to the Colony from Joint Consolidated Fund	—		Remittances	86,944.52
				Joint Consolidated Fund	\$ 2,418,100.63
			417,178.48	Invested Surplus Balances at Market Value 31.12.60	4,027,200.00
			9,534,443.14	Advances	394,560.46
			36,647,024.41	Deposits Invested	6,492,106.97
			595,026.40	Development Fund	35,640,350.08
					—
<u>\$ 47,022,612.30</u>		<u>\$48,972,318.14</u>	<u>\$47,022,612.30</u>		<u>\$48,972,318.14</u>

- (i) There is a contingent liability of \$2,655,431.11 representing the Capital Deficiency of the Post Office Savings Bank at 31st December, 1960.
- (ii) In accordance with Legislative Council Resolution No. 11 dated 19th December 1952, Government has guaranteed repayment of the Capital Debenture Loans of \$4,901,208.79 and Working Capital Advances of \$1,200,000.00 made to the British Guiana Rice Development Company Ltd. The working Capital Advances were repaid on the 30th April, 1961.
- (iii) Government has guaranteed repayment of a loan of \$120,000.00 made by the Colonial Life Insurance Company to the Local Authority of the Newtown Country District. The balance of the loan at 31.12.60 is \$106,719.62.
- (iv) Government has guaranteed short term credit to the limit of \$500,000.00 by Barclays Bank, D.C.O. to Co-operative Societies. The amount on loan to Co-operative Societies at 31.12.60 is \$27,511.81.
- (v) There is a contingent liability of \$293,076.19 representing the accumulated deficit on the Mahaicony/Abary Rice Cultivation Scheme at 31st August, 1956. The settlement of this liability is dependent on the future progress of the British Guiana Rice Development Company Ltd.
- (vi) Government has also guaranteed a short term overdraft of \$2,000,000.00 to the B.G. Rice Development Co., Ltd. by Barclays Bank, D.C.O. and Royal Bank of Canada.
- (vii) An amount of \$899,315.04 (unaudited) in respect of under issues from Colonial Development and Welfare Funds at 31.12.60 is due to the Government.

R. P. FARNUM,
Accountant General (Ag.)

R. P. Farnum
29th September, 1961

STATEMENT II (Continued).

(3)

Surplus and Deficit Account, 1960.

Previous Year.						Previous Year.								
\$ 45,506,919.11	To Expenditure	..	..	..	..	\$ 50,691,393.08	\$ 48,762,911.24	By Revenue	..	..	..	..	..	\$ 56,197,586.82
<u>3,255,992.13</u>	„ Surplus	..	..	..	..	5,506,193.74								
<u>\$ 48,762,911.24</u>						<u>\$ 56,197,586.82</u>	<u>\$ 48,762,911.24</u>							<u>\$ 56,197,586.82</u>

(4)

General Revenue Balance Account, 1960.

To Appropriation to Development Fund	..	..	..	..	\$ 5,506,193.74	By Balance at 31st December, 1959	..	..	..	..	..	\$ 5,201,672.25
„ Depreciation of Investments	..	..	..	..	22,618.02	„ Surplus and Deficit Account	..	..	..	..	..	\$ 5,506,193.74
„ Balance at 31st December, 1960	..	..	..	..	\$ 5,179,054.23							
					<u>\$ 10,707,865.99</u>							<u>\$ 10,707,865.99</u>

STATEMENT XIII
DEVELOPMENT FUND

Receipts and Payments for the year ended 31st December, 1960.

RECEIPTS		PAYMENTS	
To amount appropriated from		By Balance	\$ 595,026.40
(i) Surplus balances	\$5,506,193.74	„ Expenditure during 1960 on Development Projects	15,800,866.49
(ii) Colonial Development and Welfare Grants		„ Balance	2,409,800.03
(a) In respect of the under-issues 1959	\$1,330,002.41		
(b) In respect of the Development Expen- diture 1960	3,918,666.77		
	5,248,669.18		
(iii) United Nations Special Fund	46,830 00		
(iv) H.M. Government (Exchequer Loan)	8,004,000.00		
	<u>\$18,805,692.92</u>		<u>18,805,692.92</u>

There was due to the Development Fund at the 31st December, 1960 a sum of \$889,315.04 in respect of under-issues on Colonial Development and Welfare Schemes as shown in Statement XV.

R. P. FARNUM,
Accountant General (Ag.)

R. P. Farnum
29th September, 1961

STATEMENT XIII
DEVELOPMENT FUND

Receipts and Payments for the year ended 31st December, 1960.

RECEIPTS		PAYMENTS	
To amount appropriated from		By Balance	\$ 595,026.40
(i) Surplus balances	\$5,506,193.74	„ Expenditure during 1960 on Development Projects	15,800,866.49
(ii) Colonial Development and Welfare Grants		„ Balance	2,409,800.03
(a) In respect of the under-issues 1959	\$1,330,002.41		
(b) In respect of the Development Expen- diture 1960	<u>3,918,666.77</u>		
	5,248,669.18		
(iii) United Nations Special Fund	46,830 00		
(iv) H.M. Government (Exchequer Loan)	8,004,000.00		
	<u>\$18,805,692.92</u>		<u>18,805,692.92</u>

There was due to the Development Fund at the 31st December, 1960 a sum of \$889,315.04 in respect of under-issues on Colonial Development and Welfare Schemes as shown in Statement XV.

R. P. FARNUM,
Accountant General (Ag.)

R. P. Farnum
29th Sept 1961