

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE OF THE LEGISLATIVE
COUNCIL ON THE DIRECTOR OF AUDIT'S REPORT ON THE
ACCOUNTS OF THE COLONY FOR THE YEAR ENDED 31ST
DECEMBER, 1958.

LEGISLATURE,
Public Buildings,
Georgetown.
9th August, 1960.

Your Honour,

We, the Chairman and Members of the Public Accounts Committee, have the honour to submit our Report on the Colony's Accounts for the financial year ended 31st December, 1958.

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

3. The Committee sat on the following occasions to consider the Director of Audit's Report on the Colony's Accounts for 1958:-

2nd December, 1959	11th May, 1960
3rd December, 1959	18th May, 1960
30th December, 1959	27th May, 1960
6th January, 1960	21st July, 1960.
5th May, 1960	

4. For ease of reference, we have shown at the top of each paragraph in our Report the corresponding paragraphs of the Director of Audit's Report.

Publication of the Director of Audit's Report

5. Before proceeding to deal with the specific matters raised in the Report of the Director of Audit, we considered the position which had arisen as a result of the press reports appearing in the daily newspapers on the subject matter of the Report prior to members either considering it, or indeed being given an opportunity of studying it.

6. It was appreciated that once the Report was laid on the Table, it became a public document, and the procedure was that it was only after laying that it was referred to us for examination. Nevertheless, we wish to receive copies of the Report at least at the same time as that of laying, and also wish our own Report to be printed and circulated.

Audit - Programme of Work - Paragraph 6.

7. We are not satisfied that the Audit Programme of work is sufficiently up to date in regard to local and district inspections to give adequate deterrents to irregularity and other misdemeanour. We urge that this situation be remedied, but realise that this is dependent upon the numbers and calibre of available staff. In this connection, the Director of Audit has submitted an organisation chart, showing the grade and numbers considered necessary for keeping the examination of all accounts up to date, and we recommend that this establishment be approved.

Outstanding Queries - Paragraph 7 - Appendix V.

8. Notwithstanding that the number of outstanding queries showed a decrease when compared with 1957, we still regard the position to be unsatisfactory, and should it deteriorate, will have to consider recommending drastic action to enforce prompt replies to Audit Queries and Memoranda.

Checks against Fraud and Irregularity - Paragraph 9.

9. The Financial Secretary and the Accountant General agreed with the views of the Director of Audit that supervision in departmental offices in general was inadequate. We note that the Director of Audit had recommended to Government that a small team of experienced officers should revise procedures and staffing in every department, as it had become clear that many officers did not know what they were supposed to do and initiative and direction were generally lacking.

10. The Director of Audit's recommendations were:-

"2. I did not envisage regrading as a major task of my team, but a by-product of their labours which I consider to be in order of importance -

- (i) Re-organisation of administrative and accounting procedures where necessary.
- (ii) Clarification of duties of officers and chains of command.
- (iii) Examination of work loads and establishment.
- (iv) Direction of physical re-organisation of office.
- (v) As a by-product - regrading proposals.

3. It is my opinion that a regrading team pure and simple will not achieve the desired object of increasing morale and efficiency, and that the measures in 2(i) - (iv) above will only be partially successful unless supported by -

- (i) Adequate incentives, e.g. the granting of double increments for exceptional endeavour, accelerated promotion, after a minimum of, say, five years' service, of the cream of new entrants, etc.
- (ii) Positive deterrents, e.g. much more prompt hearing and decision in the Courts or Secretariat in criminal and disciplinary cases involving Civil Servants, firmer handling of disciplinary cases.
- (iii) Constructive in-service training - compulsory courses - bonus for qualifications - promotion examinations and interview from clerical to executive grades - addition of commercial course to Government Technical Institute.

And lastly, but by no means the least -

- (iv) A revision of the senior service salary scales."

11. If, as appears to be the case, standards of performance in departmental offices are low, then we would urge that the Director of Audit's recommendations be implemented without delay.

Control and Application of Expenditure - Paragraph 14.
Organisation and Methods - Paragraph 16.

12. Arising out of the discussions on these paragraphs, it became evident, once more, that there is a serious deficiency of officers with good management ability. The Organisation and Methods Adviser was of the opinion that the great need was for people with the ability to manage; people who would give orders to juniors and make them carry them out, and that the reluctance to do this was probably born of gentleness and knowing too much of one another. This deficiency frustrated the efforts of Organisation and Methods as, whilst these officers agreed that Organisation and Methods suggestions were right and should be done, they did not, apparently, press their staff to do it.

13. All this poses a major problem but one which must be solved quickly. We must assume that when an officer is selected for promotion, he is, in the opinion of the administration, worthy of the post to which he is promoted, and yet it seems that having been promoted, some officers must lose the zeal they had prior to promotion. If this is so, it seems to us that such officers should be considered for demotion to their previous rank, or such other disciplinary action as is fair under the circumstances of the case. In saying this, we do not wish to give the impression that we prefer to see efficiency created through fear of loss of rank or privilege. We would prefer to see efficiency created by the ability and initiative of the individual officer. Nevertheless, drastic situations require drastic remedies, and it is not right that an officer should be drawing the emoluments of a public appointment unless his service is of a quality appropriate to his position. Furthermore, by indifferent performance in that post, he is inculcating a similar attitude in his juniors, and thus perpetuating an unsatisfactory state of affairs.

Travelling Expenses of Jurors - Paragraph 19.

14. We intend to observe the expenditure on this account in 1959 and comment in our Report for that year. Meanwhile, we consider it essential that a detailed statement of jurors' expenses should accompany the voucher on which payment has been made.

Magistrates' Offices - Improper Accounting - Paragraph 20.

15. The Registrar stated that it was not possible under present staff conditions for Clerks of Court to make daily checks of accounts. We consider that even under difficult staff conditions, daily internal checks must be carried out and understand that directions have been issued to this effect.

Crown Solicitor - Retention of Fees - Paragraph 21.

16. We understand that up to 1946, it was the practice for the officer holding the post of Crown Solicitor to retain certain fees, that this privilege was revoked and a fixed

allowance of \$240.00 per annum voted until 1948 when there was a change in officers in this post. The Chief Establishment Officer informed us that the present incumbent of the post had accepted it on terms which did not include retention of fees, as had the incumbent in 1948, and that the Crown Solicitor was not entitled to receive anything but his salary.

17. We understand that the matter is under active consideration and it is proposed to pursue it in our 1959 Report. Meanwhile, it should be stated that, as a matter of principle, we are opposed to any public officers retaining fees.

Arrears of Court Revenue - Paragraph 23.

18. We understand that action is proceeding with a view to reducing the number of unpaid fines, and await the comments of Government in this matter. We are concerned to note that little effective action has been taken on previous comment on the matter. It seems pointless in arresting, charging and taking an offender to Court, and then imposing a fine which is never collected.

Passage Allowances - Acting Appointments - Paragraph 26.
Motor Vehicle Advances - Paragraph 28.

19. We consider that the General Orders regulate conditions of service and that, while the Chief Secretary has powers of decision in regard to the interpretation of these orders, he cannot approve any deviation from their general import. Where any decision is made regarding terms of service of general application, a circular should issue pending incorporation in General Orders.

Control of Expenditure - Paragraph 35.

20. We are pleased to note that the office of the Financial Secretary has put pressure on Departments in the matter of control. In two specific instances of excess expenditure without authority, we were informed that the reason was delay in the relevant Ministerial Secretariats. We consider such delays to be unwarranted, and hope that all business undertaken in Secretariats will, in future, be dealt with promptly.

Treasury Department - Staffing.

21. We questioned the Accountant General on the staff position in the Treasury, and were perturbed to learn of the preponderance of officers with little experience, the shortage of senior staff and the tendency to post officers to and from the Department with little regard to the effect on the efficiency of the Treasury.

22. A Member drew attention to the vacancies in the Department and the necessity for promptly filling such vacancies as occurred in senior positions. With regard to the post of Accountant General, he pointed out that the substantive holder had proceeded on pre-retirement leave in early March and it was some two months later that the post was filled by an officer who did not take up the appointment but remained seconded as Commissioner of Housing. During that period no one was even appointed officially to act - in fact, this was not done until the 19th of May.

23. We understand that the delays were due to review of the abilities of the various officers in the Service who might be suitable for the positions. We feel, nevertheless, that these and many other senior posts remain unfilled for too long, particularly where suitable officers are available for promotion. We hope that if and when the Public Service Commission becomes executive, these delays will disappear.

Petroleum Products - Paragraph 55.

24. We had previously recommended for consideration the abolition of the issue of gasoline duty free. We feel that if this were accompanied by a decrease in duty, so that the Revenue would approximate to that collected at present, undue hardship would not be caused to present users of duty free gasoline, malpractices would obviously cease, and much useless administrative work and expense would be avoided. We again recommend to Government a revision of policy in this direction.

Control of Duty Free Imports under Licence - Paragraph 57.

25. In these days of unstable prices, we feel that the placing of a financial limit on the value of items imported under licence duty free is impracticable, but that a check should be made on the numerical entry of items as against those detailed in the licence.

Overtime Fees - Deposits - Paragraph 58.

26. The Comptroller informed us that the accounts had been regularised. On the general question of overtime fees collected from importers, and the overtime rates paid to guards, we consider that the normal Civil Service practices should be used in regard to payment to officers, and that the fees to be charged to importers should be set at a rate that takes cognisance of the full cost to Government of supplying the service (e.g. the cost of transport, stationery, etc.). We consider that if this view is accepted, payment of overtime to officers should be voted, and collection of fees be a sub-item of Revenue. There would thus be no need to use a deposit account other than to secure the Revenue if thought necessary.

Estate Duty - Apparent Undervaluations - Paragraph 60.

27. We understand that some action is being taken to clarify and amend the law, and propose to comment further on the 1959 position. We feel that, in so important a matter, the law should be so drafted as to be completely unambiguous.

Income Tax - Arrears of Revenue - Paragraph 61.

28. The Commissioner informed us that he was having some difficulty in obtaining staff, but that, nevertheless, the position regarding arrears had improved. It is understood that the introduction of the "P.A.Y.E." system of collection would assist the Department, and that draft legislation was submitted in August, 1959. We were not able to ascertain why no action has been taken to implement what, to us, seems to be a system which should ensure greater and prompter collections, and at the same time, ease the burden of work in the Inland Revenue Department.

Non-Payment of Rates and Taxes - Paragraph 62.

29. We consider the position whereby some Village Councillors abuse their position by not paying rates and taxes due on their personal properties, which lie within the district of jurisdiction of the Council which they serve, to be deplorable. We can understand the reluctance of overseers to prosecute in such cases, and consider that some third party should be in a position to do so. We understand that this is not the case at present. We endorse the recording of such misdemeanours in Audit Reports, and consider that full details should be published as to name, properties and arrears, where such arrears are due to shortcomings on the part of Councillors.

Rural Self-Help Schemes - Nugatory Expenditure - Paragraph 64.

30. We await further information from the Commissioner on the number and type of schemes abandoned, and the amounts involved. Whilst realising some of the difficulties involved in the completion of self-help schemes, we hope that enough experience has now been gained to differentiate between those schemes which are liable to reach fruition and those which will not.

District Commissioners' Offices - Supervision and Functions - Paragraph 65.

31. We were told that District Commissioners and their Assistants were overburdened with work, and could not carry out day to day supervision of accounts, that there was a shortage of staff in many offices, and that clerical staff were untrained. The time, therefore, seems to us to be ripe for a re-appraisal of the functions in these offices, and a divorcing of the administrative from the accounting function, and we consider that discussions should be instituted on the matter between the Treasury, Local Government and other departments concerned.

32. Arising from this, we understand that the inspection aspect of Treasury work is not carried out due to shortage of staff. Nevertheless, we recommend that an inspection branch should be established as soon as possible.

Nugatory Expenditure - Rural Electrification Scheme - Paragraph 69

33. We established that the supply of poles was not put out to public tender but could not ascertain on whose authority this was done. We are of the view that the action taken was a serious administrative error and we propose to comment further in our next report. Meanwhile, we understand that the majority of the poles still lie at logging sites; 75% of the value has been paid and that the remaining 25% is paid on delivery in Georgetown.

Telecommunications - Apparent Losses on Operation - Paragraph 71.

34. We find that, under the present system of accounting, it is not possible to ascertain accurate working results of the telecommunications service. Ideally, we should like to see the system operated on commercial lines, and the accounting to be also so based. If this is not done, we do not see how either the evil of unnecessary and hidden losses may be brought to light, or overcharging for the service be revealed.

35. We consider that Government Departments should pay normal rates for the services rendered, that adequate depreciation reserves should be accumulated and invested, and that rates should be set so as to give a small return on the capital employed, assuming full utilisation of the equipment.

General Post Office and Telecommunications - Stores - Paragraph 74.

36. We will report further in the 1959 Report, as many of the matters which were mentioned have not yet reached finality.

Contracts - Procedure and Detail - Paragraph 76.

37. Arising from our discussions on this matter, we support the suggestion of the Director of Public Works that District Engineers should be allowed to conclude contracts up to a value of \$2,000.00.

38. We consider that great care should be taken by the Tender Board in the awarding of major contracts and that full consideration should be given to the technical ability of contractors, their financial viability, and any previous record as a public contractor. We propose to pursue the matter in our 1959 Report.

Hire of Plant - Variation of Rates - Paragraph 78.

39. We were informed that the hire rate at the time of the matter under review did not include all the elements of cost, and was thus too low. The Director informed us that these rates had been revised and were now realistic. We hope that, in future, where any Government property is hired out, the rates will be such as to return the full cost to Government.

Supply of Stone - Unsatisfactory Features - Paragraph 79.

40. We realise the difficulties inherent in checking the quantity of boulder and stone delivered to Government, but in view of the substantial payment involved, and the irregularities possible, consider that the installation of weigh bridges at delivery points would be wise expenditure, that greater care should be taken in ascertaining quantities, and that severe action should be taken against any persons found attempting to defraud Government in this connection.

Unallocated Stores - Paragraph 80.

41. We have ascertained that spare parts to the value of some \$5,000.00 had been kept for 13 years after the relevant equipment had become obsolete, and that the total value of "dead stock" in the store was approximately \$36,000. Provided that no use can be made of such stock in the foreseeable future, we consider that when it is apparent the stock is obsolete, it should be immediately sold.

Water Transport Suspense Account - Paragraph 82.

42. We intend to pursue this question when reviewing the accounts for 1959.

Nugatory Expenditure - Unplanned Erection of Houses -
Paragraph 85.

43. In this case, we could not elicit who was responsible for planning the erection of 50 houses at Cane Grove. After the death of the contractor, the Department had spent \$34,000 on the project, when it was abandoned due to residents in the area not wishing to buy any other than the six which were completed by the Department. Stores to the approximate value of \$7,000 appear to have been recovered from the site.

44. Government should not enter into apparently speculative building projects and we therefore recommend that a careful study of site, need and sales prospects should be made before commencing building in the future.

Surplus Stores - Disposals - Paragraph 88.

45. There does not appear to have been any firm decision in regard to the disposal of stores to the approximate value of \$450,000 surplus to the requirements of the Department.

46. We recommend that a decision be taken, in the light of any future plans regarding housing projects. We also support the Commissioner in his opinion that:-

- (i) In any future contracts, the contractor should supply his own materials.
- (ii) Self-Help Groups should be served through the Central Stores of the Public Works Department, who should also keep the accounts for these groups.

Control over Expenditure - Paragraph 92.

47. We appreciate that it is inevitable that some of the accounts rendered for services performed for Departments in the closing month of the year will not be presented in time for payment during the financial year, but we cannot condone the deliberate holding over of accounts payable in order to avoid an excess on the relevant Vote, or the incurring of expenditure when no provision exists for it. We are aware that the cost of essential services must be borne, but are not satisfied that adequate administrative control is exercised in this Department.

Central Medical Stores - Paragraph 94.

48. It appeared that there was no joint consultation between the Public Works Department and the Medical Department on the design of the new Medical Stores building, which also contains a school of pharmacy, with the result that the building is not adequately ventilated. We consider such inter-departmental discussion mandatory, so that the requirements of the departments which are to operate in new buildings may be met as far as possible.

Hospital Administration - Fees - Paragraph 95.
Arrears of Revenue - Paragraph 98.

49. We consider that the system of fees guarantors requires closer administration, as it is apparent that in many cases, where patients have failed to pay fees, their

../ guarantors

guarantors have also failed so to do. We also consider that where a public servant incurs hospital fees, these fees should be automatically recoverable, in reasonable instalments, from the salary of the officer.

Hospital Accounting - Internal Control of Equipment and Stores - Paragraph 96.

50. Although the system of account has been approved for over two years, there does not yet seem to be effective administrative control of stores and equipment in institutions. We intend to make a closer scrutiny of the matter in connection with the accounts for 1959.

Marketing Organisations - Paragraphs 99 et seq.

51. Although it has been decided that a new Organisation would take over the functions of the Marketing Division of the Department of Agriculture, we are not aware that any effective action has been taken to create this Organisation, and intend to take the matter up in connection with the accounts for 1959. It is hoped that the establishment of such an Organisation will reduce the losses, and perhaps, eliminate them. We cannot but comment that we entertain no such hope if the present policies, which produce unsaleable surpluses, continue, though we agree that a reduction may be expected in the cost of operation of the various Organisations if good commercial management techniques are practised.

52. In the case of the purchase of gluts of cassava and plantain, there seems to us to be a sense of futility in harvesting and transporting these crops, only to throw them away, and if, as the Director of Agriculture stated, it was necessary to grow these as cover for cocoa trees, we think it would be simpler to subsidise directly the budding peasant cocoa farmer at a fixed amount per tree per annum.

Produce Depot - New Amsterdam - Irregularities - Paragraph 101.

53. Arising from our enquiries into this matter, we were informed that the premises used by the Depot in New Amsterdam were unsatisfactory, and conditions under which work was done were not conducive to orderliness, and in view of this, we find it difficult to criticise staff for committing errors under these circumstances. We do not recommend the continued existence of this Depot in its present premises, and doubt the wisdom of its continued operation.

Milk Pasteurisation Plant - Paragraph 102.

54. In reviewing the results for 1958, we came to the conclusion that the selling and distributing effort of the Organisation was inadequate. Retail price still appears to be not attractive enough to woo consumers away from the imported article, and it would seem that it would be better to sell more at a lower price than have unsaleable surpluses. We are not convinced that the problem was being approached with sufficient energy and received the impression that administrative decisions in the Ministerial Secretariat were not prompt or incisive enough under the circumstances. In view of the forecast increase in production of the dairy industry, it is apparent that the problems of distribution and manufacture should be given close and constant attention.

Fish Market - Paragraph 103.

55. We understand that the Fisheries (Amendment) Regulations, 1959, concerning the operation of the Government Fish Market, authorise the wholesale sale of fish subject to the approval of the Superintendent, and that a landing fee would be payable on each catch so sold, but that the practice has been for Government to buy all fish offered and then re-sell on its own account. Whatever the policy may be in this matter, we consider that the law relating to operation must, at the earliest opportunity, be amended to give legal effect to the policy decision. It is apparent that losses will continue to be suffered for so long as the present policy is pursued.

Pure Line Seed Padi - Paragraph 104.

56. The position was fully explained by the Director of Agriculture in connection with the review of the accounts for 1959. It is understood that the Rice Marketing Board now reimburse Government to the extent of \$10,000 per annum, but we are not convinced that subsidised production and distribution is having the desired effect, or that the Rice Marketing Board should not be more concerned with the matter than the Director of Agriculture informed us was the case at present.

Agricultural Machinery Hire Pool - Paragraph 105.

57. The accounts on the results of operation of the Pool for 1958 were not available at the time of discussion. We accepted the statement of the Director that insufficient supervision was accorded the field operations of the Pool. We suggest that, in future, before payments are made for work done, a comparison should be made between the amount of work claimed for, and the capacity of the relevant machines.

Arrears of Revenue - Land Settlements - Paragraph 112.

58. We appreciate the difficulties which beset this matter. We cannot but observe, however, that it is inequitable that of people, presumably in much the same circumstances, some pay their dues, and others do not.

59. We recommend the write-off of arrears which are old and irrecoverable. Some formula should be instituted, in regard to the collection of arrears from persons permanently resident on settlement lands. It is proposed to pursue this matter in connection with the accounts for 1959.

60. We attach as Appendix II a list of the Heads of Departments and other officers who attended the meetings of the Public Accounts Committee, and wish to place on record our appreciation of the full and frank way in which questions were answered by these officers.

61. We would wish to record an expression of our appreciation of the invaluable assistance rendered the Committee by the Advisers, the Secretaries and the Official Reporters.

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

.....*W. O. R. Kendall*.....
W.O.R. Kendall Chairman.

.....*F. Bowran*.....
F. Bowran

.....*A. L. Jackson*.....
A.L. Jackson

.....*H. J. M. Hubbard*.....
H.J.M. Hubbard

.....*A. G. Tasker*.....
A.G. Tasker

Members.

*i. A. Spurrington
clerk.*

APPENDIX I.

The composition of the Committee was as under:-

Chairman Mr. W.O.R. Kendall.

Members Mr. R.B. Gajraj
Mr. F. Bowman
Mr. A.L. Jackson
Mr. A.G. Tasker, O.B.E.

with

Secretary Mr. I. Crum Ewing, Clerk of the Legislature
and
Mr. E.V. Viapree, Assistant Clerk of the
Legislature
(During Mr. Crum Ewing's absence on
sick leave).

* As Mr. Gajraj could not find it possible to serve on the Committee, Mr. H.J.M. Hubbard was appointed during the new session.

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Advisers Mr. W.P. D'Andrade, Deputy Financial
Secretary.
Mr. C.L. Kranenburg, O.B.E., Accountant
General.
Mr. D.W. Jones, D.F.C., A.F.C.,
Director of Audit.

with

Mr. J.C. Young, Principal Auditor.
Mr. R.I. Janki, Auditor.
Mr. L.T. Bowen, Senior Examiner of Accounts.
Mr. B.U.J. Rodrigues, Senior Auditor.

Mr. C.H. DaSilva, Principal Assistant Secretary, Finance Secretariat, represented the Financial Secretary at the meeting of 3rd December, 1959, and with effect from the meeting of 5th May, 1960, the Advisers were represented by the following officers:-

Financial Secretary: Mr. G.W. Williams, Assistant
Secretary (Ag.), Finance
Secretariat.

Accountant General: Mr. R.P. Farnum, Deputy Accountant
General (Ag.) - later appointed
to act as Accountant General.

Director of Audit: Mr. J.C. Young, Principal Auditor.

APPENDIX II.

The following Heads of Departments and other officers attended meetings when their respective departments were under examination:-

<u>Date of Meeting</u>	<u>Designation</u>	<u>Name of Officer</u>
2.12.59	Organisation and Methods Adviser	Mr. S.N. Angel
	Principal Establishment Officer (Ag.)	Mr. C.F. D'Ornellas
3.12.59	Commissioner of Housing (Ag.)	Mr. C.M. Fraser.
	Permanent Secretary, Ministry of Labour, Health and Housing(Ag.)	Mr. E.S. Drayton.
30.12.59	Director of Agriculture	Mr. G.B. Kennard.
	Director of Drainage and Irrigation (Ag.)	Mr. M. Belgrave.
	Director of Land Development	Mr. W.A. Macnie, C.M.G., O.B.E.
	Permanent Secretary, Ministry of Natural Resources.	Mr. G.E. Luck.
6.1.60	Director of Medical Services	Dr. L.A.P. Slinger, O.B.E.
	Accountant, Medical Department	Mr. D.I. Mittelholzer.
	Permanent Secretary, Ministry of Labour, Health and Housing(Ag.)	Mr. E.S. Drayton.
5.5.60	Comptroller of Customs and Excise	Mr. W.R.D. Glasford.
	Commissioner of Inland Revenue	Mr. W.G. Stoll.
11.5.60	Crown Solicitor (Ag.)	Mr. D.P. Debidin.
	Chief Establishment Officer	Mr. A.A. Abraham.
	Director of Posts and Telecommunications	Mr. E.E. Cassell.
	Postmaster General	Mr. C.W.B. Deane.
	Engineer-in-Chief, Telecommunications	Mr. L.A. Robinson.
	Deputy Director of Posts and Telecommunications (In Training)	Mr. E.H. Reis.
	Commissioner of Local Government	Mr. L.B. Thompson, M.B.E.
	Superintendent, The Palms, and Secretary, Poor Law Commissioners.	Mr. D.E. McDavid.
18.5.60	Deputy Commissioner of Police.	Mr. E.F. Moss.
	Chief Establishment Officer	Mr. A.A. Abraham.
	Registrar of the Supreme Court (Ag.)	Mr. Aditya Singh.
	Principal Assistant Secretary, Chief Secretary's Office.	Mr. P.A. Forte.
27.5.60	Director of Public Works (Ag.)	Mr. A.R. Adamson.
	Accountant, Public Works Department	Mr. C.I. Gill.
	Administrative Assistant, Ministry of Communications and Works.	Mr. S. Storey.

Dredging Charges - Paragraph 14.

8. We were informed by the General Manager that a special departmental working party had investigated the matter and that as a result he had decided that, as a general rule, dredging services should be paid for only in cases where the accommodation of ocean going ships was not involved; he had also approved a scale of charges.

While recognising the intention of the Department to establish a fair scale of charges, we feel that charges for dredging services should be subject to Regulations and therefore recommend that this should be done.

Refunds of Tonnage Dues - Paragraph 19.

9. The General Manager stated that an amendment to the Ordinance was being sought to provide for refunds in certain circumstances. We trust that this matter will be regularised as early as possible as this would appear a case of the letter of the law not being fully in accord with its intention.

Increasing Accounting Efficiency - Paragraph 28.

10. The General Manager said that he had examined the possibilities of mechanisation of the Department's accounting system as a whole and that it was apparent that certain economies including the elimination of a good deal of physical drudgery could be effected. We consider that such measures, provided they are coupled with efficiency, should be implemented as soon as possible in the Department.

Inventories - Paragraph 37.

11. We find it difficult to understand why, as admitted by the General Manager, a comprehensive inventory system is not maintained. Such a system appears to be essential to adequate control and proper valuation, at any time, of the Department's physical assets. We consider that the appropriate records should be compiled as soon as possible and maintained in good order.

We also understand that the unsatisfactory situation regarding the stock of rails bought from Bermuda over twelve years ago continues, that is, it has not yet been checked physically and is largely redundant or unserviceable. The reason advanced for not taking stock has been that it was uneconomical to do so. We recommend that this stock, which is reflected in the Department's books at a value of \$178,661.15 at 31st December, 1959, should be checked in sections and progressively sold to the public in so far as it is not required by Government Departments, and that Departments should be asked to state their needs, if any, in the light of projected expenditure on the Development Programme.

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

W. O. R. Kendall
.....
W.O.R. Kendall - Chairman.

F. Bownan }
..... }
F. Bownan }
H. J. M. Hubbard }
..... }
H.J.M. Hubbard }
A. L. Jackson }
..... }
A.L. Jackson }
A. G. Tasker }
..... }
A.G. Tasker }

Members

i. d. Spence
Club.

A P P E N D I X

The composition of the Committee was as under:-

Mr. W.O.R. Kendall.

Mr. F. Bowman
Mr. A.L. Jackson
Mr. H.J.M. Hubbard
Mr. A.G. Tasker, O.B.E.

Mr. I. Crum Ewing, Clerk of the Legislature.

...

Mr. G.W. Williams, Assistant Secretary (Ag.),
Finance Secretariat.
(Representing the Financial Secretary).

Mr. R.P. Farnum, Accountant General (Ag.)

Mr. J.C. Young, Principal Auditor.
(Representing the Director of Audit)

with Mr. B.U.J. Rodrigues, Senior Auditor.