

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE OF THE LEGISLATIVE ASSEMBLY
ON THE DIRECTOR OF AUDIT'S REPORT ON THE ACCOUNTS OF THE
COLONY FOR THE YEAR ENDED 31ST DECEMBER, 1961

LEGISLATURE
Public Buildings,
Georgetown
15th August, 1964

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, 1961.

2. The composition of the Committee appointed during the Third Session 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 1961:-

- 26th September, 1963
- 27th September, 1963
- 3rd October, 1963
- 4th October, 1963
- 10th October, 1963
- 11th October, 1963
- 24th October, 1963

4. The Committee also sat on Friday, 14th August, 1964, to consider the draft of the Report now submitted.

5. 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.

INTRODUCTION

Paragraph 5 - Treasury Supervision

6. The Committee notes that the inspection branch of the Treasury has been strengthened and that the Director of Audit and Secretary to the Treasury are furnished with copies of inspection reports on Departments. We are, however, deeply concerned about the statement made by the Accountant General that there appears to have been deterioration rather than improvement in the quality of accounting staff in Departments.

Paragraph 6 - Departmental Establishments - General

7. The Committee is gravely concerned over the number of vacancies in the higher professional, administrative, executive and technical posts. We are also deeply concerned that the Civil Service is no longer regarded as a career, but as opportunity employment for candidates waiting to obtain the necessary educational qualifications before leaving to pursue studies abroad.

Our comments and recommendations on staffing in general are contained in paragraph 116 of this report.

Paragraph 8 - In-Service Training in Accounting Work

8. The Committee notes with concern that no progress is being made with regard to in-service training as senior officers were too busy trying to overcome arrears, and no interest

had been evinced by the officers. After due consideration, the Committee reluctantly concedes that if in-service training is to be deferred the onus is on Senior Officers to ensure at least that the staff had a satisfactory working knowledge of the General Orders, Financial and Stores Regulations and other financial authorities and procedures.

Paragraph 9 - Audit Programme

9. The Committee notes that all the vacancies in the Audit Department had been filled, and that an attempt was being made to bring all audits up-to-date.

Paragraph 12 - Audit Queries

10. The Committee views with concern the increase in the number of unsettled queries, and hopes that the position would improve now that Permanent Secretaries had been made Accounting Officers.

Paragraph 18

11. The Committee notes with concern that the Director of Audit is not satisfied that sufficient response is given by the Ministry of Finance to his recommendations and suggestions for improving and correcting the financial procedures.

Paragraph 19 - Spot Query Registers

12. The Committee notes that although there has been some improvement in the manner in which these registers have been kept the position was not quite satisfactory and trusts that every effort will be made to remedy the indifference still shown.

Paragraph 21 - Lack of official information required for audit purposes

13. The Committee hopes that all efforts will be made by the Financial Officers to ensure that the Director of Audit is kept informed of all policy decisions involving accounting and financial matters.

Paragraph 22 - Check against irregularity and fraud

14. The Committee has taken note of the explanation given by the Accountant General that the unsatisfactory position of internal check and supervision is due to the lack of adequate staff, and the inexperience and junior status of staff attached to officers who were engaged for their technical and not their accounting knowledge.

Paragraph 23

15. The Committee again notes with concern the explanation that inadequate staffing has been offered as the explanation for failure to effect reconciliation of the expenditure of Departments with the Accountant General's records.

Paragraph 24

16. The Committee deprecates the failure of accounting officers to comply with accounting instructions issued by the Accountant General, and hopes that with the inclusion of a specific financial regulation on this subject in the new Financial Regulations now being prepared, there will be no further lapses.

Paragraph 25

17. The Committee takes note that the Accountant General has issued a circular to clarify the position with regard

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to the stamping of Departmental vouchers paid from imprest, and hopes that all accounting officers will comply with the instructions.

Paragraph 26

18. The Committee takes note that the amended financial regulations will provide for quarterly internal departmental checks including surprise cash surveys.

Paragraph 34 - Arrears of Revenue

19. The Committee views with deep concern the increase of 2.6 million dollars over the previous year's figure in arrears of revenue, and recommends that more resolute action, including the institution of legal proceedings, where necessary, should be taken to effect collection.

Paragraph 35

20. The Committee notes with concern that arrears of revenue returns submitted by Departments and Ministries have been unsatisfactory for a number of years, and hopes that improvement will result from the change in the form contemplated by the Accountant General.

Paragraph 39 - Control of Expenditure

21. The Committee is perturbed over the explanations offered for the absence of proper expenditure control viz. inadequate supervision and lack of a sense of responsibility. The Committee is also perturbed that Ministries had failed to furnish their reasons or explanations for excesses on their votes. The Committee recommends that it should be made clear to Accounting Officers that the provision regarding surcharge could and would be invoked.

Paragraph 40

22. The Committee fully endorses the hope of the Director of Audit that with the appointment by Warrant of Accounting officers there would be a greater awareness of the requirement that the prior approval of the Legislature is required for expenditure other than that authorised by law.

Paragraph 50 - Cash balance on Accountant General's Account

23. The Committee notes that reconciliation of the Accountant General's accounts with the Bank Accounts is being effected, and that this should resolve the discrepancies reported by the Director of Audit.

Paragraph 55

24. The Committee notes that reconciliation of the balance of remittances with the subsidiary ledger and Departmental balances is in progress.

Paragraph 56 - Personal advance accounts

25. The Committee takes note that reasonably satisfactory control had been applied over advances made to Public officers for overseas leave, official visits, purchasing of vehicles for transport. The Committee hopes that as a result of the special efforts being made by the Accountant General, these accounts will soon be satisfactorily maintained.

Paragraph 62 - Deposit Accounts - reconciliation of balances

26. The Committee concurs with the suggestion of the Director of Audit that evidence of reconciliation of these accounts should be attested in a register, and recommends that the necessary circular instructions to give effect to the suggestion should be issued with a minimum of delay.

Paragraph 67

27. The Committee takes note of the limitation of the General Revenue balance by advances to Government undertakings for working capital, and to Government Departments and officers for various purposes, as well as its immobilisation to the extent of \$2,427,627.26, representing the debit balance of the Development Fund.

LOANS FROM PUBLIC FUNDS

Paragraph 68 - Loans to Mayor and Town Council, Georgetown

28. The Committee notes that the accounting procedure with regard to the repayment of loans made to the Mayor and Town Council Georgetown, questioned by the Director of Audit is still under consideration by the Accountant General, and trusts that an early decision will be taken to finalise this matter.

Paragraphs 69-70 - Loans to Local Authorities

29. The Committee is concerned over the increasing arrears of instalments and interest on loans made to Local Authorities, and notes the explanation of the Accountant General that the inability of Local Authorities to meet their loan commitments was symptomatic of the general trend of finances in the territory.

Paragraph 71 - University Students

30. The Committee notes that the collection of repayments on loans to students formerly the responsibility of the Education Department has since 1961, been undertaken by the Accountant General. We are, however, concerned that agreements entered into with a number of students were defective in that specific provision had not been made for repayment in instalments over the five year period. We were also concerned over the difficulty experienced in collecting in instalments from students who had qualified and returned but were not employed by Government and recommend that demands should be made through the Crown Solicitor. The Committee recommends that the Law Officers should be requested to prepare a form of agreement which would eliminate the defects in the old agreements, with particular regard to the enforcement of repayment terms.

Paragraph 72 - Arrears of repayment

31. The Committee notes with concern the unsatisfactory position with regard to the repayment of long outstanding loans to schools and other organisations totalling \$485,725.00. We also note the explanation that the

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transactions were treated as loans and not grants so that Government could hold security for the continued use of the premises, thus ensuring that the money was properly applied. The Committee recommends that a policy decision should be taken as to whether Government will in fact request repayment of these loans.

Paragraph 73 - Capital liabilities of Government corporations and undertakings

32. The Committee supports the recommendation of the Director of Audit that urgent consideration should be given to the manner of recording and setting out in the Territory's accounts the capital liabilities of Government corporations and undertakings, and when public funds are voted for such bodies, the purposes and conditions of the issue of funds, and the nature of Government's call upon the money should be clearly defined.

DEVELOPMENT FUND

Paragraphs 77 & 78 - Control of Expenditure

33. The Committee is disturbed over the breaches of basic control in Development Expenditure, and recommends as in the case of recurrent expenditure that it should be made clear to accounting officers that the provision regarding surcharge could and would be invoked.

Paragraph 82 - Development Programme - Unproductive expenditure

34. The Committee discussed this matter, but came to no final conclusion as it was too early for an accurate assessment of the practical benefits to be derived from these schemes to be made.

MINISTRY OF FINANCE

Paragraph 86 - Unauthorised excesses on votes

35. The Committee notes the explanations offered, but is of the opinion that with the exception of Leave Passages for Public Officers, where it may not be possible for all adjustments to be made before the closing of the accounts of the financial year, the other excesses could have been eliminated by proper supervision of the votes ledgers and application for supplementary provision.

Paragraph 87 - Delayed replies to audit queries or memoranda

36. The Committee views with strong disfavour the indifferent attitude by this and other Ministries to queries or memoranda addressed to them by the Director of Audit. We are perturbed to learn during our enquiry that the position had deteriorated rather than improved.

Paragraph 88 - System of Account

37. The Committee has taken note of the explanation given by the Secretary to the Treasury that the departmental sub-accountant system will be introduced in Ministries and Departments as soon as was practicable.

Paragraph 89 - Financial Regulations
Paragraph 90 - Stores Regulations

38. The Committee takes note that new draft Financial and Stores Regulations are under consideration by the Director of Audit, the Secretary to the Treasury and the Accountant General, and recommends their early introduction to eliminate the deficiencies in the present accounting procedures.

Paragraph 91 - Diet Scales - Government Institutions

39. The Committee notes the explanation of the Secretary to the Treasury that the subject of diet scales for Government Institutions is under consideration and hopes that action will not be unduly delayed.

Paragraph 93 - Writing off of fines and costs imposed
by Magistrates

40. The Committee notes with concern that the question of the propriety of the present procedure of writing off Court fines by administrative action has not yet been settled and recommends reference to the Law Officers for their advice.

Paragraph 94 - Purchasing procedure

41. The Committee views with disfavour the increasing disregard of the regulations governing the purchasing of stores and equipment, and recommends that disciplinary action should be taken in future against officers who flagrantly violate the regulations.

Paragraph 95 - Motor Car Advances

42. The Committee takes note of the explanations of the Secretary to the Treasury that the procedure for granting advances to Government officers for purchasing motor cars had been tightened up, and hopes that in future public funds will not be unduly immobilised as hitherto.

Paragraph 96 - Leave passage entitlement on resignation

43. The Committee notes the explanation of the Secretary to the Treasury that certain aspects of the procedure for granting leave passages to officers on resignation had been reviewed.

Paragraph 97 - Recovery of surcharges

44. The Committee supports the recommendation of the Director of Audit as to the procedure to be followed for the recovery of money from officers who have, subsequent to dismissal from the public service, been adjudged liable for loss or damage to Government property.

Paragraph 98 - Unauthorised overdrafts on departmental
bank accounts

45. The Committee views with displeasure the unauthorised overdrawing of Departmental bank accounts, and recommends disciplinary action against officers committing breaches of the regulations.

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Paragraph 99 - Government Quarters - Inadequate control
of rent collection

46. The Committee takes note that a new register to record and to control rental repayments for Government quarters has been introduced, and trust that this will assist in improving the present unsatisfactory system of rent collection.

Paragraph 100

47. The Committee notes with concern the expenditure of large sums of money for rent and wages for watching houses rented to Government, but unoccupied for long periods. We trust that the introduction of the new form of rent register, and improvement in the notification procedure will result in better administrative co-ordination and thus eliminate such uneconomic expenditure in the future.

Paragraph 101 - Expenditure on special visits and
representation at external conferences (\$64,015.10)

48. The Committee takes note of the explanation of the Accountant General that although the vote was shown under his Department he had no real control over it as he had to accept the charges against it which were approved by Government.

Paragraph 103

49. The Committee strongly deprecates breaches of the law governing the expenditure of public funds, as well as the discourtesy shown to the Director of Audit by failure to furnish information and explanations requested by him. The Committee recommends that in future strong action should be taken against all those failing to observe the law.

Paragraph 104 - Control of Government Vehicles

50. The Committee views with concern the lack of effective control over Government vehicles, and the inadequacy of the records which should afford such control. The Committee notes that the Director of Audit is pursuing the matter, and trusts that his efforts will result in achieving the control desired.

Paragraphs 105 - 106 - Awarding of Contracts

51. The Committee is disturbed to find that the approved standard procedures governing the award of contracts for works had not been generally applied. The Committee, however, notes that the existing Financial Regulations were not designed to meet changes or developments in financial operations which have taken place in recent years, and recommends that action be taken to include in the amendment of the Financial Regulations now in progress comprehensive and precise regulations governing all aspects of contracts including contractor finance.

CUSTOMS AND EXCISE

Paragraph 109 - Unpaid Accounts

52. The Committee notes the explanations of the Comptroller of Customs that the majority of the accounts not paid within the financial year related to retrospective wages of watchmen, about whom an administrative decision was awaited as to whether the Factory Ordinance was applicable or not.

Paragraph 110 - Warehouse Registers

53. The Committee takes note that warehoused goods lost in the fire in March, 1961, were in the main, the property of private merchants and that claims were checked against the warehouse registers at Head Office.

Paragraph 111 - Control of fees for overtime services

54. The Committee takes note that the Director of Audit is not satisfied with the explanation of the Comptroller of Customs and Excise that the new system of internal control recommended by the Accountant General had been carried out, and trusts that appropriate action will be taken.

Paragraph 113

55. The Committee notes that the Comptroller of Customs and Excise is in agreement with the Director of Audit that overtime fees charged to merchants are inadequate to cover the cost to Government of providing the services. The Committee recommends that action be taken to effect immediate upward revision of the fees, as well as to provide for prompt collection.

Paragraph 114 - Parcels Post - Jerquing of importations

56. The Committee notes with concern the explanation of the Comptroller of Customs and Excise that checking by his Department of Parcel Post entries, though warranted, could not be carried out through lack of staff.

INLAND REVENUE

Paragraph 115 - Assessment and Collection of Income Tax

57. The Committee notes with concern the explanation of the Commissioner of Inland Revenue that the shortage of qualified technical staff has resulted in the heavy arrears of assessments. The Committee is disturbed at the possibility of further deterioration in the staffing of the Department, especially now that a faster processing of returns is desirable to enable speedy refunds to taxpayers under the P.A.Y.E. System. The Committee recommends that Government should make all efforts to provide adequate staff for the Inland Revenue Department.

Paragraph 116

58. The Committee takes note that as a result of the establishment of branch offices of the Inland Revenue Department more revenue is collected from persons who otherwise would have evaded payment.

Paragraph 117

59. The Committee notes the explanation of the Commissioner of Inland Revenue that the increase in outstanding tax over the previous years figure was attributable to the number of assessments under objection.

Paragraph 118 - Accounting Arrangements

60. The Committee notes the explanation of the Commissioner of Inland Revenue that uncertainty regarding the introduction of the P.A.Y.E. System was responsible for his failure to reply to the Director of Audit's enquiries about contemplated changes in the accounting procedure. We recommend that a thorough investigation should be carried out on the possibility of mechanisation, especially in view of the staffing position.

Paragraph 119 - New Amsterdam Sub-Registry

61. The Committee takes note that the collection of Estate Duty on certain estates had been referred to the Crown Solicitor for action.

Paragraph 120 - Arrears of collection

62. The Committee notes the explanations given by the Commissioner of Inland Revenue that arrears relating to 1961 had been reduced by payments and write off, that certain cases were referred to the Crown Solicitor for collection, while in others payment was contingent upon liquidation of properties for which the present market was unfavourable. The Committee hopes that all outstanding arrears will be collected, and that there will be no losses of revenue from this source.

Paragraph 121 - Dog Licences

63. The Committee notes that the Licence Revenue Department has taken action to improve collection of revenue from this source.

PREMIER'S OFFICE AND

MINISTRY OF DEVELOPMENT AND PLANNING

Paragraph 123 - Unauthorised excesses on votes

64. The Committee notes the explanations of the Permanent Secretary that the unauthorised excesses on votes were caused by shortage of staff, and rapid changes in staffing during the year which rendered reconciliation of the Department's votes ledger with the Treasury impossible. The Committee trusts that the integration of the Information Services in the Ministry of Education and Social Development will cause an improvement in the position.

MINISTRY OF HOME AFFAIRS

Paragraph 125 - Unauthorised excesses on votes

65. The Committee notes with grave disapproval the inability of the Permanent Secretary to offer explanations required by the Committee, although notice for his attendance was given. The Committee regards this as typical of the irresponsibility which has contributed to the many unsatisfactory features of accounting and accounting control revealed by the report.

The Committee discussed at length the question of overall control in this Ministry, and is concerned over its functioning without the requisite supervision. The Committee recommends the appointment of at least one trained accountant to effect co-ordination of the accounts of all the departments falling under this Ministry.

POLICE DEPARTMENT

Paragraph 131 - Registration and Licensing of Clubs

66. The Committee notes with concern that through lack of co-ordination between the Magistrates, Police and Customs Departments, fees payable for Registration of Clubs had not been collected, and trusts that efforts will be made to ensure better co-ordination between the Departments concerned.

Paragraph 134 - Divisional Headquarters, West Demerara

67. The Committee takes note of the explanation of the Commissioner of Police that the supervision in this District has improved, and hopes that it will be maintained.

PRISONS

Paragraph 135 - Georgetown Prison

Paragraph 136 - New Amsterdam Prison

68. The Committee is again disturbed to find the inadequate control exercised over stores not only in this instance but in general throughout the report, when effective control could be achieved by simple supervisory checks.

Paragraph 137 - Expenditure on site for new prison

69. The Committee notes the explanations given by the Director of Prisons that equipment purchased for use on the new prison site was beneficially used in the Department, and on a programme for the rehabilitation of prisoners.

MINISTRY OF EDUCATION AND SOCIAL DEVELOPMENT

Paragraph 145 - Unauthorised excesses on votes

70. The Committee deprecates the total disregard in this Ministry of the regulations and instructions governing the control of expenditure and reconciliation of accounts

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with the Treasury. We also strongly deprecate the failure of this Ministry to furnish the explanations asked for by the Secretary to the Treasury. The Committee recommends that all outstanding reconciliations and questions should be cleared to the satisfaction of the Accountant General without delay.

Paragraph 148 - Leave advances to Primary School Teachers

71. The Committee again views with disfavour that reconciliation of these accounts with the Treasury was delayed because of inadequate staffing, and recommends that a special effort should be made by the Ministry to bring these reconciliations up-to-date.

Paragraph 149 - Overseas Examinations - Deposit Account

72. The Committee takes note that local fees now charged are adequate to cover the expenses of overseas examinations.

Paragraph 150 - Loans to University Students

73. The Committee notes with concern that the Ministry of Education has been unable to furnish the Accountant General with a comprehensive list of students to whom loans were granted to assist them to pursue studies abroad, the amount of each loan and the balances outstanding. We recommend that resolute action should be taken by the Ministry to prepare the list and to submit it to the Accountant General and that a complete review of all cases should be made, with a view to instituting legal proceedings against those who had completed their studies, but had not made satisfactory arrangements for repayment, or their guarantors.

SOCIAL ASSISTANCE

Paragraph 151 - Head Office

74. The Committee is concerned over the unsatisfactory accounting in this Department and deprecates the delay in replying to the observations of the Director of Audit, obviously directed to bring about improvement in the Department.

MINISTRY OF WORKS AND HYDRAULICS

Paragraph 154 - Unauthorised excesses on votes

75. The Committee enquired at length into the reasons for the unauthorised excesses on votes, and while appreciating the explanations of the Permanent Secretary of the practical difficulties involved in a Ministry carrying on construction works, is, nevertheless, not satisfied that due regard has been paid to the standing regulations governing the expenditure of public funds.

Paragraphs 158-162 - Unallocated Stores
Allocated Stores

76. The Committee is disturbed over the consistent unsatisfactory accounting for stores as revealed by this report, and strongly recommends that urgent action be taken to complete and to put into effect the revised stores regulations.

Paragraph 163 - Personal advance accounts

77. The Committee was not satisfied with the explanations given by the Permanent Secretary that arrears of instalments on personal advance accounts were the result of mispostings, and unauthorised suspension of deductions from the salaries of officers on leave. We are of the opinion that clearance can be effected in many cases by more positive action on the part of the administrative and accounting staff.

Paragraph 166 - Non-reconciliation of balances of Public Works Department and Treasury advance accounts

78. The Committee notes that efforts are being made to reconcile the balances of these accounts, and trusts action will be completed with a minimum of delay.

Paragraph 167 - Debit balances on deposit accounts - works for private parties

79. The Committee is alarmed that detailed accounts have not been kept of expenditure incurred in connection with Pure Water Supply to individual local authorities, but that claims are made on estimated cost of the works. We recommend that action should be taken forthwith to prepare detailed accounts for submission to individual Local Authorities concerned, as authentication of claims made for payment.

We also recommend that consideration should be given to the suggestion made by the Ministry of Works and Hydraulics to the Ministry of Labour, Health and Housing that all Local Authorities should be charged a uniform water rate, the money realised being placed to revenue, and the cost of operation being provided as expenditure.

Paragraph 172

80. The Committee is concerned over the long delay in determining and recovering the amount due to Government by the Contractor, and recommends that action be taken to finalise the matter as expeditiously as possible.

Paragraph 175 - Importation of lorry cabs in excess of requirements

81. The Committee is deeply concerned at the waste of public funds amounting to \$19,108.19, caused by a typographical error overlooked by two checking officers, and notes that the question of surcharge for negligence is under consideration.

Paragraph 176 - Water Transport Suspense Account

82. The Committee notes the explanation of the Permanent Secretary that facilities do not exist for carrying out examination of craft which have to be kept in constant use to avoid payment of exorbitant rental charges to private persons, but observed that lack of vigilance by the Engineering Division may have contributed to this nugatory expenditure.

Paragraph 183 - Stone Crushing Plant, Makouria

83. The Committee notes the inability of this Plant to supply all Government requirements of stone through inadequate transport facilities, and recommends, as a long term view, that new craft be purchased over a period of years to enable the Plant to work at full capacity to supply all Government requirements.

Paragraph 184 - Repairs to Government transport vehicles

84. The Committee takes note that circular instructions have been issued that the repair facilities of the Public Works Department Workshop should be utilised, and that all Departments have been requested to make economic use of Government services, before engaging private persons.

Paragraph 186 - Security of paymasters' cash in transit

85. The Committee recommends that early action be taken to introduce adequate measures to secure Government cash in transit on trains and steamers.

DRAINAGE AND IRRIGATION DEPARTMENT

Paragraph 187 - Unauthorised excesses on votes

86. The Committee notes the explanations of the Permanent Secretary that excesses on votes were mainly attributable to the revision of wages, and the increased cost of maintaining deteriorating machinery, but observes that lack of supervision by senior staff may also have been a contributory cause.

Paragraphs 190 - 192 - Headquarters Accounts

87. The Committee notes the explanations of the Permanent Secretary that the accounting divisions of the Public Works and the Drainage and Irrigation Departments had been amalgamated, and trusts that this will result in the elimination of arrears in postings and other unsatisfactory features in the accounting procedures.

Paragraph 193 - Agricultural Machinery Hire Pool

88. The Committee was not satisfied with the explanations given by the Permanent Secretary for the delay in the preparation of the 1961 financial statements, and recommends that early action be taken to define the duties of those responsible for the operation of the Pool.

MINISTRY OF COMMUNICATIONS

Paragraph 195 - Unauthorised excession on votes

89. The Committee notes the explanation of the Permanent Secretary that the officers responsible for the excesses were no longer in the Ministry, but nevertheless expresses its disapproval of the inability of the Permanent Secretary to furnish explanations required by the Committee. We note that mispostings in the accounts, revision of wages, and overtime had largely caused the excesses, but are of the opinion that internal supervision and control were also deficient.

Paragraph 197 - Delayed replies to audit queries and memoranda

90. The Committee takes note of the explanations of the Permanent Secretary that turnover in staff, in some cases the transfer of officers immediately responsible had occasioned the delays, but that an officer had been appointed to supervise the accounting section and personnel arrangements, and trusts that this will result in the desired improvement.

POST OFFICE

Paragraph 201

91. The Committee recommends that Government should take the necessary action to provide this Ministry with the additional staff required for setting up an efficient and adequate internal audit system in the Post Office.

Paragraph 202 - Expenditure incurred on overtime services

92. The Committee notes that the problem of excessive overtime has been resolved with a consequent reduction in expenditure and trusts that the improvement will be maintained.

Paragraph 204 - Telephone Revenue

93. The Committee is deeply concerned that a large number of subscribers had never since the introduction of the new telephone system paid rent for their telephones, and that several had also not entered into the required agreement. We recommend that expeditious legal action should be taken against all those whose cases had been referred to the Crown Solicitor, that all those who had not signed agreements should be required to do so on penalty of termination of their services, that appropriate measures to ensure the accurate keeping and prompt rendering of accounts should be instituted, and that the clauses in the agreement relating to non-payment of rentals should be strictly enforced.

Paragraph 205

94. The Committee takes note of the introduction of a new system to obviate the defects in the procedure for debiting subscribers accounts with charges in respect of trunk and overseas calls, and hopes that the position will be satisfactory in future.

Paragraph 206

95. The Committee is concerned at the increasing number of trunk calls made by Government Departments, and recommends that Government take action to introduce measures that will result in stricter departmental control over such calls.

Paragraph 207

96. The report reveals that the administrative and accounting arrangements for telephone revenue are far from satisfactory, and the Committee trusts that the action which the Permanent Secretary stated had been taken by the Ministry will obviate further unsatisfactory comments on telephone accounting and collection of revenue.

Paragraph 209 - Electricity Accounts - Public Officers
and Employees

97. The Committee notes with concern the substantial arrears of payment for electricity supplied from lighting plants at various outstations to civil servants, and also the practical difficulties of collecting by salary deductions through the Treasury. We recommend that Government take all possible steps to collect the outstandings, and to arrange for prompt collection of current charges.

Paragraph 212 - Hire Purchase of two houses at Wismar

98. The Committee views with disfavour the inaction in this matter upon which a decision was taken since 1960.

Paragraph 215

99. The Committee is disturbed to be informed again that use has not yet been found for this accounting machine purchased in 1956 for \$4,400. We trust that the proposed discussion between the Ministries of Communications and Finance will result in some successful solution for its disposal.

POST OFFICE TELECOMMUNICATIONS

Paragraph 220 - Stores Accounts

100. The Committee notes the reply of the Permanent Secretary that corrective action had been taken on several of the unsatisfactory features revealed by the report, and trusts that an improvement will be noted in future.

CIVIL AVIATION

Paragraph 223 - Accounting Arrangements

101. The Committee takes note of the explanations of the Permanent Secretary that the Accounting Branch of the Civil Aviation Department is to be absorbed in the accounting section of the Ministry and trusts that this change will bring about an improvement in the accounting arrangements and records.

ATTORNEY GENERAL'S OFFICE

Paragraph 232 - Official Receiver, Public Trustee and
Crown Solicitor's Office

102. The Committee is disturbed that the additional staff required to improve the unsatisfactory state of accounts in this Department had not yet been supplied, and urges immediate action.

MINISTRY OF LABOUR, HEALTH AND HOUSING

Paragraph 234 - Unauthorised excesses on votes

103. The Committee takes note of the explanations given by the Permanent Secretary for the unauthorised excesses on votes, but observes that application for supplementary provision could have been made in time, had the prescribed control over votes been exercised..

Paragraph 237 - Fees payable at Medical Institutions

104. The Committee deprecates the delay in carrying out a directive issued by the Minister in January, 1962, following a discussion in the Ministry, that an exercise be carried out into the fees payable at all medical institutions. The Committee expresses alarm at the explanation of the Permanent Secretary that he first became aware of the directive two weeks before appearing before the Committee.

Paragraph 242

105. The Committee notes that action is being taken to improve the system of maintaining in-patient accounts.

MINISTRY OF NATURAL RESOURCES

Paragraph 250 - Unpaid Accounts

106. The Committee is deeply concerned that in nine cases out of twenty where accounts relating to 1960 had been paid in 1961 excesses or further excesses on voted provision would have resulted if payment had been made in the former year. The Committee is not satisfied with the explanations given by the Permanent Secretary that officers in outstations did not have clerical assistants to perform the necessary duties.

Paragraph 254 - Construction of Padi Bond, Black Bush Polder

107. The Committee notes that an investigation into quantities of materials used in the construction of this bond, is in progress, and this should reveal whether any nugatory expenditure is involved.

Paragraphs 257, 259 - Divisional Office, New Amsterdam

108. The Committee is disturbed that a cash shortage of \$6,586.13, should occur through lack of internal accounting supervision, and urges Government to take all possible action to ensure that adequate accounting staff is supplied.

Paragraph 258

109. The Committee notes with concern the unsatisfactory accounting for stocks and sales of pure line seed padi, and trusts that the internal audit, which the Permanent Secretary explained had been arranged, will help to resolve the matter.

Paragraph 260 - Mara Outstation

110. The Committee deprecates the lack of internal accounting supervision at this and other outstations as revealed in the report.

FOREST DEPARTMENT

Paragraph 270

111. The Committee takes note that action has been taken to implement the suggestion of the Director of Audit for improving the accounting procedures of the Central Timber Manufacturing Plant, and trusts that a true view of the Plant's financial operations will now be reflected in the accounts.

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MINISTRY OF TRADE AND INDUSTRY

Paragraph 277 - Unauthorised excesses on votes

112. The Committee takes note of the explanations of the Director of Marketing that certain items of capital expenditure included in current expenditure had caused the excesses on votes in the Marketing Organisation, and suggests to Government that the necessary action be taken to amend the accounting procedures to obviate recurrences of this nature.

Paragraphs 279 - 283 - Net Deficits

113. The Committee recommends that we be given the opportunity of investigating the Director of Audit's reports on each Marketing Organisation.

JUDICIARY

Paragraph 289 - Unauthorised excesses on votes

114. The Committee takes note of the explanations of the Registrar that the delay in filling vacancies of Accountant and Assistant Accountant had contributed to the accounting shortcomings revealed in the report, and recommend the early filling of the vacancies.

Paragraph 294 - Georgetown Judicial District

115. The Committee is concerned over the mounting increases in unpaid fines resulting mainly from the delay in issuing and executing commitment warrants and recommends the formation of a special section in the Magistrates Court to deal exclusively with warrants, and the recruitment of a certain number of rural constables to expedite execution.

Staffing in Government Departments

116. The Committee was concerned over the staffing situation in Government Departments and was of the opinion that adequate staff should enhance the general efficiency and quality of work in the public service.

Reports from the Secretary to the Treasury

117. The Committee expressed disappointment over the fact that replies or reports in respect of recommendations made to the Government, over the past three years, were not received from the Secretary to the Treasury.

It was the opinion of the Director of Audit that such reports were necessary and that their submission to the Legislature was an obligation on the part of the Secretary to the Treasury.

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118. Attached as Appendix II is a list of the Heads of Departments and other officers who attended the meetings of the Committee. The Committee wishes to place on record its appreciation of the assistance afforded by these officers.

119. The Committee wishes to record an expression of its appreciation of the invaluable assistance rendered by the Secretary, the Advisers and the Official Reporters.

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

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

..... G.L. Robertson <i>G.L. Robertson</i> * <i>V. Downer</i> <i>M. Hamid</i> <i>M. Shakoov</i> M. Shakoov <i>J.G. Joaquin</i> <i>P.S. d'Aguiar</i>	Members
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E.V. Viapree
.....
E.V. Viapree,
Secretary.

His Honour the Speaker,
Mr. R.B. Gajraj.

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APPENDIX I

The composition of the Committee was as under:-

Chairman - Mr. W.O.R. Kendall, Deputy Speaker

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

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

Advisers - Mr. W.P. D'Andrade, C.M.G.,
Secretary to the Treasury #
Mr. C.M. Fraser, Accountant General
Mr. D.W. Dunlop, Director of Audit

with

Mr. J.C. Young, Deputy Director of
Audit

and Mr. R.I. Janki, Senior Auditor.

Mr. H.O.E. Barker, Deputy Secretary to the Treasury,
represented the Secretary to the Treasury at meetings
held on 3rd and 24th October, 1963.

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>
26. 9.63	Secretary to the Treasury Accountant General.	Mr. W.P. D'Andrade, C.M.G. Mr. C.M. Fraser.
27. 9.63	Comptroller of Customs and Excise (Ag.). Commissioner of Inland Revenue. Deputy Comptroller of Customs and Excise Accountant.	Mr. C.C. Low-A-Chee. Mr. W.G. Stoll. Mr. J.R. Hill Mr. R.C. Smith
3.10.63	Acting Secretary to the Office of the Governor. Staff Officer & Adjutant, Vol. Force Warrant Officer, Vol. Force Permanent Secretary to the Ministry of Development and Planning. Deputy Chief Information Officer (Ag.). Permanent Secretary to the Ministry of Home Affairs. Commissioner of the Interior. Commissioner of Local Government. Deputy Commissioner of Police. Finance Officer. Director of Prisons. Chief Fire Officer.	Mr. R.E. Cheong Major K.E. Stuart Mr. V.E. Charles Mr. A.A. Abraham. Mr. V. Forsythe. Mr. J.A.S. Douglas. Mr. E.M. Cossou. Mr. L.B. Thompson. Mr. A.H. Jenkins. Mr. J.R. Greathead Mr. R. Aitken. Mr. L. Watkins.
4.10.63	Permanent Secretary to the Ministry of Works and Hydraulics. Acting Chief Works and Hydraulics Officer. Chief Accountant.	Mr. P.A. Forte. Mr. S.S. Naraine. Mr. C.I. Gill.
10.10.63	Permanent Secretary to the Ministry of Education and Social Development. Accountant (Ag.) Social Develop- ment Section. Assistant Secretary (Ag.), Education Division. Chief Social Assistance Officer (Ag.) Solicitor General. Registrar of the Supreme Court and Deeds Registry (Ag.). Crown Solicitor, Official Receiver and Public Trustee (Ag.) Senior Clerk (Ag.)	Mr. E.S. Drayton. Mr. R. Ramalho. Mr. M.A. Osman. Mr. J. Ramcharran. Mr. M. Shahabuddeen. Mr. S.M.A. Nasir. Mr. M.E. Clarke Mr. B.T. Tiwari.

<u>Date of Meeting</u>	<u>Designation</u>	<u>Name of Officer</u>
10.10.63	Permanent Secretary to the Ministry of Labour, Health and Housing. Accountant, Ministry of Labour, Health and Housing. Commissioner of Labour Housing Administrator.	Mr. I.H. Seelig. Mr. O.O.S. Hall. Mr. F. Taharally. Mr. L.A. Freeman.
11.10.63	Permanent Secretary to the Ministry of Communications. Director of Posts and Telecommunications. Acting Assistant Director of Posts and Telecommunications. Chief Accountant, Post Office. Engineer-in-Chief, Telecommunications and Electrical Inspection. Director of Civil Aviation. Accountant, Civil Aviation.	Mr. N. Franker. Mr. E.H. Reis. Mr. J.A. Charles. Mr. C.A. Warren. Mr. L.A. Robinson. Mr. E.A. Phillips. Mr. D. Jowahir.
24.10.63	Permanent Secretary to the Ministry of Agriculture, Forests and Lands. Assistant Secretary. Chief Accountant. Superintendent of Lands Conservator of Forests Permanent Secretary to the Ministry of Trade and Industry(Ag.) Manager, Marketing Division. Assistant Secretary (Ag.), Ministry of Trade and Industry. Registrar of the Supreme Court and Deeds Registry (Ag.) Deputy Registrar of Deeds (Ag.) Principal Officer (Ag.) Notarial Officer (Ag.) Acting Secretary, Public Service Commission	Mr. D.A. Farnum. Mr. M.V.A. Spencer. Mr. G.W. Talbot. Mr. J.E. Davis. Mr. L.E. Dow. Mr. D. Yankana. Mr. Jack Alli. Mr. C.A. Pancham. Mr. S.M.A. Nasir. Mr. M.R. Chase. Mr. K. Barnwell. Mr. W.R. Mohabir. Mr. W.O. Dow.