



REPORT

OF THE

DIRECTOR OF AUDIT

BRITISH GUIANA ON THE ACCOUNTS
OF THE COLONY

FOR THE YEAR ENDED, 31ST DECEMBER, 1959

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REPORT OF THE DIRECTOR OF AUDIT, BRITISH GUIANA, ON THE ACCOUNTS OF THE COLONY FOR THE YEAR ENDED 31ST. DECEMBER, 1959.

INTRODUCTION

The comments contained in this Report are based on information obtained as a result of queries raised on the accounts for 1959, inspection reports on the examination of departmental offices and institutions since the date of the last Report, and correspondence on financial and accounting matters for the same period. Subject to these comments, the accounts examined were kept and rendered for Audit in a satisfactory manner.

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

3. Audit Reports necessarily exhibit some of the worst aspects of financial and stores administration; this one is no exception. Comment has been made in various paragraphs as to cause as well as effect.

4. *Staff*—The staff problem is aggravated by the fact that, under the present leave Regulations, officers, after 4 years' initial service, become eligible for vacation leave. Thus, just as they are becoming useful members of the Department, continuity of training is broken. During the period under review three officers failed to return from vacation leave, two accepted higher paid employment in commerce, and four left to further their studies. This problem is not restricted to the Audit Department, and it is unlikely that there will be an appreciable improvement in the general quality of the performance of the Service until it is solved. At the time of writing eight experienced Audit Officers are on vacation leave and there are six vacancies in the Establishment.

5. *Programme of Work*—With the exception of Public Works Department Paymasters' vouchers for the period August to December, which have not yet been presented for examination, the examination of the main accounts of the Treasury and self-accounting Departments has been completed. Certain subsidiary accounts have not yet been examined. Inspections of Government Departments in Georgetown and at a number of outstations are in arrear due to the continuing shortage of experienced staff caused by vacation leave, and vacancies in the Establishment remaining unfilled.

6. *Reports*—The Audit Report for 1958 was laid before the Legislative Council on the 23rd September, 1959. The Public Accounts Committee have completed a review of the accounts for that year, but their Report has not yet been laid. The Committee's Report for 1957 was laid on the 23rd September, 1959. The Financial Secretary's comments on their Reports for 1956 and 1957 were laid in September and November, 1959, respectively.

7. *Report of the Director General of the Overseas Audit Service*—The Reports for 1956, 1957 and 1958, although received, have not yet been tabled.

8. *Closing of Accounts*—The accounts for 1959 were finally closed in July, 1960. Copies of the Financial Statements prepared for the printers, were received for audit at varying dates thereafter.

9. *Checks Against Fraud And Irregularity*—Some improvement was observed in office and stores management in specific instances where attention had previously been drawn to shortcomings; in others, little effort has been made to improve standards which are below those essential for economy, efficiency, and security.

10. *Queries*—590 major queries have been issued to date on the Accounts for the year. 581 were outstanding for 1959 and previous years at 30th June, 1960, and an analysis by years and Departments appears as Appendix V to this Report. Of the 581, no replies had been received at that date to 436. Only 25 replies have been received to the 216 issued between March and June, 1960. The fact that outstanding have increased to 581 from 217 at 30th June, 1959, illustrates the serious deterioration in financial administration in Departments which has taken place during the period.

11. *Recoveries*—A total of \$10,235.00 was recovered as a result of Audit Queries and memoranda between the 30th June, 1959, and 30th June, 1960.

12. *Application of Funds*—It cannot be said that the country is receiving value to the equivalent of the amount spent by Government. There is a serious shortage of experienced technical and professional officers; indeed, at the end of February, 1960, in the Public Works Department, of an Establishment of 30 Engineers, only 11 posts were filled substantively, and in the technical grades only 10 out of 20, with the forecast position becoming worse. The Administrative and Accounting Grades are in much the same position. Supervision of personnel and expenditure under these conditions cannot but be inadequate.

13. *In Service Training*—In this connection it was suggested by this Department some two years ago that compulsory training courses should be held for clerical and accounting staff, but this has not come to pass, although a start has been made on group training by the Organisation and Methods Service. Whilst any positive action of this nature would be useful, it is no substitute for individual initiative and industry — virtues which require more cultivation than is at present apparent if standards are to be improved.

14. *Organisation and Methods*—This service, albeit small, renders invaluable help in the revision of forms and procedures. It is not as effective as it could be, as it has been found that, in certain cases, officers lack the drive to implement suggested improvements or to ensure that the systems operate efficiently. However, some progress was recorded during the year, and, if the various amendments to system can be maintained, a permanent improvement should result. Continued cooperation has been of great assistance to this Department.

15. *Accounting for, and care and custody of stores*—Shortcomings on this account have been recorded in the relevant departmental sections of this Report. It is not generally appreciated that the proper management of stores, plant and equipment is as important as that of cash, and that overstocking and badly scheduled purchasing tie up funds urgently required for other purposes and increase the possibility of loss through theft, deterioration and obsolescence.

16. *Losses—Cash \$46,374.42*—There was a welcome drop in the total loss of cash reported during the twelve months ended 30th June, 1960 (\$46,374.42) from that for the same period in 1958/59, (\$67,092.05) although the number of cases (46) was only one less. The bulk of the total was accounted for by two major defalcations (\$37,607.82) which have been referred to in the sections of this Report on the Post Office and Medical Departments.

17. *Losses—Stores \$11,974.91*—The total value of losses of stores reported dropped from \$80,849.34 for the twelve months ended 30th June, 1959, to \$11,974.91 for the succeeding twelve months but total numbers increased from 102 to 150. The majority of these losses continue to be due to theft from premises and plant and equipment in the field. The Accountant General has been asked to take steps to ensure that Departmental inventories are regularly checked as required by Regulation, as, from a scrutiny of the losses schedule, it would appear that all losses are not being identified, or if identified, not being reported.

18. *Visit of Deputy Director General*—The Deputy Director General of the Overseas Audit Service made a visit of inspection in November, 1959. Useful talks were held with many senior officials, and major Departments visited. The whole Audit Staff was much encouraged by the appreciation of their work.

CHIEF SECRETARY
CHIEF SECRETARY'S OFFICE

19. *Nugatory Expenditure—\$511.83*—A daily paid machinist in the Forestry Department's sawmill was discharged by the Manager for consistent bad workmanship and damage to machinery. On representations being made on the employee's behalf the Chief Secretary directed that the Conservator should deal with the matter personally, and the machinist was paid the sum of \$511.83 for the time that elapsed between the date of his dismissal by the Manager and the date of the letter of dismissal by the Conservator. It has been suggested that this interpretation of the Regulations is not conducive to efficient management.

20. *Terms of Service—Alteration—Government Quarters*—An officer accepted appointment to a permanent senior post on conditions that included eligibility for Government Quarters. It was brought to notice that the post did not carry the privilege of such eligibility, but the Chief Secretary directed that it should do

so for as long as the officer held it. Other observations indicate that there is a need for better control of allocations. A loss of Revenue ensues when houses are left empty, and expenditure is incurred on watchmen for the vacant premises.

21. *Vehicle Advances and Allowances*—A special Committee consisting of the Financial Secretary, Director of Audit, Chief Establishment Officer, and Accountant General has reviewed this matter, and revised rules have been implemented by Circular. Apart from a considerable number of audit queries on the subject, the Ministry of Communications and Works found it necessary, due to indiscriminate use of private cars by officers of the Departments in that portfolio, to issue a directive calling for a closer scrutiny of mileage claims.

22. *Leave passages for expatriates—other than from the United Kingdom*—Executive Council have ruled that, pending revision of leave Regulations, the full cost of passages for officers and their wives, domiciled in countries other than the United Kingdom, shall be paid. In the case of India this is in excess of \$4,000.00.

INTERIOR DEPARTMENT

23. *Kamarang Trade Store—1959 Accounts*—The accounts for 1959 are not in balance to an amount of \$2,553.59 and the error cannot be traced. Audit examination of the detailed accounts revealed a large number of errors of omission, commission and principle; due to lack of information in regard to diamond sales, it was not possible to compile the accounts of Amerindian prospectors with accuracy.

POLICE FORCE

24. *Outstations—Station Accounts*—The number of errors in the accounts, and breaches of Regulations observed during the inspection of certain Divisional Headquarters and stations indicate that there is a general need for better supervision of accounts, records, and procedures.

FINANCIAL SECRETARY

THE TREASURY

25. *Authorities for Expenditure—Appendix III*—The authorities for Recurrent and Development expenditure for 1959, and other authorities relating to expenditure for previous financial years not previously reported, are listed at Appendix III.

26. *Estimates—Delay in Approval*—The Estimates for 1956 were the first, for many years, to be approved prior to the beginning of the financial year to which they related. Since then approval has been delayed to a date after the start of the year of account. The General Warrants for 1959 were not signed until March. The Financial Secretary hopes to avoid this situation in the future.

27. *Control of Expenditure*—Although the position is unsatisfactory there was \$582,860.45 less unauthorised excess expenditure in 1959 than in 1958. Provision on eighty sub-heads was overspent to a total of \$266,103.65 on the Recurrent Estimates. A summary appears as Appendix VI to this Report. On the Development Estimates provision was exceeded on nine sub-heads to a total of \$129,941.82.

28. *Supplementary Provision on Development Estimates*—The Secretary of State found it necessary to again remind Government that his prior approval should have been obtained for certain items of supplementary provision which exceeded the limit prescribed under Colonial Regulation 223(2) (\$37,500). This matter should settle itself if and when a revision of procedure is introduced — (see paragraph 31).

29. *Appropriation of 1958 and 1959 Surpluses to Development Fund* — Ordinance No. 23 of 1959 authorised the transfer of the 1958 surplus of \$2,532,891.29 to the Development Fund. Authority for the transfer of the 1959 Surplus (\$3,255,992.13) has not yet been seen.

30. *Period of Account—Financial Year*—The Financial Secretary has referred to the difficulty of realistic estimating as regards Revenue, as the bulk of Customs and Internal Revenue is collected in the last few months of the calendar year, which coincides with the end of the Financial Year, and has recommended a change to the Legislative Council. It has been suggested that, as a change in

financial procedure is inherent in any change of Constitution which may be made in 1961, the time would be opportune for preparing an Interim Budget for the period January to June, 1962.

31. *Financial Procedure, Orders and Regulations*—The change in Constitution hypothecated for 1961, will, of necessity, require changes in financial procedure, Orders, and Regulations. It has been recommended that no change in accounting procedure takes place, and drafts of new Financial Orders, and amendments to Regulations have been prepared by this Department to form a basis of discussion with the Financial Secretary and Accountant General. It is to be hoped that the work of revision will be complete well before the actual date of change in order that accounting officers may familiarise themselves with the new Regulations and Procedures.

32. *Audit Ordinance*—As previously reported, the Audit Ordinance, being now 66 years old, does not cover adequately the scope of present day activities. A new draft Ordinance has been submitted together with the drafts referred to in the preceding paragraph.

33. *Financial Information*—It has been found necessary to ask the Financial Secretary to remind Ministerial Secretariats to inform this office and his own of any policy decisions affecting finance and accounts. Without this facility, when a subject or account affected by such decisions comes under Audit scrutiny much time is wasted in obtaining background information. One such decision, to withdraw from a Land Settlement by June 30th, 1960, came to notice through enquiry into another matter, and information has been requested as to how it is proposed to dispose of buildings, equipment, stores, and heavy arrears of Revenue.

34. *Arrears of Revenue—Returns*—In June 1960, it was necessary to remind the Accountant General that only three Departments had submitted Returns of Arrears as at 31st December, 1959. The non-submission of these important returns reveals yet another aspect of the deterioration of financial administration in Departments.

35. *Misallocations*—Misallocations in the accounts observed too late for adjustment, and which exceed \$240.00 affecting Heads of Expenditure, are listed at Appendix II.

STATEMENT OF ASSETS AND LIABILITIES

36. *Verification of Assets—Cash and Investments*—Except where otherwise stated, all Assets have been verified with the relevant Bank certificates, Reports of Boards of Survey, Honour Certificates, certificates of the United Kingdom Comptroller and Auditor General, and investment scrip held in the Treasury.

37. *Treasury Cash — \$440,447.93*—A Treasury receipt was issued in December for a sum \$177.08 in excess of the amount received, and cash was thus short to this extent. The amount was paid into chest on 3rd February, 1960.

38. *Postmaster General—Bank Balances*—Deposits to Bank of \$8,586.45, made at Suddie on 30th December, are not reflected in the accounts as the relevant entries were made on the date of receipt of the transcripts at Head Office, the 2nd January, 1960. A Bank certificate has not been seen in support of the Mackenzie Post Office account.

39. *Postmaster General—Cash Balances*—Certificates have not been seen in support of balances totalling \$5,770.31 reflected in the cash accounts of four district Post Offices at 31st December.

40. *Public Works Department—Cash—\$5,601.35*—The Board of Survey reported a shortage of \$1,419.62, and further information has been requested.

41. *Imprests*—There is a shortage of \$114.50 in the Social Assistance Imprest of the District Commissioner, East Berbice. Four sub-imprest balances totalling \$107.49 are not supported by Honour Certificates.

42. *Advances—Unanalysed*—Action has not been taken to clear many of the accounts referred to the Treasury for investigation in 1958. Further comment has been made on these, and others reflected in the 1959 accounts. Seventy accounts with total balances of \$16,196.23 are now dormant.

43. *Advances—Reconciliation*—Departmental reconciliation has not been effected in respect of twelve accounts totalling \$86,857.89.

44. *Advances—Public Officers—Leave*—\$17,897.52 is outstanding in respect of leave advances to 25 officers who have resigned from the Service. This is part of the problem posed by the granting of long vacation leave to junior officers. \$274,832.78 was spent on leave passages during the year and the advances on account of leave at the 31st December totalled \$958,687.78. 754 advances totalling \$729,502.51 were authorised during the year.

45. *Advances—Caribbean Currency Board*—Payment for the issue of \$2,449,000.00 in Debentures to the Caribbean Currency Board was not received until June, 1960. The purchase price (\$2,400,020.00) was, however, charged to advances and credited to loan receipts in June, 1959. The Statement of Public Debt item, second issue, Ordinance No. 54 of 1956 — \$5,000,000.00 is therefore overstated by \$2,449,000.00 and expenditure on discount on issue by \$48,980.00.

46. *Development Fund—\$595,026.40*—Receipts into the Development Fund during the year totalled \$34,238,915.27. These included the 1959 surplus on the Recurrent Budget of \$3,255,992.13, (paragraph 29), the proceeds of the Exchequer Loan received during the year of \$18,864,000.00, and the proceeds of issue of Debentures of \$8,600,000.00. Colonial Development and Welfare assistance totalled \$3,518,923.14. Total Expenditure from the Fund during the year was \$18,997,674.98. The deficit has thus been reduced to \$595,026.40 from \$15,836,266.69 at 31st December, 1958.

47. *Exchequer Loan — £5,500,000* — The proceeds of this loan (\$26,400,000.00) were received in varying amounts between August, 1958 and October 1959. The statement for the year 1959, required by the Secretary of State, has not yet been submitted for examination.

48. *Deposits—Deposits for Investment*—Action has again been urged to clear dormant and other balances which totalled \$8,163.87 on 25 accounts at the 31st December, 1959. Departmental reconciliation has not been effected on 69 accounts with balances totalling \$712,343.29. The certificates on a further 11 accounts totalling \$48,173.16 do not agree with the Treasury balances. Deposits for Investment are overstated by \$1,700.00, as is the Asset, Deposits invested, due to the omission of an adjustment from the accounts, which was effected in 1960.

49. *Public Debt—Statement II (2) (a)*—The item Colonial Development and Welfare Loans — repayments has been understated by \$1,612.86 due to an error of calculation. The item loans outstanding is, therefore, overstated by a like amount.

50. *Unvouched Expenditure—\$1,401,753.47*—Following is an analysis of unvouched expenditure not yet authorised to stand as a charge to Public Funds.

Department	1956	1957	1958	1959
	\$	\$	\$	\$
The Treasury	—	145.60	842.38	1,300,044.25
Public Works	—	—	—	3,639.21
Drainage and Irrigation	1,406.08	24,320.18	269.80	71,085.97
Totals	1,406.08	24,465.78	1,112.18	1,374,769.43

Of the total of \$1,374,769.43 for 1959, \$614,350.01 is in respect of 10 Crown Agents Schedules not yet returned to the Treasury by the Medical Department and not submitted for Audit examination and a further \$185,336.50 on 72 vouchers retained by the Police in connection with criminal investigations. Although Regulations require supporting vouchers to be returned to the Treasury within seven days of the issue of cheque orders, 163 vouchers totalling \$392,224.96 are still outstanding in respect of orders issued in 1959.

CUSTOMS AND EXCISE DEPARTMENT

51. *Long Room. Revenue Collection—System*—The present method of issuing receipts and writing cash book entries was observed to be the cause of congestion in the Long Room, and laborious clerical work (some 48 pages of Cash

Book per day). It was suggested that the installation of a receipting machine would provide a much quicker service to the public, facilitate audit, and increase security and economy. The Financial Secretary has authorised the installation of a machine in 1961.

52. *Petroleum Products—Duty-Free Imports*—The Comptroller's attention has again been drawn to shortcomings in regard to control in connection with Regulations governing the transfer of gasoline from bulk storage, (Regulation 132, and Item 34, Part 111, First Schedule, Chapter 309), and the attention of the Director of Agriculture has been invited to inconsistencies in the quantities of gasoline obtained for agricultural work in the same areas on duty-free permits issued by his district officers.

53. *Warehouse Attendance Charges—Non-Collection*—From examination of the relevant Registers it appeared that charges totalling \$1,400.46 had not been recovered from private warehouse owners. In two cases where charges had not been previously raised, charges are to be made as from 1st January, 1960 with a consequent saving to Government of some \$4,800 per annum.

54. *Manifests—Delays in Presentation*—At the end of 1959 four ships' manifests and seven aircraft manifests relating to 1958 had not been submitted to the jerquing branch. Ships manifests (173) for the period February to November 1959, and Aircraft manifests (931) for the period January to November 1959 were also outstanding. The Comptroller has been informed that there does not appear to be any reason why action on manifests by Customs Officers at transit sheds cannot be completed within one month of submission.

INLAND REVENUE DEPARTMENT

55. *Estate Duty*—As a result of various interpretations put upon certain important sections of the Ordinance (Chapter 301), and rulings in connection therewith that adversely affect the Revenue and administration of the Ordinance, the Attorney General has undertaken to draft amendments pending repeal of the existing legislation and substitution of a new Ordinance, based on modern practice, which is being drafted by the Commissioner.

56. *Arrears of Assessment*—These continue to give cause for concern; at the 30th April, 1959, 3,610 assessments for 1958 and previous years had not been examined. The Commissioner has reported that although the work of the Department continues to increase in volume, absences on leave, and vacancies in the Establishment seriously affect output, and restrict the degree of investigation.

57. *Arrears of Collection*—The true arrears of Income Tax and Excess profits Tax as at the 31st December, 1958, was \$1,559,207.54 and approximately \$1,620,746.39 as at that date in 1959. The Commissioner continues to advise the introduction of the P.A.Y.E. system to facilitate collection.

LICENCE REVENUE OFFICE

58. *Entertainment Tax—Cinemas—Uneconomic Checks*—Further investigation as a result of a query regarding allowances paid to officers for checking cinema attendance in country areas revealed that, in the case queried, the total allowances paid were equal to a large percentage of the revenue collected, and that even then checks were not satisfactory. The Accountant General is obtaining information from all districts on the number and frequency of such checks and the cost thereof with a view to affecting economies and increasing efficiency.

59. *Cinema Unlicensed—Tax Arrears*—It was observed that no licence to operate had been issued by the Cinematograph Board to a large Georgetown Cinema, and thus quarterly licence fees were not being paid. Collections of entertainment tax from the proprietors were also several months in arrears.

60. *Druggists Licences—Loss of Revenue*—The issue of druggist licences is dependent upon the production of a certificate of registration issued by the Registrar of the Pharmacy and Poisons Board in accordance with the Tax Ordinance No. 26 of 1958, (Amendment No. 2). The form of this certificate was not published during 1959, and thus no licences were issued, with a consequential substantial loss to revenue, and technically illegal operation of pharmacies.

JUDICIARY

61. *Travelling Expenses of Jurors—not susceptible to Audit.*—With reference to paragraph 19 of the 1958 Report, the Registrar has agreed that these expenses cannot easily be verified, but has issued written instructions to obviate, as far as possible, the admission of excessive claims. In 1958, expenditure totalled \$48,187.98, exceeding the Estimate of \$28,000.00 by \$20,187.98. In 1959 \$40,000.00 was provided; actual Expenditure was \$53,131.35, exceeding the estimate by \$13,131.35 and the 1958 expenditure by \$4,943.37.

62. As a result or apparently excessive payments to jurors brought to notice by audit, police investigations were carried out; these investigations indicated conspiracy to defraud and substantial over-reimbursements in respect of motor car hire, but there was not sufficient evidence to warrant criminal proceedings.

63. *Magistrates Courts—Unsatisfactory Accounting.*—At the East Demerara Court the Writ Book was not properly kept. An inspection of the Georgetown and New Amsterdam Court Offices revealed alterations to receipts, failure to collect warrant fees, and uncompleted case jackets filed away. A large number of documents essential for the verification of Revenue were missing.

64. *Arrears of Revenue—Write-off.*—By an administrative directive, court fines and fees which have been in arrear for three years are automatically written off. In 1957 \$6,840.81 was written off, and in 1958 \$4,684.98. The 1959 figure of \$39,952.95 includes one fine of \$27,457.50; therefore, for comparative purposes the reduced figure of \$12,495.45 is more appropriate. Means by which the number of unpaid fines may be reduced are under active consideration.

DEEDS REGISTRY

65. *Registration of Business Names*—the Business Names (Registration) Ordinance (Chapter 332) requires firms or persons engaged in business to be registered on commencement of business and to be re-registered annually. The prescribed fees are \$25.00 and \$5.00 respectively. The Registrar's attention has been drawn to 183 cases in which re-registration was not effected in respect of the years 1957 to 1959. It seems probable that initial registration has not been applied for in a number of cases.

MINISTRY OF COMMUNICATIONS AND WORKS

66. *Nugatory Expenditure — \$56,708.28*—Supplementary Provision was made in the March 1960 Schedule, for the payment of \$56,708.28 to a firm of Electricity Generating Plant manufacturers. Enquiry revealed that the payment was required to liquidate contract cancellation and storage charges on a 2500 K.W. Diesel electric set ordered in 1957. It is not known why the set was ordered before agreement had been reached with the Electricity Company who, in the event, refused to accept it.

67. In this connection, \$299,655.04 has recently been paid for two sets which are now being operated by the Transport and Harbours Department to supplement the Company's supply, but information has not been received as to the basis upon which the Company is to pay for the service.

POSTS AND TELECOMMUNICATIONS

POST OFFICE

68. Like all the major Departments, the Post Office administration is generally harassed by staffing problems. To illustrate this, of an establishment of 56 town postmen in Georgetown, 25 were due for vacation leave in 1960. The cost of casual labour (Head 38 — subhead 1, 34 and 35) to fill the gaps in 1959 was estimated at \$29,700.00, the actual cost was \$50,741.49.

69. *Delay in replying to Audit Queries—Internal Audit.*—Attention has been drawn to the need for a more effective examination of expenditure vouchers paid at District Post Offices and Headquarters as they are not subject to Treasury scrutiny. Difficulty has been experienced in obtaining replies to Audit Queries and memoranda, and action to regularise accounts has been delayed.

70. *Returned Letter Office—Breach of Regulations.*—From an inspection of the Register of valuables found in undelivered letters and packets it appeared that a large number of money and postal orders had not been paid into revenue as

required by the Regulations. The Director stated that the matter would be dealt with on the return from vacation leave of the officer responsible for the situation, but immediate action was requested.

71. *Private Letter Boxes and Bags—Arrears of Rent*—The attention of the Director was invited to a number of cases in which rents were in arrear or short collected, and to the unsatisfactory manner in which the rent registers were written up.

72. *Postal Rates—Contravention of International Convention Agreement—Loss of Revenue*.—In accordance with an agreement and directive of the International Postal Convention in 1958, postal rates should have been raised to an agreed minimum with effect from 1st April, 1959, but, for reasons which are not clear, the new rates were not introduced until March 1, 1960, under Order-in-Council No. 10 of 1960 made on 6th January, 1960. Apart from loss of Revenue involved, this administration has had to pay for transit mails at the higher rates to other administrations under the agreement.

73. *Fraud—Post Office Savings Bank—Lack of Supervision*—A fraud, which resulted in a loss of \$9,379.10, was recently perpetrated by a junior cashier by manipulating accounting machines and ledger cards. Investigation revealed a collapse of the system of supervision and check and flaws in the accounting system which facilitated the fraud. The significance of missing ledger cards and importance of early reconciliation does not appear to have been appreciated. Reconciliation has not yet been effected for the March and June quarters of 1960.

74. *Loss—Post Office Savings Bank—\$1,000.00—Personnel Administration*—In October 1959, a Savings Bank Cashier was found to be \$1,000.00 short in his cash at the end of a working day and the circumstances surrounding the loss did not indicate that anyone was responsible but himself. Notwithstanding the fact that this Officer had been \$100.00 short in his cash in the previous year, and the current circumstances, it was observed that he was still carrying out the duties of cashier three weeks after the event, but, on mention of the matter, was assigned other duties pending investigation.

TELECOMMUNICATIONS

75. *Rehabilitation—telephone system*—The original estimate of the cost of this project was \$7,000,000; a recent revised estimate is \$9,653,491. Many matters have been raised in connection with expenditure on this account; some are tabulated below :—

- (i) Lack of control over receipt of equipment.
- (ii) Purchase of second hand equipment.
- (iii) Building works by telecommunications technicians of the Department.
- (iv) Lack of proper contract for cable ducting work. (Agreement \$174,718; cost \$301,817).
- (v) Inadequate control over removal and recording of telephone hand sets replaced under the scheme.

In this connection, the original design and estimates were prepared by an officer who retired from the Department on medical grounds and joined a firm of consultants involved in the scheme. Much of the additional expenditure on the duct scheme is due to the under-estimation of ducts required and length of spur lines necessary, and other unforeseen works.

76. *Stores—irregularities*—Once again it has been necessary to draw attention to improper procedure and inadequate control; the worst single apparent irregularity observed being the issue of petrol to vehicles not in running order at the time. Control over vehicles is inadequate.

77. *Stores—mismanagement—obsolescence*—Stores have been grossly overstocked, and some \$368,600 is tied up in redundant materials and a further \$19,255.00 in obsolete spares.

PUBLIC WORKS DEPARTMENT

78. *Internal Audit*—Certain suggestions have been made to improve procedures and co-ordination of the activities of the examination branch and field audit sections of the Department. Shortcomings in the expenditure examination

branch are apparent by the type and number of queries issued by external audit and, although there is a staff of nine, the examination of paymasters' vouchers was, in June, 1960, one year in arrear. Field Audit inadequacy was illustrated when it was ascertained, after information by a labourer, that a fraud was being perpetrated in connection with overtime payments.

79. *District Office—Berbice—Supervision*—At a surprise cash survey it was observed that the Cash Book had not been written up for more than 2 months; cash had been accumulated for unduly long periods before banking, and temporary receipts were being given on bits of paper due to exhaustion of stocks of official receipt books. These observations were made shortly after a visit of a senior accounting officer of the Department and indicate shortcomings in central, as well as local supervision.

80. *Water Transport Section—Inefficient Operation*—At the request of the Ministry, an investigation was made of the operation of tugs and pontoons in the Department. The Director had previously stated that, owing to the age of the tugs, extensive repairs were frequently necessary. The analysis of operations revealed a very sorry state of affairs; the minimum time lying idle or under repair during 1959 was 176 days, and the maximum 223 days. The financial statement for 1959 is under examination; revenue for the year was \$71,627.74 and expenditure \$104, 227.18, resulting in a deficit of \$32,599.44.

81. *Makouria Stone Crushing Plant—Uneconomical Operation*—An on the spot inspection revealed that the method of checking quantity of boulder purchased and stone issued was unsatisfactory. The financial results for the year were affected by faulty measurement of stocks. Owing to inadequate supplies of boulder, said by the Director to be caused by contractors not fulfilling their obligations, the plant was working at less than half capacity, (876 hours worked during the year) and substantial purchases of crushed stone have been made from other sources. The total cost of this Plant, which was completed in 1958, was \$460,514.00.

82. *Pure Water Supply—Nugatory Expenditure—\$30,013.75*—An overhead tank in a village was completed in January, 1958 at a cost of \$30,013.75, but has not been put into use because the village council refused to honour an agreement to pay maintenance charges. It is not yet in operation.

83. *Mechanical Engineer's Yard—Unsatisfactory Accounting*—An inspection of the accounts revealed that account balances had not been carried forward, material distribution sheets not properly written up, unexplained shortages of stores, costs not analysed, control not exercised over plant and tools registers, and stores on hand but not on ledger charge.

84. *Sea Defence Contract—Faulty Construction*—After the completion of a contract for \$20,647, the works concerned were observed to be unsatisfactory. Tests of construction and materials revealed bad workmanship and weak cement mixtures. The contractors have been called upon to remedy the defects, but are unable to do so due to financial difficulties. The Overseer in charge of the area has stated that, due to the pressure of other work, he was unable to supervise the contract properly. It has, however, been noted that he has claimed travelling allowances on most days during the currency of this contract for two daily visits to the works. Retention money totals \$1032, and sureties \$2100; it is not yet known if this will cover the cost of remedial work on the project.

85. *Contracts—General*—No progress seems to have been made in compiling a register of approved contractors. Attention was drawn to the case of one contractor, who, through the use of inferior materials, lack of experience, and poor workmanship, has caused the Department substantial expenditure on repairs. The Director has submitted proposals in regard to contracts to the Ministry on which action is awaited.

86. *Buildings—Maintenance Records*—Attention has been drawn to the fact that the records directed to be kept in connection with maintenance of buildings had not been kept in Georgetown. No trace could be found of any record relating to a house purchased in 1955 for \$30,000 occupied by a foreign Government Agency.

87. *Burnt Earth—Nugatory Expenditure*—It was observed that very junior employees were entrusted with the measurement of burnt earth heaps and certification of payments. As a result of a recheck by a surveyor on certain heaps, it was found that overpayment of \$1,102.60 had been made, and that a further \$1,200.32

was about to be made. A sum of \$122,162.26 was spent on burnt earth during the year and it thus seems likely that the nugatory expenditure on this account was considerably more than that indicated.

88. *Redundant Motor Spares*—Redundant “Commer” spares to the value of approximately \$17,000 are in stock. Efforts are being made to dispose of them as advantageously as possible.

89. *Stores—Consumption of Electric Light Bulbs*—During 1959, the number of electric light bulbs drawn from stores for use in Government offices and institutions was 24,600. A new system of issue and identification has been introduced to reduce the incidence of misappropriation. In his Circular on this matter the Financial Secretary has referred to the fact that the quantity issued is obviously far in excess of the normal annual requirements of the number of buildings involved.

90. *Stores—Unallocated—Tabular Summary*—The authorised stock limit of \$750,000 has been exceeded by \$145,884.88 as at 31st December, 1959. The stock records have not yet been examined, and therefore it is not possible at the time of writing to state whether, due to undetected errors in the accounts, there is any unreconciled difference between the financial and stock accounts.

MINISTRY OF COMMUNITY DEVELOPMENT AND EDUCATION EDUCATION DEPARTMENT

91. *Grants to Schools in excess of authorised limits*—The authority of the Governor has not been seen for the payment of grants for maintenance and equipment to schools at three times the rate prescribed in the Education Code (Chapter 91. Regulations. Part IV — Sections 15 and 17). It is understood that action is being taken to regularise the matter.

92. *Film Censorship Board—Revenue Decrease*—Investigations into the cause of the decrease by one-half in three years of the revenue collected for examination and reviewing of films by the Board of Film Censors were recently carried out. It was observed that the Board was issuing certificates without actually seeing the films, accepting “Press Books” supplied by distributors as evidence of suitability. Another reason for the decrease was that films already censored and passed for exhibition in Trinidad by that Territory’s Board of Censors are allowed by law to be shown without preview in British Guiana. The matter is under correspondence.

LOCAL GOVERNMENT DEPARTMENT

93. No re-organisation of Local Authorities was attempted during the year, and thus the duties as regards audit of this Department, were restricted to the examination of the accounts of the seventeen authorities who have requested it and Statutory Municipal audits. Repayments of loans made by Government to district authorities were \$17,559.15 in arrear at 31st December, 1959.

94. *Municipalities—Accounts 1959*—The accounts of the Georgetown and New Amsterdam Town Councils for 1959 have been examined. In both cases the most serious aspect of the accounts are very large arrears of rates and taxes coupled with heavy bank overdrafts. Financial administration in the Georgetown Town Council is adversely affected by lack of central supervision and direction.

95. *District Administration—Accounts Offices*—The accounts of offices examined during the year were not kept satisfactorily. The Commissioner has stated that administrative officers, because of the diversity of their present day duties, do not have sufficient time to devote to accounts supervision. Although premises are generally inadequate much could be done to make them look more like offices than many of them now do. Consideration is still being given to the suggestion made in 1958, that district accounts offices should be the responsibility of the Treasury.

MINISTRY OF LABOUR, HEALTH AND HOUSING HOUSING DEPARTMENT

96. All the major contracts were completed during the year and activity reduced to care, maintenance, and estate administration.

97. The court cases against certain officers involved in the alleged irregularities referred to in the 1957 and 1958 Audit Reports were withdrawn. One officer has since been dismissed from the Service and another retired by the Governor under the relevant provisions of the Pensions Ordinance.

98. *Contract Payment—Nugatory Expenditure—\$8,500.00 —\$5,400.00* — A contract of \$96,000.00 for 40 houses at Springlands was exceeded by \$11,895.16. Of this excess, \$8,500 was paid as damages. The contractor stated that he had kept workmen and materials on site for 9 months awaiting revised plan drawings, and that there was an increase in cost of materials. He failed financially, and the Department had to complete the works.

99. Occupation of completed houses has been delayed due to difficulty in arranging electricity and water supplies; meanwhile deterioration by weathering and termites necessitated repairs costing some \$5,400.00 during 1959, with further expenditure envisaged in 1960. A loss of Revenue also ensues in regard to receipts from rents and loan instalments had the houses been occupied.

100. *Stores—Survey—Turnover*—The Commissioner has notified the Financial Secretary that he was unable to arrange a Departmental Board of Survey on stores during 1959 due to staff inadequacy. It is understood that these stores, which are valued at some \$400,000.00, and are redundant, are to be disposed of in 1960. The inevitable losses sustained by deterioration and sale will be directly due to the mal-administration and irregularities previously prevalent in the Department. (See 1957 and 1958 Reports.)

MEDICAL DEPARTMENT

101. *Head Office—Imprest Transactions*—At a recent survey, the Head Office sub-imprest showed an excess of \$421.01 which resulted from recoupments from the Treasury on behalf of outstations being deposited in the Head Office Bank Account and utilised for Head Office payments. Many other irregularities were observed, including unreceipted vouchers and long outstanding advances. It was also observed that a Treasury issue of 120 general receipt books had been on hand for more than one month without checking or entry in the receipt book register.

102. *Control over Expenditure—Inadequate*—Estimates were exceeded on 6 subheads. A request in December for additional provision of \$37,000.00 on dietary evoked a Ministerial enquiry into the matter, which came to the conclusion that failure of control procedures was responsible. Nevertheless, it was brought to notice that imported foods were being consumed on a considerable scale whilst local produce, much of it of a high standard, was not being used. This aspect of dietary expenditure is being examined in the Ministry.

103. *Salaries Bank Account—Unreconciled*—A cash survey carried out in October 1959, disclosed that the salaries bank account had not been properly reconciled for many months and that the average month-end Bank Balances fluctuated between \$66,000.00 and \$22,000.00, even when a debit of \$28,000.00 as a result of fraudulent conversion by cheque, had been left as a charge to the account by the Bank. The account cannot be reconciled, a discrepancy of \$98.72 remaining unaccountable.

104. *Salary Payment System—Uneconomic Use of Machine*—An expensive payroll machine was installed in 1956 in departmental headquarters on the understanding that all possible salaries throughout the Department would be processed thereon. It was brought to notice that the system was incomplete, the machine being used for approximately three days per month and confined to senior staff salaries only. The system has been replanned to ensure accuracy and economic operation, but has not yet been put into effect.

105. *Excessive Travelling Claims*—It would appear that little effort is made by headquarters examining staff to ensure economy and propriety of travelling. One officer was paid claims over a period of 8 months totalling \$2,641.06 for mileage incurred between his home and place of work when there was a Government Rest House close at hand. In this connection authority has been sought to accept 1959 accounts totalling \$46,488.08 as a charge against 1960 provision, the greater part of the amount being for transport and travelling expenses.

106. *Examiners' Fees—Chemists and Druggists*—The fees paid to examiners exceed those in the Regulations to the Ordinance (Chapter 141). The Board of Examiners revised the fees in 1955; the matter was queried in 1957, but to date the approval of the Governor-in-Council, as required by law, has not been seen.

107. *Central Medical Stores—Board of Survey*—It has been brought to notice that the Departmental Board of Survey required by Stores Regulation 48 has ceased to function. This Department is large enough to warrant the services of a stock verifier. A recent audit visit revealed that the ledgers were three months in arrears of postings; a stores survey could not therefore be made. This situation is said to be due to staff shortages; it has been noted however, that two senior officials were allowed to proceed on vacation leave for the same period. Urgent action has been advocated to avoid a return to the chaotic conditions of 1958.

108. *Best Hospital—Milk Consumption*—The Ministry was informed that consumption of powdered milk during 1959 at this institution was the equivalent of 26,212 gallons. Quantities of fresh pasteurised milk from the Government Pasteurisation Plant, far in excess of this, were, at the same time, being given away or sold at reduced prices. At the request of this Department the Ministry directed that pasteurised milk should be used, with a consequent saving to Government of approximately \$30,000.00 per annum. Local inspection also revealed uneconomic ordering of drugs and stores.

109. *Institutional Stores Accounting*—The system compiled and advised by Organisation and Methods and this Department has not yet been fully implemented. Although closer control over linen has been instituted, ward checks do not appear to be satisfactory.

MINISTRY OF NATURAL RESOURCES
DEPARTMENT OF AGRICULTURE

110. *Supervision*—As some of the following paragraphs indicate, supervision of accounts has not been satisfactory during the period under review. The help of the Ministry had to be obtained to elicit replies to queries and inspection reports, one of which remained unanswered for over a year. The Director has explained that some of the delay is due to reorganisation. It is also affected by a chronic shortage of senior staff.

111. *Head Office and Central Agricultural Station—Lack of Supervision*—The results of cash surveys at both of these offices were unsatisfactory. \$546.60 of the Head Office imprest was accounted for by advances to employees over the 5 months prior to the date of survey, and vouchers totalling \$912.53, said to be at the Treasury, could not be traced. At the Central Agricultural Station vouchers on hand totalling \$778 were in respect of payments made for the 3 months prior to date of survey, and others, totalling \$3,081.54, could not be traced, nor were the internal checks required by Regulation being carried out. Another imprest was found to be \$30.21 in excess of the amount issued.

112. *Veterinary Office—New Amsterdam—Irregularities*—A cash survey revealed serious arrears in the writing up of cash books and records, delayed acknowledgement of remittances received through the post, and extended delays in paying over revenue to the responsible officer. No supervision appeared to be exercised over the clerk concerned.

113. *Marketing Organisations*—These continued to absorb unsaleable agricultural and fisheries products, and consequently suffered heavy losses during the year. The accounts, some of which have not yet been examined, reflect losses as follows:—

Central Produce Dépôt	..	..	..	\$111,735.28
Processing Factory	..	..	..	41,315.45
New Amsterdam Dépôt	..	..	..	3,057.51
Springlands Dépôt	..	..	..	145.88
Ham and Bacon Factory	..	..	..	1,548.90
Fish Market	..	..	..	64,344.39
Milk Pasteurisation Plant	..	..	..	139,867.73
				\$362,015.14

It is of further interest to note that the Milk Pasteurisation Plant's operations for the first quarter of 1960 resulted in a loss of \$81,541.86. The estimated deficit for 1960 is \$95,600.00.

114. *Processing Factory—Losses—\$41,315.45*—Inefficiency of operation, and poor turnover combined to produce the major part of losses sustained during the year. A survey in March 1960 revealed, amongst other matters, that the mixing plant was working to one quarter only of capacity, and the average output of flour packing operators was 8 one pound packets per hour.

115. *Fisheries Division (Marine) — Lack of Supervision*—Of the imprest of \$7,500, vouchers in transit totalling \$767.96 could not be traced, and an overpayment of \$25.84 was observed. There was no proper control over licence forms, no inventory of equipment, and no evidence of internal check of cash transactions.

116. *Government Fish Market and Centre—Loss \$64,344.39*—The accounts for 1958 were examined in February 1960. The observation of large, long outstanding arrears of revenue, unauthorised purchase price variations, unvalidated expenditure vouchers, inadequate stock records, and lack of security of premises indicated little supervision. Included in the arrears is an amount of \$4,471.76, due from fishermen for services rendered. Collection is complicated by the fact that the Ministry, *ultra vires*, suspended the enforcement of the Regulations for four months during 1959.

117. An administrative decision appears to have been made to purchase all fish offered for sale, although the Ordinance (30 of 1956) does not appear to enable any purchases by Government. Losses of 15,785 lbs. of the more expensive varieties of fish in the September 1959 quarter and 17,563 lbs. in the December quarter indicated theft as well as loss by putrefaction.

MINISTRY OF TRADE AND INDUSTRY GEOLOGICAL SURVEY DEPARTMENT

118. *Imprest Shortages — \$211.00: \$321.42*—A surprise cash survey revealed that the Revenue and Imprest cash books were not written up to date, that a very large number of vouchers were on hand, and that there was an apparent shortage of \$601.46. After investigation by the Director, the shortage was reduced to \$211.00 and this was made good by the clerk concerned. The Director stated that the work was not up to date because it would have required some overtime, and the Class I Clerk responsible was not prepared to do it; the officer was posted for a period of training to this Department.

119. A personal cheque for \$321.42, submitted as part of the retirement of a sub-imprest by an officer proceeding on leave was dishonoured by the bank. The amount has been charged to advances and recovery is being kept in view.

TIMBER SEASONING AND MANUFACTURING PLANT

120. *Losses—1958 Accounts*—The accounts as presented were not in balance, and due to the omission of certain charges, incorrect valuation of stocks, and other errors of accounting principle, did not in any case, reflect the true results of operation for the year. The net loss for the year 1959 was approximately \$79,000.00, but the final accounts have not yet been received.

MINOR INDUSTRIES

121. *Sales and Display Centre—Accounts 1959*—Audit revealed an unhappy state of affairs both as regards accounts and supervision. Cash receipts had been altered, some did not agree with amounts brought to account, and others were brought to account only after undue delay. Irregular and uneconomic pricing was observed, as well as excessive purchases of raw materials. There were many errors and omissions in the stock accounts, and physical check revealed numerous shortages and unsaleable stock. Proper debtor records were not kept but it appeared that some \$4,885.00 was long outstanding, and probably uncollectible.

122. *Research Centre—Minor Industries*—Pottery experiments during the year cost \$13,677.12 and revenue from sales was \$1,042.82. Production records were inadequate, and although experiments were started some four years ago, no viability report has been seen. One employee was experimenting with the production of straw articles, and four months' work resulted in the making of five articles at a cost of \$400.00.

OTHER ACCOUNTS

123. *Trade Unions—1958 Accounts*—The majority of the accounts of Trade Unions continue to give cause for concern both as to presentation and accuracy. Funds are, in many cases, disbursed with little thought to the rules of the relevant Unions, and are becoming increasingly absorbed in administrative costs which border on the extravagant.

124. *Drainage and Irrigation Board—1958 Accounts*—Difficulty was experienced in examination of the accounts for 1958 (presented in October 1959) due to the dilapidated condition of rate registers and the haphazard manner in which entries had been made. Arrears of rates increased by \$13,320.79 to \$143,509.73. Administration seems to have been loose as the fact that many monthly operation returns from pumping stations had not been submitted appears to have passed unnoticed.

125. *Sugar Industry Labour Welfare Fund—1958 Accounts*—Attention was drawn to the question as to whether proposed expenditure, estimated at \$90,000.00, on a new office was within the meaning of Regulations governing disbursements from the Fund. The land, and a condemned building thereon, was purchased for \$25,247.58. Verification of transfer revealed that in 1956 it was sold for \$10,000.00 and again in 1957 for \$19,000.00. Revenue from the sale of the building was not susceptible to audit. Arrears of workers' loan repayments exceeded \$500,000.00.

126. *British Guiana Rice Development Company*—With reference to paragraph 119 of the 1958 Report, the Governor-in-Council's approval has been given for the inclusion, in the accounts, as a debt due by Government, of \$293,076.00 of the deficit (\$467,461.84) on rice cultivation to 31st August, 1958. Settlement is to depend on the future progress of the company. Capital reorganisation awaits the consent of the Colonial Development Corporation, who held debentures in the Company of \$5,001,600 as at 31st August, 1959. Advances for working capital by Government amounted to \$1,750,000 at 31st December; this sum has since been repaid.

127. *Central Housing and Planning Authority—1957 and 1958 Accounts*—The accounts for 1957 and 1958 were presented for audit, during the latter half of 1959 and were reported on in December, 1959. No internal reconciliation of accounts had been made, and stock and sales records had become hopelessly entangled with those of the Housing Department. This state of affairs is a legacy from the period during which accounting administration in the Department was poor (see 1957 and 1958 Reports). The Commissioner of Housing has suggested that the responsibility for the administration of the Wortmanville and Laing Avenue properties should now be transferred from the Authority to the Housing Department and that the accounts of the Authority be closed with a transfer of the cash balance to Colony Revenue.

ACKNOWLEDGEMENTS

128. The work of the Department has once more been facilitated by the co-operation of Ministries, Heads of Departments, and departmental officials. The Treasury, and the Public Service, suffered grievous loss by the unexpected death of the Deputy Accountant General in 1959 and the retirement of the Accountant General in early 1960; although these posts have not yet been filled substantively, cordial relations have been maintained with the officers acting in these senior appointments, and with those in the Financial Secretary's Office, which have been of great value of this Department.

129. My thanks are due to the whole staff of the Audit Department for the support they have given me during the year, the output of work which has resulted in the completion of the examination of the main accounts on schedule, and the quality of workmanship which has made this Report possible.

D. W. JONES,
Director of Audit.

6th August, 1960.

APPENDIX I.

Losses of Cash and Stores due to theft, fraud or irregularity reported to the Audit Department since the date of the last Report (29th August, 1959)

A. CASH

Brief Description of the Case	Amount	Recovery or Action	Authority for Write-off
AGRICULTURE			
Forged purchase vouchers, Produce Dépôt	\$ 926.10	Sub Judice	Not yet settled
Produce Dépôt, New Amsterdam	200.00		" " "
Two Minor Losses	17.02	Nil	" " "
	<u>\$ 1,143.12</u>		
DRAINAGE AND IRRIGATION			
Surveyors' Imprest short	\$ 149.95	Recovered	Financial Secretary
Contract Overpayment	745.88	—	Not yet settled
Two Minor Losses	32.31	—	
	<u>\$ 928.14</u>	<u>\$ 149.95</u>	
INTERIOR			
District Commissioner, Lethem, Ranger—Revenue unaccounted for	\$ 240.96	Recovered	—
Imprest Cash Stolen, Kamarang	525.00	Officer Jailed	Not yet settled
	<u>\$ 765.96</u>	<u>\$ 240.96</u>	
LOCAL GOVERNMENT			
Village Council cash short	\$ 228.03	—	Not yet settled
Revenue Misappropriated—West Demerara	27.00	—	" " "
	<u>\$ 255.03</u>	Nil	
LANDS AND MINES			
Land Ranger. Revenue embezzled	\$ 7.00	Total not yet known	Not yet settled
MEDICAL			
Cheques forged on Salaries Bank Account	\$28,728.72	—	Not yet settled
POLICE			
Falsification of cash book	\$ 26.76	—	Not yet settled
POST OFFICE			
Misappropriation of Reserve, Potaro	\$ 1,446.32	—	Not yet settled
Counter Shortage, General Post Office	52.46	—	" " "
Cash Short—Reliance	300.00	Recovered	—
Cash Short—Mel-en-Meerzorg	100.00	"	—
One Minor Loss	20.00	—	Not yet settled
	<u>\$ 1,918.78</u>	<u>\$ 400.00</u>	

APPENDIX I. (Cont'd.)

Brief Description of the Case	Amount	Recovery or Action	Authority for Write-off
POST OFFICE SAVINGS BANK			
Fraudulent Withdrawals	\$ 210.00	Recovered \$ 50.00	Not yet settled
"	50.00	" 47.50	"
"	50.00	" 50.00	"
"	50.00	" 50.00	"
"	150.00		Not yet settled
"	50.00		"
"	38.00		"
"	545.00		"
"	390.00		"
"	100.00		"
"	275.00		"
"	35.11		"
Cashier Short	1,000.00		"
Manipulation of accounts by cashier	8,879.10	Total not yet known	"
Four Minor Losses	76.08	Recovered \$ 32.00	Not yet settled \$44.08
	<u>\$ 11,945.79</u>	<u>\$ 229.50</u>	
PUBLIC WORKS			
Fraudulent alteration of wages vouchers, East Bank Road		Amount not yet known	Not yet settled
Overpayment of Wages	\$ 70.79		Financial Secretary
Paymaster Short	431.60		Not yet settled
Two Minor Losses	27.98	Recovered \$ 16.65	Not yet settled \$11.33
	<u>\$ 530.37</u>	<u>\$ 16.65</u>	
SOCIAL ASSISTANCE			
Improper payment of assistance			Not yet settled
Cash Short—New Amsterdam	Not yet known		"
One Minor Loss	\$ 114.50		Not yet settled
	10.25		"
	<u>\$ 124.75</u>	<u>Nil</u>	

APPENDIX I.—(Contd.)

A. CASH
SUMMARY

Department	Amount Lost	Amount Recovered	Net Loss
Agriculture	\$ 1,143.12	Nil	\$ 1,143.12
Drainage & Irrigation	928.14	\$ 149.95	778.19
Interior	765.96	240.96	525.00
Local Government	255.03	Nil	255.03
Lands and Mines	7.00	Nil	7.00
Medical	28,728.72	Nil	28,728.72
Police	26.76	Nil	26.76
Post Office	1,918.78	400.00	1,518.78
Post Office Savings Bank	11,945.79	229.50	11,716.29
Public Works	530.37	16.65	513.72
Social Assistance	124.75	Nil	124.75
	\$46,374.42	\$1,037.06	\$45,337.36

APPENDIX I.—(Cont'd.)

B. STORES

Brief Description of the Case	Amount	Recovery or Action	Authority for Write-off
AGRICULTURE			
Launch equipment stolen	\$ 60.00	—	Financial Secretary
Launch equipment lost—accident	212.00	—	" "
Shortage of Veterinary drugs	98.87	—	" "
Theft of fish from Depot	166.32	—	Not yet settled
Milk churns stolen, Mahacony	40.00	—	" "
Heifer Stolen, Mon Repos	150.00	—	" "
Nicometer missing, Mon Repos	28.00	—	" "
Fifteen Minor Losses	151.32	Recovered \$ 22.42	Director of Agriculture \$ 63.74 Not yet settled \$ 65.16
	\$ 906.51	\$ 22.42	
ANALYST			
One Minor Loss	\$ 5.00	—	Financial Secretary
CO-OPERATIVE			
One Minor Loss	\$ 21.00	—	Not yet settled
DRAINAGE AND IRRIGATION			
Tools stolen from dragline	\$ 63.95	—	Financial Secretary
Tools stolen from bulldozer	153.22	—	" "
Oil and drums stolen	42.00	—	Director of Drainage and Irrigation
Mechanic's tools lost	75.23	Recovered \$ 21.75	Financial Secretary
Flexible hose broken	75.93	—	" "
Tools stolen from dragline	95.78	—	Not yet settled
Injector stolen from dragline	55.31	—	Financial Secretary
Thirteen Minor Losses	146.92	—	Director of Drainage and Irrigation \$ 50.80 Not yet settled \$ 96.12
	\$ 708.34	\$ 21.75	
FOREST			
Three Minor Losses	\$ 19.82	Recovered \$ 4.00	Conservator of Forest \$ 4.32 Financial Secretary \$ 4.00 Not yet settled \$ 7.50
GEOLOGICAL			
Platinum Crucible Stolen	\$ 80.00	—	Not yet settled
GOVERNMENT INFORMATION SERVICES			
One Minor Loss	\$ 15.00	—	Not yet settled

APPENDIX I.—(Cont'd.)

B. STORES

Brief Description of the Case	Amount	Recovery or Action	Authority for Write-off
<i>HOUSING</i>			
Sand and stone stolen	\$ 198.75	—	Financial Secretary
Tools Stolen, La Penitence	303.89	—	Not yet settled
Stores Stolen, La Penitence	297.54	—	" " "
Generators stolen from tractors	150.00	—	" " "
Two Minor Losses	18.51	—	Commissioner of Housing
	<u>\$ 968.69</u>		
<i>LAND DEVELOPMENT</i>			
One Minor Loss	\$ 5.00	—	Not yet settled
<i>LANDS AND MINES</i>			
Theft of Office Equipment	\$ 516.00	—	Not yet settled
<i>LOCAL GOVERNMENT</i>			
Boat Sunk	\$ 150.00	—	Not yet settled
One Minor Loss	15.00	—	" " "
	<u>\$ 165.00</u>		
<i>MEDICAL</i>			
Loss of drugs in transit	\$ 170.00	—	Not yet settled
Loss of linen, Public Hospital, Georgetown	109.24	—	" " " Director of Medical Services
Four Minor Losses	15.70	—	\$ 9.75
	<u>\$ 294.94</u>		\$ 5.95
<i>MINOR INDUSTRIES</i>			
Jewellery missing	\$ 92.50	—	Not yet settled
<i>POLICE</i>			
Outboard Engine sunk	\$ 895.00	—	Financial Secretary
Seized whisky stolen—approximately	138.00	—	Not yet settled
	<u>\$ 1,033.00</u>		
<i>POST OFFICE</i>			
Water pump stolen	\$ 100.00	—	Not yet settled
Petrol unaccounted for	101.22	—	" " "
Tools stolen	377.16	—	" " "
Bicycle Stolen, McKenzie	35.00	—	" " "
Cement Stolen, Anna Regina	44.12	—	" " "
Two Minor Losses	26.75	—	Financial Secretary
	<u>\$ 684.25</u>		

APPENDIX I (Cont'd.)

B. Stores

Brief Description of the Case	Amount	Recovery or Action	Authority for Write-off
<i>PUBLIC WORKS</i>			
Loss of electric tools ..	\$ 265.30	—	Financial Secretary
Anchor Chain lost ..	42.77	Recovered	"
Planks lost ..	30.80	—	"
Brass Bearings stolen ..	45.00	—	Not yet settled
Cement Shortage 11 drums ..	121.00	—	"
Tools stolen, Mahaica ..	20.20	—	"
Tar Short ..	557.78	—	"
Parts stolen from tar mixing plant ..	1,007.42	—	Financial Secretary
Paint stolen, Best Hospital ..	45.30	—	"
Stores Short, Suddie ..	49.24	—	"
Compass lost ..	40.00	—	"
Tarpaulin stolen from tug ..	200.00	—	Not yet settled
Scrap lead stolen ..	32.00	—	"
Lorry generator stolen ..	40.00	—	"
Lumber stolen ..	118.06	—	"
Stores Short, Springlands ..	78.78	—	"
Tools lost, yard ..	59.55	—	"
Cement stolen ..	133.80	—	"
Plumbing fittings stolen ..	50.00	—	Financial Secretary
Engine block stolen, Yard ..	30.00	—	Not yet settled
Fuel Stolen, Skeldon ..	52.05	—	Financial Secretary
Petrol stolen, Suddie ..	58.91	—	"
Stores short, Canje ..	47.41	—	Director of Public Works
Stores Short, Barica-Potaro ..	115.35	—	Financial Secretary
Block Chain stolen ..	35.00	—	Not yet settled
Tug light stolen ..	35.00	—	"
Electric wire stolen, Best Hospital ..	28.80	—	"
Tools stolen from workshop ..	219.00	—	"
Roofing stolen off field office ..	27.65	—	"
Spares and stores shortages ..	556.73	—	"
Damage to tug ..	1,752.06	—	"
Forty-three Minor Losses ..	427.98	Recovered	Financial Secretary
	\$ 6,322.94	\$19.50	Not yet settled
		\$23.77	
<i>SOCIAL ASSISTANCE</i>			
Theft from ration store ..	\$ 136.92	—	Not yet settled

APPENDIX I (Cont'd.)

B. STORES

SUMMARY

Department	Amount Lost	Amount Recovered	Net Loss
Agriculture	\$ 906.51	\$ 22.42	\$ 884.09
Analyst	5.00	—	5.00
Co-operative	21.00	—	21.00
Drainage and Irrigation .. .	708.34	21.75	686.59
Forests	19.82	4.00	15.82
Geological	80.00	—	80.00
Government Information Services .. .	15.00	—	15.00
Housing	968.69	—	968.69
Land Development	5.00	—	5.00
Lands and Mines	516.00	—	516.00
Local Government	165.00	—	165.00
Medical	294.94	—	294.94
Minor Industries	92.50	—	92.50
Police	1,033.00	—	1,033.00
Post Office	684.25	—	684.25
Public Works	6,322.94	19.50	6,303.44
Social Assistance	136.92	—	136.92
	\$ 11,974.91	\$67.67	\$11,907.24

APPENDIX II

Errors of classification — £50 and over brought to notice too late for adjustment in the accounts for the year 1959.

(Unless otherwise indicated, allocations are debit)

Admitted

Allocated to	Amount	Should have been allocated to
Head 11A—Drainage and Irrigation sh. 3—Maintenance and operation of Plant and Equipment	\$ 340.00	Dev. Head III—Drainage and Irrigation. sh. 3—Minor Drainage and Irrigation Works (21) Plant and Equipment

In addition there are 14 errors of classification of under £50 (\$240) each, totalling \$1,237.27 which were brought to notice too late for adjustment. Of these there were 2 errors totalling \$67.05 which affect below-the-line accounts.

Not Yet Admitted

Allocated to	Amount	Should have been allocated to
Rev. Head I—Customs and Excise s.h. 8 — Beer	Cr. \$ 458.40	Rev. Head I — Customs and Excise s.h. 9 — Miscellaneous
Rev. Head II—Licences s.h. 4 — Licences—Unspecified	Cr. 12,084.99	Rev. Head II — Licences s.h. 3 — Licences — Motor Vehicles
Rev. Head IV—Fees of Court s.h. 1 — Agriculture	Cr. 315.06	Dev. Head I — Agriculture s.h. 7 — Livestock Station St. Ignatius
Rev. Head IV — Fees of Court or office etc. s.h. 36 — Affidavit Fees	Cr. 1,306.72	Rev. Head IV — Fees of Court or Office etc. s.h. 39 — Registrar
Rev. Head X — Miscellaneous s.h. 1 — Sundries	Cr. 800.00	Rev. Head IX — Refunds of Loan, etc. s.h. 2 — From Revenue
Rev. Head X — Miscellaneous s.h. 1 — Sundries	2,540.00	Head 32 — Miscellaneous s.h. 12 — Refunds of Revenue
Head 8 — Civil Aviation s.h. 2 — Transport and Travelling	267.80	Head 32 — Miscellaneous s.h. 27 — Special visits and representation at external conferences.
Head 12A — Education s.h. 6 — Refresher Courses for Teachers	306.25	Rev. Head X — Miscellaneous s.h. 6 — Sale of Stores Forest Department
Head 27c — Medical — Hospitals and Dispensaries } s.h. 1 — Personal Emoluments }	803.80 651.20 568.00	Head 26 — Magistrates s.h. 1 — Personal Emoluments
Head 32 — Miscellaneous s.h. 16 — Crown Agents charges on store purchases	1,314.24	Head 32 — Miscellaneous s.h. 30 — Temporary Specialist Assistance
Head 32 — Miscellaneous s.h. 17 — Workmen's Compensation Ordinance	\$ 1,342.72	Head 32 — Miscellaneous s.h. 24 — Compensation claims
Head 32 — Miscellaneous s.h. 19 — Expenses of officers on Transfer and new appointments	Cr. 401.98	Rev. Head X — Miscellaneous s.h. 1 — Sundries
Head 32 — Miscellaneous s.h. 19 — Expenses of officers on Transfer and new appointments	1,236.24	Dev. Head I — Agriculture s.h. 5 — Soil Survey (3) Travelling Expenses and Subsistence
Head 32 — Miscellaneous s.h. 19 — Expenses of officers on Transfer and new appointments	1,236.24 868.00 240.00	Dev. Head VII — Geological Surveys s.h. 1 — Geological Surveys and Mineral Development (6) Passages

APPENDIX II.—(Contd.)

Not Yet Admitted

Allocated to	Amount	Should have been allocated to
Head 32 — Miscellaneous s.h. 19 — Expenses of officers on Transfer and new appointments	618.12	Dev. Head VIII — Health s.h. 12 — Anti-Typhoid Vaccine (1) Passages and Salaries
Head 32 — Miscellaneous } s.h. 27 — Special visits etc. }	5,774.18 994.56	Head 32 — Miscellaneous s.h. 16 — Crown Agents Charges
Head 36 — Pensions and Gratuities s.h. 19 — Gratuities to contract officers	2,997.00	Dev. Head I — Agriculture s.h. 5 — Soil Survey (1) Personal Emoluments (a) Salaries and allowances (b) Superannuation
Head 37 — Police } s.h. 1 — Personal Emoluments }	5,866.00 267.00 6,180.69	Head 37 — Police s.h. 2 — Transport and Travelling
Head 37 — Police } s.h. 1 — Personal Emoluments }	1,571.73 1,512.00	Head 37 — Police s.h. 4 — Uniforms
Head 41 — Prisons s.h. 2 — Transport and Travelling	274.48	Head 41 — Prisons s.h. 3 — Dietary
Head 43 — Public Debt. s.h. 1 — Interest — Local Loans e. Loan Ordinance 17 of 1953 — 2nd Issue	525.00	Head 43 — Public Debt. s.h. 1 — Interest — Local Loans b. Loan Ordinance 5 of 1945.
Head 43 — Public Debt. s.h. 1 — Interest — Local Loans d. Loan Ordinance 17 of 1953 — 1st Issue	\$ 313.25	Head 43 — Public Debt s.h. 1 — Interest — Local Loans (b) Loan Ordinance 5 of 1945
Head 45 — Public Works and Sea Defences, Annually Recurrent s.h. 17 — Workshop Suspense Account	294.35	Head 11A — Drainage and Irrigation — Annually Recurrent s.h. 4 — Maintenance and operation of machinery for Agriculture Hire Pool
Head 47 — Social Assistance } s.h. 13 — For the support of the destitute }	300.00 250.00	Head 47 — Social Assistance s.h. 20 — Old Age Pensions
Head 48 — Supreme Court s.h. 1 — Personal Emoluments	Cr. 356.61	Rev. Head X — Miscellaneous s.h. 1 — Sundries
Advances — Crown Agents pending adjustment	302.40	Head 21 Labour
Advances — Crown Agents pending adjustment	795.14	Dev. Head XII — Post Office s.h. 1 — Telecommunications Re- habilitation
Advances — C. A. Leach	420.18	Advances — D 154 A — Drainage and Irrigation Personal Block Account
Dev. Head VII — Geological Survey s.h. 2 — Inter-Guiana Conference	1,012.50	Head 32 — Miscellaneous s.h. 35 — Entertainment Expenses

In addition there are 134 errors of classification of under £50 (\$240) each, totalling \$7,325.88 which were brought to notice too late for adjustment. Of these 47 errors totalling \$3,137.92 affect below-the-line accounts.

APPENDIX III

Authorities For Recurrent Expenditure for the year 1959

A. Original Estimates

Not formally approved by Resolution of the Legislature.

Approved by Secretary of State on 22nd September, 1959 — Savingram No. 675.

B. Appropriation Ordinance

No. 2 of 1959. Passed by the Legislative Council on 5th March, 1959. Notice of non-disallowance published in the Official Gazette of 10th October, 1959.

C. Supplementary Appropriation Ordinance — not yet passed

<i>Supplementary Estimates For</i>	<i>Date Approved by Legislature</i>	<i>Date Approved by Secretary of State</i>
January — March	19. 6.59	12.10.59 Savingram No. 716
April — June	23. 9.59	12.10.59 Savingram No. 716
July — August	5.11.59	15.1.60 Savingram No. 27
September — October	29.12.59	3.2.60 Savingram No. 73
November December	18. 1.60	17.2.60 Savingram No. 98
Not included in any previous schedules (Colonial Regulation No. 223(2) (c))	} Not yet approved	

Supplementary Appropriation Ordinance — 1958 — Passed by the Legislative Council on 6th January, 1960. Ordinance No. 2 of 1960. Notice of non-disallowance published in Official Gazette of 28th May, 1960.

Authorities For Development Expenditure for the year 1959

A. Development Fund Ordinance No. 44 of 1954

B. Original Estimates

Approved by Resolution of the Legislature on 10th March, 1959 — Resolution No. VI.

Approved by Secretary of State on 22nd September, 1959 — Savingram No. 675.

C. Supplementary Estimates

<i>Supplementary Estimates For</i>	<i>Date Approved by Legislature</i>	<i>Date Approved by Secretary of State</i>
January — March	19. 6.59	29.7.59 Savingram No. 530
April — June	23. 9.59	14.10.59 Savingram No. 724
July — August	5.11.59	1.1.60 Savingram No. 3
September — October	29.12.59	2.2.60 Savingram No. 66
November—December December	18. 1.60	Not yet approved
Not included in any previous schedule	} Not yet approved	

APPENDIX IV

*Other Accounts Audited by this Department
Independent or Statutory*

Amerindian Purposes Fund	Kamarang Trade Store
Boodhoo Memorial Scholarship Fund Fund	Lethem Trade Store
British Caribbean Currency Board (B.G. Centre)	Local Government Board Districts' Guarantee Fund
British Council	Ministry of Pensions
British Guiana Museum	Mitchell Trust Fund
British Guiana Tourist Committee	Mutual Security Agency
B.G. Credit Corporation	New Amsterdam Town Council
Buxton Scholarship Fund	New Widows & Orphans Fund
Central Housing & Planning Authority	Patoir Trust Fund
Co-operative Societies Audit and Supervision Fund	Post Office Savings Bank
De Saffon Trust Fund	Public Free Library
District Local Authorities (17)	Public Officers' (Defaults) Reserve Fund
Drainage & Irrigation Board	Public Officers' Housing Loan Committee
Fines Funds	Public Officers' Insurance Scheme
Fire Brigade Reward Fund	Remembrance Day Relief Committee
General Nursing Council	Supreme Court Law Library
Georgetown Planning Commissioners	Sugar Industry Labour Welfare Fund
Georgetown Town Council	Sugar Industry Rehabilitation and Price Stabilisation Funds
Georgetown Mariners' Club	Trade Unions (43)
Immigration Accounts	Trotman Trust Fund
Infant Welfare & Maternity League	Village Chairmen's Conference Scholarship Fund
Jackson Memorial Scholarship Fund	

Government Ancillary Organisations

Central Produce Depot	Minor Industries
Commodity Control	Milk Pasteurisation Plant
Fish Market & Centre Ham & Bacon Factory	New Amsterdam Produce Dépôt Processing Factory

APPENDIX V

Queries Outstanding as at 30th June, 1960.

Departments	1954/56	1957	1958	1959	Total*	Total 1958
Accountant General	15	6	11	38	70	46
Agriculture	—	3	15	25	43	17
Civil Aviation	—	—	2	6	8	2
Chief Secretary	—	—	—	4	4	—
Co-operative	—	—	2	3	5	3
Customs and Excise	1	3	5	24	33	10
Drainage and Irrigation	1	3	18	22	44	23
Education	—	—	1	22	23	13
Forestry	—	—	1	7	8	1
Geological	—	—	2	11	13	2
Interior	—	—	2	21	23	2
Lands and Mines	—	1	—	10	11	2
Local Government	—	1	2	8	11	2
Medical	—	7	13	27	47	19
Post Office	4	17	29	18	68	19
Public Works	—	13	41	59	113	20
Others	3	5	11	38	57	36
	24	59	155	343	581	217

APPENDIX VI

*Excess Expenditure Unauthorised as at
31st December, 1959*

Head	Department	No. of Subheads	Total Amount
<u>RECURRENT BUDGET</u>			
1	Governor	1	\$ 54.78
1A	Governor's Secretariat	2	170.92
2	Legislature	1	338.94
3	Agriculture	2	9,813.24
7B	Information Services	1	3.37
8	Civil Aviation	1	577.53
9	Co-operative	1	299.92
11	Drainage and Irrigation	2	501.62
11A	Drainage and Irrigation — Recurrent	1	58,735.52
12	Education	2	1,205.89
12A	Education — Other	5	852.34
12B	Education — Queen's College	2	387.52
12C	Education — Bishops' High School	2	997.69
16	Licence Revenue	1	272.15
18	Fire Protection	1	4,800.81
19	Forest	1	1,166.24
20	Interior	1	110.75
23	Land Development	1	163.13
24	Law Officers	1	351.56
25A	Local Government	1	7.50
27A	Medical — Bacteriological	1	111.31
27C	Medical — Hospitals	5	14,102.96
28	Ministry of Communications	1	42.18
29	Ministry of Labour	1	10.36
32	Miscellaneous	6	100,119.29
34	Miscellaneous — Grants	2	92.23
36	Pensions and Gratuities	3	3,654.82
37	Police	3	446.18
38	Post Office	4	18,399.54
39	Post Office Telecommunications	3	5,501.44
41	Prisons	6	2,418.11
43	Public Debt	2	9,249.65
45	Public Works	3	3,944.95
45A	Public Works — Recurrent	5	19,327.28
46	Registrar — Births and Deaths	1	1,130.81
48	Supreme Court	2	5,809.55
53	Public Works — Non-recurrent	2	931.57
TOTALS		80	\$266,103.65