



# AUDIT OFFICE OF GUYANA

*PROMOTING GOOD GOVERNANCE, TRANSPARENCY AND  
IMPROVED PUBLIC ACCOUNTABILITY*



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British Columbia and Canadian Audit and Accountability Foundation



AOG Conducting Virtual Audit Engagement in times of Covid-19

## REPORT OF THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE ACCOUNTS OF MINISTRIES / DEPARTMENTS / REGIONS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

### VOLUME I



## Audit Office of Guyana

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135/AG: 10/2020/04

10 December 2020

Hon. Mr. Manzoor Nadir  
Speaker of the National Assembly  
Parliament of the Co-operative Republic of Guyana  
Parliament Office  
Public Buildings  
Brickdam  
Georgetown.

Dear Mr. Speaker,

REPORT OF THE AUDITOR GENERAL TO THE NATIONAL ASSEMBLY  
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE  
ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

In accordance with Article 223 (3) of the Constitution of the Republic of Guyana, I am pleased to submit the attached report on the Public Accounts of Guyana and on the Accounts of Ministries, Departments and Regions for the fiscal year ended 31 December 2019.

The report is required to be laid before the National Assembly, and I would very much appreciate if this is done at the earliest opportunity.

With best regards.

Yours sincerely,

  
DEODAT SHARMA  
AUDITOR GENERAL

## **MISSION STATEMENT**

As the Supreme Audit Institution of the State we are committed to the promotion of good governance including openness, transparency and improved public accountability through:

1. The execution of high quality audits of the public accounts, entities and projects assigned by the Audit Act.
2. Timely reporting of the results to the legislature and ultimately the public.
3. Ensuring that the independence, integrity and objectivity of the Audit Office is recognized.
4. The provision of cost effective service by the implementation of the most up-to-date Audit Practices.
5. The recruitment and retention of the best qualified personnel to achieve set targets, on a sustained basis.
6. Developing professional relationships with our clients, and producing reports which facilitate improvements in their operations.

## **Auditor's General Remarks**

The Audit Office of Guyana since its establishment in 2004 by the Audit Act of 2004 has strived to promote good governance, transparency and improved public accountability. In this regard the Audit Office continually ensured that the most up-to-date operating procedures, professional practices, technical standards, and modern technology are incorporated and utilized in the execution of audits. However, despite all the modern technology and improved standards nothing could have prepared us for the challenges of auditing presented by the COVID -19 Pandemic facing the World.

As a result of the pandemic affecting the country and the related measures under the Public Health Ordinance which included rotation of workers and travel restrictions, our access to Regions 1, 7, 8 9 and 10 and physicals verification of projects in these Regions could not have been undertaken resulting in severe limitation in scope of these audits. In addition, there were limitations in scope of the audits conducted at Ministries and Departments due to minimal staff on duty, the need to prioritize their restricted hours of work and limited physical interactions as mandated by the Government which resulted in access to records and documents for audits being inadequate. Nevertheless, the Audit Office of Guyana, although faced with these challenges and risk of exposure to the virus by staff was still able to complete a substantial amount of work in order to submit our report.

As the COVID-19 pandemic continues, the Audit Office is facing new and unique challenges in performing audits. There has never been a time throughout the entire history of our world when the need for Government to move from a manual system and paper-based payments to a computerized system and electronic payments is of equivalent importance to auditors and Government alike. Now, more than ever the Audit Office has to rely on technology in performing audit procedures. This makes it more challenging, as we may not be able to physically observe all processes. The requirement to access everything remotely and electronically with limited IT capabilities affected both the Audit Office and its auditees.

In going forward, the response to the global pandemic and its associated economic impact, provides not only a challenge to Government to ensure a careful balance with accountability, transparency and integrity in their response mechanisms but an even greater challenge to the Audit Office to maintain public financial management discipline and address increased levels of waste and mismanagement when resources are under significant pressure.

As such, the demand for the skills required to provide advice on critical government rules and regulations and contribute to the safeguarding of government funds will therefore multiply tremendously, as such, our partnership with Global Affairs Canada and the Canadian Audit and Accountability Foundation has placed us in a position to respond to this opportunity. Our enhanced training in this regard will ensure that we play a key role in the different stages of this COVID-19 crisis. As the Government try to implement speedy responses to this crisis, no doubt crucial oversight and key controls will be compromised. As such, it is critical that the Audit Office is equipped to provide assurance on the use of funds and assess the economy, efficiency and effectiveness of the national responses.

REPORT OF THE AUDITOR GENERAL  
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE  
ACCOUNTS OF THE MINISTRIES/DEPARTMENTS/REGIONS  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

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### REPORT OF THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

I have audited the Public Accounts of Guyana, which comprise the Consolidated Financial Statements, the Accounts of all Budget Agencies, the Appropriation Accounts and the Statements of Receipts and Disbursements of Ministries, Departments and Regions for the fiscal year ended 31 December 2019, as set out on pages 524 to 598 of Volume I and 2/1 to 2/212 of Volume II.

#### *Opinion*

In my opinion, the Schedule of Issuance and Extinguishment of all Loans, Schedule of Government Guarantees and Statement of Contingent Liabilities presents fairly, in all material respects the Loans Issued and Extinguished, the Liabilities Guaranteed by the Government and the Contingent Liabilities as at 31 December 2019.

#### *Disclaimer of Opinion*

I do not express an opinion on Financial Report of the Deposit Fund, Receipts and Payments of the Contingencies Fund and the Statement of Assets and Liabilities of the Government which form part of the Consolidated Financial Statements. Because of the significance of the comments as contained in the relevant sections of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these statements for the fiscal year ended 31 December 2019.

#### *Qualified Opinion*

In my opinion, except for the effects of the matters which might have shown to be necessary as a result of the observations contained in the relevant sections of my report, the Financial Statements present fairly in all material respects, the End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund, the financial information necessary to present fairly the financial transactions and financial position of the State and the Schedule of Public Debt for the fiscal year ended 31 December 2019.

## *Basis for Opinion*

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and in accordance with Sections 24 and 25 of the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, the Accounts of all Budget Agencies, the Appropriation Accounts and the Statements of the Receipts and Disbursements of Ministries, Departments and Regions section of my report. I am independent of the Ministries, Departments and Regions in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## *Responsibilities of the Heads of Budget Agencies and Those Charged with Governance for the Financial Statements*

The Minister of Finance, the Accountant General and the Heads of Budget Agencies are responsible for the preparation and fair presentation of the financial statements in accordance with the applicable Laws and Regulations, and for such internal control as the Accountant General and the Heads of Budget Agencies determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process.

## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, the Accounts of all Budget Agencies, the Appropriation Accounts and the Statements of the Receipts and Disbursements of Ministries, Departments and Regions*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Heads of the Budget Agencies.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



10 DECEMBER 2020

REPORT OF THE AUDITOR GENERAL  
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE  
ACCOUNTS OF MINISTRIES, DEPARTMENTS AND REGIONS  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

This annual report provides a summary of the audit results of the examination of the Public Accounts Statements and of the Accounts of the Ministries, Departments and Regions for the fiscal year ended 31 December 2019. Where necessary, reference is made to the accounts and transactions of prior years. Information is also provided on other audits conducted on various entities (Statutory Bodies, Public Enterprises, Trade Unions, Constitutional Agencies and Projects funded by way of Foreign Loans or Grants), for which separate audit reports were issued.

HIGHLIGHTS OF REPORT

This part of the report highlights the major findings noted during the course of the audits of the accounts of the Ministries, Departments and Regions, and of the Public Accounts Statements for the fiscal year ended 31 December 2019, and on the status of my prior year recommendations.

Overpayments on Contracts

1. Overpayments amounting to \$199.381M were made in respect of four contracts administered by Ministry of Finance, Ministry of Public Telecommunications, Guyana Defence Force and Transport and Harbours Department in 2019. Included in the \$199.381M are amounts totalling \$145M and \$25.529M, which were overpaid on the rehabilitation of the Leguan Stelling, and expansion of offices at the Civil Defence Commission Headquarters, respectively.

Advance Payments

- *Ministry of Education*

2. With respect to the construction of St. Rose's High School, two advance payments totalling \$81.869M were paid to the contractor despite no significant works being completed. At the time of reporting in November 2020, only one employee of the contractor was on site.

3. A contract was awarded on 31 December 2019 by NPTAB for the construction of a Secondary School at Yarrowkabra, Linden Highway in the sum of \$827.756M. A request to the Finance Secretary for multi-year approval was seen dated 31 December 2019, the same date the contract was awarded. A mobilisation advance in the sum of \$26.041M was paid to the contractor on 7 January 2020. This contract has since been terminated.

- *Ministry of Public Telecommunications*

4. The Ministry of Public Telecommunications approved an advance payment of \$17.171M and an Interim Payment of \$31.829M, on the same date, for renovations and functional enhancements to a Call Centre Building at Linden, Region №. 10. Further, the contract between the Ministry and the contractor was signed one day after the advance and interim payments were approved.

Capital Works Charged to Current Expenditure

5. Payments totalling \$67.473M were made for capital works but charged to current expenditure, thereby breaching the FMA Act. Seven such payments totalling \$54.358M representing approximately 81% were made under Ministry of Public Infrastructure.

### Negligent Supervising Consultants

6. Several instances were noted whereby Supervising Consultants failed to administer contracts in the best interests of the Ministries/Departments. In particular:

- The Ministry of Public Telecommunications made full payment on a contract to an Engineering Firm for design and supervision services for the renovations and functional enhancements to a Call Centre Building at Linden, Region №. 10. However, our physical verification on 4 September 2020 revealed that there was no representative from the Consultant on site to supervise the works. Further, the roof sheeting installed did not meet the specifications in the contract, while materials valuing \$16.249M already paid for, were not on the site.
- The Ministry of Education made full payments on a contract to a Consultant for design and supervision services for the construction of St. Roses Secondary School, which included the foundation designs. However, the foundation was later deemed inadequate and the Ministry had to engage the services of two additional Consultants to redesign the foundations for the School.
- With respect to the construction of Ministry of Finance New Annex Building, an advance payment of \$64.55M was made to the contractor in 2017. As at 31 December 2019, \$26.506M out of the \$64.55M was still not recovered. Further, the Bond provided for this remaining balance expired since 30 December 2019.
- The Ministry of Public Health engaged a Consultant to provide supervision services for the construction of its Head Office Building Phase 1. All valuations for payment were prepared without any breakdown of the works being paid for at the time. Instead, only a summary sheet with the sums being paid for was prepared and submitted by the Consultant recommending payment to the contractor. In addition, it was noted that payments totalling \$26.408M were made as lump sums for variation works which, as a consequence, could not be measured and quantified.
- The Supervising Consultants engaged by the Guyana Defence Force and the Ministry of Finance for supervision services for the expansion of offices at Civil Defence Commission Headquarters, and the construction of Ministry of Finance New Annex Building, respectively, prepared and recommended full payments in several instances for works which were not completed by the contractors at the time.

### Special Investigations

- *Procurement of Birth Certificates*

7. The Ministry of the Presidency entered into two contracts totalling \$18.599M for the supply of 100,000 birth certificates, after it sought and was granted approval by NPTAB to use the single source method of procurement. At the time of this report, a special investigation was being conducted into the said acquisition of birth certificates.

- *Sustainable Livelihood Entrepreneurial Development (SLED)*

8. Amounts totalling \$249.997M were expended under the SLED Programme as at 31 December 2019, of which \$169.555M were issued to Region №. 9. Audit examination of a sample of Beneficiaries' Files revealed that application forms were not completed despite it being a requirement. In addition, no criteria or checklist was seen as utilised for the appraisal and approval of grants. As a result, it was difficult to ascertain the reason(s) for granting approval to the Beneficiaries. At the time of this report, a special investigation was being conducted into the SLED Programme.

- *Legal Fees*

9. Despite having a Solicitor General, one Deputy Solicitor General, two Assistant Solicitors General and six State Counsels in its employ, the Ministry of Legal Affairs paid amounts totalling \$99.650M on Legal Fees/Retainer Agreements to three Law Firms and seven external Attorneys-at-Law. At the time of this report, a special investigation was being conducted on Legal Fees expended.

- *Leguan Stelling*

10. Payments in excess of \$145M were made for works not done in relation to the rehabilitation of the Leguan Stelling. Moreover, as of January 2020, payments totalling \$199.435M were made on the contract, which was awarded in September 2018 in the sum of \$413.259M. However, an undated and unsigned valuation, purportedly prepared by a Consultant and submitted for audit by T&HD stated that the actual value of works completed on site was \$53.064M, while our estimated value of works completed as of August 2020 was \$50.970M. At the time of reporting in November 2020, the works were still in progress, even though the estimated completion date was over one year ago. It should be noted that the Audit Office is conducting a special investigation on this Project.

- *Presidential Grants*

11. Presidential Grants amounting to \$230.392M were processed for 202 Village Councils who had submitted proposals for funding of projects, which included the acquisition of goods, provision of works, and services. Due to the COVID-19 guidelines and restrictions, the Audit Office was unable to visit the Village Councils to examine the relevant records for the projects. Verification of goods acquired and works completed could also not be done. As such, the Audit Office requested the Ministry to provide the relevant records from the Councils. However, 180 or approximately 89% of the 202 Councils did not submit reports. Total payments to these 180 Councils amounted to \$203.992M.

#### Public Accounts Statements

- *NICIL Bond*

12. The Government of Guyana and Hand in Hand Trust Corporation Inc. signed a contract on 24 May 2018 to guarantee a fix rate bond 2018-2023 in the sum of \$30 billion. The proceeds of the bond are to be exclusively applied by National Industrial and Commercial Investments Ltd. (NICIL) for financing GUYSUCO long term project and capital expenditure. The Government guarantees the sums due and payable under the bonds on the condition that the total amount recoverable shall not exceed \$30 billion. According to the Schedule of Government Guarantees as at 31 December 2019, amounts totalling \$17.600 billion were disbursed and \$1.760 billion was repaid on the principal reducing the outstanding liability for this loan to \$15.840 billion.

- *Overdraft*

13. The New Consolidated Fund Account (407) continued to be funded by an additional liability (\$67.898 billion) to the Government through the issuance of Treasury Bills (F-Series - 182 days and G-Series - 364 days). The Consolidated Fund had an overdraft of \$64.448 billion at the end of 2018. Payments in excess of receipts made from this account increased the overdraft to \$128.724 billion during 2019, which was subsequently reduced to \$60.826 billion at the end of December 2019. It should be noted that the issuance of new Treasury Bills should have been deposited into the Monetary Sterilisation Account and not the Consolidated Fund Account.

- *Receipts and Payments of the Contingencies Fund*

14. Seven advances totalling \$4.150 billion, as shown in table below, were drawn from the Contingencies Fund and used for routine expenditure. As such, the advances did not meet the criteria defined in Section 41(3) of the FMA Act and remained un-cleared at the time of reporting in November 2020.

Advances No.	Date of Advances	Ministry/Region	Amount \$'000
1	29/07/2019	Ministry of Public Infrastructure	460,000
2	10/10/2019	Ministry of Public Infrastructure	1,250,000
3	20/11/2019	Ministry of Communities	2,176,998
4	22/11/2019	Ministry of Public Health	13,875
5	2/12/2019	Ministry of Public Infrastructure	40,000
6	4/12/2019	Region 6	30,000
7	30/12/2019	Ministry of Agriculture	179,370
Total			4,150,243

- *Shortfall of Capital Expenditure*

15. Shortfalls of capital expenditure totalled \$10.535 billion. These were attributed mainly to delays and slow progress in the execution of various projects, such as:

- i. East Bank - East Coast Dem Road Linkage
- ii. Modernisation of Primary Health Care System
- iii. Road Network & Expansion Project
- iv. Skills Development and Employability Project
- v. Renewable Energy Improvement - Power Project

*Cheques drawn on and after 31 December 2019*

16. A total of \$15.987 billion in cheques were drawn on 31 December 2019, and 2 to 7 January 2020 for expenditure relating to the financial year 2019. Of these cheques, a total of 1,960 and 12,177 amounting to \$3.098 billion and \$12.890 billion were drawn on 31 December 2019, and on 2 to 7 January 2020, respectively.

### Cheques on Hand

17. Up to the time of audit in 2020, a number of Ministries, Departments and Regions still had cheques on hand which should have been refunded to the Consolidated Fund as at 31 December 2019, and the necessary adjustments made to the Appropriation Accounts. In this regard, 588 cheques totalling \$713.942M were still on hand. Of this sum, 273 cheques totalling \$569.686M were in relation to Ministries and Departments, while the remaining 315 totalling \$144.256M were in relation to Region Nos. 2, and 4 to 9. As a result, the Appropriation Accounts were overstated by \$713.942M.

### Economic Fund/Economic Project

18. Region Nos. 2, 5 and 6 operated Economic Projects on a cost recovery basis with the objective of making a profit. However, these ventures were inadequately managed and supervised. Region No. 2 had three advances totalling \$194,000 outstanding, while Region No. 6 incurred a loss of \$7.510M and did not present payment records to substantiate expenditure of \$3.396M. Most notably however, was Region No. 5, which operated a farm to provide agro-supplies to schools and hospitals and offer employment for persons in the Region. This farm planted and sold cash crops. However, records to substantiate the operations of this venture revealed that amounts totalling \$92.480M were invested for the years 2016-2019, whilst only \$165,000 were realised as profit for the year 2019.

### Un-presented Payment Vouchers

19. Seven hundred and forty-four Payment Vouchers totalling \$864.419M were not presented for audit, resulting in the limitation of scope. Three hundred and four totalling \$259.472M were in respect of Ministry of the Presidency, Guyana Defence Force and Ministry of Public Security, while 436 valued \$576.168M were in respect of the Regions. Included in the amounts for the Regions were 426 Payment Vouchers valued \$545.276M for Region No. 5, which is approximately 95% of the total value of unrepresented vouchers for the Regions. As a result, it could not be ascertained whether value was received for the sums involved, and whether the funds were used for the purposes intended.

### Procurement of Drugs and Medical Supplies

20. Twelve Inter-Departmental Warrants totalling \$1.935 billion were received by the Ministry of Public Health from the ten Administrative Regions for the procurement of drugs and medical supplies. Financial Returns from the Ministry indicated that the entire sum was expended. Although drugs and medical supplies were received by the Regional Administrations, the costs were not stated on the documentation that accompanied the deliveries. As a result, we could not ascertain whether the Regions received drugs and medical supplies valued \$1.935 billion.

### Breaches of the Procurement Act

21. Breaches of the Procurement Act were discovered in relation to Region Nos. 1, 2, and 6, and seven Ministries and Departments where contracts were incorrectly awarded using the Single Source and Restricted Tendering methods of procurement instead of National Competitive Bidding.

### Fuel and Lubricants

22. The Guyana Defence Force had severe shortcomings with respect to the purchase, reconciliation, and storage of fuel. In this regard, 887,800 litres of fuel valued \$181.567M were uplifted by an unauthorised vehicle. This included twenty-six instances where 2,000 gallons of gasoline were uplifted for the Coast Guard Headquarters, Ruimveldt, even though the storage capacity at this location was only 1,000 gallons. At the time of reporting, the matter was being investigation by the Guyana Police Force and the Military Intelligence Department of the Guyana Defence Force.

### High Vehicle Maintenance Cost

23. High vehicle maintenance costs were noted for Ministry of Agriculture, Ministry of Social Protection, Guyana Defence Force, Ministry of Public Security and Regions №. 3 and 6, due to the Ministries/Departments/Regions not assessing whether it is economical to retain or dispose of vehicles. In this regard, the sum of \$251.619M was expended on repairs and maintenance in respect of one hundred and eighteen vehicles during 2019.

24. In particular, the Guyana Defence Force expended \$91.629M on the maintenance of thirty vehicles, which represented an average maintenance cost of \$3.054M per vehicle. More significantly, ten vehicles were maintained at costs amounting to \$46.429M, which represented an even higher average maintenance cost per vehicle (\$4.643M). Remarkably, one Toyota Hilux Double-Cab acquired over eleven years ago was maintained at a cost of \$7.185M; whilst, a Ford Ranger was maintained at a cost of \$5.660M.

25. Also, a Ford F-350 and Ford Ranger Double Cab were maintained at costs amounting to \$6.486M and \$5.599M, respectively. However, based on a list submitted for audit, the Force has deemed these two vehicles unserviceable.

### Cheque Order Vouchers

26. A number of Ministries, Departments and Regions continued to clear Cheque Ordered Vouchers long after the stipulated time frame. In addition, at the time of audit, 1,259 Cheque Orders totalling \$1.862 billion remained outstanding. Of this sum, 722 Cheque Orders totalling \$1.283 billion were in relation to 2019, while the remaining 537 totalling \$578.756M were in relation to prior years. As a result, we could not determine whether value was received for all sums expended.

### Vacancies within the Public Service

27. An analysis of the employment details for Ministries, Departments and Regions №. 1-10 revealed that the Public Service Commission Staff Vacancy Circular №. 1/2019 had advertised a total of 408 vacancies. These vacancies included critical posts, such as, four Regional Health Officers, four Deputy Regional Executive Officers, eight Regional Education Officers, twenty-seven Engineers and one Director of Culture, among others. As a result, these critical vacancies would have an adverse effect on the operations of the Ministries, Departments and Regions, and in particular, the level of control needed to ensure adequate checks and balances.

### Non-delivery of Items to the Ministry of Public Security

28. At the time of reporting, items valued \$202.392M paid for were not yet to be delivered to the Ministry of Public Security. The items included furniture, office and medical equipment.

### Employment Costs

29. Employment Costs were over budgeted for 2019. In this regard the Ministries and the ten Administrative Regions expenditure amounted to \$71.301 billion for 31,670 staff. However, according to the National Estimates, the total funds available under Employment Costs were \$73.146 billion for a staff complement of 29,078. This represents 2,592 staff more than was budgeted for, and \$1.845 billion under the budgeted expenditure.

### Guyana Revenue Authority

- *Self-employed*

30. Self-employed persons continue to be delinquent in filing their Income Tax Returns. During 2019, 86,143, which is approximately 84% of 103,135 registrants, did not file their Returns. It should be noted that only 16,992 or a mere 16% filed Returns, which totalled \$6.036 billion.

- *Refundable VAT Returns*

31. The sum of \$2.004 billion was paid to sixty-two Taxpayers as VAT refunds in respect of the years 2012 to 2019. However, according to TRIPS Report №. 213 - Listing of Refundable VAT Returns for the year 2019, there were still 8,249 refundable VAT returns valued \$10.614 billion on hand. In addition, the total number of refundable VAT Returns for prior years could not have been determined. Similarly, in 2018 the sum of \$2.371 billion was paid to seventy-seven Taxpayers as VAT refunds in respect of the years 2012 to 2018, while the TRIPS Report for 2018, stated that there were still 8,529 refundable VAT Returns valuing \$6.083 billion on hand.



### Follow-up on the Implementation of Prior Year Audit Recommendations

32. Each year, my Office issues recommendations to Ministries, Departments and Regions that are designed at improving systems and practices at these entities and improving the Government's governance and accountability mechanisms. Five hundred and ninety-three recommendations were made in my 2018 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the respective Accounting Officers. At the time of reporting in November 2020, 100 or 17% were fully implemented, 202 or 34% were partially implemented, while 291 or 49% were not implemented.

33. Overall, I am concerned with the lack of action towards the implementation of these recommendations; since, 83% of the recommendations have not yet been fully implemented. In addition, in many instances, recommendations are repeated each year without appropriate action and as a result, weaknesses and issues that impacted negatively on Government's governance and accountability mechanisms continue to occur. Once again, I encourage the Government, through the Ministry of Finance, the Accountant General's Department and the respective Heads of Budget Agencies to take appropriate actions and put measures in place to address these recommendations.

REPORT OF THE AUDITOR GENERAL  
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE ACCOUNTS OF  
MINISTRIES/DEPARTMENTS/REGIONS  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019

1. Articles 223(2) and 223(3) of the Constitution of the Co-operative Republic of Guyana require that I audit the Public Accounts of Guyana and the Accounts of all officers and authorities of the Government (including the Commissions established by the Constitution), the Clerk of the National Assembly, and all Courts in Guyana and submit my Reports to the Speaker of the National Assembly (hereinafter referred to as the Speaker) who shall cause them to be laid in the National Assembly.

2. As the External Auditor of the Public Accounts of Guyana, it is my responsibility under Section 24(1) of the Audit Act 2004 (hereinafter referred to as the Audit Act) to conduct: (a) Financial and Compliance Audits; and (b) Performance/Value for Money (VFM) Audits with respect to:

- i. The consolidated financial statements.
- ii. The accounts of all budget agencies.
- iii. The accounts of all local government bodies.
- iv. The accounts of all bodies and entities in which the State has a controlling interest.
- v. The accounts of all projects funded by way of loans or grants by any foreign State or organisation.

3. Section 24(2) states that in conducting Financial and Compliance Audits, I shall examine in such manner as I deem necessary the relevant financial statements and accounts, and ascertain whether:

- a) The financial statements have been properly prepared in accordance with applicable law, and properly present the operations and affairs of the entity concerned.
- b) The accounts have been faithfully and properly kept.
- c) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection and proper allocation of revenues.
- d) All moneys expended and charged to an account have been applied to the purpose or purposes for which they were intended.
- e) Essential records are maintained, and the internal management controls and the rules and procedures established and applied are sufficient to safeguard the control of stores and other public property.

4. Section 24(3) states that in conducting Performance Audits I shall examine the extent to which a public entity is applying its resources and carrying out its activities economically, efficiently, and effectively and with due regard to ensuring effective internal management control.

5. In addition, Section 74(1) of the Fiscal Management and Accountability Act 2003 (hereinafter referred to as the FMA Act) requires that I examine and report on the consolidated financial statements that are to be submitted to me in accordance with Sections 68 to 71 and 73 of the said Act. These consolidated financial statements consist of:

- a) In respect of the Consolidated Fund, including each Fund that is considered to be part of the Consolidated Fund:
  - End of Year Budget Outcome and Reconciliation Report – Sections 68 and 73.
  - Statement of Contingent Liabilities – Section 73.
  - Such other financial information relating to the fiscal year that the Minister of Finance deems necessary to present fairly the financial transactions and financial position of the State – Section 73.
- b) Financial Reports of the Extra-Budgetary Funds – Section 73.
- c) Financial Reports of the Deposit Funds – Section 73.
- d) Financial Reports of other Accounts approved by the Minister of Finance – Section 73.
- e) Schedule of Government Guarantees – Section 71.
- f) Schedule of Public Debt Outstanding in the name of the Government, other levels of Government and Public Enterprises – Section 69.
- g) Schedule of the Issuance and Extinguishments of all Loans granted by the Government, other levels of Government and Public Enterprises – Section 70.

6. The Minister of Finance is required to submit the above Statements within four months of the close of the fiscal year to enable me to audit them and to submit my Report thereon to the Speaker not later than the 30 September. The Statements referred to above and the Draft Appropriation Accounts were received on 30 April 2020. The signed Consolidated Financial Statements were received on 26 November 2020.

7. In accordance with section 73 of the FMA Act 2003 the following Statements were submitted for audit examination:

- i. End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund (Revenue) – Sections 68, 73(2)(a)(i).
- ii. End of Year Budget Outcome and Reconciliation Report of the Consolidated Fund (Expenditure) – Sections 68,73(2)(a)(i).
- iii. Receipts and Payments of the Consolidated Fund – Section 73(2)(a)(iii).
- iv. Expenditure of the Consolidated Fund as Compared with the Estimates of Expenditure – Section 73(2)(a)(iii).
- v. Expenditure in respect of those Services which by Law are directly charged upon the Consolidated Fund – Section 73(2)(a)(iii).
- vi. Receipts and Payments of the Contingencies Fund – Section 41.
- vii. Assets and Liabilities of the Government – Section 73(2)(a)(iii).
- viii. Appropriation Accounts of Heads of Budget Agencies – Fiscal Management and Accountability Regulations 2004 (Appendix B).
- ix. Receipts and Disbursements by Heads of Budget Agencies – Fiscal Management and Accountability Regulations 2004 (Appendix B).
- x. Schedule of Public Debt – Section 69(1).
- xi. Financial Reports of the Deposit Funds – Section 73(2)(c).
- xii. Schedule of the Issuance and Extinguishments of all Loans – Section 70.
- xiii. Schedule of Government Guarantees - Section 71(1).

8. In addition to reporting on the Public Accounts and the Accounts of Ministries/Departments/Regions, I have also provided information with regard to the other areas for which I have audit responsibilities. These include the audits of public enterprises, statutory bodies, trade unions, municipalities, local authorities, foreign-funded projects, performance audits and special investigations.

9. In keeping with Section 27 of the Audit Act 2004, draft reports including findings and recommendations were provided to the Heads of Budget Agencies who were given thirty days to respond to the draft report. Further, the relevant sections of this Report were discussed with Heads of Budget Agencies, the Finance Secretary and the Accountant General, who were also provided with individual written Reports of my findings and recommendations. In addition, the responses of the Heads of the Budget Agencies were incorporated in the respective sections of this Report.

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT  
(CURRENT AND CAPITAL REVENUE)

10. The End of Year Budget Outcome and Reconciliation Report (Current and Capital Revenue) is shown on page 524 to 525. This Report reflected a positive variance of \$2.263 billion and \$1.869 billion between the estimates of revenue and the actual Government receipts for Current and Capital Revenue respectively, as shown below:

Description	2019 \$'000	2018 \$'000	2017 \$'000
<u>Current Revenue</u>			
Estimated Revenue	238,322,677	201,859,924	186,021,987
Actual Receipts	240,585,345	217,016,363	195,060,313
Over/(Under) the Estimates	2,262,668	15,156,439	9,038,326
<u>Capital Revenue</u>			
Estimated Revenue	31,717,630	31,822,106	31,408,345
Actual Receipts	33,586,759	27,062,046	28,411,713
Over/(Under) the Estimates	1,869,129	(4,760,060)	(2,996,632)
Total Estimated Revenue	270,040,307	233,682,030	217,430,332
Total Revenue	274,172,104	244,078,409	223,472,026
Net Over/(Under) the Estimates	4,131,797	10,396,379	6,041,694

Current Revenue

11. Current Revenue collections for 2019 surpassed the approved estimates by a net amount of \$2.263 billion. The categories with higher collections of \$9.630 billion cushioned the categories with shortfalls of \$7.315 billion. See table below for agencies that surpassed the approved estimates.

Agency	Description	Approved Estimates \$'000	Amount Paid into Consolidated Fund \$'000	Over Estimates \$'000
Guyana Revenue Authority	Withholding Tax	14,949,882	22,150,641	7,200,759
	Capital Gains Tax	180,550	608,908	428,358
	Corporation Tax on Public Sector Companies	1,026,371	2,148,404	1,122,033
	Environmental Levy	2,122,216	2,179,008	56,792
	Customs and Trade Taxes-Import Duties	21,771,266	22,140,397	369,131
	Other Personal Income Tax	0	714,778	714,778
	VAT- Import Goods	28,803,794	29,122,884	319,090
	Taxes on International Travel	2,670,361	2,826,919	156,558
Ministry of Finance	Sundries	1,084,634	1,661,260	576,626
	Dividends and Transfers- Special transfers from Statutory and Non-statutory bodies	2,300,000	2,900,000	600,000
Ministry of Presidency	Fees and Fines	155,000	249,554	94,554
Ministry of Public Security	Miscellaneous	1,260	275,279	274,019
	Fees and Fines	779,316	840,973	61,657
Total				11,974,355

12. Table below reflects the agencies below the approved estimates for current revenue.

Agency	Description	Approved Estimates \$'000	Amount Paid into Consolidated Fund \$'000	(Under) Estimates \$'000
Guyana Revenue Authority	VAT- Domestic Supply	25,529,679	23,373,546	(2,156,133)
	Excise Tax- Import on Petroleum Products	30,965,814	29,123,900	(1,841,914)
	Pay As You Earn	29,210,325	28,497,949	(712,376)
	Personal Income Tax on self-employed	7,131,542	6,036,130	(1,095,412)
	Corporation Tax on Private Sector Companies	36,355,180	34,047,411	(2,307,769)
Ministry of Finance	Rents and Royalties	4,568,221	3,889,697	(678,524)
	Lottery Receipts	600,000	32,500	(567,500)
	Interest	1,155,252	814,271	(340,981)
Total				(9,700,609)

**Ministry's Response:** Central Government current receipts for 2019 surpassed the budgeted amount by \$2.263 billion. The main contributors were internal revenue, dividends and transfers and customs and trade taxes that exceeded the budgeted amount by \$5.307 billion, \$400M and \$225.2M respectively.

The higher collections from the internal revenue category were withholding tax of \$7.201 billion, of which 9.7% were arrears, and public corporation income tax of \$1.122 billion; which together more than offset the less-than projected collections from corporation tax and income tax from self - employed of \$3.4 billion. The higher collections from withholding tax was on account of companies within the Oil and Gas Sector making payments on remittances, as well as the overall increase in the number of companies making payments which were 215 compared to 186 companies in 2018.

Public Corporation Tax reported larger revenues on account of payments by companies within the petroleum sector. Arrears payment was \$193.7M. Receipts from dividends and transfers to consolidated fund increased by \$400.4M mainly on account of higher transferred amount by Deeds and Commercial Registries.

Custom and trade taxes categories grew by \$225.2M reflecting higher revenue collections of import duties of \$369.1M and environmental levy of \$56.8M. This resulted from higher values of imported commodities such as petroleum bitumen and lubricating oils as well as the higher number of importers.

Value-added taxes and excise taxes both recorded lower-than expected revenues of \$1.657 billion and \$1.404 billion, respectively. The decrease from VAT was within the domestic supply categories by \$2.156 billion while the decline in from excise taxes was mainly due to lower collections from imports on petroleum products by \$1.841 billion. The decline of import VAT receipts were on account of lower values of several categories of commodity such as lubricating oils, petroleum, bitumen, and fuel oil. Revenue received from domestic supplies were due to lower payments made by companies in the area of manufacturing and distribution (wholesale and retail trade), and services. Revenue from rent and royalties were lower-than anticipated by \$679M due to lower production by one of the major gold production companies.

### Capital Revenue

13. Capital Revenue collections for 2019 surpassed the approved estimates by a net amount of \$1.869 billion. The categories with higher collections of \$11.786 billion cushioned the categories with shortfalls of \$9.919 billion. It should be noted the amounts of \$2.427 billion and \$7.134 billion for the IDB and IDA respectively were not budgeted for in 2019. See table below for areas that surpassed the approved estimates.

Description	Approved Estimates \$'000	Amount Paid into Consolidated Fund \$'000	Over Estimates \$'000
<i>External Grants</i>			
EU	2,300,000	2,460,229	160,229
Other Assistance Grants	1,000,000	3,064,894	2,064,894
<i>External Loans</i>			
IDA-6286-GY	0	7,133,654	7,133,654
IDB-4698/BL-GY	0	2,426,940	2,426,940
Total			11,785,717

### External Loans

#### IDA-6286-GY First Programmatic Financial and Fiscal Stability Development Policy Credit

14. The Government of Guyana entered into a new loan for First Programmatic Financial and Fiscal Stability Development Policy Credit in 2018. The agreement was signed on 27 July 2018 for SDR 24.4M equivalent to G\$7.075 billion. According to the Statement of Public Debt for the year ending December 2018 the entire loan amount of SDR 24.4M equivalent to G\$7.075 billion was disbursed in 2018. However, the disbursed amount was not recorded in the Statement of Receipts and Disbursements for the year ending December 2018. Subsequently, the amount of G\$7.134 billion was recorded in the Statement of Receipts and Disbursements for the year ending December 2019 resulting in a difference of \$59M between the Statement of Public Debt and the Statement of Receipts and Disbursements.

15. Further, as a result, the Statement of Receipts and Disbursements for 2018 was understated by G\$7.075 billion and 2019 overstated by G\$7.134 billion.

#### IDB-4698/BL-GY Strengthening the Energy Sector

16. The Government of Guyana entered into a new loan for Strengthening the Energy Sector in 2018. The agreement was signed on 10 December 2018 for US\$11.640M equivalent to G\$2.427 billion. According to the Statements of Public Debt for the years ending December 2018 and 2019 amounts of US\$5.820M equivalent to G\$1.213 billion and US\$5.820M equivalent to G\$1.213 billion was disbursed in 2018 and 2019 respectively.

17. Further, as a result, the Statement of Receipts and Disbursement for 2018 was understated by G\$1.213 billion and 2019 overstated by G\$1.213 billion.

18. The amount of G\$1.213 billion disbursed in 2018 was not recorded in the Statement of Receipts and Disbursements for the year ending December 2018. Subsequently, the amounts of G\$1.213 billion and G\$1.213 billion totalling G\$2.426 billion for the years 2018 and 2019 respectively were recorded in the Statement of Receipts and Disbursements for the year ending December 2019.

**Ministry's Response:** The IDB revenues were received from a Policy Base Loan and the loan was disbursed in two tranches and recorded in 2019. In addition, the Development Policy Credit from the World Bank (IDA) and the disbursement was recorded by the Government of Guyana in 2019.

19. Table below reflects areas under the approved estimates for Capital Revenue.

Line Item	Description	Approved Estimates \$'000	Amount Paid into Consolidated Fund \$'000	(Under) Estimates \$'000
<i>Miscellaneous Capital Revenue</i>				
5711	HPIC Relief	980,786	0	(980,786)
<i>External Grants</i>				
5750	Germany- Guyana Protected Areas System	150,000	57,326	(92,674)
5763	CDB	936,318	458,302	(478,016)
5768	Japan	1,021,205	586,339	(434,866)
5766	IDB	907,284	730,858	(176,426)
5761	Norway(R.E.D.D Investment Fund)	1,400,000	1,287,548	(112,452)
5777	IFAD	100,000	14,441	(85,559)
5778	Islamic Development Bank	45,083	0	(45,083)
5782	EU	2,026,545	1,984,686	(41,859)
5760	CDF	50,000	36,000	(14,000)
5770	Mexico	10,000	0	(10,000)
<i>External Loans</i>				
5811	CDB	2,650,000	1,633,851	(1,016,149)
5818	India	3,703,379	159,027	(3,544,352)
5814	IDB	7,419,500	5,731,948	(1,687,552)
5822	Islamic Development Bank	600,000	0	(600,000)
5813	IDA	1,740,000	1,320,554	(419,446)
5821	CDF Project loan	280,000	183,379	(96,621)
5815	IFAD	100,000	17,229	(82,771)
Total				(9,918,612)

**Ministry's Response:** Capital Revenue reflected a negative variance of \$8.7 billion (External Loans and Grants only) which was a result of challenges faced in execution ranging from delays in fulfilling conditions precedent to disbursement to poor contractors' performance.



Other Assistance Grants - ExxonMobil Signature Bonus

20. The Government of Guyana received the sum of US\$18M or G\$3.717 billion from ExxonMobil as a signing bonus. This amount was deposited into the Ministry of Finance ExxonMobil Account №. 845L5086 at Bank of Guyana. The Bank maintained a Cash and Investment Accounts to independently account for proceeds from investments. During the period 9 to 17 November 2016, amounts totalling US\$15.831M or G\$3.269 billion were transferred to the Investment Account and expended to purchase overseas bonds. The balance of US\$2.176M or G\$449M remained in the account №. 845L5086.

21. The Government of Guyana earned interest of US\$498,775 or G\$103.629M from its investments during the period 9 November 2016 to 31 December 2018, while account №. 845L5086 interest totalled US\$2,889 or G\$598,443.

22. On 28 December 2018, the Ministry of Finance instructed the Bank to transfer the sum of G\$788.100M or US\$3.780M from account №. 845L5086 to the Consolidated Fund. The amount was transferred to the Consolidated Fund on 31 December 2018, leaving a balance of G\$23.452M or US\$112,480 in the account.

23. In the month of January 2019, the value of investments appreciated to US\$14.545M from US\$14.477M, an increase of US\$67,705. In addition, interest earned on the Investments and Cash Accounts totalled US\$42,378. The Ministry instructed the Bank in January 2019, to close account №. 845L5086 and transfer all balances to the Consolidated Fund. In keeping with the directive of the Ministry, an amount of G\$3.065 billion or US\$14.699M was transferred to the Fund on 24 January 2019. A final transfer of G\$104,867 or US\$502.96 was made on 14 February 2019, resulting in nil balances in the accounts. The Bank closed the accounts in February 2019.

24. Except for the effects of the matter, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement as shown on pages 524 to 525 properly presents the End of Year Budget Outcome and Reconciliation Report (Revenue) for the year ended 31 December 2019.

## END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT

### (EXPENDITURE)

25. The End of Year Budget Outcome and Reconciliation Report (Expenditure) is shown on pages 526 to 536. This Report shows a total expenditure of \$225.331 billion, this represents a \$6.109 billion under the Approved Allotment of \$231.440 billion for Current Expenditures and \$3.016 billion under the Approved Allotment of \$69.279 billion for Capital Expenditures, as shown below:

Description	2019 \$'000	2018 \$'000	2017 \$'000
<u>Current Expenditure</u>			
Approved Allotment	231,440,454	207,391,348	193,364,814
Actual Expenditure	225,331,030	208,831,457	188,201,671
Over/(Under) the Allotment	(6,109,424)	1,440,109	(5,163,143)
Percentage Over /(Under) Allotment	2.64%	0.69%	2.67%
<u>Capital Expenditure</u>			
Approved Allotment	69,278,554	59,702,423	56,758,353
Actual Expenditure	66,262,442	55,019,410	58,618,255
Over/(Under) the Allotment	(3,016,112)	(4,683,013)	1,859,902
Percentage Over/(Under) Allotment	4.35%	7.84%	3.28%
Total Approved Allotment	300,719,008	267,093,771	250,123,167
Total Expenditure	291,593,472	263,850,867	246,819,926
Net Over/(Under) the Allotment	(9,125,536)	(3,242,904)	(3,303,241)
Percentage Over/(Under) Allotment	3.03%	1.21%	1.32%

### Current Expenditure

**Ministry's Response:** Central Government expenditure of \$291.593 billion has been expended of budgeted \$300.719 billion, a variation of \$9.125 billion. This outturn represents unspent balance of \$6.109 billion of budgeted \$231,440M for current expenditure and \$3.016 billion of budgeted \$69.278 billion for capital expenditure.

Central Government current expenditure was \$6.109 billion below the 2019 budget allocation. Total non-interest expenditure amounted to \$207.683 billion, approximately \$5.418 billion below the 2019 budgetary allocation. This outturn was attributed to unspent allocations from several agencies in sub-categories - employment cost, other goods and services, and transfer payments.

Total Employment Costs expended for 2019 was \$68.550 billion which catered for general salaries for Public Servants, new recruits, Teachers' uniform allowance, health sector allowances and salary increases. Unspent balances realised under Employment Cost of \$1.600 billion was on account of \$1.287 billion under 6141- other Employment Costs due to an over projection on salary increases and new recruits. In addition, budget agencies recorded a savings of \$312.4M on account of staff who retired or resigned during the year; savings were not utilised due to restriction on inter-programme virements after Oct 31st according to section 3.3.6 (2) of Finance Circular No. 1(a)/2019.

Expenditure on other goods and services totalled \$57.908 billion, \$1.935 billion below budget 2019, on account of underspending by agencies from materials and supplies, rental and maintenance of buildings, transport, travel and storage, and other goods and services purchased inclusive of dietary due to logistical issues in the expansion of the school feeding programme. Transfer payments summed to \$81.224 billion, \$1.883 billion less than the budgeted \$83.107 billion. This is attributable to unspent balances of \$740.9M under contributions to local and international organisations and \$851.7M under Constitutional Agencies. With regards to Constitutional Agencies, under the Guyana Elections Commission house-to-house registration was completed 31 August 2019 instead of 20 October 2019.

Spending within the statutory category was \$382.8M below the \$23.287 billion that was budgeted in 2019. Public Debt payments were \$690.8M lower than anticipated. The lower payment on external principal resulted from several loans from three major multilateral creditors, CDB, IDB and IDA, being repaid and disbursed at the same time, and not according to a fixed amortisation schedule. The simultaneous disbursement and repayment of these loans often results in variances between projected and actual principal repayments, mainly due to differences between projected and actual disbursements. External interest was lower than budgeted due to higher project disbursement under Public Sector Investment Programme (PSIP). On the other hand, Ministry of Finance recorded \$299.9M above the budgeted amount of \$4.895 billion. This was on account of the supplemental fund to accommodate higher than projected gratuity payments to retired Public Servants.

### Capital Expenditure

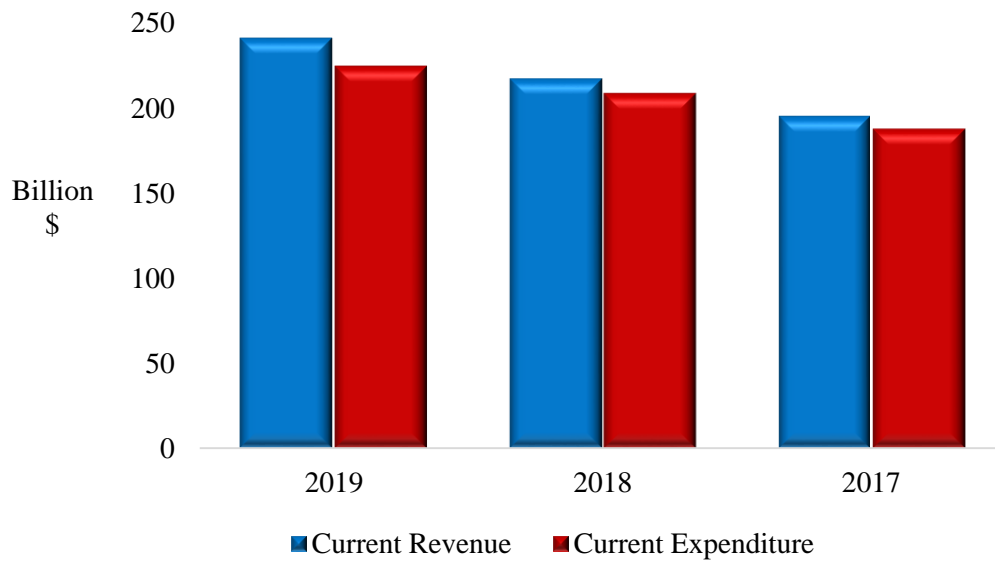
**Ministry's Response:** Capital expenditure was anticipated to be \$69.3 billion but recorded an outturn of \$66.3 billion, or 95.6% of budget. This performance was 20.4% higher than that of 2018, aided by continued strong performance of the local Public Sector Investment Programme which recorded a 43.9% increase over 2018 or an additional injection of \$14.4 billion of public sector projects/programmes into the economy during 2019. Although implementation challenges continue to face the foreign portfolio, \$4.9 billion in inflows could not have been recorded in 2019 since some projects like the National Broadband and East Coast Demerara Road Widening exceeded their budgetary allocation and no opportunity existed for Supplementary Appropriations to be sought in the face of the no confidence motion and subsequent events. Like previous years, through rigorous monitoring, savings were identified and reprogrammed to critical sectors/areas including housing development, sea and river defence works, roads and water sector improvements.

Shortfalls of capital expenditure were attributed mainly to delays and slow progress in the execution of various activities under five foreign funded projects. These activities included:

- a) East Bank- East Coast Dem Road Linkage, Preliminary cost estimate is approximately four times the available financing; decision pending - \$2.101 billion.
- b) Modernisation of Primary Health Care System, designs for hospitals at West Demerara, Bartica and Suddie still to be finalised - \$650M.
- c) Road Network & Expansion Project, Project significantly due to slow progress and issues with environmental safeguards which resulted in suspension of disbursement - \$597.198M.
- d) Skills Development and Employ ability Project, upgrading of PIC/PIDs - bids prices exceeded Engineer's Estimates resulted in re-scoping of interventions - \$539.548M.
- e) Renewable Energy Improvement - Power Project, delays in shipping equipment under project - \$434.866M.

26. Except for the effects of the matter, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement as shown on pages 526 to 536 properly presents the End of Year Budget Outcome and Reconciliation Report (Expenditure) for the year ended 31 December 2019.

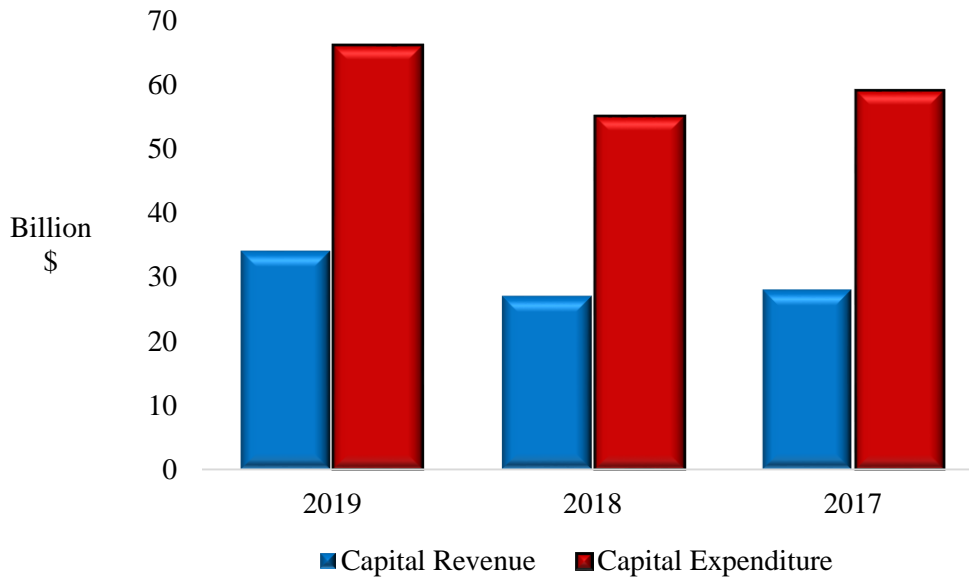
Comparisons between Current Revenue and  
Current Expenditure for the years  
2017 - 2019



Description	2019 \$'000	2018 \$'000	2017 \$'000
Current Revenue	240,585,345	217,016,363	195,060,179
Current Expenditure	225,331,030	208,831,457	188,201,671
Surplus	15,254,315	8,184,906	6,858,508

**Figure 1**

Comparisons between Capital Revenue and  
Capital Expenditure for the years  
2017 - 2019



Description	2019 \$'000	2018 \$'000	2017 \$'000
Capital Revenue	33,586,759	27,062,046	28,411,713
Capital Expenditure	66,262,442	55,019,410	58,618,255
Deficit	(32,675,683)	(27,957,364)	(30,206,542)
Percentage Deficit	49.31%	50.81%	51.53%

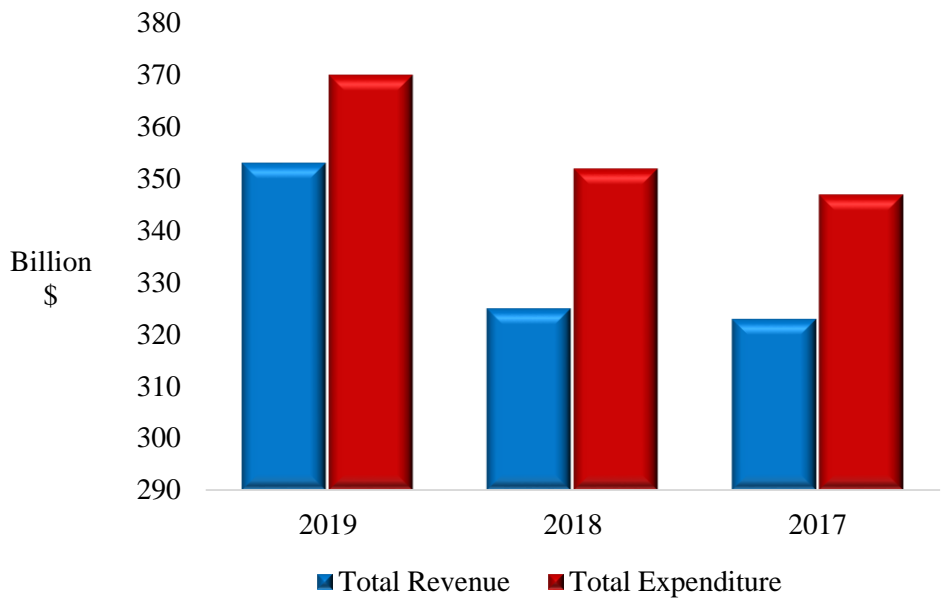
**Figure 2**

Surplus/Deficit for the year ended 31 December 2019

27. There was a net overall deficit of \$17.687 billion for the year ended 31 December 2019. The overall net deficit comprised of a current surplus of \$14.989 billion and a capital deficit of \$32.676 billion. See summary in table below:

<b>Current Revenue</b>		2019 \$'000	2018 \$'000	2017 \$'000
500	Customs and Trade Taxes	25,114,681	22,191,266	18,889,985
510	Internal Revenue	104,331,021	88,732,848	76,513,743
520	Stamp Duties	523,750	424,703	386,735
525	Other Tax Revenues	157	17	313
530	Fees and Fines	1,600,150	1,408,057	1,368,460
540	Interest	814,271	753,297	1,001,934
545	Rents and Royalties	3,957,147	4,311,778	3,879,411
555	Dividends and Transfers	5,700,380	8,532,282	14,251,448
560	Miscellaneous Receipts	1,996,565	2,800,240	2,753,722
590	Value Added Taxes	52,675,552	48,035,523	42,422,904
594	Excise Tax	43,799,645	39,680,443	33,458,566
597	Miscellaneous	72,026	145,909	132,958
	Sub Total	240,585,345	217,016,363	195,060,179
	Treasury Bills Issued	78,438,279	80,647,746	99,593,080
<b>Total Current Revenues</b>		<b>319,023,624</b>	<b>297,664,109</b>	<b>294,653,259</b>
<b>Current Expenditure</b>				
	Current Budgetary Expenditure	202,426,764	186,416,844	169,002,502
	Current Statutory Expenditure	22,904,266	22,414,613	19,199,169
	Treasury Bills Redeemed	78,703,726	88,353,458	100,512,629
<b>Total Current Expenditure</b>		<b>304,034,756</b>	<b>297,184,915</b>	<b>288,714,300</b>
<b>Current Surplus/Deficit</b>		<b>14,988,868</b>	<b>479,194</b>	<b>5,938,959</b>
<b>Capital Revenues</b>				
565	Sale of Assets	0	0	0
570	Miscellaneous Capital Revenue	9,553	2,230,757	759,373
575	External Grants	10,970,623	7,573,261	10,366,228
580	External Loans	22,606,583	17,258,028	17,286,112
<b>Total Capital Revenues</b>		<b>33,586,759</b>	<b>27,062,046</b>	<b>28,411,713</b>
<b>Total Capital Expenditure</b>		<b>66,262,442</b>	<b>55,019,410</b>	<b>58,618,255</b>
<b>Capital Surplus/Deficit</b>		<b>(32,675,683)</b>	<b>(27,957,364)</b>	<b>(30,206,542)</b>
	Total Revenue (Current and Capital)	352,610,383	324,726,155	323,064,972
	Total Expenditure (Current and Capital)	370,297,198	352,204,325	347,332,555
<b>TOTAL SURPLUS/DEFICIT</b>		<b>(17,686,815)</b>	<b>(27,478,170)</b>	<b>(24,267,583)</b>

Comparisons between  
Total Revenue and Total Expenditure  
for the years  
2017 - 2019



Description	2019 \$'000	2018 \$'000	2017 \$'000
Total Revenue	352,610,383	324,726,155	323,064,972
Total Expenditure	370,297,198	352,204,325	347,332,555
Difference	(17,686,815)	(27,478,170)	(24,267,583)
Percentage Deficit	4.78%	7.80%	6.99%

**Figure 3**

FINANCIAL INFORMATION  
RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND

28. In January 2004, a new Consolidated Fund №. 01610000407 was established in accordance with Section 51 of the FMA Act with a transfer of \$5 billion from the old Consolidated Bank Account №. 01610000400. This new bank account was not reconciled monthly for the year ended 31 December 2019. The account reflected an overdraft of \$60.826 billion as at 31 December 2019. The Cash Book reflected an overdraft \$77.512 billion, resulting in a difference of \$16.686 billion, as summarised below:

Details	Amount \$'000	Total \$'000
Balance per Bank Statement as at 31st December, 2019	(60,825,738)	
<b>Less:</b>		
(a) Deposits not yet debited to IFMIS	(2,700,043)	
(b) Cheques not yet debited in Bank Statement (Unpresented Cheques)	(28,918,240)	
<i>Sub total</i>		31,618,283
<b>Add:</b>		
(c) Deposits not yet credited in Bank Statement	12,976,715	
(d) Debit Advices not yet credited in IFMIS	1,955,358	
<i>Sub total</i>		14,932,073
<b>Equals:</b>		
Balance as per report as at 31st December 2019	(77,511,948)	16,686,210

a) Deposit of \$2.700 billion not yet debited to Cash Book.

Deposits not yet debited to IFMIS	Amount \$'000
2019	45,044
2018	48,466
2015-2017	1,407
2009-2013	37,996
2004-2008	2,567,131
<b>Total</b>	<b>2,700,044</b>

Deposits not yet debited to IFMIS 2004-2008 \$2.567 billion.

- i. examination of the bank reconciliation report and supporting documentation revealed, the amount of \$2.567 billion is a net amount between amounts deposited as per Cash Book and not reflected in Bank, and amounts deposited in Bank and not reflected in Cash Book for the period 2004 to 2008, no explanation was given why these amounts remain unresolved (see table below)



Deposits not yet Debited to IFMAS 2004-2008	
<i>In IFMAS not in Bank</i>	
	\$
Fiscal Year 2004	26,676,733,630
Fiscal Year 2005	15,963,503,238
Fiscal Year 2006	694,147,107
Fiscal Year 2008	19,455,904
Total	43,353,839,879
<i>In Bank not in IFMAS</i>	
Deposits -Fiscal Year 2004	27,406,490,493
Deposits -Fiscal Year 2005	17,659,524,195
Fiscal Year 2006	770,203,989
Fiscal Year 2008	85,077,169
Total	45,921,295,846
Net Deposits not Posted for Fiscal year 2008	2,567,455,967
<i>Unreconciled difference</i>	<i>(325,442)</i>
Total for 2004 - 2008	<i>(2,567,130,525)</i>

**Ministry Response:** The adjusted figure as at 31/7/2020 is now \$2,700,035,984 inclusive of information dating from 2004.

b) Unpresented cheques of \$28.918 billion.

Debit Advices not yet debited to Bank Statement	Amount \$'000
2019	28,256,537
2018	201,815
2014-2017	275,914
2009-2013	89,810
2004-2008	94,164
Total	28,918,240

**Ministry Response:** The adjusted figure as at 31/7/2020 is now \$3,425,386,557 inclusive of information dating from 2004.

- i. A total of \$15.987 billion in cheques were drawn on 31 December 2019, and 2 to 7 January 2020 for expenditure relating to the financial year 2019. Of these cheques, a total of 1,960 and 12,177 amounting to \$3.098 billion and \$12.890 billion were drawn on 31 December 2019, and on 2 to 7 January 2020, respectively. See table below:

Agency	31/12/2019		2 to 7 January 2020		Total Cheques	Total \$'000
	№. Of Cheques	Amount \$'000	№. Of Cheques	Amount \$'000		
Ministry of Education	67	75,843	1,167	1,229,365	1,234	1,305,208
Ministry of Public Infrastructure	295	1,050,317	138	1,145,592	433	2,195,909
Guyana Defence Force	12	3,407	816	1,102,993	828	1,106,400
Ministry of Presidency	288	385,024	217	644,069	505	1,029,093
Ministry of Public Security	83	120,180	234	635,924	317	756,104
Ministry of Foreign Affairs	0	0	172	589,214	172	589,214
GECOM	37	86,262	258	550,067	295	636,329
Ministry of Communities	37	65,972	292	518,651	329	584,623
Ministry of Finance	30	26,888	214	482,185	244	509,073
Ministry of Public Health	106	245,829	138	422,133	244	667,962
Ministry of Social Protection	35	10,479	657	411,837	692	422,316
Guyana Police Force	77	138,873	260	304,331	337	443,204
Min. of Indigenous Peoples' Affairs	0	0	316	268,674	316	268,674
Ministry of Business	17	17,418	224	196,208	241	213,626
Ministry of Public Telecom.	22	6,799	102	82,283	124	89,082
Ministry of Natural Resources	17	9,357	165	68,414	182	77,771
Ministry of Legal Affairs	10	3,215	30	21,435	40	24,650
Office of the Prime Minister	31	8,708	28	12,743	59	21,451
Ministry of Agriculture	58	192,575	22	10,224	80	202,799
Ministry of Foreign Affairs	17	2,936	0	0	17	2,936
Regions 1 - 10	520	399,725	6576	3,506,911	7,096	3,906,636
Statutory / Constitutional Agencies	201	248,114	151	686,267	352	934,381
Total	1,960	3,097,921	12,177	12,889,520	14,137	15,987,441

c) Deposits of \$12.977 billion not yet credited to the Bank Account.

Deposits not yet credited in Bank Statement	Amount \$'000
2019	12,919,508
2018	51,382
2014-2017	5,015
2009-2012	811
Total	12,976,716

**Ministry Response:** The adjusted figure as at 31/7/2020 is now \$102,901,299 inclusive of information dating from 2004.

d) Debit advices of \$1.955 billion not yet credited in Cash Book.

Cheques not yet Credited to IFMIS	Amount \$'000
2019	309,557
2018	193
2014-2017	66,894
2009-2013	179,573
2004-2008	1,399,141
Total	1,955,358

**Ministry Response:** The adjusted figure as at 31/7/2020 is now \$1,646,444 inclusive of information dating from 2004.

29. Section 26 of the FMA Act states that “*except as provided in this Act, every appropriation of public moneys authorised by Parliament for a fiscal year shall lapse and cease to have effect as at the end of that fiscal year*”. Sufficient documentations in support of the reconciliation were not provided for audit examination. In addition, there was no evidence to indicate that the Ministry took any actions to resolve the amounts which remained static from previous year.

**Ministry’s Response:** The new Consolidated Fund Account №. 407 is being reconciled on a monthly basis whereby discrepancies are reported to the Bank of Guyana, including Central Government Agencies or other related entities, for corrective action to be taken within the stipulated four weeks’ period. Memos were sent to the agencies to account for the agency’s unreconciled discrepancies.

The static amount mentioned in the Report is one which is engaging the attention of the Ministry of Finance. The unreconciled transactions, other than outstanding cheques, covering the period 2004 to 2008 are under consideration for the requisite action. Such action would result in a positive impact on the balance sheet accounts and further reduce the current overdraft reflected in the General Ledger.

**Recommendation:** *The Audit Office recommend that the Accountant’s General Department take the necessary actions to investigate the static amounts and submit the reconciliation for audit. (2019/01)*

30. At the time of implementation of the Integrated Financial Management and Accounting System (IFMAS) in 2004, a total of thirty-one Government bank accounts were rendered non-operational. As at 31 December 2019, a total of fifty-five Government bank accounts with a net balance of negative \$46.459 billion were listed as inactive.

31. Thirty-two of these inactive accounts had zero balances. One account had a balance of \$200M, which represented the Revolving Housing Fund, and account №. 400 (Old Consolidated Fund) with an overdraft of \$46.776 billion.

**Ministry’s Response:** The process of bringing closure to inactive bank accounts and having their balances transferred to the Consolidated Fund is ongoing. (FMAA Section 43 requires any unexpended balance of public moneys be returned and surrendered to the Consolidated Fund.)

Moreover, the Revolving Housing Fund Account reflecting a balance of \$200M cannot be closed as discussions on issues affecting the Ministry of Education and the Union are on-going.

**Recommendation:** *The Audit Office recommend that the Accountant’s General Department take the necessary steps to bring closure to this matter. (2019/02)*

32. The net accumulated balance of the fifty-five accounts and other operational accounts (excluding the balances on the bank accounts of Special Projects) was negative \$74.889 billion as at 31 December 2019. This is the best available estimate of the cash position of the Government as at 31 December 2019. It should be noted that there was a decrease of \$6.741 billion in the estimated cash position of Guyana at the end of 2019 when compared to the negative balance of \$68.148 billion as at 31 December 2018 and an increase of the deficit to \$74.889 billion.

33. The following gives a summary of the bank balances with comparative figures at the end of the preceding year:

Account №.	Description	Amount 2019 \$M	Amount 2018 \$M	Amount 2017 \$M
407	Consolidated Fund (New)	(60,826)	(64,448)	(89,928)
400	Consolidated Fund (Old)	(46,776)	(46,776)	(46,776)
401	Deposit Fund	0	0	0
3001	Non-Sub Accounting Ministries/Departments	0	0	7
-	Other Ministries/Departments' Accounts	30,833	21,518	27,727
969	Monetary Sterilisation Account	1,880	21,558	77,537
Total		(74,889)	(68,148)	(31,433)

34. While Section 60(1) of the FMA Act 2003 states “*The Minister may approve the use of advances in the form of an overdraft on an official bank account to meet cash shortfalls during the execution of the annual budget.*” Section 60(2) states “*the minister shall repay in full all advances in the form of an overdraft on an official bank account on or before the end of the fiscal year during which that overdraft was drawn*”, it was noted that during 2019 the new Consolidated Fund was funded by additional liability to the Government of \$67.898 billion through the issue of Treasury Bills (F-Series 182 days and G-Series - 364 days) in order to reduce the overdraft on this account.

35. The new Consolidated Fund had an overdraft of \$60.826 billion at the end of 2019, payments in excess of receipts made from this account increased the overdraft to \$128.724 billion during 2019, which was subsequently reduced by the issue of the F-Series and G-Series - Treasury Bills to \$60.826 billion at the end of December 2019. The issue of new Treasury Bills (F-Series - 182 days and G-Series - 364 days) of \$67.898 billion should have been deposited into of the Monetary Sterilisation Account and not the Consolidated Fund Account.

**Ministry’s Response:** While the Ministry of Finance agrees that the Minister is empowered under the FMA Act 2003 to seek funding by way of borrowing in order to reduce the overdraft on the Consolidated Fund, the Ministry is not in agreement that such sums should be deposited in the Monetary Sterilisation Account. The issue is more related to bridging a fiscal gap and has no relation to monetary policy which falls under the remit of the Bank of Guyana. Section 61 of the FMA Act 2003 stipulates that proceeds of any such borrowing by the Government shall be paid into the Consolidated Fund.

36. It should be noted according to the notes forming part of the Consolidated Financial Statement states “*the purpose of the Monetary Sterilisation Account №.969 is to remove excess liquidity from the financial system. The vehicle for performing this is that Government issued 182 and 365-day Treasury Bills. The cost to the Government is the interest charge on the redeemed T-bills as they come due. This is a statutory cost charged to internal interest expense. The monetary sterilisation liability should be exactly offset by the monetary sterilisation bank account, creating a fully funded liability*”. See table below for details on the F-Series and G-Series Treasury Bills issued during 2019.

Treasury Bill №.	Issue Date	Face Value \$'000	Subscribe Amount \$'000	Discount Earned \$'000
F3	13/12/2019	372,600	370,946	1,654
<i>Sub-Total</i>		<i>372,600</i>	<i>370,946</i>	<i>1,654</i>
G11	18/01/2019	3,500,000	3,457,339	42,661
G12	25/01/2019	7,000,000	6,917,330	82,670
G13	22/02/2019	7,000,000	6,918,655	81,345
G14	3/08/2019	5,000,000	4,952,650	47,350
G15	31/05/2019	850,000	841,951	8,049
G16	26/07/2019	4,200,000	4,160,765	39,235
G17	2/08/2019	5,000,000	4,954,530	45,470
G18	9/08/2019	4,000,000	3,961,570	38,430
G19	6/09/2019	7,000,000	6,927,008	72,992
G20	13/09/2019	5,000,000	4,948,811	51,189
G21	18/10/2019	5,000,000	4,949,460	50,540
G22	15/11/2019	7,000,000	6,929,610	70,390
G23	6/12/2019	4,467,100	4,422,340	44,760
G24	13/12/2019	3,000,000	2,969,975	30,025
G25	20/12/2019	217,200	215,024	2,176
<i>Sub-Total</i>		<i>68,234,300</i>	<i>67,527,018</i>	<i>707,282</i>
<b>Grand Total</b>		<b>68,606,900</b>	<b>67,897,964</b>	<b>708,936</b>

Old Consolidated Fund Bank Account №. 400

37. The old Consolidated Fund Bank Account №. 400 was not reconciled since February 1988. A Cash Book was reconstructed for the period 1989 to 2003 in order to aid the reconciliation of this account. However, despite attempts by the Accountant General's Department to reconcile the monthly transactions on the account from January 1994, a proper reconciliation was still not done. In addition, the old Consolidated Fund continued to be overdrawn over the years. At the end of 1992, the overdraft on this account was \$26.823 billion, compared with an overdraft of \$44.434 billion at the end of 2003, a net increase of \$17.611 billion. At the end of 2004, the overdraft of the old Fund was \$45.550 billion.

**Ministry's Response:** The reconciliation of the old Consolidated Fund Bank Account №. 400 has posed new challenges, the Ministry of Finance made a request to the Bank of Guyana for certain pertinent data starting from the year 1992. However, it appears that the Bank of Guyana has a difficulty in accessing from its database, the information that is necessary to fill the gaps as they exist in the accounting records in the Accountant General's Department within the Ministry of Finance. The absence of such data from the Bank will not allow a bank reconciliation to be done in what is referred to as the internationally acceptable conventional manner.

As far back as 2001 the Accountant General's Department contracted a professional service entity to have the reconciliation done but despite the best of efforts that entity was unable to unravel the enormity of the reconciliation items and thus the entire exercise was placed in abeyance.

The Ministry of Finance is concerned about the length of time that has elapsed without a conclusion to this matter and believes that it should be addressed within the Public Financial Management (PFM) Reform process.

**Recommendation:** *The Audit Office recommend that the Accountant's General Department take the necessary steps to bring closure to this matter. (2019/03)*

38. It should be noted that there was no activity in this account during the years 2006, 2007, 2010, 2011, 2012, 2015, 2017 and 2018. However, there were movements in the account during the years 2005, 2008, 2009, 2013 and 2014, with a closing overdraft of \$46.776 billion as at 31 December 2019.

39. In 2006, amounts totalling \$15.226 billion were transferred from the Deposit Fund, General Account and the Non-Sub Accounting Bank Accounts to the new Consolidated Fund (Account №. 407) instead of the old Consolidated Fund. Had these amounts been transferred to the old Consolidated Fund and the amount of \$5 billion that was used to open the new Consolidated Fund repaid, then the overdraft would have been reduced to \$26.550 billion at the end of 2019.

### Gifts

40. Section 34 of the Stores Regulations 1993 states that “*all gifts received shall be subject to normal store-keeping and received stores accounting procedures and the procedure set out in the regulations 16 to 19 inclusive shall apply. A Gift Register in Form 18 shall be maintained by the Storekeeper, and the Permanent Secretary shall furnish the Secretary to the Treasury (now Finance Secretary), the Accountant General and the Auditor General information relating to all gifts received from time to time*”. However, although there was evidence of the receipts of numerous gifts during the year, there was no evidence of adherence to these procedures. As a result, the amount of \$1.996 billion representing Miscellaneous Receipts as at 31 December 2019 was understated by an undetermined amount.

**Ministry’s Response:** The accounting for gifts in accordance with laid down procedures shall continue to engage the attention of the Ministry of Finance. The Ministry intends to seek the intervention of the Internal Audit Department in its interface with agencies to bring about enhanced compliance.

**Recommendation:** *The Audit Office recommend that the Ministry of Finance adopt stringent measures to ensure that there is compliance with the circulars issued. (2019/04)*

41. Except the effects of the matter, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement as shown on pages 537 to 544 properly presents the Receipts and Payments of the Consolidated Fund for the year ended 31 December 2019.

STATEMENT OF EXPENDITURE FROM THE CONSOLIDATED FUND AS COMPARED WITH THE ESTIMATES OF EXPENDITURE

42. The Statement of Expenditure from the Consolidated Fund as compared with the Total Funds Available as shown on pages 545 to 552 revealed that amounts totalling \$313.140 billion were made available for expenditures. This comprised of \$236.342 billion and \$76.798 billion for Current and Capital Expenditure, respectively. See summary in the table below:

Description	2019 \$'000	2018 \$'000	2017 \$'000
<u>Current Expenditure</u>			
Approved Allotment	231,440,454	207,391,348	193,364,814
<b>Add:</b> Supplementary Allotment	4,678,479	7,418,396	1,284,590
<b>Add:</b> Contingency Fund Advances	223,243	0	0
Total Funds Available	236,342,176	214,809,744	194,649,404
<b>Less:</b> Actual Expenditure	225,331,030	208,831,457	188,201,805
Over/(Under) the Total Funds Available	(11,011,146)	(5,978,287)	(6,447,599)
<u>Capital Expenditure</u>			
Approved Allotment	69,278,554	59,702,423	56,758,353
<b>Add:</b> Supplementary Allotment	3,592,237	4,623,441	11,061,682
<b>Add:</b> Contingency Fund Advances	3,926,998	0	0
Total Funds Available	76,797,789	64,325,864	67,820,035
<b>Less:</b> Actual Expenditure	66,262,442	55,019,410	58,618,255
Over/(Under) the Total Funds Available	(10,535,347)	(9,306,454)	(9,201,780)
Total Approved Allotment	300,719,008	267,093,771	250,123,167
<b>Add:</b> Total Supplementary Allotment	7,962,210	12,041,837	12,346,272
<b>Add:</b> Total Contingency Fund Advances	4,150,242	0	0
Total Funds Available	313,139,965	279,135,608	262,469,439
<b>Less:</b> Total Expenditure	291,593,472	263,850,867	246,820,060
Over/(Under) the Total Funds Available	(21,546,493)	(15,284,741)	(15,649,379)

Current Expenditure

43. As illustrated in the table above, Approved Allotment for Current Expenditure was \$231.440 billion. During the year, amounts totalling \$4.678 billion and \$223M were granted in Supplementary Provisions and Contingency Advances respectively, bringing the total funds available for Current Expenditure to \$236.342 billion. Total Current Expenditure amounted to \$225.331 billion, resulting in a total shortfall of \$11.011 billion. This outturn was mainly attributed to significant shortfalls in expenditures under the revised allocations of various entities. The table below provides a summary of the entities with significant shortfalls in Current Expenditures:

Description	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
<i>Ministry/Department</i>			
Guyana Elections Commission	8,193,061	4,239,021	3,954,040
Ministry of Finance	26,869,679	24,324,567	2,545,112
Ministry of Education	18,069,897	17,069,296	1,000,601
Ministry of Public Security	17,797,224	17,035,437	761,787
Ministry of Foreign Affairs	6,302,656	5,547,798	754,858
Ministry of Social Protection	17,786,167	17,580,768	205,399
Ministry of the Presidency	9,037,063	8,865,899	171,164
Parliament Office	1,612,771	1,451,559	161,212
Ministry of Public Health	22,065,354	21,909,822	155,532
Guyana Defence Force	12,977,026	12,861,618	115,408
Ministry of Business	1,521,638	1,466,373	55,265
Ministry of Natural Resources	873,271	835,777	37,494
Public Prosecutions	216,398	180,894	35,504
Ministry of Agriculture	9,881,751	9,858,840	22,911
Ministry of Public Infrastructure	8,857,288	8,839,159	18,129
Ministry of Communities	2,772,198	2,759,329	12,869
Teaching Service Commission	108,595	95,880	12,715
Office of the Prime Minister	759,675	747,678	11,997
<i>Regions</i>			
Regions 1-10	39,352,377	39,087,340	265,037
<i>Statutory</i>			
Public Debt	18,338,702	17,647,894	690,808
Total			10,987,842

44. It should be noted that there were five Ministries which applied and received Supplementary Allotments totalling \$4.344 billion. However, these Ministries failed to utilise \$7.484 billion of the total funds available. As a result, it could not be determined if these Ministries achieved their objectives. See table below for details:

Description	Approved Allotment \$'000	Supplementary Allotment \$'000	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
Guyana Elections Commission	4,893,061	3,300,000	8,193,061	4,239,021	3,954,040
Ministry of Finance	26,069,678	800,000	26,869,679	24,324,567	2,545,112
Ministry of Public Security	17,748,824	48,398	17,797,224	17,035,437	761,787
Ministry of Social Protection	17,736,593	49,575	17,786,167	17,580,768	205,399
Ministry of Public Infrastructure	8,710,288	147,000	8,857,288	8,839,159	18,129
Total	75,158,444	4,344,973	79,503,419	72,018,952	7,484,467

#### Capital Expenditure

45. The Approved Allotment for Capital Expenditure was \$69.279 billion. During the year, amounts totalling \$3.592 billion and \$3.927 billion were granted in Supplementary Provisions and Contingency Advances respectively, bringing the total funds available to \$76.798 billion.



46. Total expenditure amounted to \$66.262 billion, resulting in a total shortfall of \$10.535 billion. The table below gives a breakdown of mainly those Ministries and Regions whose Capital Expenditure were under the total funds available by \$10.501 billion.

Ministry/Region	Approved Allotment (Allotment1) \$'000	Supplementary Allotment \$'000	Contingency Fund Advances \$'000	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
Ministry of Public Infrastructure	26,212,032	1,881,593	1,750,000	29,843,625	25,223,114	4,620,511
Ministry of Agriculture	4,614,849	0		4,614,849	3,244,284	1,370,565
Ministry of Education	3,794,844	0		3,794,844	2,694,858	1,099,986
Ministry of Finance	4,976,601	0		4,976,601	4,124,451	852,150
Ministry of Public Health	3,171,681	0		3,171,681	2,371,252	800,429
Ministry of Communities	5,549,500	1,494,000	2,176,998	9,220,498	8,782,671	437,827
Ministry of Business	1,136,025	0		1,136,025	711,299	424,726
Ministry of the Presidency	3,366,239	4,300		3,370,539	2,969,447	401,092
Ministry of Legal Affairs	217,510	0		217,510	108,846	108,664
Ministry of Public Security	3,868,331	0		3,868,331	3,791,016	77,315
Guyana Elections Commission	478,000	182,344		660,344	586,543	73,801
Ministry of Social Protection	475,009	30,000		505,009	473,936	31,073
Ministry of Natural Resources	572,972	0		572,972	542,614	30,358
Ministry of Foreign Affairs	535,627	0		535,627	521,624	14,003
Ministry of Indig. Peoples' Affairs	815,348	0		815,348	801,694	13,654
Parliament Office	87,500	0		87,500	76,904	10,596
Region 10	567,450	0		567,450	480,192	87,258
Region 1	600,800	0		600,800	554,082	46,718
Total	61,040,318	3,592,237	3,926,998	68,559,553	58,058,827	10,500,726

47. It should be noted Supplementary Allotments were granted to five Ministries totalling \$3.592 billion and Contingency Fund Advances totalling \$3.927 billion in 2019. However, two of the said Ministries had significant unspent balances as illustrated in table above.

48. Except for the effects of the matter, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement properly presents the Statement of Expenditure from the Consolidated Fund as compared with the Estimates of Expenditure for the year ended 31 December 2019.

EXPENDITURE IN RESPECT OF THOSE SERVICES WHICH BY LAW ARE DIRECTLY CHARGED  
UPON THE CONSOLIDATED FUND

49. Expenditure in respect of those services, which by Law are directly charged upon the Consolidated Fund, otherwise known as Statutory Expenditure, as shown on page 553 and does not form part of the voted provisions approved by the National Assembly. Such expenditure includes repayment and servicing of the Public Debt, emoluments of holders of constitutional offices, and pensions and gratuities of public officers. The details provided for verification of this expenditure revealed that they were properly incurred. See summary in table below:

Description	Wages and Salaries 2019 \$'000	Employment Overhead Expenses 2019 \$'000	Total Expenditure 2019 \$'000	Total Expenditure 2018 \$'000	Total Expenditure 2017 \$'000	Total Expenditure 2016 \$'000
Ministries and Departments	50,747	10,581	61,328	26,698	37,082	49,914
Pensions and Gratuities	4,951,443	0	4,951,443	4,475,987	4215460	3,822,268
Dependent's Pension Fund	243,600	0	243,600	181,999	118,304	77,804
<b>Public Debt:</b>						
Internal Principal	279,944	0	279,944	279,944	279,601	35,478
Internal Interest	1,031,816	0	1,031,816	1,332,587	1,970,321	1,863,059
External Principal	11,497,526	0	11,497,526	11,556,215	8,377,234	6,710,241
External Interest	4,838,608	0	4,838,608	4,561,182	4,201,168	3,602,637
<b>Total</b>	<b>22,893,684</b>	<b>10,581</b>	<b>22,904,265</b>	<b>22,414,612</b>	<b>19,199,170</b>	<b>16,161,401</b>

50. As illustrated in the table below, it should be noted that there were thirteen Constitutional Agencies with a total Current and Capital Expenditure of \$10.781 billion, which is not reflected in the Statement of Expenditure in respect of those services, which by Law are directly charged upon the Consolidated Fund, as a result the total expenditure of \$22.904 billion is understated by \$10.781 billion.

Constitutional Agency	Total Expenditure		Total Expenditure \$'000
	Current \$'000	Capital \$'000	
Parliament Office	1,451,559	76,904	1,528,463
Audit Office of Guyana	854,614	17,395	872,009
Public and Police Service Commission	130,497	11,600	142,097
Teaching Service Commission	95,880	495	96,375
Guyana Elections Commission	4,239,021	586,543	4,825,564
Supreme Court	1,850,404	458,478	2,308,882
Public Prosecutions	180,894	3,424	184,318
Office of the Ombudsman	71,982	1,042	73,024
Public Service Appellate Tribunal	62,828	-	62,828
Ethnic Relations Commission	200,169	18,625	218,794
Judicial Service Commission	100,250	-	100,250
Rights Commissions of Guyana	137,395	12,193	149,588
Public Procurement Commission	209,533	9,400	218,933
<b>Total</b>	<b>9,585,026</b>	<b>1,196,099</b>	<b>10,781,125</b>

51. Except for the effects of the matter, which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Statement as shown on page 553 properly presents the Statement of Expenditure in Respect to those Services, which by Law are directly charge upon the Consolidated Fund for the year ended 31 December 2019.

## RECEIPTS AND PAYMENTS OF THE CONTINGENCIES FUND

52. Section 220(1) of the Constitution states “*Parliament may make provision for the establishment of a Contingencies Fund and for authorising the Minister responsible for finance to make advances from that Fund if he is satisfied that there is an urgent need for expenditure for which no other provision exists*”. In accordance with Section 41 of the FMA Act, the Minister of Finance “*may approve a Contingencies Fund Advance as an expenditure out of the Consolidated Fund by the issuance of a drawing right*”. The criteria as stated in Section 41(3) of the FMA Act require the Minister, when satisfied that “**an urgent, unavoidable and unforeseen need for the expenditure has arisen:**

- a) **for which no moneys have been appropriated or for which the sum appropriated is insufficient;**
- b) **for which moneys cannot be reallocated as provided for under this Act; or**
- c) **which cannot be deferred without injury to the public interest....”.**

53. Section 22(1)(c) of the FMA Act states “*the amount of an appropriation for any programme may not be varied under this section by more than ten per cent of the total amount appropriated for the programme in the applicable appropriation Act*”. In addition, Section 22(2) states “*the Minister shall include all changes to appropriations made pursuant to subsection (1) up to the end of the tenth month of the current fiscal year in an appropriation amendment Bill: otherwise any changes shall be made in accordance with Section 24*”.

54. According to the Statement of Receipts and Payments of the Contingencies Fund as shown on page 554 for the year ending 31 December 2019 amounts totalling \$4.150 billion were drawn from the fund by way of seven advances as shown in the table below:

Warrant No.	Date of Warrant	Ministry/Region	Amount \$'000
1	29/07/2019	Ministry of Public Infrastructure	460,000
2	10/10/2019	Ministry of Public Infrastructure	1,250,000
3	20/11/2019	Ministry of Communities	2,176,998
4	22/11/2019	Ministry of Public Health	13,875
5	2/12/2019	Ministry of Public Infrastructure	40,000
6	4/12/2019	Region 6	30,000
7	30/12/2019	Ministry of Agriculture	179,370
Total			4,150,243

55. It should be noted no advances were taken during 2017 and 2018, however, for the period under review, all seven advances granted from the Contingencies Fund were to meet routine expenditure and did not meet the criteria defined in Section 41(3) of the FMA Act. See table below for details.

Min./Dept./Reg.	Date	Warrant №.	Purpose/ Reasons for Supplementary Provision	Amount \$'000
Agency 32: Ministry of Public Infrastructure Programme 322- Public Infrastructure	29/07/2019	1/2019	<b>Purpose:</b> To facilitate the execution of emergency sea defence works along critical sections of shoreline between the communities of Fairfield to Dazigt, Mahaicony, ECD, Region №. 5.	460,000
Agency 32: Ministry of Public Infrastructure Programme 322- Public Infrastructure	10/10/2019	2/2019	<b>Purpose:</b> To facilitate the executive of emergency sea defence works along critical sections of shoreline between the communities of Fairfield to Danzig, Mahaicony, ECD, Region №. 5 and rehabilitation and upgrading measures are also required along multiple stretches of sea and river defences within Regions №. 2, №. 3, №. 4, and №. 6 including the islands of Wakenaan and Leguan.	1,250,000
Agency 42: Ministry of Communities Programme 42- Sustainable Communities Development	20/11/2019	3/2019	<b>Purpose:</b> Provision for immediate funding to Central Housing and Planning Authority for land transferred by NICIL.	2,176,998
Agency 43: Ministry of Public Health Programme 433- Family Health Care	22/11/2019	4/2019	<b>Purpose:</b> To vaccinate all eligible persons so as to ensure that herd immunity is obtained so as to prevent the transmission of Vaccine Preventable Diseases, ensure all pregnant women receive quality care, offer all postnatal women a contraceptive method, screen all child bearing women for cervical cancer once per year and reduce home delivery. The region of Americans is at the brink of losing Measles fee certification, since there has been a resurgence of vaccine preventable diseases notably measles and yellow fever in the Americas. The recent outbreaks of life-threatening infections and reemerging infectious diseases highlight the need for prevention, preparedness, as well as effective emergency outbreak response.	13,875
Agency 32: Ministry of Public Infrastructure Programme 32- Hinterland Electrification	2/12/2019	5/2019	<b>Purpose:</b> To conduct major repairs to generators at Port Kaituma & Light Co. Inc.	40,000
Agency 76: Region №. 6 - East Berbice Corentyne Programme 762- Agriculture	4/12/2019	6/2019	<b>Purpose:</b> Purchase of fuel and lubricants to irrigate fresh water from Manarabisi and Black Bush pump stations to save the rice crop.	30,000
Agency 21: Ministry of the Agriculture Programme 212- Agriculture Development and Support Services	30/12/2019	7/2019	<b>Purpose:</b> Increase in work programme by NDIA in an effort to reduce the likelihood of flooding and damage to infrastructure in critical areas in Region №.4 during spring tides and to negate the effect of widespread flooding in Region №. 5.	179,369
Total				4,150,242

**Ministry's Response:** The Ministry of Finance stated that all the advances meet the criteria in keeping with Section 41 (3) of the FMA Act 2003.

**Recommendation:** The Audit Office recommend that the Ministry of Finance adopt stringent measures to ensure that there is compliance with Section 41 of the FMA Act regarding the criteria for the granting of Advances from the Contingencies Fund. (2019/05)

56. As illustrated in the table above, advance №. 7/2019 totalling \$179.370M was granted on 30 December 2019 to the Ministry of Agriculture to reduce the likelihood of flooding and damage to infrastructure in critical areas in Region №. 4 during spring tides and to negate the effect of widespread flooding in Region №. 5. It was noted that two cheques totalling \$179.370M was paid out of the Consolidated Fund on 31 December 2019 to National Drainage and Irrigation Authority to meet the above expenditure. However, Section 43 of the Fiscal Management and Accountability Act 2003 requires all unspent balances to be refunded to the Consolidated Fund at the end of the fiscal year. As such the Ministry would have breached the Act by the withdrawal of this significant sum on the 31 December 2019.

**Ministry's Response:** The Ministry of Finance maintains that it is mandatory to meet its contractual obligations in accordance with the commitment clause of the General Provisions of the FMA Act

57. Section 41 (5) states “*The Minister shall report at the next sitting of the National Assembly on all advances made out of the Contingencies Fund since the previous report of the Minister, which report shall specify –*

- a) *the amounts advanced;*
- b) *to whom the amounts were paid; and*
- c) *the purpose of the advances.”*

58. According to the Statement of Receipts and Payments of the Contingencies Fund amounts totalling \$4.150 billion remained un-cleared at the time of reporting in November 2020.

**Ministry's Response:** The Ministry of Finance notes that there were sittings of the National Assembly regarding the 2020 Budget. However, it was not opportune to table the application for the Supplementary Provisions.

**Recommendation:** *The Audit office recommend that the Ministry of Finance clear all advances in keeping with Section 41 (5) of the FMA Act. (2019/06)*

59. In the view of the foregoing observations, the completeness, accuracy and validity of the Receipts and Payments of the Contingencies Fund for the year ended 31 December 2019 as shown on page 554 could not be satisfactorily determined.

## FINANCIAL REPORTS OF THE DEPOSIT FUND

60. Section 42 of the FMA Act states that “*the Minister may establish one or more Deposit Funds into which public moneys shall be paid pending repayment or payment for the purpose for which the moneys were deposited*”. There was a net negative movement of \$1.463 billion of the Fund during the year. The Financial Report of the Deposit Fund for the year ended 31 December 2019 is shown on page 555.

61. The old Deposit Fund Account №. 401, from which amounts totalling \$1.955 billion and \$55M were transferred to the new Consolidated Fund in 2006 and 2010 respectively, reflected a nil balance in 2012, and was closed as at 31 December 2013. However, the Audit Office was unable to determine the details of the amounts transferred from this account due to a gap of fourteen years in financial reporting covering the period 1982 to 1995. In addition, Ledgers relating to the Fund were not written up since September 1987. As such, the amounts recorded as deposits and transferred from this account were based on submissions by Ministries, Departments and Regions.

**Ministry’s Response:** All Deposits Fund Accounts, prior to 2004, were maintained on a manual basis by the then Ministries, Departments and Regions, thereafter referred to as Agencies. The Ministry of Finance during that prior period was reliant on the information provided by those Agencies and it was on that basis that the balances in the old Deposits Fund Account №. 401 were transferred to the new Consolidated Fund Account №. 407. While the transfers were done in lump sums the apportionment was established against the relevant Agencies in the IFMIS. The apportionment was because of the financial information provided by the respective Agencies. Whatever information was provided by those Agencies in relation to figures for the opening balances in the Deposits Fund was acted upon in January 2004.

**Recommendation:** *The Audit Office once again recommend that the Ministry of Finance establish a Deposit Fund in accordance with the requirement of the FMA Act. (2019/07)*

62. The Audit Office was also unable to verify the accuracy of \$833.530M as deposits held for investments on behalf of the Sugar Industry Labour Welfare Fund (SILWF), the Sugar Industry Rehabilitation Fund and the Sugar Industry Price Stabilisation Fund. These entities were last audited for the years 2016, 1980, and 1980, respectively. It was therefore not possible to use the entities’ records as a basis of verifying the accuracy of the balances.

**Ministry’s Response:** The Ministry of Finance is of the expressed view that it is the responsibility of the SILWF to furnish such information to the Auditor General, since that entity has in its possession all the relevant records.

63. Prior to 2004, the records at the Accountant General’s Department were not maintained in a manner to adequately monitor or control advances granted from the Deposit Fund. In addition, it was not possible to easily ascertain the value of advances issued or outstanding as at 31 December 2003. As a result, the amount of \$13.835 billion representing advances outstanding as at 31 December 2019 could not be substantiated.

**Ministry’s Response:** The Ministry of Finance explained that with the advent of IFMAS (now renamed IFMIS) in 2004, all reconciliations have been timely and accurate, as such; balances in the Deposits Fund as at the end of 2019 can be substantiated. In the absence of records prior to January 2004, the Ministry of Finance continues to rely on the Agencies records to facilitate reconciliations.

**Recommendation:** *The Audit Office once again recommend that the Ministry reconcile the advances granted prior to 2004 and submit the results for audit scrutiny. (2019/08)*

64. Section 42(2) of the FMA Act states “on the establishment of a Deposit Fund, the Minister shall notify the National Assembly of the Deposit Fund and shall specify, (b) the purpose or purposes for which moneys may be expended from the Deposit Fund; and (d) the intended investment strategy for the moneys deposited in the Deposit Fund”. The Ministry of Finance produced a schedule of agencies with miscellaneous deposits. However, the Ministry of Finance did not produce any documentation in support of the schedule. Shown in the table below are the details of the Deposit Fund as at 31 December 2019:

Description	Amount 2019 \$'000	Amount 2018 \$'000	Amount 2017 \$'000
<i>Types of Deposit</i>			
Dependents Pension Fund	1,931,023	1,575,177	1,230,560
Sugar Industry Welfare Committee	50,691	50,691	50,691
Sugar Industry Labour Welfare Fund	743,773	848,287	970,684
Sugar Industry Rehabilitation Fund	74,833	76,709	72,432
Sugar Industry Price Stabilisation Fund	14,924	14,924	14,033
Miscellaneous	34,089	1,639,422	3,804,721
<b>Total</b>	<b>2,849,333</b>	<b>4,205,210</b>	<b>6,143,121</b>
<i>Types of Advance</i>			
Personal	23,059	22,488	19,266
Gratuity	1,312,358	1,243,004	1,281,183
Auto Advance	105,843	109,345	113,531
Guyana Gold Board	8,650,148	8,650,148	8,650,148
Imprest & Cash on Hand	1,568,665	1,530,278	1,523,418
Deposit Fund Advance Warrants	208,410	208,410	208,410
Crown Agents	411,798	409,040	409,040
Statutory and Other Bodies	1,554,456	1,554,456	1,554,456
<b>Total</b>	<b>13,834,738</b>	<b>13,727,169</b>	<b>13,759,452</b>

**Ministry's Response:** The Ministry of Finance stated that the documents requested is available at both SIWF and DPF as well at Accountant General's Department for verification by the Auditors.

65. Examination of the Financial Report of the Deposit Fund revealed the following:

- a) The amount for Guyana Gold Board reflected a static balance of \$8.650 billion for the period 2012 to 2019, however, the audited Financial Statements of Guyana Gold Board reflected \$8.732 billion as at 31 December 2019.
- b) Advances in relation to Deposit Fund Advance Warrants remained static for the period 2014 to 2019.
- c) The amount for Statutory and Other Bodies remained static for the period 2005 to 2019.

**Ministry's Response:** The Ministry of Finance maintains the accuracy of its figures in relation to the Guyana Gold Board Advances.

**Recommendation:** The Audit Office once again recommend that the Ministry take urgent action to bring closure to these issues. (2019/09)

66. In the view of the foregoing observations, the completeness, accuracy and validity of the amounts shown in the Financial Report of the Deposit Fund as shown on page 555 for the year ended 31 December 2019 made in pursuance of Section 42 of the FMA Act, could not be satisfactorily determined.

SCHEDULE OF ISSUANCE AND EXTINGUISHMENT OF ALL LOANS

67. Section 73(2)(a)(iii) of the FMA Act requires that the Minister present such other “*financial information relating to the fiscal year that he deems necessary to present fairly the financial transactions and financial position of the State*”. The Schedule of Issuance and Extinguishment of all Loans as shown on page 556 reflected a balance of \$399.706M at the end of 2019 as shown below:

Description	Balance as at 31 December 2019 \$'000	Balance as at 31 December 2018 \$'000	Balance as at 31 December 2017 \$'000
Ogle Airport Inc.	299,706	333,007	366,308
Guyana National Printers Ltd.	100,000	100,000	100,000
Total	399,706	433,007	466,308

68. The Schedule of Issuance and Extinguishment of all Loans for the year ended 31 December 2019 reflected outstanding loan amounts of \$299.706M and \$100M for Ogle Airport Inc. and Guyana National Printers Ltd., respectively.

69. Amounts totalling \$33.301M for Ogle Airport Inc. were repaid during the year; however, it should be noted that the full loan amount for Guyana National Printers Ltd. remained outstanding as at 31 December 2019, since the schedule reflected no payment on this loan.

70. The Schedule properly presents the Schedule of Issuance and Extinguishment of all loans presents fairly, in all material respect the loans issued and extinguished as at 31 December 2019.



STATEMENT OF ASSETS AND LIABILITIES OF THE GOVERNMENT

71. The assets and liabilities of the Government comprised mainly cash and bank balances and cash equivalents, as well as short and long-term liabilities usually in the form of advances from the bank by way of overdrafts, as well as the issue of Treasury Bills. Article 216 of the Constitution establishes the Consolidated Fund, whilst Section 41 of the FMA Act, pursuant to Article 220 of the Constitution, establishes the Contingencies Fund as a sub-fund of the Consolidated Fund. In addition, the Deposit Fund was established by Section 42 of the FMA Act. The Balance Sheets of these funds at the end of the year would normally comprise the assets and liabilities of the Government.

72. The Statement of Assets and Liabilities of the Government for the year ended 31 December 2019, is summarised as follows:

Description	2019 \$M		2018 \$M	
<u>Assets</u>				
Central Government Accounts	(91,575)		(83,734)	
LIS 11 Bank Account	0		0	
WSG Bank Account -Loan	0		0	
Cash at Bank of Guyana in respect of Special Accounts (2000 Series)	7,245		17,594	
Cash at Bank of Guyana in respect of Redemption of Treasury Bills Account	(0.003)		(0.003)	
		(84,330)		(66,140)
<u>Less: Liabilities</u>				
<u>Treasury Bills</u>				
90 days	993		993	
182 & 365days	2,091		21,876	
G Series	67,527		42,408	
F Series	371		5,971	
	70,982		71,248	
Sugar Industry Welfare, Labour, Rehabilitation & Price Stabilisation Funds	834		940	
Miscellaneous Deposits	34		1,639	
Dependants' Pension Fund and Sugar Industry Welfare Committee	1,982		1,626	
		73,832		75,453
<b>Net Liability</b>		<b>(158,162)</b>		<b>(141,593)</b>

73. The sum of negative \$91.575 billion shown as Central Government Accounts represented actual bank balances instead of Ledger/Cash Book balances, with the exception of the new Consolidated Fund (Account №. 407). This was due primarily to the absence of reconciliations of a number of Government Bank Accounts. The following table gives a breakdown with comparative figures at the end of the preceding years:

Account №.	Description	Amount 2019 \$M	Amount 2018 \$M	Amount 2017 \$M
407	Consolidated Fund (New) (Cash Book)	(77,512)	(80,034)	(109,019)
400	Consolidated Fund (Old)	(46,776)	(46,776)	(46,776)
3001	Non-Sub Accounting Min/Dept.	0	0	7
-	Other Ministries/Departments' Accounts	30,833	21,518	27,726
969	Monetary Sterilisation Account	1,880	21,558	77,537
Total		(91,575)	(83,734)	(50,524)

74. The new Consolidated Fund as per the Statement of Assets and Liabilities of the Government reflected an overdraft of \$77.512 billion at the end of 2019, payments in excess of receipts made from this account increased the overdraft to \$145.410 billion during 2019, which was subsequently reduced by the issue of the F Series and G Series - Treasury Bills to \$77.512 billion at the end of December 2019. The issue of new Treasury Bills (F Series - 182 days and G Series - 364 days) of \$67.898 billion should have been deposited into of the Monetary Sterilisation Account and not the Consolidated Fund Account.

**Ministry's Response:** While the Ministry of Finance agrees that the Minister is empowered under the FMA Act 2003 to seek funding by way of borrowing in order to reduce the overdraft on the Consolidated Fund, the Ministry is not in agreement that such sums should be deposited in the Monetary Sterilisation Account. The issue is more related to bridging a fiscal gap and has no relation to monetary policy which falls under the remit of the Bank of Guyana. Section 61 of the FMA Act 2003 stipulates that proceeds of any such borrowing by the Government shall be paid into the Consolidated Fund.

75. The 2000 series bank accounts as shown on page 560 to 561 are a combination of various accounts for Project, Grant, Debt Relief and Balance of Payment Accounts. These accounts do not form part of the Consolidated Bank Account №. 01610000407; however, they are Government Funds. The Audit Office's assessment of the balances held in these accounts indicated that there were a total of seventy-two accounts totalling \$7.245 billion, twenty-eight of these accounts are inactive with a balance of \$264.213M and forty-four active accounts totalling \$6.980 billion; in addition, forty accounts have zero balances and nine accounts reflected static balances totalling \$3.561 billion over the past four years.

**Ministry's Response:** The closure of the bank accounts is an on-going process since bank account №. 201490 for the sum of \$1.403 billion and account №. 3368110 for the sum of \$26.773M were closed in 2020 and transferred to the Consolidated Fund Account via Credit Advice Nos. 39-121370 and 39-124947 respectively. The other bank accounts will be done in a phased manner.

**Recommendation:** The Audit Office recommends that the Ministry of Finance urgently review the status of the above accounts, with a view to transferring all funds that are transferable to the Consolidated Fund. (2019/10)

76. The Monetary Sterilisation Account set up in 1993 to capture the proceeds from issues of medium term Treasury Bills (i.e. 182 & 365 days), reflected a balance of \$1.880 billion as at 31 December 2019. However, the related balance in the Statement of Public Debt for outstanding Treasury Bills was stated as \$70.719 billion, resulting in a difference of \$68.839 billion of which \$371M represents F-Series and \$67.527 billion represents G-Series that were deposited into the Consolidated Fund.

77. Further, according to the Notes to the Account which states “*The Monetary Sterilisation account deficit of \$69.103B is the difference between the outstanding liability (\$70.983B) and cash held for purpose of retiring the liability (\$1.880B). The difference of \$69.103B relates to unpaid discounts to the Bank of Guyana by the Government of Guyana. The repayment of outstanding interest on treasury bills gives a net amount of \$529.4M with \$317.7M remaining balance for 2018 and \$211.8M for the year 2019*”.

78. Audit examination revealed that the outstanding liability for the Monetary Sterilisation Account as stated in the Notes to and forming part of the Financial Statements is overstated by \$68.891 billion which represents F-Series and G-Series that were deposited into the Consolidated Fund as shown below.

Treasury Bills Outstanding	Monetary Sterilisation Account \$'000	Consolidated Fund \$'000	Outstanding Liability \$'000
91 Days K-Series	0	993,480	
F-Series	0	370,946	
G-Series	0	67,527,016	
180 and 360 Days	2,091,454	0	
Total	2,091,454	68,891,442	70,982,896
Balance as per Bank Statement	1,879,684		
Unreconciled difference	(211,770)		

79. It should be noted, according to Bank of Guyana reconciliation of account No. 969 as at 31 December 2019, the amount of \$211.770M represent unreconciled differences for the period July 1994 to November 2012.

**Ministry's Response:** The Ministry of Finance concurs with the observation that the outstanding liability for the Monetary Sterilisation Account is being overstated by the Treasury Bills amounting to \$67.898 billion. This matter is being reviewed in the context of upscale Public Finance Management Reform now receiving financing consideration by a Donor Agency, considering all the observations that have been highlighted in the report. Also being investigated is the unreconciled difference of \$211.8M covering the period July 1994 to November 2012.

**Recommendation:** *The Audit Office once again recommends that the Ministry of Finance work assiduously to bring closure to this matter. (2019/11)*

80. The Government continued to operate on a cash basis and has not adopted or implemented the International Public Sector Accounting Standards (IPSAS). These Standards require accrual basis of accounting with full consolidation of all Government Agencies, including Public Enterprises and Statutory Bodies which are reliant on the state for assistance, to present a full and true financial position of the Government. The implementation of these Standards will enhance the quality, consistency and transparency of Public Sector Financial Reporting, leading to better informed assessments of the resource allocation decisions made by Government, thereby increasing transparency and accountability.

**Ministry's Response:** The Ministry of Finance continues to increasingly explore methods and systems to modernise and improve public financial management. Towards this end, the IFMIS was upgraded in 2018 to a current Version 7.0 and thereafter renamed the Integrated Financial Management and Information System (IFMIS). The upgrade is geared to support the public sector functions in order to increase the effectiveness and efficiency of state financial management and facilitate the adoption of modern public expenditure practices, in keeping with international standards and benchmarks.

Additionally, efforts have been directed towards strengthening Public Financial Management (PFM) Systems, including re-engineering of business processes and restructuring the government *chart of account* that would be more aligned with the reforms that are considered prerequisites towards the adoption of the International Public Sector Accounting Standards (IPSAS).

81. In view of the foregoing observations, I am unable to form an opinion whether the Statement as shown on pages 557 to 561 properly presents the Assets and Liabilities as at 31 December 2019.

#### SCHEDULE OF GOVERNMENT GUARANTEES

82. Section 71(1) of the FMA Act states that the Minister shall, within the annual Consolidated Financial Statements, certify and issue an official schedule of Government Guarantees. The Schedule of Government Guarantees shall include, with respect to each Government Guarantee outstanding:

- a) The identity of the public entity whose borrowing has been guaranteed.
- b) The identity of the creditor.
- c) The amount of the Government's potential debt obligation in respect of the guarantee.

83. The Schedule of Government Guarantees as shown on page 562, reflected an outstanding balance of \$16.585 billion at the end of 2019, as shown below:

Agency	Outstanding Liability as at 31/12/2019 G\$'000	Outstanding Liability as at 31/12/2018 G\$'000
National Industrial and Commercial Investment (NICIL) Ltd. - Issuance of bonds to finance the Guyana Sugar Corporation	15,840,000	0
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000	0
Guyana Telecommunications Corporation	191,807	0
Guyana Transport Services Ltd.	52,929	0
<b>Total</b>	<b>16,584,736</b>	<b>0</b>

National Industrial and Commercial Investments Ltd. (NICIL) Fixed Rate Bond

84. On 24 May 2018 the Minister of Finance signed a contract on behalf of the Government of Guyana and Hand in Hand Trust Corporation Inc., for National Industrial and Commercial Investments Ltd. (NICIL) Fixed Rate Bond 2018-2023. Whereby they agreed:

- a) NICIL by way of security for a borrowing of \$16.500 billion constituted and agreed to issue and sell Fixed Rate Bonds (called "*the Tranche 1 Bonds*" in this Guarantee).
- b) NICIL and Hand in Hand Trust Corporation Inc., by way of security for borrowing the sum of \$13.500 billion constituted and agreed to issue and sell Fixed Rate Bonds (called "*the Residual Bonds*" and together with the Tranche 1 Bonds called "*the Bonds*" in this Guarantee).
- c) The Government irrevocably and unconditionally guarantees the sums due and payable under "*the Bonds*" on the condition that the total amount recoverable under this Guarantee shall not exceed \$30 billion.

85. According to a summary presented for audit by the Ministry of Finance, as at 31 December 2019 amounts totalling \$17.600 billion were disbursed on the loan; whilst, amounts totalling \$1.760 billion representing Principal were repaid, resulting in an outstanding liability of \$15.840 billion. Further, amounts totalling \$1.256 billion in interest and other charges were accrued. It should be noted the outstanding liability to the Government excludes the interest and other charges. See summary in table below.

Tranche (A)			Principal Amount Repaid (B)	Interest & Other Charges (C)	Current Liability (A-B)
No.	Date	Amount \$'M	Amount \$'M	Amount \$'M	Amount \$'M
1	24-May-18	16,500	1,650	1,180	14,850
2	4-Jul-18	1,100	110	76	990
Total		17,600	1,760	1,256	15,840

86. However, apart from the contract and the summary of the transactions, no other documentation for the disbursement and repayment were presented for audit; as a result, it could not be determined who is the recipient and how the amounts were accounted for. In view of the forgoing, the accuracy and validity of the amounts could not be determined.

Deposit Insurance Fund

87. The Deposit Insurance Act 2018 establishes the Deposit Insurance Corporation and provides for the establishment of the Deposit Insurance Fund, which shall be maintained and managed by the Corporation. The Deposit Insurance Act 2018 requires that the Bank of Guyana make an initial contribution to the Fund, the contribution of the Bank be guaranteed by the Government of Guyana. On 12 June 2019 the Government signed a contract to guarantee the Bank's initial contribution of \$500M to the Deposit Insurance Fund.

Guyana Telecommunications Corporation and Guyana Transportation Service Ltd.

88. The Government had guaranteed 100% of the borrowings of Guyana Transport Services Ltd. and Guyana Telecommunications Corporation, as highlighted in my previous reports these entities are no longer in existence and therefore the responsibility to discharge liabilities totalling \$244.736M now rests with the Government.

**Ministry's Response:** While the Government of Guyana is indeed the guarantor for debts owed by Guyana Telecommunications Corporation and Guyana Transportation Service Ltd. both of which are now defunct. The Creditors to whom the outstanding debts are owed, namely TATA Export Ltd. and ITT World Communications Inc., have never invoked the guarantees by seeking payments for these debts from the Ministry of Finance.

89. The Schedule of Government Guarantees presents fairly, in all material respects the liabilities guaranteed by the Government as at 31 December 2019

STATEMENT OF CONTINGENT LIABILITY

90. According to Section 73(2) of the FMA Act, the Minister of Finance is required to prepare a Statement of Contingent Liabilities which forms a component of the annual Consolidated Financial Statements. The Act defines a Contingent Liability as “*a future commitment, usually to spend public moneys, which is dependent upon the happening of a specified event or the materialisation of a specified circumstance*”.

91. The Statement of Contingent Liability as shown on page 563, reflected an outstanding balance of \$16.585 billion at the end of 2019, as shown below:

Agency	Outstanding Liability as at 31/12/2019 G\$'000	Outstanding Liability as at 31/12/2018 G\$'000
National Industrial and Commercial Investment Ltd. (NICIL) - Issuance of bonds to finance the Guyana Sugar Corporation	15,840,000	0
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000	0
Guyana Telecommunications Corporation	191,807	0
Guyana Transport Services Ltd.	52,929	0
Total	16,584,736	0

92. The above liabilities for the Guyana Telecommunications Corporation and Guyana Transport Services Ltd., continues to be reflected in the Schedule of Government Guarantee as at 31 December 2019. As in my previous reports, the Audit Office once again recommended that the above liabilities be transferred to the Public Debt in view of the fact that the said entities are no longer in existence and the responsibility to discharged these liabilities now rest with Government. As a result, the audit does not consider the above mentioned to be the Contingent Liabilities of the Government of Guyana.

93. The Statement of Contingent Liability properly presents the contingent liabilities of the Government for the year ended 31 December 2019 .

## SCHEDULE OF PUBLIC DEBT

94. In accordance with Article 221 of the Constitution, the Public Debt of Guyana and service of that debt are direct charges on the Consolidated Fund. In addition, Section 3(1) of the External Loans Act, Chapter 74:08 of the Laws of Guyana, as amended by Order No. 31 of 1991, authorises the Government to raise loans outside of Guyana not exceeding G\$400 billion. Section 3(6) of the said Act also requires all agreements relating to such loans to be laid before the National Assembly as soon as practicable after the execution of such agreements.

95. For the years 2015 to 2019, Government of Guyana entered into thirty-one new external loan agreements with contract sums totalling G\$96.389 billion while disbursements received on these loans up to 31 December 2019 amounted to \$45.614 billion as shown in the table below:

Donor Agency	No. of Loan	Foreign Currency	Loan Amount Foreign Currency \$'000	Loan Amount Equivalent G\$'000	Disbursement as at 31.12.2019 G\$'000
Inter-American Development Bank	9	USD	110,960	22,990,840	10,531,927
International Development Association	6	USD	1,600	333,600	140,112
		SDR	55,800	16,227,774	9,394,009
Caribbean Development Bank	4	USD	24,832	5,139,073	141,354
Caribbean Development Fund	2	USD	12,849	2,653,319	2,332,066
Exim Bank of India	4	USD	81,500	16,829,750	309,206
Export-Import Bank of China	2	Yuan	562,883	17,533,177	13,707,344
Bilateral/Multilateral Creditors	4	USD	70,901	14,681,057	9,058,306
<b>Total</b>	<b>31</b>			<b>96,388,590</b>	<b>45,614,324</b>

96. The table below detailed the thirty-one loans entered into between the years 2015 to 2019:

No.	Donor Agency	Description of Loan Date of Agreement	Foreign Currency	Foreign Currency Loan Amount \$'000	Equivalent Loan Amount G\$'000	Foreign Currencies Disburse. As at 31.12.2019 '000	Equivalent Disbursement as at 31.12.2019 G\$'000
1	IDB 3369-BL-GY	Citizen Security Strengthening Programme (19.02.2015)	USD	15,000	3,097,500	11,689	2,427,917
2	IDB 3422-BL-GY	Environment Sector Strengthening-II (19.02.2015)	USD	17,160	3,543,540	17,160	3,543,540
3	IDB 3779-BL-GY	Support to Improve Maternal and Child Health (21.02.2017)	USD	8,000	1,652,000	3,634	757,173

No.	Donor Agency	Description of Loan Date of Agreement	Foreign Currency	Foreign Currency Loan Amount \$'000	Equivalent Loan Amount G\$'000	Foreign Currencies Disburse. As at 31.12.2019 '000	Equivalent Disbursement as at 31.12.2019 G\$'000
4	IDB 3798/BL-GY	Sustainable Agricultural Development Program (21.02.2017)	USD	15,000	3,097,500	1,856	384,972
5	IDB 3824/BL-GY	Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program (21.02.2017)	USD	9,000	1,858,500	2,246	467,691
6	IDB 3876/BL-GY	Support for the Criminal Justice System (21.02.2017)	USD	8,000	1,652,000	1,880	391,088
7	IDB 4698/BL-GY	Strengthening the Energy Sector (10.12.2018)	USD	11,640	2,426,940	11,640	2,426,940
8	IDB 4659/BL-GY	Establishing an Electronic Single Window for Trade (11.02.2019)	USD	6,000	1,251,000	220	45,870
9	IDB 4676/BL-GY	Energy Matrix Diversification and Institutional Strengthening of Department of Energy (11.02.2019)	USD	21,160	4,411,860	416	86,736
<b>Total for IDB</b>					<b>22,990,840</b>		<b>10,531,927</b>
10	IDA 5753-GY	Additional Finance for University of Guyana Science and Tech. Support Project (29.12.2015)	SDR	2,700	775,293	2,700	769,443
11	IDA 5966-GY	Guyana Payments System Project (22.06.17)	SDR	4,500	1,326,500	594	172,094
12	IDA 6009-GY	Guyana Education Sector Improvement Project (22.06.2017)	SDR	9,900	2,918,299	2,916	847,730



No.	Donor Agency	Description of Loan Date of Agreement	Foreign Currency	Foreign Currency Loan Amount \$'000	Equivalent Loan Amount G\$'000	Foreign Currencies Disburse. As at 31.12.2019 '000	Equivalent Disbursement as at 31.12.2019 G\$'000
13	IDA 6286-GY	First Programmatic Financial and Fiscal Stability Dev. Policy Credit (27.07.2018)	SDR	24,400	7,074,677	24,400	7,074,677
14	IDA IDA-V2160	Preparation of Proposed Guyana Oil and Gas Capacity Building Project Preparation Advance (18.07.2018)	USD	1,600	333,600	672	140,112
15	IDA 6382-GY	Guyana Petroleum Resources Governance and Management Project (11.04.2019)	SDR	14,300	4,133,005	1,834	<b>530,065</b>
<b>Total for IDA</b>					<b>16,561,374</b>		<b>9,534,121</b>
16	CDB 9 SFR-OR-GUY	Sugar Industry Mechanization Project (26.05.2015)	USD	7,500	1,548,750	5	1,033
17	CDB 19/SFR-GY	Skills Development and Employability Project (23.05.2017)	USD	11,700	2,416,050	420	87,570
18	CDB 20/SFR-GY	Waster Sector Enhancement Project (04.09.2018)	USD	1,265	263,753	-	-
19	CDB 21/SFR-GY	Transport Sector Enhancement Project (18.09.2018)	USD	4,367	910,520	253	52,751
<b>Total for CDB</b>					<b>5,139,073</b>		<b>141,354</b>
20	CDF GUY/L0001	Guyana CDF Farm Access Road Project (11.11.2015)	USD	6,224	1,285,256	5,295	1,093,418
21	CDF ROG/L0002	Rural Agricultural Infrastructure Development Small Scale Farming Communities (14.12.2016)	USD	6,625	1,368,063	5,963	1,238,648
<b>Total for CDF</b>					<b>2,653,319</b>		<b>2,332,066</b>
22	Export-Import Bank of India	Procurement of an Ocean Ferry (9.11.2016)	USD	10,000	2,065,000	-	-
23	Export-Import Bank of India	East Bank East Coast Road Linkage Project (16.03.2016)	USD	50,000	10,325,000	1,123	234,146

No.	Donor Agency	Description of Loan Date of Agreement	Foreign Currency	Foreign Currency Loan Amount \$'000	Equivalent Loan Amount G\$'000	Foreign Currencies Disburse. As at 31.12.2019 '000	Equivalent Disbursement as at 31.12.2019 G\$'000
24	Exim Bank of India	High Capacity Fixed and Mobile Drainage Pumps and Associated Structures (22.02.2017)	USD	4,000	826,000	360	75,060
25	Exim Bank of India	Upgrading of three hospitals WDRH, Bartica Regional Hosp. & Suddie Regional Hosp. (19.07.2017)	USD	17,500	3,613,750	-	-
<b>Total for Exim Bank of India</b>					<b>16,829,750</b>		<b>309,206</b>
26	Exim Bank of China	Guyana East Coast Demerara Road Improvement Project (09.01.2017)	YUAN	313,839	9,970,122	240,271	7,304,892
27	Export-Import Bank of China	Guyana National Broadband Project (26.10.2018)	YUAN	249,044	7,563,055	212,809	6,402,452
<b>Total for Export-Import Bank of China</b>					<b>17,533,177</b>		<b>13,707,344</b>
28	Venezuela	Oil Shipment to Guyana (Draft Agreement)	USD	25,634	5,293,421	25,633	5,293,215
29	Islamic Dev. Bank	Power Utility Upgrade Programme (19.09.2018)	USD	20,000	4,170,000	-	-
30	Republic Bank Trinidad & Tobago	Atlantic Hotel Inc. Financial Obligations to Republic Bank Limited (RBL) (08.08.2017)	USD	17,307	3,573,896	17,307	3,573,896
31	IFAD No. 2000001704	Hinterland Environmentally Sustainable Agricultural Development Project (21.03.2017)	USD	7,960	1,643,740	917	191,195
<b>Total</b>					<b>96,388,590</b>		<b>45,614,324</b>

97. As can be noted from the table above, during the period under review, three new loan agreements were entered into by the Government of Guyana. There was also one amended loan agreement. Additional details on these loans for 2019 are shown in the table below. The related loan agreements for the four loans were all laid in the National Assembly during 2019.

№.	Date of Agreement	Donor/ Loan Ref.	Description of Loan	Currency	Loan Amount \$'000	Equivalent G\$'000	Date laid in National Assembly
1	11.02.2019	IDB-4659/BL-GY	Establishing an Electronic Single Window for Trade	USD	6,000	1,251,000	26.04.2019
2	11.02.2019	IDB-4676/BL-GY	Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)	USD	21,160	4,411,860	26.04.2019
3	11.04.2019	IDA-6382-GY	Guyana Petroleum Resources Governance and Management Project	SDR	14,300	4,133,005	15.05.2019
4	18.03.2019	(Amended) Kuwait Investment Authority	Bilateral Debt Settlement Agreement	USD	26,854	5,599,059	26.04.2019
Total						15,394,924	

98. However, the following agreements related to Petro Caribe which were entered during 2015, were still not laid in the National Assembly at the time of reporting:

- a) Compensation agreements between the Bolivarian Republic of Venezuela and the Co-operative Republic of Guyana; and
- b) Sales agreement for oil shipment to Guyana through the Petro Caribe agreement for the year 2015 with a total value of G\$5.293 billion or US\$25.632M.

**Ministry's Response:** The Ministry indicated that: (a) the signing of the seventh compensation agreement has been on hold since 2015 as the relevant authorities in Venezuela (PDVSA) are yet to sign same. Even though all documentations related to the Guyana/Venezuela Rice Trade Agreement were submitted and reconciled with the relevant Venezuelan authorities since July 2015; and (b) the Sales Agreement for oil shipments to Guyana was approved by the then Cabinet in July 2019 but there was no movement since the tabling was dependent on the reconvening of the National Assembly.

99. The Public Debt as at 31 December 2019 (i.e. debts which are required to be serviced out of the Consolidated Fund only and which do not include those of Bank of Guyana and parastatal entities) is summarised below:

Description	External G\$'000	Internal G\$'000	Total 2019 G\$'000	Total 2018 G\$'000
Unfunded	268,358,150	44,481,211	312,839,360	315,228,891
Funded	0	3,898,537	3,898,537	3,898,537
Treasury Bills (91 days)	0	997,300	997,300	997,300
(182 & 365 days)	0	70,719,300	70,719,300	71,007,450
Total	268,358,150	120,096,347	388,454,497	391,132,178

100. As can be noted, the total Public Debt stood at G\$388.455 billion or the equivalent of US\$1.863 billion at the end of 2019, as compared with the sum of G\$391.132 billion or US\$1.876 billion at the end of 2018, representing a decrease of G\$2.677 billion.

101. Expressed as a factor of Current Revenue (G\$240.585 billion), the total Public Debt at the end of 2019 was 1.61 times Current Revenue, compared with a factor of 1.80 at the end of 2018, and 1.96 at the end of 2017.

102. During the years 2015 to 2019 the total Public Debt increased by G\$36.382 billion or 10.33% as shown in the table below:

Year	G\$'000	(Increase) / Decrease G\$'000	% (Increase) / Decrease
2015	352,072,961		
2016	364,587,662	(12,514,701)	(3.55)
2017	381,695,481	(17,107,819)	(4.69)
2018	391,132,178	(9,436,697)	(2.47)
2019	388,454,497	2,677,681	0.68
2015-2019		(36,381,536)	(10.33)

#### External Debt

103. The External Debt at the end of 2019 was G\$268.358 billion, compared with G\$272.091 billion at the end of 2018, a net decrease of G\$3.733 billion. Equivalent in United States Dollars, the External Debt as at 31 December 2019 was US\$1.287 billion, compared with US\$1.305 billion at the end of 2018. This net decrease was due mainly to:

- a) Two loans had their opening balances revised. These are the Guymines to reflect interest arrears and Kuwait which has a debt reduction and is now reflected in US dollars.
- b) Disbursements totalling G\$19.135 billion or US\$91.777M in respect of loans contracted.
- c) Repayments of principal totalling G\$11.242 billion or US\$53.917M.
- d) Accrued interest for Non Paris Club Creditors amounted to G\$285.350M or US\$1.369M.
- e) Fluctuations of exchange rates.

104. During the years 2015 to 2019 the external debt increased by G\$36.261 billion or 15.62% as shown in the table below:

Year	G\$'000	(Increase) / Decrease G\$'000	% (Increase) / Decrease
2015	232,096,692		
2016	235,711,300	(3,614,608)	(1.56)
2017	254,404,677	(18,693,377)	(7.93)
2018	272,091,211	(17,686,534)	(6.95)
2019	268,358,150	3,733,061	1.39
2015-2019		(36,261,458)	(15.62)

105. On 17 January 2018, the Ministry of Finance requested the Bank of Guyana to open an Interest Bearing US Dollar Bank Account to set aside all payments due, and which cannot be made to Venezuela. This account has been established in Switzerland at the Bank for International Settlements (BIS) and has been credited with all obligations payable to Venezuela.

106. According to Bank of Guyana statement of account, the opening balance on this account as at 1 January 2019 was G\$1.499 billion or US\$7.187M while the closing balance as at 31 December 2019 was G\$2.807 billion or US\$13.463M, an increase of G\$1.308 billion or US\$6.276M. The funds in this account represents principal repayments, interest which is due to Petroleos de Venezuela (PDVSA) and accumulated interest earned on the account. For the period under reviewed amounts totalling US\$6.032M were reflected on the Statement of Public Debt as repayments of principal and interest although these payments were not made to PDVSA directly.

**Ministry's Response:** Considering the sanctions imposed upon Venezuela, it is not prudent for the Government of Guyana to make direct payments to PDVSA.

Recall of Disbursed Amount that was not utilised

107. The Inter-American Development Bank (IDB) and the Government of Guyana (GoG) signed a Loan Agreement on the 21 March 2010 for the Loan Contract №. 2215/BL-GY Road Improvement and Rehabilitation Program amounting to US\$24.8M which comprise of Ordinary Capital Financing of (US\$12.4M) and Fund for Special Operations of (US\$12.4M).

108. According to letters issued by the Ministry of Public Infrastructure Works Services Group, dated 28 September 2018 and 3 October 2018 address to the Bank of Guyana, in which a request was made to transfer funds of US\$236,358.12 and US\$49,196.94 respectively to the Inter-American Development Bank through the DEUTSCHE BANK TRUST CO. AMERICAS via Swift Code BKTRUS33XXX. These amounts were transferred to IDB Bank A/C №. 04025213 from Citibank 111 Wall St., New York. Debit Advices dated 11 October 2018 and 3 October 2018 were submitted to validate the transfer of funds. During 2019, according to the confirmation received from IDB disbursements of US\$93,580 and US\$164,578 for Ordinary Capital Financing portion and Fund for Special Operations respectively, were further returned to the Bank; however, these amounts were not reflected on the Statement of Public Debt nor in the Public Debt records.

**Ministry's Response:** The Ministry of Finance is not in possession of any documentation to reflect the claim of the IDB disbursements of US\$93,580 and US\$164,578 that was returned to the Bank in 2019. The balances reported in IDB's Loan Balance Report for IDB 2215 between December 2018 to December 2019 contained discrepancies which were queried by Debt Management Division. This matter will be further investigated.

### Cancellation of Loan

109. The Government of Guyana and the World Bank signed a Loan Agreement on the 18 July 2018 for the Preparation of Proposed Guyana Oil and Gas Capacity Building Project Preparation Advance №. V2160 amounting to US\$1.6M of which disbursement of US\$672,000 was released during 2018. However, according to the Statement of Public Debt, Note 3 and Debt Management records this Loan was fully cancelled but supporting documentation to support the cancellation of this Loan was not provided for audit.

**Ministry's Response:** The Ministry indicated that the V2160 Loan was cancelled in 2019.

### Repayment of Loan

110. The Loan for Rescheduling of Guyana Debt Trinidad and Tobago has Loan amount of US\$177M which came into effect on 26 March 1997 between the Government of the Republic of Trinidad and Tobago and the Co-operative Republic of Guyana. However, on 6 October 2005, the Government of the Republic of Trinidad and Tobago and the Co-operative Republic of Guyana signed an agreement of US\$56M on Rescheduling of Bilateral Debt and adjusted to include capitalised debt service payments of the years 2004 and 2005 and which was expected to conclude on 23 May 2019 for the final principal repayment of US\$4.3M. It should be noted that the loan has concluded and the final principal repayment of US\$4.3M was paid off during May 2019.

### Bilateral Debt Settlement

111. The Government of Guyana and the Kuwait Investment Authority on 12 January 1975 signed a Loan Agreement for KWD3M (Kuwait Dollars) and as per the agreement; the outstanding balance of this Loan is to be fully repaid as at 31 December 2018. Previous to 2019, no repayment was made on this Loan. During 2019, the Loan amount was converted to United States Dollar and the amount outstanding was revised to US\$78M to reflect the outstanding principal of US\$10M and accrued interest of US\$68M. A repayment of US\$2M on the principal was made for the first time in 2019 on this Loan. On 18 March 2019, the Government of Guyana and the Kuwait Investment Authority signed a Bilateral Debt Settlement Agreement in which Kuwait Investment Authority agrees to grant Guyana a debt reduction on the outstanding interest amount of US\$68M of which 75% or US\$51M will be used for the development of social projects and the remaining US\$17M or 25% to be treated by way of a debt swap arrangement. It was noted that the new agreement was not entered into by the two parties at the time of reporting.

**Ministry's Response:** The Ministry indicated that the actual amount to be used for development social projects is US\$51M or 75% of accrued interest. The remaining sum of US\$27M is to be treated in part through a debt swap arrangement of US\$14M and cash repayment of US\$13M. The debt swap arrangement is still to be worked out between the parties.

### Internal Debt

112. The Internal Debt increased by G\$1.055 billion, from G\$119.041 billion to G\$120.096 billion. This increase was due mainly to:

- a) The issuance of a non-interest bearing debenture totalling G\$1.623 billion.
- b) Issue of Treasury Bills totalling G\$288.150M.
- c) The repayment of non-negotiable debenture certificates totalling G\$244.122M to the National Insurance Scheme.
- d) Principal repayment of an Internal Loan totalling G\$35.822M.

### Treasury Bills

113. Shown in the table below is the increase/decrease in outstanding Treasury Bills at the end of each fiscal year over the years 2015 to 2019:

Year	Amount Outstanding Face Value \$'000	Increase / (Decrease) \$'000	Increase / (Decrease) %
<b>91 Days &amp; K Series</b>			
2015	8,884,450		
2016	5,997,650	(2,886,800)	(32.49)
2017	997,300	(5,000,350)	(83.37)
2018	997,300	0	0
2019	997,300	0	0
<b>Total 2015 – 2019</b>		<b>(7,887,150)</b>	<b>(88.77)</b>
<b>182 Days (A &amp; F Series)</b>			
2015	253,600		
2016	7,151,550	6,897,950	0.27
2017	11,332,750	4,181,200	58.47
2018	6,352,500	(4,980,250)	(43.95)
2019	725,000	(5,627,500)	(88.59)
<b>Total 2015 – 2019</b>		<b>471,400</b>	<b>185.88</b>
<b>361 Days (B &amp; G Series)</b>			
2015	68,298,550		
2016	68,318,750	20,200	0.03
2017	67,662,050	(656,700)	(0.96)
2018	64,654,950	(3,007,100)	(4.44)
2019	69,994,300	5,339,350	8.26
<b>Total 2015 - 2019</b>		<b>1,695,750</b>	<b>2.48</b>

114. For the period under review, the Bank of Guyana issued fifteen G-Series Treasury Bills with a total face value of G\$68.234 billion and one F-Series with a total face value of G\$372.600M. These Treasury Bills were all properly reflected in the records. However, it was noted that these amounts were deposited into the Consolidated Fund Account №. 407 and not the Monetary Sterilisation Account № 969.

**Ministry's Response:** The Ministry indicated that the G and F-Series Treasury Bill instruments were issued for the purpose of financing Government expenditure is therefore correctly deposited into the Consolidated Fund Account №. 407.

### Computerisation of Public Debt Register

115. During November 2016, with the aid of Commonwealth Secretariat through technical assistance, the Ministry was able to begin the process of having the Public Debt System computerised using the Commonwealth Secretariat Debt Recording Management System (CSDRMS). At the time of reporting, the system was partially implemented with the Debt Management Division having the authority to record, input and validate all data entered into the system. However, the Public Debt Section has only real-time viewing access and cannot input data and customise reports.

**Ministry's Response:** The Ministry of Finance has commenced the process of computerising the activities of the Public Debt Section in 2014 with the use of the CS-DRMS. However, the MOF plans to operationalise the Domestic Debt Module and to use the system reports for reconciliation purposes. During 2019 training continued which is aimed at improving the skills of the staff as the system evolves.

The preparation of the Public Debt Statement was done with the assistance of the CS-DRMS information and hence over time there will be less reliance on the manual records in the Public Debt Section as the CS-DRMS would become the single repository for all debt related transactions and the other manual registers will also be automated in the near future.

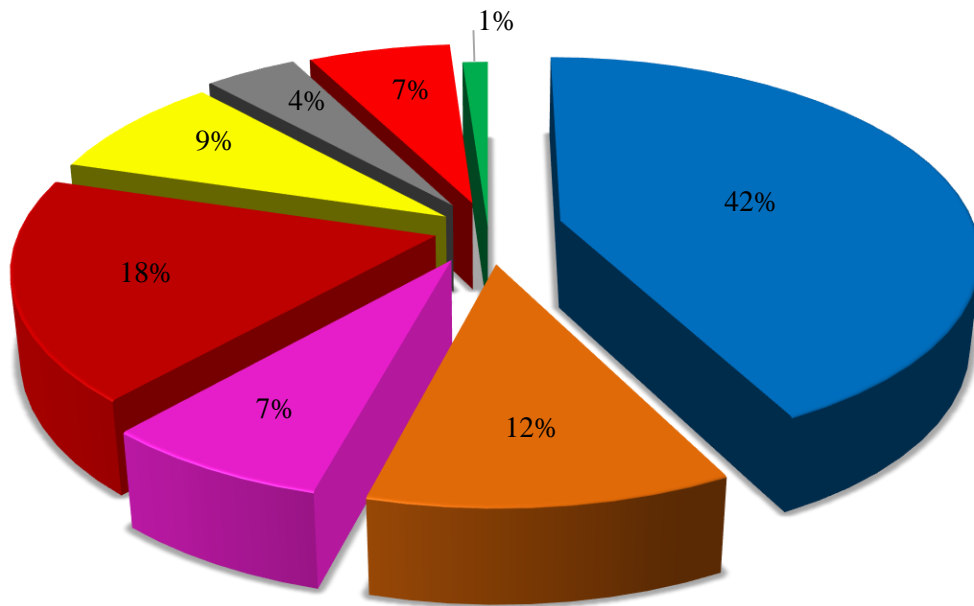
CS-DRMS integrates with financial systems and allows seamless exchange of debt related data for improving efficiency and accuracy of information. As such as the IFMIS System continues to evolve the Ministry intends to have an interface between the two systems for greater efficiency accountability and transparency which will align with the Public Financial Management.

**Recommendation:** *The Audit Office recommends that the Ministry of Finance continue the process of having the Public Debt system fully computerised, and carry out monthly reconciliation of its records with those of the Debt Management Division (2019/12)*

116. Except for any adjustments which might have been shown to be necessary as a result of the observations contained in the relevant sections of my Report, in my opinion, the Schedule of Public Debt as shown on Pages 564 to 586 properly presents the Public Debt for the year ended 31 December 2019.



**PUBLIC DEBT – EXTERNAL LOANS**



IDB	CDB	NPC	CHINA	VENEZUELA	OTHERS	IDA	INDIA	TOTAL
42.44%	11.74%	7.41%	18.11%	8.53%	4.19%	6.46%	1.12%	100%
\$113.878B	\$31.498B	\$19.877B	\$48.591B	\$22.904B	\$11.253B	\$17.341B	\$3.017B	\$268.358B

**Figure 4**

### RECEIPTS AND DISBURSEMENTS BY HEADS OF BUDGET AGENCIES

117. The Statements of Receipts and Disbursements by Heads of Budget Agencies for the year ended 31 December 2019 are shown on pages 587 to 598. These statements are also subjected to the comments dealing with the accounts of Ministries/Departments/Regions under the relevant sections of this Report.

### APPROPRIATION ACCOUNTS OF HEADS OF BUDGET AGENCIES

118. The Appropriation Accounts of Head of Budget Agencies for the year ended 31 December 2019 in respect of the Current and Capital Appropriations for which they were responsible are shown on pages 2/1 to 2/212 of Volume II of my Report. These accounts are subjected to the comments dealing with the accounts of Ministries/Departments/Regions under the relevant sections of this Report.

### EXTRA-BUDGETARY FUNDS

119. No Statement was provided to verify Extra-Budgetary Funds in accordance with Section 39 of the FMA Act during the period under review.

### FINANCIAL REPORT OF OTHER ACCOUNTS APPROVED BY THE MINISTER

120. There was no other Financial Report approved by the Minister for the period under review.

**REPORT ON THE ACCOUNTS OF MINISTRIES/DEPARTMENTS/REGIONS**

**AGENCY 02**  
**OFFICE OF THE PRIME MINISTER**

**Current Year Matters**

**Current Expenditure**

**Employment Costs**

121. Approximately eighty-two percent of the Office's staff were on contracts as of December. A summary is shown in the table below:

Chart of Account	Description	Actual as per December Payroll	Percentage (Staff)
6114	Clerical and Office Support	1	4
6115	Semi-Skilled Operatives	4	14
6116	Contracted Employees	23	82
Total		28	100

122. Approximately ninety-five percent of the Office's expenditure on wages and salaries were paid to the employees on contract. See summary in the table below.

Chart of Account	Description	Amount Expended \$'000	Percentage (Expended)
6114	Clerical and Office Support	1,111	1
6115	Semi-Skilled Operatives	3,121	4
6116	Contracted Employees	77,106	95
Total		81,338	100

123. The table below shows the staffing summary at the time of preparation of the 2019 National Estimates compared with actual staffing according to the December payroll.

Chart of Account	Description	National Estimates 2019	Actual as per December Payroll	Difference
6114	Clerical and Office Support	1	1	0
6115	Semi-Skilled Operatives	4	4	0
6116	Contracted Employees	22	23	1
Total		27	28	1

124. The Public Service Commission Circular №. 1/2017 dated 7 February 2017, required Permanent Secretaries, Heads of Departments and Regional Executive Officers to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. The table below provides a summary as per 'Age Range' of the employees on contract, as of December:

Age Range (Years)	No. of Employees
Below 45	12
45-55	4
Above 55	7
Total	23

125. As can be noted in the table above, the Office still had twelve contracted employees who were below the age of forty-five. These employees should have been transferred to the Pensionable Establishment in keeping with instructions of the Public Service Commission.

**Office's Response:** The Head of Budget Agency indicated that the Office has 12 persons to be transferred to the Pensionable Establishment, and the transition process for staff members to be placed on the Pensionable Establishment has been reactivated. The Office is currently in the process of completing the appraisal forms for submission to the PSC.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency continue the process of transferring all eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/13)*

126. The table below provides a summary as per salary range of the twenty-three employees on contract according to the December payroll:

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	7	543
\$100,001 - \$200,000	3	368
\$200,001 - \$400,000	10	2,570
Above \$400,000	3	1,379
Total	23	4,860

#### Subsidies and Contributions to Local Organisations

127. The sum of \$542M was budgeted for Subsidies and Contributions to Local Organisations. The full sum was paid over to three statutory bodies which were under the control of the Office. These bodies were the Government Information Agency/Department of Public Information, Integrity Commission, and National Communications Network. A summary of the funds paid over to the three bodies is shown in the table below:

Agency	Amount \$'000
Government Information Agency/Department of Public Information	310,000
National Communications Network	187,000
Integrity Commission	45,000
Total	542,000

128. These bodies were subject to separate financial reporting and audit. However, the Office continued to breach Section 80, Sub-sections (1) and (3) (c) of the Fiscal Management and Accountability Act of 2003, which requires that statutory bodies “...as soon as is practicable and in all events not later than four months after the end of the fiscal year established for that statutory body...submit an annual report to the concerned Minister... which shall include...a report prepared by the Auditor General on the financial statements of the statutory body”. See table below for status of audits for these agencies.

Agency	Financial Statement Last Audited	Remarks
Government Information Agency	2013	2014-2017 Audit in progress 2018-2019 Financial Statements not submitted
Integrity Commission	2016	2017-2019 Financial Statements not submitted

**Office’s Response:** The Head of Budget Agency indicated that the Office is in the process of completing the outstanding Financial Statements for submission.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that all outstanding Financial Statements be submitted for audit. (2019/14)

129. The Office also failed to comply with Section 80 (4) of the Fiscal Management and Accountability Act of 2003, which stipulates that “The concerned Minister shall, within two months following the receipt of the annual report, present the annual report of each statutory body to the National Assembly”. The table below provides the status of submission of audit reports to the National Assembly.

Agency	Year of Last Audit	Last Year Annual Report Laid in National Assembly
Integrity Commission	2016	2014
National Communications Network	2018	2016

**Office’s Response:** The Head of Budget Agency indicated that action will be taken to lay audit reports for the financial years 2015 and 2016, and 2017 for the Integrity Commission and National Communications Network, respectively, in the National Assembly. The Head also added that the audit report for the financial year 2018 for the National Communications Network has been signed off, and the AGM is to be held, after which, action will be taken to have it laid in the National Assembly.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that all audited accounts are laid in the National Assembly, promptly. (2019/15)

Accounting for Expenditure

130. The Office breached the provisions of Section 43 of the Fiscal Management and Accountability Act, whereby it (Office) failed to returned and surrendered to the Consolidated Fund, seventy cheques drawn for a sum of \$23.883M. As a result, the Appropriation Accounts have been overstated by the said sum of \$23.883M. It should be noted that sixty-nine of the cheques drawn in the sum of \$23.853M were paid out during 2020. The other cheque drawn in the sum of \$30,000 has since been refunded to the Consolidated Fund.

**Office's Response:** The Head of Budget Agency indicated that the transactions were processed on or before 31 December 2019.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that the requirements of Section 43 of the FMA Act are fully adhered to. (2019/16)

### Capital Expenditure

#### Land Transport

131. The sum of \$18M was allotted for: (i) the purchase of bus for the Department of Information; and (ii) the purchase of vehicle for Integrity Commission. Amounts totalling \$14.450M were expended. This represented a shortfall in expenditure of \$3.550M, which was approximately twenty percent of the approved allotment.

132. It should be noted that the Office processed two payments for the two percent withholding tax payable to the Guyana Revenue Authority in the sum of \$0.126M each. However, the Office recognised that it miscalculated the withholding tax. Consequently, one payment of \$0.126M was refunded to the Consolidated Fund in February 2020. This would result in the Appropriation Account being further overstated by \$0.126M.

**Office's Response:** The Head of Budget Agency stated that all payments for the Office of the Prime Minister are processed through the Ministry of the Presidency. It was a mistake at their end, for processing two 2% cheques to GRA in regards to payment for the vehicle. As such the office refunded the sum to the Consolidated Fund at 31 December 2019 and is awaiting an invoice from the supplier to indicate the outstanding balance owed to them. The Office will have to write the MoF to highlight this as an unpaid account.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take steps to avoid recurrences. (2019/17)

#### Furniture and Equipment

133. The sum of \$25M was budgeted for the purchase of furniture and equipment for the Department of Public Information, Integrity Commission, and Office of the Prime Minister. Amounts totalling \$24.991M were expended as summarised in the table below.

Particulars	Amount \$'000
Capital Releases to Department of Information	19,500
Capital Releases to Integrity Commission	2,500
Purchase of furniture and equipment	2,991
Total	24,991

134. The capital releases were verified as received by the Department of Public Information, and Integrity Commission. As reported earlier, these two agencies are subject to separate financial audit and reporting. Hence, the utilisation of the releases would be examined during the agencies' respective financial audits for 2019.

135. A perusal of documentation provided revealed that the furniture and equipment totalling \$2.991M were received by the Office. The table below provides a summary of the items purchased.

Description of Item	Quantity	Amount \$'000
IP telephone system	1	881
Laptops	4	690
Chair set	1	584
APC UPS backup batteries	8	209
UPS-APC Smart system	1	177
Lenovo desktop	1	153
Inverter	1	81
Heavy duty shredder	1	75
Stabilizers	8	54
Water dispenser	1	40
Filing cabinet	1	39
Power strips	8	8
<b>Total</b>		<b>2,991</b>

136. The items were physically verified; however, they were not marked to readily identify them as Government property, which is a breach of Section 28 of the Stores Regulations.

**Office's Response:** The Head of Budget Agency indicated that the Office has commenced marking all items purchased in 2019.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency comply fully with Section 28 of the Stores Regulations. (2019/18)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

137. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report, and the actions taken by the Head of Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/08	Breach of Circularised Instructions - Transfer of eligible contracted employees to the permanent establishment.		√	
2018/09	Breach of Section 80 (3) of the FMA Act - Laying of audit reports in the National Assembly, and prompt submission of Financial Statements for statutory bodies.		√	

AGENCY 03  
THE MINISTRY OF FINANCE

Programme 1 - Ministry Administration

Current Year Matters

Current Expenditure

Employment Costs

138. According to the National Estimates 2019, amounts totalling \$11.709 billion were budgeted for Employment Costs; however, amounts totalling \$10.421 billion were expended resulting in a shortfall of \$1.288 billion. Included in the amount of \$11.709 billion is the amount of \$11.552 billion which was budgeted for revision of wages and salaries for the entire public service of which amounts totalling \$10.264 billion were expended accounting for the shortfall of \$1.288 billion. The difference of \$157M was expended on Employment Costs for the Ministry of Finance.

139. The table below shows the staffing details of the Ministry of Finance - Programme 1 at the time of preparation of 2019 National Estimates versus the actual staffing as at 31 December 2019:

Chart of Account	Description	National Estimates 2019	Actual 2019	Increase / (Decrease) 2019
6111	Administrative	4	6	2
6112	Senior Technical	1	1	0
6113	Other Technical and Craft Skilled	10	9	(1)
6114	Clerical and Office Support	36	45	9
6115	Semi-Skilled Operatives	9	10	1
6116	Contracted Employees	29	28	(1)
6117	Temporary Employees	1	0	(1)
Total		90	99	9

140. Amounts totalling \$84.665M were paid to twenty-eight contracted employees for the period under review. Shown in the table below are the salary ranges of the twenty-eight contract employees:

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	15	1,145
\$100,001 - \$200,000	8	1,048
\$200,001 - \$400,000	2	578
Above \$400,000	3	2,204
Total	28	4,975

141. The Public Service Commission Circular No. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. For 2019, there were a total of twenty-eight contracted employees of which six contracted employees were below the age of forty-five years and should have been transferred to the Pensionable Establishment. Shown in the table below are the age ranges of the twenty-eight contracted employees:



Age Range (Years)	No. of Employees
Below 45	6
45 - 55	11
Above 55	11
Total	28

**Ministry's Response:** The Head of Budget Agency indicated that Ministry has six contracted employees below the age of forty-five years that should have been transferred to the Pensionable Establishment. One contracted employee is in the process of transitioning to the Pensionable Establishment while three employees are yet to be processed. The remaining two contracted employees that are regarded as being 'technical' in context of their special skills set within the Ministry, have since been granted approval of employment by the Public Service Ministry.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue the process of moving all eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/19)*

#### Maintenance Works

142. The sum of \$24.400M was allotted in 2019 for the maintenance of buildings and other infrastructure for the Ministry. Allotments transfers totalling \$13M were made revising the total funds available to \$37.400M. According to the Appropriation Accounts, amounts totalling \$30.434M were expended as at 31 December 2019.

143. An examination of a sample of twenty-two contracts relating to maintenance of buildings and other infrastructure were examined and it was observed that there were eighteen instances totalling \$4.017M where the dates of the invoice were prior to the date of the contracts, indicating that the goods and services were procured in advance of the contractual agreements. In addition, there were also four instances totalling \$2.234M where Ministerial Tender Board (MTB) approval dates were after the dates recorded on the invoices.

**Ministry's Response:** The Head of Budget Agency noted the discrepancy and indicated that the respective action taken by the Ministry was influenced by the urgent need to have the emergency works carried out without any delay, in recognition that it could have been detrimental to the health and wellbeing of staff and contribute to significant delays in the processing of payroll for the entire country. The Ministry will however ensure that there is no future recurrence of this nature.

144. Further, there was one instance where there was an apparent contract splitting to avoid MTB adjudication where a contractor was awarded five separate contracts for the period August to December 2019, all for the same service. These contracts should have been merged to create one contract which would have required MTB approval. Details are shown in the table below:

№.	Date of Contract	Description of Works	Contract Sum \$
1	10.12.2019	Maintenance of sprinkler system, plant soil application, trimming of decorative plants, mulching of plants etc. for August 2019	50,000
2	10.12.2019	Maintenance of Sprinkler System, plant soil application, trimming of decorative plants, mulching of plants etc. for the month of September 2019	50,000
3	10.12.2019	Maintenance of sprinkler system, plant soil application, trimming of decorative plants, mulching of plants etc. for the month of October 2019	50,000
4	10.12.2019	Maintenance of sprinkler system, plant soil application, trimming of decorative plants, mulching of plants etc. for the month of November 2019	50,000
5	10.12.2019	Maintenance of sprinklers system, plant soil application, trimming of decorative plants, mulching of plants etc. for December 2019	50,000
Total			250,000

**Ministry's Response:** The Head of Budget Agency indicated that the maintenance of the Sprinkler System and Lawns at Ministry of Finance is done monthly by a service provider. Upon completion of the specified works invoices are usually presented for payment at the end of the month. However, for the period in question, the contractor failed to submit the invoices monthly, and instead all invoices were submitted with the same dates thus resulting in the contracts being inadvertently prepared with the same date for the period August - December 2019. The Ministry has already taken steps to strengthen supervisory controls aimed at ensuring that there are non-recurrences.

**Recommendation:** *The Audit Office recommends that the Ministry adhere to the Procurement Act at all times. (2019/20)*

#### Subsidies and Contributions to Local Organisations

145. According to the National Estimates, the sum of \$8.321 billion was budgeted for Subsidies and Contribution to Local Organisations for the period under review. As at 31 December 2019, amounts totalling \$7.287 billion were expended by seven agencies resulting in a shortfall of \$1.034 billion in expenditure. With the exception of the National Procurement and Tender Administration Board (NPTAB), the other agencies were subject to separate financial reporting and auditing. Of the seven entities, the Guyana Association of Securities, Companies and Intermediaries, and Guyana Securities Council are audited by private auditors. The status of the other four entities are as follows:

Agency	Budgeted Amount \$'000	Amount Expended \$'000	Shortfall \$'000	Last Audit Report	Last Report Laid in National Assembly	Remarks
Financial Intelligence Unit	145,094	117,794	27,300	2019	2014	2019 Audit Opinion Issued
National Industrial and Commercial Investment Limited	200,000	200,000	0	2013	-	Financial Statements for 2014-2018 submitted Financial Statements for 2019 not received
Guyana Revenue Authority	6,850,000	5,881,631	968,369	2014	2006	Financial Statements for 2015-2016 submitted Financial Statements for 2017-2019 not received
Bureau of Statistics	906,905	884,178	22,727	-	-	Financial Statements being redone for 2004-2007 Financial Statements received for 2008-2010 Financial Statements for 2011-2019 not received
Total	8,101,999	7,083,603	1,018,396			

**Ministry's Response:** The Head of Budget Agency indicated that with respect to Guyana Revenue Authority:

- Financial Statements (FS) for 2017 were submitted to the Audit Office on 8 May 2019
- The drafting of the FS for 2018 is over ninety percent completed
- The FS for 2019 is pending completion of the 2018 FS.

Bureau of Statistics:

- FS for 2011 to 2016 have been completed for submission to the Audit Office
- FS for 2017 to 2019 is currently a work-in-progress.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency follow-up with National Industrial and Commercial Investments Limited, the Guyana Revenue Authority and Bureau of Statistics to have the outstanding Financial Statements submitted for audit and ensure that all outstanding audited accounts are laid in the National Assembly. (2019/21)*

*Audit of the Accounts of the Guyana Lotteries Commission*

146. The Government of Guyana and Canadian Bank Note Ltd. (CBN) entered into an agreement establishing a Government Lottery which was organised and conducted under the provisions of the Government Lotteries Act, Chapter 80:07 of the Laws of Guyana. Under this agreement CBN is to pay Licence fees equivalent to 24% of gross revenue. The Guyana Lotteries Commission which was established in August 1996 by a Cabinet Decision manages the Licence fees receivable and ensures that amounts expended are within the National Sector and in accordance with the guidelines for access to the lottery funding.

147. The Lotteries Commission continued to receive proceeds from the National Lottery which were used to make payments approved by Cabinet. The Commission is subject to separate financial reporting and auditing. The last set of audited accounts was for the year 2013.

148. According to the Receipts and Disbursements Statement of the Ministry of Finance, for 2019, the Ministry budgeted \$600M for Lottery Receipts under the category of Miscellaneous Revenue; however, only an amount of \$32.500M were transferred from the 3119-Bank Account to the Consolidated Fund. For 2018, the amount of \$300M was budgeted while amounts totalling \$326M were transferred to the Consolidated Fund. It was noted that while the Ministry of Finance has been budgeting for Lottery Receipts, the net receipts are received at the end of the year. The following is a summary of the Bank Statements for the years 2019:

Description	Amount 2019 \$'000	Amount 2018 \$'000
Opening balance	81,215	47,786
Proceeds received	728,211	715,322
Transfers to Consolidated Fund	(32,500)	(326,000)
Expenditure for various activities	(422,844)	(355,893)
Closing balance	354,083	81,215

149. According to the Cash Book, amounts totalling \$712.844M were expended while the amount of \$32.500M was transferred to the Consolidated Fund for 2019 as detailed in the table below:

Receiving Agency	Activities	Amount \$'000
Ministry of the Presidency	Observance of Guyana's Republic Jubilee 2020	290,000
	Rehabilitation of grounds and recreational parks	150,000
	Hosting of Independence Flag Raising Ceremony 2019	88,236
	Payment for participation in Carifesta X1 in Trinidad and Tobago	49,433
	Hosting of Emancipation celebration activities	27,830
Hits and Jams Entertainment Inc.	Support for the Guyana Carnival activities 2019. Buju Banton Long Walk to Freedom	50,000
Linden Broadcasting Network	Purchase of new equipment, infrastructural works and associated cost for Linden Broadcasting Network	45,000
Guyana Football Federation	Sponsorship for the Guyana Football Federation's National Senior Team to participate in the CONCACAF Gold Cup 2019 Competition	11,467
Guyana Public Service Union	Payment for sponsorship by GPSU to attend the International on Climate Change Santiago Chile on 2019-10-29-30	878
Account General	Transfer to Consolidated Fund	32,500
Total		745,344

150. In August 2019, draft Financial Statements for the years 2015 to 2019 were submitted for audit. However, on 14 December 2016, the Audit Office completed the audit for the year 2014 and requested signed Financial Statements but these were not received up to the time of reporting in November 2020. In the absence of audited Financial Statements for the years 2014 to 2019, it was not possible to verify the completeness, accuracy and validity of the revenue and expenditure for the Guyana Lottery Commission for those years.

**Ministry's Response:** The Head of Budget Agency indicated that the Financial Statements for 2014 could not have been submitted since the members of the Lottery Commission were unavailable to sign same. The opinion to be considered in respect of the completeness and accuracy of the revenue and expenditure of the Guyana Lottery Commission Financial Statements is based on the completion of the Audit for the Fiscal Years 2015-2019. The draft Financial Statement for 2019 was completed and submitted on 31 August 2020.

**Recommendation:** The Audit Office recommends that the Ministry ensure that Financial Statements are submitted promptly for audit examination. (2019/22)

Programme 2 - Public Financial Management

Employment Costs

151. According to the National Estimates, the sum of \$511.224M was budgeted for Employment Costs for a staff complement of 167 staff while amounts totalling \$510.853M were expended for the period under review. The table below shows the staffing details at the time of preparation of 2019 National Estimates versus actual staffing as at 31 December 2019.

Line Item	Description	National Estimates 2019	Actual 2019	Increase / (Decrease)
6111	Administrative	23	23	0
6112	Senior Technical	2	2	0
6113	Other Technical and Craft Skilled	18	18	0
6114	Clerical and Office Support	44	52	8
6116	Contracted Employees	79	88	9
6117	Temporary Employees	1	1	0
Total		167	184	17

152. Amounts totalling \$379.578M were paid to eighty-eight contracted employees for the period under review. Shown in the table below are the salary ranges for the eighty-eight contracted employees:

Salary Range	Nº. of Employees	Amount \$'000
Below \$100,000	3	3,705
\$100,001 - \$200,000	32	67,382
\$200,001 - \$400,000	35	153,119
Above \$400,000	18	167,959
Total	88	392,165

153. The Public Service Commission Circular Nº. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. For 2019, there were a total of eighty-eight contracted employees of which sixty employees were below the age of forty-five and should have been transferred to the Pensionable Establishment. Shown in the table below are the age ranges for the eighty-eight contracted employees:

Age Range (Years)	Nº. of Employees
Below 45	60
45 - 55	16
Above 55	12
Total	88

**Ministry's Response:** The Ministry indicated that for 2019, there were a total of eighty-eight contracted employees of which sixty were below the age of forty-five. The sixty employees who were considered technical in context of their special skills set within the Ministry, have since been granted the requisite approval for employment by the Department of Public Service.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that all eligible employees are moved over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/23)*

### Current Revenue

154. The sum of \$13.223 billion represents current revenue estimated to be collected for the fiscal year 2019. Examination of the Statement of Receipts and Disbursements (current) revealed that total revenue actually collected and paid into the Consolidated Fund was \$12.628 billion. This represents a shortfall of 5% in actual collections when compared with the amounts estimated. Amounts estimated and collected under the various categories are as follows:

Description	Approved Estimates \$'000	Amount Collected and paid into Consol. Fund \$'000	(Under)/Over the Estimates \$'000
<u>Stamp Duties:</u>	487,619	501,992	14,373
Revenue Stamps	485,782	500,242	14,460
Cheques	1,837	1,750	(87)
<u>Other Tax Revenue</u>	2,269	157	(2,112)
Rice Levy	0	0	0
Auction Duty	2,269	157	(2,112)
<u>Interest:</u>	1,155,252	814,271	(40,981)
Other Loans and Advances	155,252	1,771	(153,481)
Loans to Public Corporations	1,000,000	812,500	(187,500)
<u>Rents and Royalties</u>	4,568,221	3,889,697	(678,524)
Fees	0	0	0
Royalties	4,568,221	3,889,697	(678,524)
<u>Dividends and Transfers:</u>	5,300,000	5,700,380	400,380
Bank of Guyana Profits	2,100,000	1,880,978	(219,022)
Dividend from Non – Financial Institutions	900,000	919,402	19,402
Special Transfers from Statutory and Non – Statutory Bodies	2,300,000	2,900,000	600,000
<u>Miscellaneous:</u>	1,709,707	1,721,285	11,578
Guyana R.E.D.D Investment Fund	0	0	0
Sundries	1,084,634	1,661,260	576,626
Lottery Receipts	600,000	32,500	(567,500)
Pension Contributions – Seconded Officers	0	730	730
Pension Contributions – Legislators	25,073	26,795	1,722
<b>Total</b>	<b>13,223,068</b>	<b>12,627,782</b>	<b>(595,286)</b>

155. The amount of \$919.402M reflected as Dividends from Non-Financial Institutions was received from the National Industrial and Commercial Investment Limited and Ministry of Public Infrastructure for Power Producers and Distributors Inc. for the year 2019.

156. The amount of \$2.900 billion reflected as Special Transfers from Statutory and Non-Statutory Bodies was received from the Guyana Geology and Mines Commission and Deeds and Commercial Registries Authorities.

157. According to the Statement of Receipts and Disbursements (current), the sum of \$1.085 billion was budgeted to be collected in the 2019 as Sundries Receipts; whilst, the sum of \$1.661 billion was collected and paid into the Consolidated Fund as summarised in the table below. This amount includes amounts totalling \$1.212 billion for refunds of unspent balances on Inter-Departmental Warrants (IDWs) and subventions and salaries and allowances for various Ministries, Departments and Regions. These refunds should have been credited to the respective Line Items in the Appropriations Accounts of the entities instead of being accounted for as revenue. As a result, the Appropriation Accounts and revenue were overstated by \$1.212 billion.

Description	Amount \$'000
Refund of unspent balances, subventions, IDWs etc.	776,043
Refund on advances, allowances for students, non supply of items, air fare, overpayments etc.	310,855
Refund of salaries, allowance, travelling	90,566
Refund of aircraft Ammunition	34,336
<b>Sub-total for refunds</b>	<b>1,211,800</b>
Payment for tender documents	59,281
Payment for lab tests and vaccinations	54,711
Ogle Airport – principal payment on loan	33,301
Others	302,167
Total	1,661,260

**Ministry's Response:** The Head of Budget Agency indicated that those refunds for Inter Departmental Warrants that have not been credited to the respective Line Items in the Appropriations Accounts are as a result of the closure of Government Accounts at 31 December of each fiscal year.

**Recommendation:** The Audit Office recommends that Ministry follow-up with the agencies to ensure that Financial Returns and details on refunds are received from defaulting agencies in a timely manner so that the Appropriation Accounts can be appropriately adjusted. (2019/24)

### Capital Revenue

#### External Loans

158. In keeping with the Cash Basis of Accounting, revenues must be recognised when it is received. However, significant differences were observed between the amounts shown as receipts in respect of External Loans on the Statement of Public Debt and those recorded in the Statement of Receipts and Disbursements for the year 2019 as shown in the table below:

Loan	Statement of Public Debt \$'000	Statement of Receipts and Disbursements \$'000	Difference \$'000
Caribbean Development Bank	1,817,703	1,633,851	183,852
Export-Import Bank of China	7,834,920	4,000,000	3,834,920
Inter-American Development Association	1,791,643	1,320,554	471,089
Inter-American Development Bank	7,563,129	5,731,948	1,831,181
International Fund for Agricultural Development	24,395	17,229	7,166
Export-Import Bank of India	157,626	159,027	(1,401)
Caricom Development Fund	0	183,379	(183,379)
Inter-American Development Association	0	7,133,654	(7,133,654)
Inter-American Development Bank	0	2,426,940	(2,426,940)
Total	19,189,416	22,606,582	(3,417,166)

159. On 27 July 2018 the Government of Guyana (GoG) and the International Development Association signed a Loan Agreement - Loan 6286-GY First Programme Financial Fiscal Stability Development Policy for the sum of SDR24.400M equivalent to G\$7.075 billion. According to the Public Debt records the full amount was disbursed in 2018 and brought to account in the Public Debt records. However, actual disbursements of \$7.134 billion was received on 2 April 2019 and brought to account as revenue in 2019, thus accounting for the significant difference of \$7.134 billion between the Statement of Public Debt and the Statement of Receipts and Disbursements.

160. Similarly, on 10 December 2018 the GoG and the Inter-American Development Bank signed a Loan Agreement - 4698/BL-GY Strengthening the Energy Sector for US\$11.640M equivalent to G\$2.427 billion. According to the Public Debt records the amount of G\$1.213 billion was disbursed in 2018, while the amount of G\$1.213 billion was disbursed in 2019 and brought to account in 2018 and 2019 respectively in the records. However, the actual disbursements totalling G\$2.426 billion was received on 22 January 2019 and 23 December 2019 and accounted for as revenue in 2019, thus accounting for the significant difference of G\$2.427 billion between the Statement of Public Debt and the Statement of Receipts and Disbursements.

**Ministry's Response:** The Ministry indicated that the Revenue Statement figures are reflective of the recognition of capital revenue at posting in IFMIS based on “*dummy transactions entered during the fiscal year, which also reflect the current utilisation of funds*”. On the other hand, the figures of the Public Debt Statement represent the disbursements received from the development partners of the international lending institutions. These differences are expected because the recordings are done at different times and at different exchange rates. These differences will continue to occur if the processes governing treatment of disbursements and their recordings in the country's accounts remain unaltered.

**Recommendation:** *The Audit Office recommends that the Ministry prepare reconciliation so that the other differences can be identified. (2019/25)*

#### External Grants

161. With respect to External Grants, there were significant shortfalls in revenue for 2019 as shown in the table below:

Description	Amount Budgeted \$'000	Amount Collected \$'000	Shortfall \$'000
Caribbean Development Bank	936,318	458,302	478,016
Japan	1,021,205	586,339	434,866
Inter-American Development Bank	907,284	730,858	176,426
Norway (R.E.D.D Invest. Fund)	1,400,000	1,287,548	112,452
Germany - Guyana Protected Areas System	150,000	57,326	92,674
International Fund for Agricultural Dev.	100,000	14,441	85,559
Islamic Development Bank	45,083	0	45,083
European Union	2,026,545	1,984,686	41,859
Caricom Development Fund	50,000	36,000	14,000
Mexico	10,000	0	10,000
Total	6,646,435	5,155,500	1,490,935

**Ministry's Response:** The Ministry indicated that with respect to External Grants, there were significant shortfalls in revenue for 2019, as reflected in the table provided.



### Other Assistance Grants – ExxonMobil Signature Bonus

162. According to Article 33 - 33.1 of the Petroleum Agreement between Government of the Cooperative of Guyana and Esso Exploration and Production Guyana Limited, CNOOC Nexen Petroleum Guyana Limited and HESS Guyana Exploration Limited “The contractor shall pay the Government a signature bonus of eighteen million United States Dollars (US\$18,000,000.00). Such payment will be made within a period of fifteen (15) Business Days after the Effective Date, or such earlier date as agreed amongst the Parties. Such payment will be made to a bank account within the Bank of Guyana, which is owned by the Government as designated in writing by the Minister of Finance of the Government. Contractor shall verify such bank accounts and the Minister agrees to cooperate, assist and provide contractor any information it requires to conduct such verification.”

163. On 31 October 2016, the Government of Guyana received the sum of US\$18M or G\$3.717 billion from ExxonMobil as a signing bonus. This amount was deposited into the Ministry of Finance ExxonMobil Account №. 845L5086 at Bank of Guyana. The Bank maintained a cash and investment accounts to independently account for proceeds from investments. During the period 9 to 17 November 2016, amounts totalling US\$15.831M or G\$3.269 billion was transferred to the investment account and expended to purchase overseas bonds. The balance of US\$2.176M or G\$449M remained in the Account №. 845L5086.

164. The Government of Guyana earned interest of US\$498,775 or G\$103.629M from its investments during the period 9 November 2016 to 31 December 2018, while Account №. 845L5086 interest totalled US\$2,889 or G\$598,443.

165. On 28 December 2018, the Ministry of Finance instructed the Bank to transfer the sum of G\$788.100M or US\$3.780M from Account №. 845L5086 to the Consolidated Fund. The amount was transferred to the Consolidated Fund on 31 December 2018, leaving a balance of G\$23.452M or US\$112,480 in the Account.

166. In the month of January 2019, the value of investments appreciated to US\$14.545M from US\$14.477M, an increase of US\$67,705. In addition, interest earned on the Investments and Cash Accounts totalled US\$42,378. The Ministry instructed the Bank in January 2019, to close Account №. 845L5086 and transfer all balances to the Consolidated Fund. In keeping with the directive of the Ministry, an amount of G\$3.065 billion or US\$14.699M was transferred to the Fund on 24 January 2019 and reflected on the Statement of Receipts and Disbursements (capital) as Other Assistance Grant. A final transfer of G\$104,867 or US\$502.96 was made on 14 February 2019, resulting in nil balances in the Accounts. The Bank closed the Account in February 2019.

### Overseas Conference and Official Visits

167. The Accountant General’s Department continues to be involved in a joint reconciliation with the respective agencies in clearing of conference advances, since it is incumbent on the latter to ensure that the Public Officers within their employ submit the necessary clearance documents. However, despite the on-going efforts there still continues to be advances outstanding as detailed in the table below:

Year	№. of Advances	Amount Outstanding \$'000
2019	13	1,187
2018	7	2,887
2017	29	6,802
2016	41	11,862
Total	90	22,738

**Ministry's Response:** The Ministry indicated that efforts are on-going to have all outstanding advances cleared.

**Recommendation:** The Audit Office recommends that the Ministry continue in its efforts to have the outstanding advances cleared and to ensure that advances are cleared within the stipulated time-frame. (2019/26)

### Capital Expenditure

168. The sum of \$4.977 billion was allotted for under the two capital programmes of the Ministry for 2019. Amounts totalling \$4.125 billion were expended, resulting in a shortfall of \$852M. The shortfall represented approximately seventeen percent of the total funds available. This is an indication that the Ministry did not execute its anticipated level of capital activities during the period under review. A summary of the shortfall is shown in the table below:

Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000
Basic Needs Trust Fund	540,000	190,081	349,919
National Payment System	250,000	31,088	218,912
Low Carbon Development Programme	1,400,000	1,287,548	112,452
Statistical Bureau	90,334	47,082	43,252
Institutional Strengthening	45,318	3,897	41,421
Project Preparation Facility	50,000	8,417	41,583
Technical Assistant	44,230	10,387	33,843
Fiscal Management Modernisation	12,000	4,439	7,561
Contributions to International Org.	686,334	684,039	2,295
Total	3,118,216	2,266,978	851,238

#### Basic Needs Trust Fund

169. The sum of \$540M was budgeted in 2019 for: (a) community livelihood projects and programmes in areas such as Matarkai, Victoria, Linden, Essequibo and Kuru Kururu; (b) renewable energy initiatives; (c) construction of early childhood development centre at Turkeyen; (d) upgrading of water supply distribution systems at Marakanata, Fly Hill, Shulirsab, Kwaimatta, Wowetta, Aranaputa and Rupertee; and (e) project administration. According to the Appropriation Account, amounts totalling \$190.081 were expended by Basic Needs Trust Fund resulting in a significant shortfall of \$349.919M by the project.

170. The project is funded by the Government of Guyana and the Caribbean Development Bank and is subject to separate financial reporting and audit. At the time of reporting, the audit for 2019 was being finalised.

**Ministry's Response:** The Head of Budget Agency indicated that the BNTF 9 programme saw the introduction of new community activities for which neither the CDB nor the BNTF staff had any expertise. It took some time for experts to be recruited and for these livelihoods training units to get started.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely and that timelines given are complied with. (2019/27)

### National Payments System

171. The sum of \$250M was budgeted for: (i) establishment of national payments system infrastructure including software and hardware for real-time gross settlement and central securities depository systems at Bank of Guyana, Guyana Revenue Authority, National Insurance Scheme and Accountant General's Department; and (ii) legislative and policy reform. The allocation for the year 2019 was financed by International Development Association. However, amounts totalling \$31.088M were expended, resulting in a significant shortfall of \$218.912M. It was noted that there was also a shortfall in expenditure of \$29.795M in 2018 under this project.

172. On 22 June 2017, the Government of Guyana and the International Development Association (IDA) signed an agreement whereby the IDA agreed to provide credit in an amount equivalent to four million, five hundred thousand Special Drawing Rights (SDR) 4.5M or US\$6M. The closing date for withdrawal is 31 March 2021. The objective of the project is to improve the usage of financial services through the development of Guyana's National Payments System to enhance safety and efficiency of payments.

173. This project is subject to separate financial reporting and audit. The last audit report was issued on 11 June 2020 for the period 8 September 2017 to 31 December 2019. The main observations from the audit are as follows:

174. As at December 2019, the sum of US\$848,000 was disbursed, which represents 14% of the project sum. However, appropriately thirty-three months after the effective date of the project, amounts totalling US\$172,423 which represents 20% of the disbursed amount only 3% of the project sum were expended to date as shown in the table below:

Investment categories	Amount Budgeted US\$	Amount Expended US\$	Unspent Balance US\$
<b>Component 1-</b> Developing Payments System Infrastructure	2,755,000	135,082	2,619,918
<b>Component 2-</b> Capacity building of the Bank of Guyana	90,000	0	90,000
<b>Component 3-</b> Project Implementation Unit	84,000	37,341	46,659
Total	2,929,000	172,423	2,756,577

**Ministry's Response:** The Head of Budget Agency indicated that the procurement of the RTGS and CSD software and the adviser was delayed and there was some excess of budgeted over cost by about \$210M. The Bank of Guyana also procured the furniture from Canada which took more time than expected to process since it required NPTAB's no objection.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that all capital projects are properly evaluated and costed and included in its budget submissions. (2019/28)*

### Low Carbon Development Programme

175. The sum of \$1.4 billion was budgeted in 2019 for: (i) Amerindian Land Titling; (ii) Adaptation projects including rehabilitation of Cunha Canal; (iii) Institutional Strengthening of Department of Environment, Office of Climate change and Project Management Office; (iv) Information and Communication Technology Access and E-Service for Hinterland, Poor and Remote Communities in areas such as Kaikan, Jawalla, Kurukubaru, Aranaputa, Shulinab, Toka and Surama; (v) Sustainable Land Management and Development; and (vi) Other intervention and studies. This project is funded by the Government of Guyana and Norway. According to the Appropriation Account the amount of \$1.288 billion was expended during 2019 resulting in a significant shortfall in expenditure of \$112.452M.

**Ministry's Response:** The Head of Budget Agency indicated that there were delays in starting up the land titling activity due to disagreements between UNDP (the contractor) and the Lands and Surveys Department over the budget administration.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency commence its projects' implementation earlier to ensure the benefits of such projects are realised and avoid substantial shortfall of expenditure. (2019/29)*

#### Statistical Bureau

176. The sum of \$90.334M was budgeted for Bureau of Statistics for the purpose of: (i) support to Bureau of Statistics to collect statistical data to record and measure oil and gas production in national accounts; (ii) support to institutional strengthening of National Statistics System; and (iii) purchase of furniture and equipment. As at 31 December 2019, amounts totalling \$47.082M were expended, resulting in a shortfall of \$43.252M.

**Ministry's Response:** The Head of Budget Agency indicated that the absorptive capacity of the Statistical Bureau continued to plague the agency with shortage of skills and personnel relative to the work programme in 2019 which included several surveys. As a result, there was a slow and delayed start of the programme activities.

**Recommendation:** *The Audit Office recommends that the Bureau ensure that all amounts budgeted are expended in accordance with its submission to the Ministry of Finance. (2019/30)*

#### Institutional Strengthening

177. The sum of \$45.318M was budgeted for this programme in 2019 for the provision of studies to re-establish capacity for national planning and the National Development Bank. The benefits of the project are: (i) improved institutional capacity; (ii) improved access to development financing; and (iii) improved capacity for development planning. The programme is financed by Caribbean Development Bank and the Government of Guyana. According to the Appropriation Account, amounts totalling \$3.897M were expended resulting in a shortfall of expenditure of \$41.421M.

**Ministry's Response:** The Head of Budget Agency indicated that the Chief Planning Officer was intended to be the focal point of this programme. However, the post was unexpectedly vacated at the end of 2018 and was not filled during 2019.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that all amounts budgeted are expended in accordance with its submission. (2019/31)*

#### Project Preparation Facility

178. The sum of \$50M was budgeted in 2019 for project preparation facility to: (a) finance project concept formulation, design, pre-feasibility and feasibility studies for investment projects and programmes; and (b) establish a project databank. According to the Appropriation Account, amounts totalling \$8.417M were expended resulting in a shortfall of \$41.583M.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that all amounts budgeted are expended in accordance with its submission. (2019/32)*

### Technical Assistance

179. The sum of \$10M was budgeted in 2019 to facilitate a Technical Assistance Project which was funded by the Caribbean Development Bank and entails: (a) conduct of Country Poverty Assessment; (b) South-South co-operation between Jamaica and Guyana; and (c) capacity building. According to the Appropriation Account, there was no expenditure for 2019. Similarly, for 2018, although the amount of \$10M was budgeted no expenditure was incurred. The delay in the execution of the project could result in the benefits of the project not being achieved which is improved access to timely and reliable country monitoring and multidimensional poverty data.

180. A second Technical Assistance was funded by the Inter-American Development Bank and entails: (a) strategic plan for introduction of electronic procurement {e-GP}; (b) framework for piloting procurement planning in Ministry of Public Infrastructure and Ministry of Public Health; and (c) records management system for Accountant General's Department. According to the Appropriation Account amounts totalling \$34.230M was budgeted for in 2019, however only \$10.387M was expended resulting in a shortfall of \$23.843M. Similarly, for 2018 a shortfall of \$35.417M was noted under this project. Delays in execution could result in the benefits not being achieved which are improved efficiency in public financial management and improved public procurement management.

**Ministry's Response:** The Head of Budget Agency stated that the total funds available under Technical Assistance is a total of two budget lines, one for \$34.230M from the IDB and the other \$10M from the CDB. Nothing was used of the \$10M budgeted for the establishment of a poverty assessment unit because the funds were reassigned to complete the Transport Studies for the Ministry of Public Infrastructure; and the BOS absorptive capacity was limited as a result of their work load completing a number of surveys.

The \$34M programme from the IDB resources was delayed due to the difficulty identifying and recruiting suitable experts in eProcurement in 2018 and 2019. Additionally, the contract of the Co-ordinator ended in February 2019 and the position went unfilled, until a member of staff was delegated to take on the responsibility.

**Recommendation:** *The Audit Office recommends that where applicable, the Head of Budget Agency should monitor the execution of its programme more closely, with a view of achieving its goals. (2019/33)*

### Fiscal Management Modernisation

181. The sum of \$12M was budgeted for: (i) creation of Guyana Revenue Authority Training Academy; (ii) Acquisition of Human Resource Management System; (iii) Modernisation of Valuation Division including creation of new organisational structure; and (iv) Capacity building and change Management at Guyana Revenue Authority and Valuation Division. The allocation for the year 2019 was to be financed by Inter-American Development Bank (IDB). However, amounts totalling \$4.439M were expended, resulting in a shortfall of \$7.561M.

182. On 6 March 2017, the Government of Guyana and the Inter-American Development Bank signed an agreement where the IDB committed to provide the sum of US\$745,000 to assist in financing the Ministry of Finance in the Fiscal Modernisation in Guyana. The objective is to assist in the modernisation of its revenue management and real property tax assessment systems. These objectives will be accomplished through the three components: (i) strengthening of the Guyana Revenue Authority; (ii) Modernisation of the valuation division of the Ministry of Finance; and (iii) Capacity Building and Change Management. The period of execution was thirty-six months from effective date of the Agreement. Thus, the activities under this project came to an end on 6 March 2020.

183. This project is subject to separate financial reporting and audit. The last audit report was issued on 2 October 2020 for the period 6 March 2017 to 6 March 2020. The main observations from the audit are as follows:

- As at 31 March 2020, the sum of US\$ 119,038 was disbursed to the project, which represents 16% of the project sum. However, approximately thirty-six months after the effective date of the project, amounts totalling US\$34,033 which represents 4.57% of the project sum were expended to date. The table below shows a comparison of the planned and actual expenditure for the period:

Description	Budgeted Amount US\$	Actual Expenditure US\$	Difference US\$
<b>Component 1 -</b> Strengthening of the GRA	270,00	0	270,000
<b>Component 2 -</b> Modernisation of the Valuation Division of the MoF	250,000	30,000	220,000
<b>Component 3 -</b> Capacity Building and Change Management	225,000	4,033	220,967
Total	745,000	34,013	710,967

**Ministry's Response:** The Head of Budget Agency indicated that The GRA opted to have CARTAC assist with the formulation of their strategic plan due to the "complicated" and lengthy process involved in the use of IDB funds. Additionally, they were unable to prepare a robust change management plan. As a result, the funds were not utilised. The GVD component was used to recruit a consultant who prepared the Strategic Plan. Unfortunately, the consultant fell ill and was unable to take the process forward to implementation hence the shortfall in expenditure.

#### Guyana Revenue Authority

184. The sum of \$1.257 billion was budgeted for: (i) completion of buildings at Linden, New Amsterdam and Corriverton and implementation of Automated System for Customs Data (ASYCUDA) software; (ii) upgrading of regional tax offices; and (iii) provision for software, vehicles, ATV's, furniture and equipment. According to the Appropriation Account, as at 31 December 2019, the full amount was issued to Guyana Revenue Authority (GRA). The GRA is subjected to separate financial reporting and audit and at the time of reporting, the audit for the year 2015 was in progress and Financial Statements for 2016 submitted. However, Financial Statements for the years 2017 to 2019 were not received at the times of reporting. A summary of the expenditure according to the records of GRA are as follows:

Description	Revised Budget \$'000	Expenditure \$'000	Balance on Budget \$'000
Computer Equipment	304,081	300,591	3,490
Computer Software	432,335	233,947	198,388
Computer Soft Licences	6,727	4,327	2,400
Office & Other Equipment	143,713	264,650	(120,937)
Furniture	20,010	16,460	3,550
Vehicles	117,460	117,423	37
Buildings	232,322	153,141	79,181
Total	1,256,648	1,090,539	166,109

**Ministry's Response:** The Head of Budget Agency indicated that the Guyana Revenue Authority is subjected to separate financial reporting and audit. The status of the Financial Statements covering the period 2015 to 2019 are as follows:

- Financial Statements (FS) for 2017 were submitted to the Audit Office on 8 May 2019
- The drafting of the FS for 2018 is over ninety percent completed
- The FS for 2019 is pending completion of the 2018 FS.

### Buildings

185. The sum of \$113.711M was budgeted in 2019 for construction of Ministry of Finance New Annex Building at Croal Street, Georgetown. According to the Appropriation Account as at 31 December 2019 the full amount was expended.

186. A contract for the construction of Ministry of Finance New Annex Building was awarded in 2017 by the National Procurement and Tender Administration Board in the sum of \$228.062M. No details regarding the advertisement and duration for submission of bids were presented for audit examination; however, based on documents seen, it was noted that a total of sixteen bids were received on 18 July 2017. The contract was signed on 20 December 2017 for \$191.674M, with duration of twelve months for completion and a Defects Liability Period of twelve months. As at 31 December 2019, the contractor received payments amounting to \$182.834M.

187. The contractor received an advance payment of \$64.557M, representing 33.68% of the contract sum, followed by seven interim payments. As at 31 December 2019, \$38.050M or 59% of the mobilisation advance was recovered, with the remaining balance of \$26.507M outstanding. Physical verification by the Audit Office on 2 October 2020 revealed that the works were incomplete and only the contractor's Foreman was present on the site. No works were in progress at the time, despite the fact that the revised approved completion date of 30 June 2020 had long expired.

188. Further, our assessment of the works completed at the time of our verification revealed that the contractor already received payments for works which are incomplete and in most instances which had not even commenced. The total value of these overpayments at the time of reporting are presented in the table below:

Item	Description	Qty. Paid	Qty. Found	Unit	Diff.	Rate \$	Amount Overpaid (G\$)
<b>Bill №. 3 Carpentry &amp; Joinery: All internal doors</b>							
B	Supply and install Purple heart panel door (36"x80") complete with 3 no. 6" Heavy duty butt hinges, 1 no. English made Jimmy Proof lock, Dead bolt lock and lever lock	4	0	No	4	80,000	320,000
C	Supply and install Pine wood panel door (36"x80") complete with 3 no. 6" Heavy duty butt hinges, 1 no. English made Jimmy Proof lock, Dead bolt lock and Cylindrical lock and lever lock	23	0	No	23	35,000	805,000
D	Supply and install Pine wood panel door (30"x80") complete with 3 no. 6" Heavy duty butt hinges, 1 no. English made Jimmy Proof lock and Cylindrical lock	12	0	No	12	35,000	420,000
E	1"x2"GH door stop	216	0	m	216	350	75,600
J	<b>Armstrong Suspended Ceiling</b>	668	0	M <sup>2</sup>	668	5,200	3,473,600
<b>Bill №. 3 Building – Windows and Fixed Panel</b>							
D	Supply and install glassed curtain wall panels (aluminum framing – black transparent) 13'-6" wide x 44'-0" high	1	0	No	1	1,306,800	1,306,800
	Bill №. 3 Building – Grillwork to windows	83	0	M <sup>2</sup>	83	6,720	557,760
	Bill №. 3 Building - Switches: June 2020 payment						178,450
	Bill №. 3 Building – Lighting; June 2020 payment						874,000
	Bill №. 3 Building – Receptacles (Outlets)						730,850
	Bill №. 3 Building - Cables						3,870,800
Total Overpaid							12,602,860

189. According to the Review of Tender Evaluation Report dated November 2017, the Evaluation Committee which was initially set up to evaluate and recommend a contractor for award of the contract had submitted an Evaluation Report which was not approved by all three appointed evaluators; a minority report was submitted by one of the evaluators instead.

190. The reasons for the evaluators not approving the report was not stated in the review, while it was noted that the review was carried out in November 2017, four months after the submission of bids. It is unclear if this review was carried out within the Bid Validity Period, which is normally ninety days. If this period had expired, the works should have been re-tendered. It was noted in the review that bidder №.16 did not provide the necessary NIS compliance; however, examination of the Minutes of Tender Opening attached to the review shows that bidder №.16 did in fact submit NIS. It is unclear how the bidder did not have NIS compliance during the evaluation but had it when the bids were opened.

191. It was observed that the contract was signed for a sum of \$191.674M; however, NPTA letter of award as well as Cabinet No Objection states an awarded bid price of \$228.062M. It is unclear how the contract was awarded for a price of \$228.062M and the contract was signed for a lesser sum of \$191.674M.



192. The works were to be completed within twelve-months or one year; however, at the time of reporting, more than two and half years had already elapsed and the works were incomplete. A summary of the outstanding works to be completed at the time of reporting were as follows:

- Electrical Installation;
- Installation of Armstrong ceiling;
- Painting and decorating;
- Internal timber walls;
- Plumbing works inclusive of fresh and waste water systems;
- Glazed Curtain wall;
- Finishes to roof;
- Installation Internal Timber Doors;
- Grill works to windows;
- Installation of 150 KVA Generator;
- Counters and Cupboards; and
- Furniture.

193. An examination of the Payment Certificates and Valuations to date prepared by the Supervising Consultant and Project Engineer revealed several instances where payments were being made to the contractor for works which were not yet completed, resulting in the Ministry making payments for works in advance and by extension, financing the works for the contractor.

194. It was discovered that the extended Advance Payment Guarantee (№. K84/2019) for the sum of \$26.506M or 41% of the advance payment expired since 30 December 2019 and the amount is still to be recovered.

195. It was revealed that the Ministry signed two new and separate Contract Agreements on 17 December 2019 with the same contractor in the value of \$19.048M and \$14.954M for supply, install and commission of three 20 ton York commercial ducted split units and supply, install and commission of CCTV, Access Control, Burglar and Fire Alarm Systems respectively. Using these two contracts as the basis for making further advance payments to the contractor, the Ministry accepted a bond from the contractor and paid the sum of \$26.696M as an advance payment on both contracts.

196. Our examination of the bond for this second advance payment of \$26.696M revealed that this bond also expired since 30 June 2020 and the works have not been completed.

197. Several requests were made by the Audit Office to the Project Engineer of the Ministry to submit the contract document for audit examination; however, this document was only submitted on 16 October 2020 and a perusal of the document revealed the following:

- i. The contract was misinterpreted and signed for the incorrect sum. It should have been signed for the awarded sum.
- ii. There are numerous changes to the original scope of works and there are no Variation Orders to document same.
- iii. It is unclear how the rates were arrived at for the changes made to items in the Valuations.
- iv. The contractor was being paid for works in advance of actually completing same; payments were also made for materials on site when the contract does not allow for this.

**Ministry's Response:** The Head of Budget Agency indicated as follows:

- i. According to ITB 14.1 of the Bid Data Sheet of the bid solicitation document for this tender, "The period of bid validity: 120 days". The Tender opening for this tender according to ITB 18.2 19.1, 19.2 of the Bid Data Sheet was 18 July 2017. (In both references ITB means - Instruction to Bidders) The Review of Tender Evaluation Report is dated November 2017 and signed by the evaluators on 8 November 2017. The number of days between the 18 July 2017 and 8 November 2017 is 114 days. Therefore, at the date of the second evaluation the bids were still valid.
- ii. The Minutes of the Tender Opening for this Tender did not record that Tender №. 16 submitted both NIS and GRA Compliances. However, 3.1 Administrative Compliance, of the second evaluation report, labelled Review of Tender Evaluation Report dated November 2017 states that; " The evaluation committee is in agreement with the evaluation of administrative compliance previously done which shows that Bidders №. 1, №. 7, №. 8 and 16 do not have administrative Compliance...Bidder №. 16 did not provide the necessary NIS compliance,..". Therefore, it can be concluded that since both sets of evaluators (who during conducting their separate evaluations, would have reviewed the actual tenders/documents submitted), concluded that Tender №. 16 did not have the necessary NIS compliance, then they must be correct.
- iii. The Ministry concurred with the observation in paragraph 191, however it must be noted that the contract was signed for \$191.674M in accordance with ITB Clause 12.1 as stated in the Bid Document Reference №. NPTAB 1193/2017/03.
- iv. In response to paragraph 192, the Ministry notes the comments and would like to inform that the supply of 150 KVA Generator as well as supply of furniture were not listed in the bid documents or form part of the contract and must be omitted.
- v. In response to paragraph 197 the contract document was subsequently submitted to the auditors for review.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency; (i) desist from certifying Valuations for works which have not been completed and (ii) improve in the supervision of works and overall contract administration and (iii) ensure that Bonds and Insurances remain valid for the requisite periods. (2019/34)*

#### Capital Purchases

198. The sum of \$195.189M was budgeted for the provision for fire alarm system, security alarms, photocopier, chairs, bookshelves, filing cabinets, computers, refrigerators, cubicles, water dispensers, tables, projectors and screens for Programme 1 whilst Programme 2 project entails purchase of furniture and equipment for Information and Communication Technology Unit, Project Cycle Management Division, Internal Audit, Office of the Budget and Accountant General's Department. According to the Appropriation Accounts, amounts totalling \$195.096M were expended as at 31 December 2019.

199. Included in the expenditure of \$195.096M was a contract for the supply and installation of office furniture at Ministry of Finance Annex Building which was awarded by the National Procurement and Tender Administration Board in the sum of \$14.711M. The Contract Agreement was dated 31 December 2019 and states that advance payment of 60% of the contract amount will be paid to the contractor upon request, thereafter such other sums (the remaining 40%) will become payable upon delivery of goods and services and satisfactory completion of all necessary installation and testing works. It was noted that this contract was only entered in the Contract Register on 9 September 2020.

200. In addition, a cheque for the full amount of \$14.711M was drawn on 2 January 2020 and charged to the Appropriation Account for 2019. This cheque was kept on hand until 18 September 2020 when it was paid to the supplier. This was not in keeping with the requirements of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund at the end of each fiscal year. At the time of reporting, it could not be determined whether the items were received.

**Ministry's Response:** The Head of Budget Agency indicated as follows:

- The Ministry concurs with the comment and would like to reiterate that the necessary action was taken to correct this discrepancy.
- The Ministry is not of the view that the holding of cheques until September 2020 constitutes a breach of the FMA Act since there was a commitment between the Ministry and the supplier/contractor, the Ministry was awaiting the delivery of furniture as per order, in keeping with the General Provisions of the FMA Act 2003 (defining commitments).

The Ministry will in future take all necessary action to prevent a recurrence of this nature.

201. A verification of assets purchased for the period under review revealed the following unsatisfactory observations:

- Assets to the value of \$15.069M were not marked as property of the Ministry and had no asset ID number.
- Sectional Inventories were not updated for the period under review.
- The Fixed Asset Register was not updated for the period under review.

**Ministry's Response:** The Head of Budget Agency indicated as follows:

- The observation is noted. The assets have been recorded in the Goods Received Book and same is now available for verification.
- The marking of the assets has commenced and can be now be physically verified as property of the Ministry.
- Sectional Inventories were not updated for period under review mainly because of the absence of a replacement for the Storekeeper who was promoted in August 2019. The position was subsequently filled in March 2019 but due to the restrictions occasioned by the current pandemic (COVID-19), the updating was delayed. Despite the setbacks, the updating has since commenced.
- The Fixed Asset Register has been updated and is available for the audit verification.

### Other Matters

202. During the period under review, the Ministry expended amounts totalling \$17.516 billion on current and capital expenditure but excluding Employment Costs. An analysis of the expenditure revealed that expenditure for January to November average approximately 8% of the total expenditure per month; however, in December there was an increase of 15% in spending as shown in the table below. It should be noted that the budget for 2019 was approved in December 2018 and as such better planning and execution should have been done in the earlier part of the year so as to ensure that the Ministry achieved its anticipated level of expenditure and payments are made in a timely manner.

Months	Current Expenditure \$'000	Current Expenditure %	Capital Expenditure \$'000	Capital Expenditure %	Total Expenditure \$'000	Total Expenditure %
January	871,571	7	0	0	871,571	5
February	901,532	7	235,366	6	1,136,898	6
March	956,235	7	384,797	9	1,341,032	8
April	1,084,141	8	9,539	0	1,093,680	6
May	767,861	6	234,845	6	1,002,706	6
June	938,228	7	917,845	22	1,856,073	11
July	1,536,022	11	16,697	0	1,552,719	9
August	960,548	7	619,023	15	1,579,571	9
September	994,927	7	122,024	3	1,116,951	6
October	1,068,115	8	711,416	17	1,779,531	10
November	1,183,111	9	406,588	10	1,589,699	9
December	2,129,631	16	466,310	11	2,595,941	15
Total	13,391,922	100	4,124,450	100	17,516,372	100

203. The Ministry breached Section 43 of the Fiscal Management and Accountability Act 2003. That states “*that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund.*” Audit checks revealed that 244 cheques totalling \$509.073M were printed on or after 31 December 2019 with respect to 2019 transactions. As a result, the Appropriation Accounts would have been overstated by the said amount. A check at the Accountant General’s Department on 12 November 2020 revealed that there were still sixty-five cheques totalling \$10.498M in respect of 2019 transactions on hand. However, these cheques are for direct payments which consist of individuals and company cheques. In addition, a check at the Ministry of Finance Accounting Unit on 12 November 2020 revealed that there were fifteen cheques totalling \$3.465M for 2019 still on hand.

**Ministry’s Response:** The Head of Budget Agency indicated that the number of cheques has been reduced to \$6.5M.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with FMA Act at all times, especially as it relates to Section 43. (2019/35)*

204. An examination of the Contract Register for the period under review revealed the following unsatisfactory observations:

- a) The dates of Contract Agreements were not stated in the register.
- b) Current and capital contracts were recorded together in the register.
- c) The register was not updated in a timely manner.

**Ministry's Response:** The Head of Budget Agency indicated as follows:

- a) The discrepancies appearing in Contract Register have since been rectified. Same is now available for verification by the Auditor.
- b) In accordance with the standard operating procedures all contracts are recorded in the same register for both current and capital contracts, all of which are numbered sequentially.
- c) The register is updated at the time of the preparation of the vouchers.

Refund of Cheques to Revenue

205. For the period under review, it was noted that three transactions totalling \$7.033M were cancelled and the cheques refunded to the Consolidated Fund on 4 August 2020. The details of the cheques are shown in the table below:

No.	PV No.	Cheque Date	Cheque No.	Payee	Particulars	Amount \$
1	03F02251	2020/01/02	07-348761	Total Protections Systems Inc.	Payment for supply midland handheld GMRS radio pair etc.	158,004
2	03F02467	2020/01/02	07-357617	Massy Technologies Guyana Ltd	Extension to contract for Procurement of Hbada Ergonomic Office recliner Chairs	5,075,280
3	03F02300	2020/01/02	07-348922	Aqua Sun Designs	Payment for construction of MoF new annex building- 8th payment	1,800,000
Total						7,033,284

206. The Payment Vouchers relating to these transactions were not presented for audit examination. As a result, it could not be determined whether the payments were supported by adequate documents and properly authorised before cheques were drawn. In addition, the cheques were kept on hand until 4 August 2020 when they were cancelled and refunded to revenue. This was not in keeping with the requirements of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund at the end of each fiscal year. In addition, the Appropriation Accounts would have been overstated by the amount of \$7.033M.

**Ministry's Response:** The Head of Budget Agency indicated as follows:

- a) The cheques were refunded since the supplier was unable to supply the requested items.
- b) All efforts are being made to retrieve the outstanding vouchers. It must be noted that the Ministry does not deem the holding of cheques until August 2020 as a breach since there was commitment between the Ministry and the suppliers/contractors in keeping with the General Provisions of the FMA Act 2003 which interprets "commitment" to mean an amount of public moneys that must be expended now or in the future as a result of a legally enforceable contract or other arrangement for which the State is liable entered into by a Head of a Budget Agency or an official authorised by a Head of a Budget Agency.

The Ministry will; however, take all necessary action to prevent any recurrence of this nature.

### Unpresented Payment Vouchers

207. For the year under review, a total of four Payment Vouchers totalling \$28.779M for current expenditure were not presented for audit examination. As a result, a determination could not be made as to the propriety of the payments or whether value was received for the money spent.

**Ministry's Response:** The Head of Budget Agency indicated that efforts are being made to retrieve the outstanding vouchers.

### Flooding at Ministry of Finance

208. On 8 June 2020, a main pipe broke which caused a flood at various departments within the Ministry of Finance building. It was observed that certain departments were damaged and records were soaked. However, it was explained that no severed damages were done to public records. A report on the flooding was requested from the Ministry but this was not provided at the time of the reporting.

**Ministry's Response:** The Head of Budget Agency indicated that no significant damages occurred to records.

### Prior Year Matters

209. As mentioned in previous reports, the amounts of US\$2M and US\$900,000 remained outstanding from the sale of the Guyana Stores Ltd. and the Guyana National Paints Company, respectively. The Guyana Stores Ltd. was privatised in October 2000 at a sale price of US\$6M while the National Paints Company was privatised in July 1991 at a sale price US\$1.150M. These matters are still engaging the attention of the Court.

**Ministry's Response:** The Head of Budget Agency indicated that these matters are still engaging the attention of the Court.

210. In my previous report, mention was made of a loss of cash amounting to \$206.379M at the Accountant General's Department Head Office. This fraud was uncovered where payments of arrears of pension and gratuity were made to sixty-one inactive, deceased and fictitious pensioners. At the time of reporting the matter is on-going in the Court.

**Ministry's Response:** The Head of Budget Agency indicated that this matter is still engaging the attention of the Court.

211. National Industrial Commercial Investments Limited (NICIL) was the registered holder of 4,125 shares valued at \$474.375M in Guyana Telephone and Telegraph Company (GT&T) and which was equivalent to 20% holding. GT&T was treated as an Investment (Associate) in the Financial Statements for the years 2002-2011. An amount of \$5.442 billion was paid over as dividend to NICIL. On 6 November 2012, the Government 20% shareholding which was valued at \$6 billion or US\$30M was sold to an overseas company. On 8 November 2012, upon signing of the agreement, an amount of \$5 billion was transferred to NICIL. The balance of US\$5M remaining should have been paid by the company within two years; however, as at 31 December 2019 the balance was not received and the matter was engaging the attention of the Court.

212. On 13 January 2020, the High Court issued a court order in favour of NICIL for the payment of US\$3.2M representing dividends accrued for the year ended 31 December 2019 to the overseas company by GT&T to be paid over to NICIL. The Court also ordered that the balance of US\$1.8M is to be paid to NICIL from future dividend payments. On 21 February 2020 NICIL received \$667.197M equivalent to US\$3.2M which was paid into its Bank Account. However, this amount was not paid over to the Consolidated Fund at the time of reporting in November 2020.

**Ministry's Response:** The Head of Budget Agency indicated that NICIL was the registered holder of 4,125 shares valued at G\$474.375M in Guyana Telephone and Telegraph Company (GT&T) and which was equivalent to 20% holding. GT&T was treated as an investment (Associate) in Financial Statements for the years 2002-2011. An amount of G\$5.442 billion was paid over as dividend to NICIL. On 6 November 2012, the Government's 20% shareholding which was valued at G\$6 billion or US\$30M was sold to an overseas company. On 8 November 2012, upon signing of the agreement, an amount of G\$5 billion was transferred to NICIL. The balance of US\$5M remaining should have been paid by the company within two years.

#### Integrated Financial Management and Information System (IFMIS)

213. In modernising the Public Administration Sector and improving Public Financial Management and Accountability, the Government of Guyana introduced the Integrated Financial Management and Accounting System (IFMAS), in January 2004. IFMAS is an electronic financial application software suite developed by Free Balance in 1984. The IFMAS project was funded by the Canadian International Development Agency (CIDA), the Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF).

214. With the introduction of IFMAS, the Financial Management and Accounting Systems of all Government agencies were integrated and a standard system configuration activated a new Chart of Accounts (COA) divided into funds, organisations, programs, projects, locations, and objects. Also, the Smart Stream application used to process payroll from all the Agencies was interfaced with IFMAS to automate the processing of cheques and enhance the security of printing.

215. Eight modules were acquired of which six have been implemented prior to 2016. Details of the modules are as follows:

№.	Name of Modules	Purpose	Remarks
1	Controls	Management of the IFMAS	Implemented in 2004
2	Appropriation	Budget Execution & Monitoring	“
3	Expenditure	Executing Payments	“
4	General Ledger	Financial Reporting & Adjustments	“
5	Revenue	Processing Receipts	Implemented in 2007
6	Treasury Management	Bank Reconciliation	“
7	Purchasing	Processing Purchases	Not yet implemented
8	Asset & Inventory	Management of Fixed Assets	Partially implemented in 2018

216. During the first quarter of 2016, the Ministry of Finance in collaboration with FreeBalance Software Company commenced the upgrading of the Government Accounting System from its current version of Financial Management System (FMS) version 6.5 Classic to the new version 7 - Integrated Financial Management and Information System (IFMIS). The upgrade is geared to support public sector functions in order to improve public transparency and accountability. The first phase of implementation commenced in 2017 and it included the implementation of a budget preparation system and the implementation of an interim procurement system in preparation for e-Procurement.

217. The new version (IFMIS) is a fully integrated and web-based version of the FreeBalance Accountability Suite. Each Central Government Agency (Ministries, Department and Regions) are given access to the system and this is provided via a web browser, e.g. Microsoft Explorer/Edge over the Ministry of Finance IFMIS Secure Wide Area Network (IFMIS WAN). The IFMIS WAN is ungraded by eGov/National Data Management Authority to make the system more secure and reliable.

218. While the previous version (IFMAS) placed more emphasis on accounts and accounting analysis, the new version (IFMIS) has a much broader scope and it focuses on budget planning, monitoring & execution, core accounting, asset management, sovereign debt management, Public Sector Investment Programme performance, National Procurement Tender Administration, Guyana Revenue Authority functionality (customs/taxation), Student Loan Agency, Bureau of Statistics, etc. In January 2018, an upgraded budget execution and monitoring system was implemented.

219. With the upgrade, the core modules that existed under the previous version in IFMAS (i.e. Controls, Appropriations, Expenditure, General Ledger, Revenue and Treasury Management modules) will be configured and enhanced to include new and additional functions and reports.

220. The functions that will be incorporated includes the following which was partially implemented:

- Assets Management (improved monitoring and management of Government assets).
- Budget Preparation (capture budget agency's Department/Unit budget submissions within budget agencies).
- Budget Execution (including budget releases, virements, and supplementary budgets).
- Treasury Management.
- Accounts Payable (contracted procurement payment schedule/debt service budget projections).
- Accounts Receivable (revenue projections; loans, grants, taxes).
- Capacity Building.

221. The following were not implemented at the time of reporting:

- Sector Policy and Planning.
- Multi-Year Sector Performance Monitoring.
- Purchasing & Procurement (Increase control and efficiency in Government procurement, vendor management, and related transparency initiatives).
- Sovereign Debt.
- Administration & Secure Document Management (electronic copies of supporting documents attached to IFMIS transactions, and physical file registry where physical files are held and maintained together with electronic files).

**Ministry's Response:** The Head of Budget Agency indicated that the passage of the Electronic Transactions Act envisaged under the PFM Reform will facilitate the implementation of the Administrative & Secure Document Management Module of the IFMIS version of the Free Balance Accounting Suite.



Review of the Operations of the National Board and the  
National Procurement and Tender Administration

222. The Procurement Act №. 8 of 2003 makes provision for the regulation of the procurement of goods, services and the execution of works, the promotion of competition among suppliers and contractors and the promotion of fairness and transparency in the procurement process. Section 16(1) of the Act provides for the establishment of a National Board and the National Procurement and Tender Administration (NPTA). This Administration will be managed by the National Board and will report to the Minister of Finance.

223. Section 16 of the Act empowers the Minister of Finance to appoint persons to serve on the National Board. According to the Act, the Board shall comprise of seven members, not more than five persons from the Public Service and not more than three persons from the Private Sector after consultation with their representative organisations. The Act makes provision for two members of the Board to serve on a full time basis, with the Minister also appointing one of the two full-time members as Chairman. At the time of reporting, the Board was constituted with all seven members.

224. The National Board shall have responsibility for exercising jurisdiction over tenders as prescribed by regulations and maintaining efficient record keeping and quality assurance systems. Further, Article 212(W) of the Constitution provides for the establishment of a Public Procurement Commission (PPC) to monitor public procurement and procedures in order to ensure that the procurement process is conducted in a fair and transparent manner. In the absence of a PPC, the Board will also have responsibility for: (a) the making of regulations governing the procurement of goods and services; (b) determining the forms of documents for procurement; (c) reporting annually to the Minister of Finance on the effectiveness of the procurement process; (d) organising training seminars regarding procurement; and (e) adjudicating debarment proceedings.

225. On 28 October 2016, five members for the Public Procurement Commission who were identified and approved by Parliament were sworn in by the President. The Secretariat for the Commission was established in 2017. With respect to the making of Regulations, the National Board had examined and reviewed certain aspects of the Procurement Act and its Regulations and had identified and reported on areas to be addressed through the Regulations to make the procurement system more effective. These included the following:

- a) Debarment (Section 17 (1), (f) and (3) of the Procurement Act).
- b) Increases in the threshold limits, for Regional/Ministerial/Agency Tender Boards (Schedule 1 of the Regulations).

226. In this regard, a consultancy firm was contracted to:

- a) Draft Regulations under the Procurement Act, setting out the procedures to be followed by the Public Procurement Commission/NPTAB in adjudicating debarment proceedings.
- b) Examine and make recommendations on revisions to the Regulations, with a view to increasing the threshold limits in light of current prices.

**Ministry's Response:** The Head of Budget Agency indicated that the work on the debarment regulations was done jointly between the Public Procurement Commission (PPC) and NPTAB. This resulted in the gazetting of the Procurement (Suspension and Debarment) Regulations 2019 and which are in force. In addition, in January 2019 the NPTAB initiated action that led to the amendment of the Procurement Regulations in relation to Restricted Tendering and Request for Quotation Methods of Procurement.

The Inter-American Development Bank (IDB) provided funding for technical cooperation for the modernisation of public procurement and financial management strengthening in Guyana. In this regard, a consultant was engaged to review the legal and regulatory framework for public procurement in Guyana. The main objective of the consultancy was to assist the Government of Guyana in the revision of the procurement law and regulations and make recommendations for updating them in line with international best practices and CARICOM Protocol for public procurement

The consultant's report was submitted in October 2018 and provided an outline for the proposed new Procurement Act. It is suggested that the new statute comprise of eleven (11) parts. The report also includes a proposed arrangement of sections with proposed texts. The Report was submitted to the MOLA and is awaiting drafting.

In June 2019, the Procurement (Amendment) Act 2019 was enacted catering for set asides for small businesses, registration of bidders and submission of procurement plans. The Regulations to this Act have to be finalised.

227. During 2016, regulations were passed to increase the threshold values in Schedules 1 and 2 of the Procurement Act.

228. It is a requirement under Section 11(1) of the Act for each procuring entity to publish notice of procurement contracts awarded within seven days of awarding such contracts. In addition, Part II (4) of the Procurement Regulations requires each procuring entity to provide within five days of publishing notice of the award, a report to the Administration of all contracts awarded in excess of \$1.5M. On receipt of the report, the Administration shall publish the information on its website. There were noted non-compliance of the reporting provisions of the Procurement Act and its Regulations. In particular, procuring agencies were not reporting to the National Board all contracts awarded in excess of \$1.5M thereby restricting the National Board from publishing on its website all contracts awarded.

**Ministry's Response:** The Head of Budget Agency indicated that despite the best efforts of NPTAB, there has still not been a marked improvement in the reporting on contracts exceeding \$1.5M. In December 2018, NPTAB issued another circular in this regard, including a format for the submission of the information electronically. This circular was again sent out in January and February 2019.

To reinforce the above efforts, NPTAB began placing an attachment entitled "Data for Publication of the contract award on NPTA Website" to all approval letters for contracts above G\$1.5M. The attachment provides information on the award including the contract description and the contract value. The procuring entity is expected to enter the date the contract was signed and return the form to NPTA to allow for the NPTA's website to be updated.

229. Each Ministerial, Departmental and Agency Tender Board shall nominate for consideration by the National Board, qualified evaluators to serve on Evaluation Committees. It was noted that a pool of evaluators was created and Evaluation Committees were formed to adjudicate on procurement subject to its jurisdiction. The National Board; however, had not exercised due diligence to ensure that the persons appointed as evaluators had the expertise and experience as specified in the Procurement Act.

**Ministry's Response:** The Head of Budget Agency indicated that NPTAB continues to make efforts to ensure that persons appointed as evaluators have the expertise to perform the task. In 2018, specific training for evaluators was held in Region Nos. 5, 6,7 and 8. A total of 70 evaluators was trained. In addition, in November 2018, NPTAB, in collaboration with the Inter American Develop Bank (IDB), held a two-day training session for evaluators. Thirty-nine evaluators from several key procuring entities received the training.

In November 2019, the NPTA, in collaboration with the IDB, held a two-day training workshop for evaluators, under the theme “The Anatomy of Tender Evaluation - A critical part of a larger whole”, facilitated by an IDB Tender Evaluation Expert. Forty-four evaluators from several procuring entities participated.

This is an on-going exercise. Guidance is also given to evaluators on a case by case basis. When evaluation reports are found wanting, NPTA routinely points out the deficiencies in evaluation reports and requests that the evaluation teams review their submissions.

230. As part of its mandate, the NPTAB was required to establish a Bid Protest Committee to deal with alleged breaches of the Act by procuring entities. This Committee's role also included the review of complaints by aggrieved suppliers and contractors who were dissatisfied with a procuring entity's response to a complaint. It was noted this committee was established in June 2016.

**Ministry's Response:** The Head of Budget Agency indicated that Under Article 212AA (I) (h) of the Constitution of Guyana, it is the function of the Public Procurement Commission to “investigate complaints from suppliers, contractors and public entities and propose remedial action”. In carrying out this function, the PPC would determine if in any particular instance it would invoke the use of the Bid Protest Committee.

#### Follow-up on the Implementation of Prior Year Audit Recommendations

231. The table below shows the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/10	Breach of Circularised Instructions		√	
2018/11	Breach of FMA Act 2003 - Non-submission of Financial Statements and laying of reports in the National Assembly.		√	
2018/12	Breach of FMA Act 2003 - Non-submission of Financial Statements.		√	
2018/13	Breach of Circularised Instructions		√	
2018/14	Breach of FMA Act 2003 - cash basis of accounting		√	
2018/15	Outstanding Conference Advances		√	
2018/16	Shortfall in Expenditure		√	
2018/17	Breach of FMA Act 2003 - Non-submission of Financial Statements.		√	
2018/18	Breach of FMA Act 2003 - Non-submission of Financial Statements.		√	
2018/19	Updating of Government accounting system		√	
2018/20	Breach of the Procurement Act - Publishing of notice of procurement on website		√	

## GUYANA REVENUE AUTHORITY

232. The Guyana Revenue Authority was established under Chapter 79:04 of the Laws of Guyana and came into operation on the 27 January 2000. The new entity resulted in the transfer of the functions and powers of two departments: (a) the Customs and Excise Department; and (b) the Inland Revenue Department; and later, the addition of the Value Added Tax Department in 2007. The functions of the three departments are governed by the Customs Act 82:01, Income Tax Act 81:01 and the Value Added Tax Act No. 10 of 2005 respectively.

233. The Value-Added Tax Act No. 10 of 2005 (subsequently renamed 'The Value-Added Tax Act, Chapter 81:05) came into operation on the 1 January 2007, by Order No. 1 of 2006 signed by the Minister of Finance on 16 January 2006 and amended by Act No. 6 of 2007 signed by the President on 25 January 2007. The Act provides for the imposition and collection of Value-Added Tax on goods and services. The tax was levied at the rate of 16% on the value of every taxable supply by a taxable person in Guyana and every taxable import of goods or import of services, other than an exempt import. This rate was reduced to 14% by Amendment No. 08 of 2016 to the Principal Regulations made under the Act and came into effect on 1 February 2017.

234. The Authority is responsible for the assessment, charge, levy and collection of all revenue due to the Government of Guyana under the relevant laws, and for the subsequent transfer to the Consolidated Fund. It is also responsible for promoting compliance with the written laws relating to revenue and for creating in the society, full awareness of the obligations and rights of revenue payers.

235. The Authority computerised part of its operation in April 1996 with the Automated System for Customs Data (ASYCUDA). It was later upgraded in January 2003 to Version 3 (ASYCUDA++) however, the functioning of the system was limited and needed improvement and this led to the implementation of the Total Revenue Integrated Processing System (TRIPS) on 1 January 2007.

236. Prior to 1 January 2017, the GRA was using ASYCUDA Version 2.7. ASYCUDA World Guyana Version 4.2.2 was subsequently re-introduced in 2018 with the commencement of e-Manifest module in March 2018 which concluded in September 2018. The e-SAD was implemented incrementally from September 2018 with TRIPS running parallel until all regimes are completed. At the time of reporting in November 2020, TRIPS is only operational in Lethem for processing customs declaration due to connectivity problems.

237. In 2018, the Authority terminated the TRIPS II contract with Crown Agents due to underperformance by the vendor. The Authority engaged Data Torque out of New Zealand for the implementation of a tax administration software called Optimal Revenue Management System (RMS).

238. The project is expected to conclude in 2021 with first phase due to go live in February 2021. The first phase will result in the complete replacement of TRIPS.

### *The Establishment of the Petroleum Revenue Department (PRD)*

239. In July 2020 approval was granted by the Board of the Authority for the establishment of the Petroleum Revenue Department. With the implementation of the new structure, the Petroleum Revenue Audit Department was changed to the Petroleum Revenue Department and its functions were extended. As such, the Human Resource Division is currently conducting job evaluations to grade the respective posts within the Petroleum Revenue Department.

240. The strategy deployed to effectively commission and staff the Petroleum Revenue Department entailed training Officers from various audit functions throughout the Authority to build a repository of necessary skill sets and competencies. The repository would be mobilised based on the expansion of the Department; which in-turn, would be influenced by the demands of the Oil and Gas Sector. Multiple training sessions were held by the Office of Technical Assistance and the International Monetary Fund to build capacity to ‘Administer Domestic taxes within the Oil and Gas Sector’ and ‘conduct Cost Recovery Audits’ from March 2017 to July 2019.

241. The Petroleum Revenue Department has a staff complement of fifteen Officers since its initial establishment in September 2019. It is important to note that of the fifteen Officers, only ten are directly involved in the execution of audits. In addition, the further expansion of the Department is being curtailed by the employment freeze that is adversely affecting the work programme of the Department for the year 2020 and the full operationalisation of the newly instituted Divisions. Targets for the aforementioned Sections will be delineated in the 2021 Annual Work Programme contingent on the provision of staff. The table below highlights the approved staff complement compared to the current staff complement of the Petroleum Revenue Department (PRD).

Divisions/Positions	Approved Staff Complement	Current Staff Complement	Vacancy
Deputy Commissioner	1	1	0
Assistant Deputy Commissioner	1	0	1
Tax Audit Division	26	10	16
Objections & Appeals Division	2	1	1
Cost Recovery Audit Division	19	1	18
Petroleum Engineering Division	1	0	1
Petroleum Revenue Service	17	2	15
Total	67	15	52

242. Effective August 2020, the Department’s mandate was extended to include the following functions:

- VAT Refunds Verification
- Objections and Appeals
- Debt Management
- Assessment and Accounts Examination

243. During the year 2019, the Oil and Gas Sector received tax exemptions totalling \$125.849 billion through the Go-Invest and the Geology and Mines Commission (GGMC). In addition, two companies objected to assessed taxes totalling \$265.626M.

244. Further, applications for VAT refunds by companies in the Oil and Gas Sector for the year 2019 amounted to \$2.422 billion. At the time of reporting in November 2020, VAT refunds totalling \$280.952M were made to one company. VAT Returns totalling \$8.018M were rejected, VAT Refund totalling \$26.792M were disallowed and \$2.100 billion VAT Refunds are being processed by the Authority.

## Customs and Trade Administration

### ASYCUDA World (AW)

245. The ASYCUDA World (AW) programme is an integrated customs management system, which was developed by the United Nations Conference on Trade and Development (UNCTAD) to aid with the modernisation of manifests, customs declarations, accounting procedures, transit, suspense procedures, etc.

246. It comprises two core Modules - e-Manifest and the Electronic Single Administrative Document (e-SAD) that was scheduled for pilot site live operations in March (manifest) and July (declaration), rollout/full deployment in September, after which the full deployment was slated for January 2019. At the time of reporting in November 2020, the Authority has commenced and is using the ASYCUDA World (AW). Thirteen of the functions are fully functional, three are in progress (continuous development), while the remaining seven functions have not been implemented. See details in table below:

Name of Module	Purpose	Remarks
<b>e-Manifest</b>		
e-Manifest	Cargo for transport, commercial and regulatory. It is a control tool to ensure that the manifested cargo is accounted for.	Fully functional
<b>Electronic Single Administration Document (e-SAD)</b>		
(e-SAD)	It serves as the nucleus of AW and accommodates processing of imports, exports, warehousing, temporary admission/imports, transit and other customs formalities where different forms were formerly used.	
e-Manifest	ASYCUDA Waybill Commercial Imports e-SAD (C72e) Tax Exemption Module with CG Letters Exxon Blanket CG Letters CARICOM Imports Warehousing Simplified SAD (Personal Effects)  Motor Vehicle Imports Exports IMD4 replacement for PID - Perishable/Fuel Prior to Processing (PTP) – IMD7 Valuation Module  E-Payment Module Post Clearance Module  Developed SOP's Developed Automatic Reports Partial Scope Trade Agreements Automated C25 Implementation of Fines Offence Module Declaration Tracker Component OLAP (Statistical Reports) EMMA (Electronic Manifest Management ASYCUDA)	Fully functional Fully functional Fully functional Fully functional Fully functional Fully functional Fully functional - implemented in Phases from July 2020 Fully functional Fully functional Fully functional Fully functional Fully functional - implemented in Phases from July 2020 Fully functional – October 2020 Configured and currently being tested for implementation as at July 2020 Continuous Development Continuous Development Continuous Development Pending On-going Discussions Awaiting assistance from UNCTAD Awaiting assistance from UNCTAD Awaiting assistance from UNCTAD Awaiting assistance from UNCTAD

247. With the implementation of the ASYCUDA World (AW), stakeholders (Businesses, Brokers and Individuals) are required to have recommended operating computer systems that are compatible with the technical requirements and internet connection before accessing and using the ASYCUDA World (AW). In addition, all importers (Government Officials, businesses, individuals, etc.) will need a licenced broker to facilitate all imports. At the time of reporting in November 2020, the Authority implemented a help desk that provides a service to Public Officers/Officials as well as persons with disabilities who are granted tax exemptions on motor vehicles which helps to reduce the cost of brokerage for these categories of imports.

248. In addition, the Authority has an In-house Licenced Customhouse Broker who is trained and was successful at a written examination set and monitored by the ASYCUDA World National Project Team (AW NPT) to facilitate the e-SAD, Companies/Businesses processes. However, the “In-house Company Broker” is only authorised to submit declarations on behalf of specific companies/businesses since their authorisation is tied specifically to the Taxpayer Identification Number of the company/business.

249. The estimated cost for the implementation of ASYCUDA World (AW) in Guyana was US\$2.100M. In September 2019, US\$1.890M was paid and the final payment of US\$0.210M is to be made upon satisfactory completion of the Rollout Phase. At the time of reporting in November 2020, the final payment of US\$0.210M equivalent to \$45.465M was made.

**Authority’s Response:** The Head of the Authority explained that The ASYCUDA World was successfully launched in 2019. Approximately 99% of all commercial trade was processed utilising ASYCUDA World as of 31 December 2019. TRIPS Customs has been replaced by ASYCUDA World for Customs processing at all locations with the exception of Lethem. Via letter dated 30 October 2019 from UNCTAD, a request was made for the payment of US\$210,000 for the 4<sup>th</sup> installment-ASYCUDA. Same was approved by the Commissioner-General and the payment was made on 5 December 2019 to UNCTAD.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to improve its services to taxpayers and put systems in place to have all modules fully functional. (2019/36)*

#### Revenue Collection

250. The following table provides a comparative analysis of estimated and actual amounts collected and paid into the Consolidated Fund as reflected in the Statement of Receipts and Disbursements - Customs and Trade Administration, for the fiscal year ended 31 December 2019.

Line Item	Description	Approved Estimates \$’000	Amount Collected & Paid into Consol. Fund \$’000	(Under)/Over Estimates \$’000
5011	Import Duties	21,771,266	22,140,397	369,131
5021	Export Duties	37,423	29,112	(8,311)
5031	Stamp Duties	31,958	40,787	8,829
5051	Alcoholic Beverages	0	0	0
5063	Betting Shops	126,994	59,619	(67,375)
5072	Environmental Levy	2,122,216	2,179,008	56,792
5079	Misc. & Other Taxes	329,912	312,652	(17,260)
5081	Overtime Fees	269,487	200,890	(68,597)
5082	Departmental Fines	155,020	113,947	(41,073)
5083	Warehouse Rent & Charges	20,759	12,893	(7,866)
5084	Liquor Licence	24,464	25,375	911
Total		24,889,499	25,114,680	225,181

251. As shown in the table above, amounts totalling \$24.889 billion were estimated to be collected from customs duties, trade and other taxes, fees, fines and licences for the period under review; while, actual collections paid into the Consolidated Fund totalled \$25.115 billion. This represents a positive variance of 1% equivalent to \$225.181M. Notwithstanding the positive performance, there were shortfalls for six of the ten tax types totalling \$210.482M.

**Authority's Response:** The Head of the Authority indicated that, it agrees with the Auditors reported figures; however, there is a minor variance from the actual collection as against the auditors reported figures. This however, is small compared to the overall collections, and does not significantly affect the variances for 2019. The Customs and Trade Administration initiated measures to maintain increased revenue yields over 2019 due to robust collection and efforts by Customs Officers. These include increased monitoring and compliance visits to importers by the Post Clearance Audit Unit and enhanced risk management and enforcement efforts. In addition, reconciliation visits will be further enhanced to maximise revenues.

#### Customs Refunds

252. Gazetted on 7 December 2018, the Customs (Amendment) Bill 2018, Bill No.18 of 2018, 52 (2) states that *"the duties refunded and applied under subsection (1) shall be from the revenue collected and paid into the Customs and Trade Administration Account of the Revenue Authority and any net customs duty shall be paid into the Consolidated Fund"*. As such, the Authority refunded \$147.673M.

253. The completeness, accuracy and validity of the Customs Refunds of \$147.673M reflected on the Revenue Collection Statement 2019 could not be ascertained due to the following reasons:

- a) The Refunds Register for 2019 was not presented for audit review.
- b) Ninety-six percent of the Refund Application Forms bore no evidence of examinations and approvals by the appropriate Officers.
- c) Refunds totalling \$4.5M were made to auto dealers and not directly to the taxpayers.

**Authority's Response:** The Head of the Authority indicated that:

- a) Records are available to substantiate claims for refunds of \$147.67M. With regard to the register, the records are available electronically which can be used to construct a manual register, if desired. Investigations are on-going to locate the manual register and we will update according.
- b) A written report is usually done as part of the processing for each refund and this is submitted with recommendations and the necessary evidence. The approval or otherwise is endorsed within the report by the authorised Officer at each stage of the transaction, creating a documentary trail. The vouchers and evidence in the file are available for examination.
- c) In order to protect the revenues and minimise revenue loss, a decision was taken to allow auto-dealers to pay the taxes in advance of the sale of the vehicle, and submit applications for the refunds after based on the beneficiary of the tax exemptions. As a result, refunds are sometimes granted to the auto dealers on production of the supporting documents from the beneficiaries of the tax exemption.

254. At the time of reporting in November 2020, the documentations to justify the Authority's response were not presented despite additional request. In addition, the electronic records do not relate to the year under review (2019) but the year 2020.



**Recommendation:** *The Audit Office recommends that the Authority ensure that proper controls are in place to monitor the refund of custom taxes. In addition, all refund documents must be signed by the relevant Officers to provide assurance of its completeness, accuracy and validity. (2019/37)*

255. Examination of fifteen applications submitted by one company revealed that all fifteen applications were submitted on 5 November 2019 claiming refunds totalling \$33.716M for various periods in the year 2018. However, these payments were made on 14 November 2019 of which the application forms had no evidence of being examined and approved by the relevant Officers. Documentations were submitted in September 2020 and it revealed there was a settlement between the Authority and the Company through its Attorney for \$32.701M.

**Authority's Response:** The Head of the Authority indicated that details were subsequently submitted and reviewed. This was a settlement between the GRA and the company for valuation issues as it relates to importation of cement. Applications for refunds are done on the prescribed form which do not provide sufficient space for all the details of the circumstances regarding the refund. As such, detailed reports are prepared, reviewed by senior management and then forwarded to the Commissioner-General for consideration and decision. Once the recommendations in the report are approved, the necessary actions are taken to implement.

**Recommendation:** *The Audit Office recommends that the Authority ensure that all refund documents are signed by the relevant Officers to provide assurance of its completeness, accuracy and validity. (2019/38)*

256. In addition, the Schedule to the Revenue Collection Statement 2019, reflected refunds to this company as \$141.012M; however, documentations were only presented for \$33.716M. As such, documentations were not presented for the variance of \$107.296M. Further, perusal of the 2019 Cash Books revealed that one payment valued \$30.660M was made to this company. Therefore, the amount reflected on the Revenue Collection Statement 2019 could not be substantiated. As the time of reporting in November 2020, documentations with additional information pertaining to the refunds of \$32.701M were presented and reviewed.

**Authority's Response:** The Head of the Authority indicated that details were subsequently submitted and reviewed. The company would have deposited a total of \$141M which included the taxes payable to GRA. When the report on the refund was approved by the Commissioner-General, taxes were ascertained at \$110.3M which was paid to GRA and the difference refunded to the company. The actual payment of refund for KSM for the cement valuation settlement was \$32.701M.

**Recommendation:** *The Audit Office recommends that the Authority investigate the variance and promptly reconciled to reflect the amount stated on the Revenue Collection Statement. (2019/39)*

#### Permits for Immediate Delivery

257. In response to the 2018 Auditor's General Report the Authority stated that with the implementation of ASYCUDA World there will be a suspension of the Permits for Immediate Delivery (PID) to persons who were previously approved and the replacement IMD4 Module will allow for advance payments. However, examination of the PID operations of the Authority revealed that no adjustments were made to remedy these challenges. For the year under review 1,384 PIDs were issued when compared to 589 PIDs in 2018, resulting in an increase of 795 PIDs.

258. In addition, eighteen transactions with estimated taxes totalling \$141.708M were granted to facilitate the importation of Corona, Bud Light and Modelo beers.

**Authority's Response:** The Head of the Authority indicated that the ASYCUDA Pilot for the IMD4 was not completed until December 2019 after which it was implemented in January 2020. In the interim, for the facilitation of trade, PIDs were restricted to the three major oil companies in exigent circumstances. The nature of the commodity traded the guarantees available for payment of the duties and the consequences of interrupted supplies were considerations for the release of the cargo. One importer had non-regional items which were deemed perishable due to their observed condition at the local port, and PID facilities were requested and approved to minimise spoilage and resulting loss of the stock, with reduction of the volume of the chargeable stock. Spoilage of the stock against which of the taxes due would result in revenue loss as in such circumstances the taxes collected could not be retained.

**Recommendation:** *The Audit Office recommends that the Authority continue in its efforts to have importers make payments before the use of this service. (2019/40)*

259. In relation to import duties, 1,384 transactions with estimated duties and taxes totalling \$53.178 billion were facilitated through the PID system. Regulation 50(9) made under the Customs Act 82:01 requires that goods for immediate delivery be entered within ten working days from the date of the permit for the delivery of such goods, excluding Sundays and public holidays.

260. The 1,384 PIDs issued with estimated duties and taxes totalling \$53.178 billion were entered on an average of fifty-two days after the stipulated period. Similarly, in 2018, 589 entries with assessed duties and taxes totalling \$37.090 billion were entered on an average of thirty days after the stipulated time-frame. Failure to ensure that the PID facility is operated within the stipulated framework constitutes a breach of the Customs Regulations and can result in long delays in completing ship and aircraft files.

**Authority's Response:** The Head of the Authority indicated that delays in the processing of the documents for perfecting the transactions resulted from the requirement that the consignees claiming concessionary rates of duty to produce evidence of the delivery of the products to entities with appropriate approval for the exemption of the import taxes in whole or in part. The beneficiaries may also be required to produce evidence of consumption of the product in order to procure the remission of the tax on a claimed quantity. Please note that the transactions were addressed for perfecting on an individual basis and the aggregate of the taxes quoted represents the full duties applicable on product sold to entities which may receive duty exempt product. These entities would have subsequently made claims for the remission of the taxes, in whole or in part. In addition, the liability of importers is limited by the value of their bond for security of the duties. A breakdown of the beneficiaries is submitted for clarification.

**Recommendation:** *The Audit Office recommends that the Authority put systems in place to ensure that the requirements of the Customs Regulations are adhere to. In addition, the Authority should seek to increase the number of days stipulated in the Customs Regulations for the perfecting in PIDs. (2019/41)*

261. The Authority continues to experience difficulty in having PIDs perfected in the stipulated time-frame. During the year under review, the Authority failed to perfect thirty-five PIDs with estimated duties and taxes totalling \$1.351 billion. Similarly, during the years 2015-2018, the Authority failed to perfect twenty-one PIDs with estimated duties and taxes totalling \$131.248M. This constitutes a breach of the Customs Regulations and can result in loss of revenues and long delays in completing ship and aircraft files.

**Authority's Response:** The Head of the Authority explained that delays in perfecting and finalisation of documents for PID's usually occur when there are queries with invoices, Bills of Lading, Tax Exemption letters, etc.; or if requests are made for additional documents such as import licence. Nevertheless, continuous actions were taken to remedy the situation to ensure that PID's are perfected within the stipulated time-frame and bring the files to a closure. As at the end of 2019, most of the outstanding PID's in TRIPS were perfected, leaving an outstanding balance of 36 PID's.

**Recommendation:** The Audit Office recommends that the Authority put systems in place to ensure that the requirements of the Customs Regulations as it relates to PIDs are fully complied with and to continue its efforts to have all PID's perfected in the stipulated time-frame. (2019/42)

Seizures

262. Standard Operating Procedures that were established in accordance with Section 223-227 of the Customs Act 82:01, require that a file be opened and maintained for all cases of seizures until the matter is finalised. At the time of reporting in November 2020, for the years 2015 to 2018, a total of 271 seizure files remained opened. During the year 2019, the Authority did not close 160 files from a total of 661 files. It was noted that, due to pending sale of seizures, disposal of assets and the payment of fines and taxes the 160 files could not have been closed. The estimated revenue to be collected totalled \$80.792M. The table below shows the status of the files for the years 2015 to 2019:

Year	Nº. of Seizures	Nº. of Files Closed	Nº. of Files Not Closed
2015	306	283	23
2016	412	338	74
2017	361	280	81
2018	425	332	93
Sub-Total	1,504	1,233	271
2019	661	501	160
Total	2,165	1,734	431

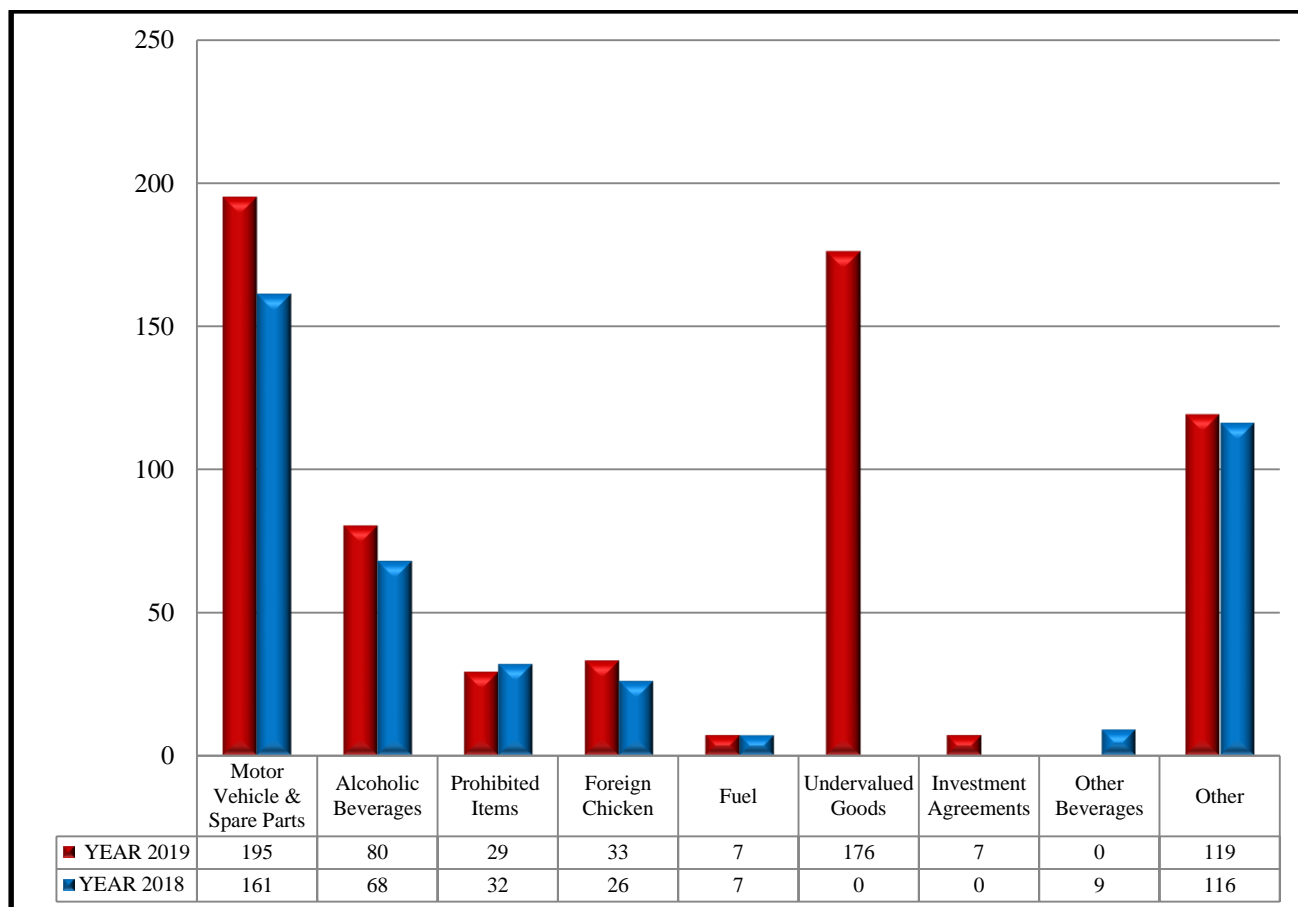
**Authority's Response:** The Head of the Authority indicated that the above table correctly reflects the current status with respect to files closed and outstanding within LEID for the period 2015 to 2019. LEID would have closed over seventy-five percent of the files which were opened during the years 2018 and 2019. However, LEID was unable to close a substantial number of files as a result of, inter alia, some offenders who opted to settle the matters in lieu of court proceedings are yet to effect payment of same; while there are two matters which are engaging the Court's attention. With respect to the earlier years (2015 to 2017), these files are yet to be closed for the very same reasons stated above and the fact that some of the offenders are yet to be located to effect payments. Notwithstanding same, the Division will continue to work assiduously to locate these individuals, and dispose of the items to have those files closed.

**Recommendation:** The Audit Office recommends that the Authority continue its efforts to ensure seizure cases are addressed promptly so that all outstanding revenue are promptly collected and files are closed within a reasonable time-frame. (2019/43)

263. Of the 661 seizure files opened in the year 2019, 56% or 371 were in relation to motor vehicles and spares, and undervalued goods, while the remaining 290 seizure files were in relation to alcoholic beverages, foreign chicken, prohibited items, investment agreements, fuel and others.

264. The Authority has implemented various measures such as the excise tax stamps affixed to alcoholic beverages and the ASYCUDA World which helped to curb the smuggling of alcoholic beverages and to identify undervalued goods during clearance. In addition, during 2019, the Authority Reviewed Investment Agreements established through Go-Invest and GGMC for compliance. As a result of the review, items were seized and the relevant taxes were received by the Authority. The graph below provides a comparison of the categories of seizures between the years 2019 and 2018.

Comparison of Categories of Seizures for the years 2019 and 2018



**Figure 5**

265. The Authority continues to experience delays in dealing with seized items from taxpayers. Items seized in prior years were not disposed of as frequent as items seized in 2019. As such, this delay resulted in the deterioration of related goods and subsequent loss in revenue. During the year under review, the Authority collected amounts totalling \$1.003 billion, \$102.570M and \$24.741M as additional duties and taxes, fines and conveyances and sale of seizures, respectively.

**Authority's Response:** The Head of the Authority indicated that the Department has addressed the processing of seizures in a more expeditious manner in recent years. It must be noted; however, that seizures are generally disposed in accordance with the provisions of Section 226 of the Customs Act, Chapter 82:01. In view of same, processing of seizures may be delayed, in some instances, as a result of, inter alia, on-going investigations, on-going court matters, awaiting payment of outstanding liabilities. Notwithstanding same, steps are generally taken to prevent loss of revenue; since LEID continues to dispose of seized goods expeditiously in accordance with the provisions of the Customs Act, Chapter 82:01.

**Recommendation:** *The Audit Office recommends that the Authority take steps to ensure that the processing of seizures is done as soon as possible since the delay to do so can result in the deterioration of the related goods and subsequent loss in revenue. (2019/44)*

Sealed Bid exercise held on 13 February 2020

266. Items seized between the years 2012 to 2017 were disposed of on 13 February 2020. Eighty-four vehicles were disposed of by way of sealed bid exercise held on 13 February 2020. It was observed that the items (vehicles, ATV, Canters, etc.) were in a deplorable condition. As such, it proves that delays in disposing of seized items can result in the deterioration of seized items stored at the State Warehouse. Additional verification revealed that bidders sought refund after purchase by way of sealed bid for items that were in a deplorable condition.

**Authority's Response:** The Head of the Authority indicated that the delay of disposal of seizures, can result in deterioration of the items. It should be noted that these items that were disposed were indeed in a deplorable condition; however, in order to dispose of any item there must be records available to peruse and determine required action. These items were seized over a decade ago under previous management who are no longer in the employ of GRA. Records were difficult to locate to determine the status of some of the items. LEID acted with approval by the Commissioner-General to dispose of the items to recoup some amount of revenue. LEID will; however, continue to make all efforts to have items disposed in a timely manner in keeping with the laws administered.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to ensure seizure cases are disposed promptly so that the Authority can receive maximum revenue from sale of seizures. (2019/45)*

267. A sample of fifty-nine seizure files was examined, and the following observations were made:

- a) Persons would write the Commissioner-General requesting to buy seized alcoholic beverages. However, on three occasions' large amount of seized alcoholic beverages were sold to two businesspersons and there are no letters of request to purchase these alcoholic beverages from the Authority.

**Authority's Response:** The Head of the Authority indicated that the two business persons wrote to the Commissioner-General for the purchase of alcohol which was approved. However, the letters were not placed in the actual files for which the alcohol was disposed. The letters are available for perusal by the auditors. In addition, one of the business persons requested to purchase alcohol based on an advertisement by GRA which was placed in the daily Newspaper for disposal of alcohol.

- b) In addition, one of the businesspersons received a discount of \$2M. The reasons for the discount as stated in an e-mail between the businessperson and the GRA Official are: (a) the price was too high, even though other seized alcohol beverages of the same type were sold at that approved price; and (b) the bottles and labels were damaged. However, photos in the seizure files showed that the items were well secured, were seized in February 2019 and sold in May 2019.

As such, the Authority need to ensure that better controls are implemented since this method of disposal can lead to collusion and inappropriate conduct between the Authority officials and taxpayers.

**Authority's Response:** The Head of the Authority indicated that it should be noted that in this specific instance referred to in the audit report, the selling price for the alcoholic beverages were reduced in view of the following: (1) the initial price per a bottle of Absolut Vodka was stated on the GRA's approved price list as three thousand dollars (\$3,000), which was communicated to the purchaser; (2) the purchaser then wrote the Commissioner-General and expressed concerns that the actual whole sale price for the alcohol (Absolut Vodka) was approximately the same as GRA's disposal price and same would result in him not being able to sell the item; (3) the purchase also indicated that some of the items are not the original, especially Absolut Vodka and Jonny Walker Black and Double black; and (3) LEID was instructed by the Commissioner General to review same. As a result, LEID conducted an independent verification and it was determined that the actual whole sale price for the item at some business establishments were below the GRA's disposal price. In addition, management of LEID was advised by its warehouse Officers that the condition in which some of the alcoholic beverages were stored resulted in, among other things, damage to the labels on some bottles. In view of the foregoing, the Commissioner-General considered the abatement in price to, inter alia, prevent further damage and loss of revenue. Copies of such correspondence and all photos of the condition of the alcohol are available for audit scrutiny. It should be noted that in view of the findings stated above the approved disposal price for some of the alcoholic beverages including Absolut Vodka were reviewed to bring same into conformity with a reasonable market value. In fact, in 2019, a similar issue was raised in a meeting at the Office of the Auditor General, who expressed, inter alia, that the GRA's disposal price for some items may be too high, in his view, and should be revised.

**Recommendation:** *The Audit Office recommends that the Authority make every effort to dispose of seizures in a manner that will maximise revenue collections and to have controls in place to facilitate transparency. (2019/46)*

- c) Two Toyota Land Cruisers were seized and disposed of by way of a letter of request and was sold for \$50,000 each. As such, the Authority received \$100,000 Guyana dollars for two Toyota Land Cruisers. Additional audit verification revealed that these Land Cruisers were registered on 14 March 2019.

**Authority's Response:** The Head of the Authority indicated that both of the motor vehicles were disposed as approved by the Commissioner-General after consideration was given to the fact that the said motor vehicles were eight and nine years old, respectively, at the time of disposal, coupled with them developing mechanical and electrical problems, which may have been due to the conditions under which they were stored.

**Recommendation:** *The Audit Office recommends that the Authority make every effort to dispose of seizures in a manner that will maximise revenue collections. (2019/47)*

268. Over the past three years (2017-2019) it has been a concern that seized cash is in the possession of the Authority and not being deposited into the Escrow or the Consolidated Fund.

Year	Currencies		
	US\$	SRD	EUR\$
2017	74,750	25	0
2018	20,869	812	0
2019	130,760	0	50,000

269. At the 2019 year-end cash count, US\$280,760 and EU\$50,000 equivalent to approximately \$70.66M Guyana dollars and an additional sealed bank deposit bag with no details as to the amount of cash contained within, was in the possession of the Authority. It was reported that the Law Enforcement and Investigation Division (LEID) lodged the moneys for safekeeping. As such, there is a breach of Part VII (44) of the Fiscal Management Accountability (FMA) Act and there is room for the misplacement of these amounts.

**Authority's Response:** The Head of the Authority acknowledged the comments of the Auditor General. In administering the Foreign Exchange (Miscellaneous) Provisions Act, specifically where such persons fail to make a declaration, the following procedure as prescribed therein must be noted: (1) The Officers would inform and caution the passenger of the offence committed as well as the penalties to be followed; (2) Thereafter, the passenger and the quantity of foreign currency are escorted to LEID to, among other things, assist with the investigation; (3) Each note is checked and the serial number is recorded in the presence of the offender, after which a Notice of Seizure is prepared in triplicate and a copy of same is served/given to the offender; (4) LEID then immediately hand over the currency to the Revenue Accounting and Central Processing and Registration Unit for same to be held in an Escrow Account, pending the completion of the investigation/court proceedings; and (5) After forfeiture is effected, the money is transferred to the Consolidated Fund for the benefit of the state and a copy of the investigative report with all documents/information stated therein are recommended to be shared/sent to the Financial Intelligence Unit and the Special Organised Crime Unit for completed actions to be taken in accordance with the respective laws administered by those agencies.

270. Another cash count of seized cash for 2019 was conducted in June 2020 and the Authority was still in possession of these amounts. However, at this time, all the deposit bags were sealed and the amounts written on the bags. These amounts are G\$118,000, US\$280,760 and EU\$50,000 which is equivalent to approximately G\$70.878M. As such, there is a breach of Part VII (44) of the Fiscal Management Accountability (FMA) Act.

**Authority's Response:** The Head of the Authority indicated that all currency seized by LEID was handed over to the Revenue Accounting and Central Data Processing and Registration Unit, in the manner as stated above. However, there are Standard Operating Procedures (SOP's) and laws which are deciding factors in why they are still in the possession of the GRA. Further, the said amount and procedures were questioned by the NSC, and also subjected to court jurisdiction by the NSC. Consequently, the GRA saw it prudent not to dispose thereof until these matters were clarified, and court proceedings completed.

**Recommendation:** The Audit Office recommends that the Authority comply with the Fiscal Management Accountability (FMA) Act and ensure that seized cash are deposited promptly to the ESCROW Account and transferred to the Consolidated Fund where applicable at the conclusion of the investigations. (2019/48)

271. A physical inspection conducted on 17 July 2019 at the Enforcement and Investigation Department Bonds at Corriverton, Berbice revealed the following deficiencies:

- a) The bonds are in poor condition. One of the bonds did not have any ventilation and poisonous substances, alcohol, coil, etc. are stored therein. This is a fire and health hazard.
- b) Items seized and detained for prior years are not properly stored and labelled with Seizure or Detention Notices. As a result, it was not possible to verify items seized and detained in the bonds for prior years.
- c) There are large quantities of prohibited and restricted items such as poisons, coils, Styrofoam boxes, etc. stored therein.

272. At the time of reporting in November 2020, due to the current pandemic (COVID-19) we were unable to verify that the necessary corrective actions were taken by the Authority.

**Authority's Response:** The Head of the Authority indicated that LEID Office at Bank Road, Springlands, Berbice has two bonds where all seized/detained goods are stored. However, deciding on which of those bonds seized/detained goods are stored depends on space availability in either of the two bonds at the time of detention/seizure of the goods. All seized/detained goods are labelled; however, with the passage of time those labels became faded and worn. Steps have since been taken to replace those labels with new ones. The seized/detained goods remain in the area it was first placed at the time it was seized/detained. However, due to the unavailability of storage space, from time to time other seized/detained goods will be packed on those previously detained/seized goods. Management of LEID has since taken necessary action to dispose of some of these items. For items that have not been disposed, action will be taken to dispose of same accordingly.

**Recommendation:** *The Audit Office recommends that the Authority ensure that: (i) the bonds are in good condition; (ii) items seized or detained are labeled and packed properly; and (iii) prohibited and poisonous substances are disposed of in the shortest possible time. (2019/49)*

273. Examination of the Goods Lodgment Register revealed that two seizures were done on 14 September 2018 and one on the 14 October 2018 with taxes and fines totalling \$1.952M and \$0.436M respectively and the items seized are in the possession of the offenders and not the Authority. At the time of reporting in November 2020, two seizures remained outstanding with taxes and fines of \$0.159M and \$0.118M.

**Authority's Response:** The Head of the Authority indicated that with respect to seizure made on 14 September 2018, the goods detained (cellular phones and accessories) were not removed; since, inter alia, an inventory was conducted at the premises and the offender signed and accepted responsibility for same. On completion of the investigation, the offender was made to pay the applicable taxes (\$614,015) and fine (\$307,008) as approved by the Commissioner-General, since he was unable to prove legal importation. The matter has since been closed.

With respect to the seizure made on 14 October 2018, the quantity of cellular phones and other items were not removed from the premises since, inter alia, the alleged offender signed and acknowledged responsibility for the items found at the premises and he was given the opportunity to prove that same were lawfully entered in accordance with section 263 of the Custom Act, Chapter 82:01. On completion of the investigation the offender paid the required taxes (\$218,138) and commenced payment of fine (\$100,000) to resolve the matter. The offender has an outstanding balance of \$118,138 to complete payment of the fine.

**Recommendation:** *The Audit Office recommends that the Authority take steps to ensure that these matters are resolved in a timely manner. (2019/50)*



274. It was reported in the 2018 report that, there were items that were seized and detained during the years 2016 and 2017 by the Law and Enforcement Investigation Department at the Lethem Integrated Tax Office and the Authority took no action at the time of reporting in September 2019. These items are stored in the walkway or the center of the Internal Revenue Department while others were stored in the Internal Revenue Department compound being exposed to the rigorous weather. As such, the delay in processing these seizures can result in deterioration of the goods and subsequent loss in revenue. At the time of reporting in November 2020, due to COVID-19 we were unable to verify that the items were disposed by the Authority.

**Authority's Response:** The Head of the Authority indicated that system will now be put in place to have IRTO Secretariat engaged the Management of Law Enforcement and Investigation Division (LEID) to dispose of the items soonest.

**Recommendation:** The Audit Office recommends that the Authority take steps to ensure that the items are disposed in a timely manner since delay to do so can result in the deterioration of the related items and subsequent loss in revenue. (2019/51)

Want-of-Entry

275. Efforts were made by the Authority to dispose Want-of-Entry items on a regular basis when compared to prior years. During the year under review, Want-of-Entry items to be disposed were published three times in the Official Gazette and two Sealed Bids opening exercises were conducted.

Date published in the Official Gazette	Number of Vehicles	Date verified by Auditors
3 November 2018	48	10 & 11 January 2019
30 March 2019 3 April 2019	72	30 May 2019
24 August 2019	79	8 October 2019

276. Audit examination of the records maintained by the Authority for the disposal of the items revealed the following:

Sealed Bid exercise held on 3-4 July 2019

- a) It has become a practice of the Authority to dispose Want-of-Entry vehicles to individuals by way of letter of interest. In the years 2018-2019, twenty-one vehicles were disposed in this manner. Further, in some instances these vehicles were advertised to the public to be purchased through sealed bids exercises. As such, large amounts of bids are received for these items and are deemed spoiled while conducting the sealed bid exercises. In addition, it reduces the competitiveness and can result in revenue lost.

**Authority's Response:** The Head of the Authority indicated that persons who expressed their interest in writing to purchase such item are considered in cases where, inter alia: (1) The bidders failed to honor their obligation and there is little or no major disparity between the initial bid amounts and the sum offered by such person who expressed interest in the subject matter. Thus, such person may be considered to effect the purchase in order to prevent further depreciation to the subject matter and loss of revenue; and (2) Moreover, the Revenue Authority, in response to concerns raised by members of society that, inter alia, the system is unfair since it does not cater for the benefit of a wider group of persons; adjusted its approach to give all such persons an opportunity to benefit in a fair, objective and impartial manner while at the same time to maximise revenue collection which is consistent with its mandate. Please note, copies of this policy and all such related documents stated herein are available for perusal by the Auditors.

- b) Seven vehicles were disposed, but not to any of the successful bidders. To note, fifty-eight sealed bids were received for five of the vehicles.

**Authority's Response:** The Head of the Authority indicated that of the seven vehicles mentioned in this paragraph, five were returned to the importers who laid claim for same and provided evidence that full taxes were paid prior to items being gazetted; and the remaining two were donated to the Ministry of Health.

**Recommendation:** *The Audit Office recommends that the Authority dispose these items with a view of maximising revenue collections. (2019/52)*

- c) Eighteen Want-of-Entry vehicles were disposed by way of sealed bids on 3-4 July 2019. However, as at April 2020 the successful bidders did not honour their obligations.

**Authority's Response:** The Head of the Authority indicated that once the successful bidders do not honor their obligations, the items remain for disposal or same may be re-auction. This is one reason why many WOE are still at the warehouse, and subjected to the practice alluded to in 33(a).

**Recommendation:** *The Audit Office recommends that the Authority continue in its efforts to dispose these items and to enforce the requirements highlighted in the invitation to sale of motor vehicles by sealed bid. (2019/53)*

Sealed Bid exercise held on 13 February 2020

277. Thirty-four Want-of-Entry vehicles were disposed by Sealed Bids on 13 February 2020. Examination of the records revealed that two of the vehicles were removed from the warehouse after the publication. Fifty-eight bids were received from intended purchasers for one of the vehicles and no bid for the other.

**Authority's Response:** The Head of the Authority indicated that one of the items which is a motorcycle was returned to the importer since taxes were paid prior to the item being gazetted. However, the importer only laid claim and provided his documents to prove payment of duty and taxes sometime during the auction process. The second was assigned to GRA for use by the Chairman of GRA's Governing Board.

**Recommendation:** *The Audit Office recommends that the Authority dispose all want-of-entry items with a view of maximising revenue. (2019/54)*

Sealed Bid exercise held on 19 February 2019

278. Audit examination of the thirty-four vehicles disposed revealed the following:

- a) One of the vehicles was not sold to any of the successful bidders and the other vehicle was sold for \$400,000; while, the first bidder bid \$1.8M. To note, these vehicles were registered at the time of reporting in November 2020.
- b) Nine of the vehicles were removed by request of the Commissioner-General. However, no documentation to substantiate same was presented. Two were removed after publication of which 194 bids were received by intended purchasers, resulting in an estimated loss of revenue of \$14.475M.

**Authority's Response:** The Head of the Authority explained that of the nine motor vehicles mentioned, one was assigned to GRA for operational use, two were assigned to Office of the Prime Minister and six were disposed by way of sale in keeping with the provisions of the Customs Act, Chapter 82:01.

- c) It could not be determined if the bidders' honoured their obligations by making payments for the remaining twenty-five vehicles/items. At the time of reporting in November 2020, the vehicles were disposed of by successful bidders honouring their obligation, re-auction, return to importer after all duties and taxes were paid, allotment to the Authority for operational use and temporary allotment to the MoPH for the fight against COVID-19. As such, six of the vehicles are in the possession of the Authority awaiting disposal.

**Authority's Response:** The Head of the Authority explained that of the twenty-five motor vehicles remaining, thirteen were paid for by successful bidders and twelve the successful bidders failed to honour their obligations. As such, the motor vehicles were subsequently disposed as follows: two were assigned to GRA for use where one was temporary assigned to the Ministry of Public Health to assist with the fight against COVID-19; six are currently in GRA's Custody at the Warehouse and Wharves; two were re-auctioned where the bidders honoured their obligations; and two were returned to importer who laid claim and provided evidence to show that full taxes were paid prior to the vehicles being gazetted.

**Recommendation:** *The Audit Office recommends that the Authority continues in its efforts to dispose these items and to ensure that the ultimate purpose will be to maximise revenue collections. (2019/55)*

#### Sealed Bid exercise held on 24 September 2018

279. Seal bids were received for seventy-one vehicles/items of which fifty-five of the bidders honoured their obligations. At the time of reporting in November 2020, the remaining sixteen vehicles/items are stored at the State Warehouse since the successful bidders on two sealed bid exercises did not honour their obligation.

**Authority's Response:** The Head of the Authority indicated that of the seventy-one items auctioned, forty-three successful bidders honoured their obligations, twenty-one failed to honour their obligations, and seven of the items NO BIDS were received. Of the twenty-eight items that remained, two were handed over to GRA for operational use, and twenty-six were re-auctioned. Sixteen of the twenty-six items are currently stored at the GRA's Warehouse Facility since bidders failed to honour their obligations and ten were disposed.

**Recommendation:** *The Audit Office recommends that the Authority continue in its efforts to dispose the want-of-entry items in a timely manner. (2019/56)*

#### Private Warehouses

280. Despite several requests the information on the number of warehouses in operation, the inventory at the warehouses and the taxes for the vehicles warehoused by the Private Warehouses owners for 2019, was not presented for audit. In the circumstance, the scope of the audit was restricted and the completeness and accuracy of the operations of the private warehouses could not be ascertained.

281. Audit review revealed that all existing warehouses legacy data were updated to the ASYCUDA database. The transition to this platform realised a cease of warehouse work utilising the TRIPS automated system which caused a halt of manual warehouse registers. The Warehouse Section requested a report from the ASYCUDA Team to address this concern and one was provided that still requires modifications. As such, it was promised by the Warehouse Section that the proper configurations of the necessary reports are currently a work in progress that is still being addressed by the Private Warehouse and ASYCUDA sections.

**Authority's Response:** The Head of the Authority indicated that twenty-nine Warehouses are in operation. It should be noted that manual records are available to conform the requested data; in addition, to the registers at the warehouse keepers. In an effort to automate the warehousing process, ASYCUDA team was approached to implement the warehousing module. However, this has not been fully developed to the needs of Customs, and is still work in progress as it is being modified. The legacy stock of the warehouses has been transferred to the ASYCUDA database.

**Recommendation:** *The Audit Office recommends that the Authority take the necessary steps to have the information prepared in an informative manner to facilitate audit examination and present the same for audit review. (2019/57)*

282. Over the years, the Authority continued to have major difficulties as it relates to the proper supervision and maintenance of Private Warehouse bonds as is required in Section 99 of the Customs Act Chapter 82:01.

283. Bonds are required to be established by the owners of private warehouses for warehousing of goods without the payment of duty and taxes on their first entry. In 2019, one hundred and seventeen bonds valued at \$4.750 billion were in existence with five commercial banks and four insurance companies. Examination of the 117 bonds revealed the following:

- a) Despite various verbal and written requests, at the time of reporting in November 2020, confirmation was not received for 117 bonds that are in existence. During the year under review, eleven new bonds valued at \$371.200M were established by the warehouse owners of which no confirmations were received. Similarly, in the years 2016 to 2018. A total of 105 were not conformed. In the absence of the confirmations, the existence of the bonds could not be ascertained.
- b) Sixteen original bonds valued \$277.860M were not in the possession of the Authority. However, fourteen photocopy bonds were presented for audit. To note, the fourteen bonds did not have the original revenue stamp but photocopied ones.
- c) Revenue stamps at a value of 2% of the bond value should be attached to the bond. However, thirty-three bonds valued at \$1.966 billion did not have the required revenue stamps totalling \$39.330M.

284. As a result, the Authority is in breach of the Customs Act and related Standard Operational Procedures. The validity of the bonds is compromised.

**Authority's Response:** The Head of the Authority indicated that:

- a) These bonds are still in effect. Letters were also written to the Banks and other Guarantors reminding that the CG's permission was required before any bonds could be cancelled. The letter prescribed by the Auditor General for verification of the bonds was served on the institutions which issued the bonds but the format required that responses be sent directly to the AG.
- b) During the transition from Main Street some original bond documents went missing and verification of all bonds were done with all the financial institutions. In addition, the photocopied bonds presented were obtained from the original kept by the bondholders or warehouse keepers. Several bonds with the necessary original stamps were found while for a few others, the copies of the stamps are included in the respective files.

- c) In response to the absence of the originals of the bonds which were misplaced at the transfer of the CTA from the Camp Street offices, the institutions which issued the bonds were required, in writing to conform the validity of the bonds. The responses were shared with the auditors and are available for inspection by the auditors. The Private Warehouse unit is currently conducting as a work in progress, the identification, and proper storage of each issued bond in keeping with the newly actioned bond management approach.

285. In addition, to improve the management of the bonds, the Private Warehouse Unit has commenced an approach of keeping the originals of all bonds (with stamps) in one place and by date. The Principal Manager or Manager of the unit is assigned the responsibility of for security purposes while copies of the originals will be placed in the respective files.

**Recommendation:** *The Audit Office recommends that the Authority take the necessary steps to verify that all warehouse owners have valid bonds in place and a report of same should be submitted to the Audit Office. Follow-up action should be taken with the various institutions to have the confirmations submitted promptly. (2019/58)*

286. In 2018, there were thirty-five private warehouses in operation, field visits were made to thirteen of the warehouses during March and April 2019 to ascertain that the records maintained by the Authority and the Warehouses corresponded, to verify the inventory of the stocks and to examine the storage condition of the items in the warehouses. During these field visits the following were revealed:

Warehouse №.1

- a) Two vehicles were not properly released in Warehouse Register and we could not verify its status since the register maintained by the Authority was not located and presented. At the time of reporting in November 2020 the register was not presented.
- b) Two items were recorded as being cancelled in the Warehouse Register. However, we were unable to verify since the register maintained by the Authority was not located and presented. Additional audit verification at the Licence Revenue Office revealed that the vehicles were registered and sold in Berbice, of which no taxes were paid for these vehicles. At the time of reporting in November 2020 the register was not presented.
- c) One Toyota Hiace bus was in a deplorable state and it was observed that it is used for spare parts. At the time of reporting in November 2020, the vehicle was due to be re-warehoused but it was not. The estimated taxes are \$543,100.

**Authority's Response:** The Head of the Authority indicated the following steps to address the observations:

- a) The Authority will review and update the Authority's register with the correct entry and receipt particulars.
- b) Efforts are being made to locate the register and present for audit verification.
- c) According to the Private Warehouse Register, the Toyota Hiace is currently in the warehouse. GRA would make recommendations to have the item Re-warehoused.

**Recommendation:** *The Audit Office recommends that the Authority take steps to ensure that the warehouse adheres to the requirements of the Customs Laws and Regulations applicable to warehousing of goods. (2019/59)*

### Ship Files

287. Standard Operating Procedures (SOPs) require files to be opened and closed for all in-coming and out-going vessels within forty-two days. If files are still opened at a transit shed after this period, a report is prepared stating the reasons for the incompleteness. For the years 2012 to 2018, the Authority's was still to close a total of 1,238 ship files. In 2019, a total of 2,026 vessels arrived at the various Ports for which files were opened. However, only 1,501 files were closed, while the remaining 525 files remained opened. The table below provides details of the status of the in-coming ship files.

Transit Shed	No. of Files Opened	No. of Files Closed	No. of Files Not Closed
<u>Georgetown</u>			
Boathouse	857	666	191
D.S.C.L.	104	60	44
G.N.I.C.	107	08	99
G.N.S.C.	39	36	03
J.F.L.	294	143	151
Muneshwer's	55	34	21
Sub-total	1,456	947	509
<u>Out-of-town</u>			
Anna Regina	0	0	0
Bartica	8	7	1
Corriverton	353	353	0
New Amsterdam	102	102	0
Linden	107	92	15
Sub-total	570	554	16
Total	2,026	1,501	525

**Authority's Response:** The Head of the Authority indicated that fifty-one more files have been completed after the completion of the audit, notwithstanding the impact of staff constraint given COVID-19 pandemic. Nevertheless, efforts are on-going to increase file closure by assigning files to specific Officers for completion.

**Recommendation:** The Audit Office recommends that the Authority take appropriate action to have all ship files closed within the stipulated time-frame and ensure that established procedures are fully complied with. (2019/60)

### Prior-to-Processing (PTPs)

288. Section 270 of the Customs Act gives the Commission-General discretionary power to permit the entry, unloading, removal and loading of goods, and the report and clearance of aircrafts and ships in such form and manner as he may direct to meet the exigencies of any case to which the customs laws may not be conveniently applicable. As such, it is the policy of Authority to allow the release of goods under the Prior-to-Processing (PTP) facility based on the urgency of the goods and/or expediency of shipping arrangements as in the cases of exports. In addition, PTP documents are required to be fully processed immediately following the release of cargo. For the year 2019, a total of 3,777 declarations with estimated tax of \$648.539M were processed under the PTP facility.

289. One of the main reported reasons for ship and aircraft files not being closed in a reasonable time is the non-perfection of PTP entries. However, the Authority continues to neglect the importance of having PTP entries perfected within the stipulated ten working days. Examination of the PTP registers for the year under review revealed that 394 PTPs entries with estimated taxes and duties totalling \$531.933M were not perfected at the time of reporting in November 2020. For the year 2018, 402 PTPs entries with estimated taxes and duties totalling \$25.997 billion remained outstanding. As a result, the Authority may continue to have long delays in completing ship and aircraft files. The table below provides details for 2019.

Type of Importers	Nº. of Importers/ Exporters	Nº. of PTPs Outstanding
Government Agencies	8	107
Ministries	6	48
NGOs	3	14
Hospitals	1	26
Embassy/Caricom	2	8
Companies	19	132
Individuals	21	59
Total	60	394

**Authority's Response:** The Head of the Authority indicated that the approval for PTP are usually considered for companies/agencies that are entitled to tax exemptions; where it is reasonably certain that tax exemptions would be granted or where the items are free by tariff. These includes exporters of rice, state/budget agencies, large scale mining companies that have Investment Agreements with the Government of Guyana, NGO's and Hospitals and Diplomatic Missions. The estimated taxes were computed from the CIF declared at the time of granting the PTP's and when the PTP's are perfected, due to the tax exemption status of the item/agency, no tax is collected. Letters were dispatched to the defaulters on many occasions and the beneficiaries were advised of the consequence of non-compliance. Further requests for PTP is either refused or the applicant is requested to deposit the estimated taxes. Based on the summary table above a total of 121 PTP's have been perfected and GRA is continuing its efforts to have all PTP's perfected.

**Recommendation:** *The Audit Office recommends that the Authority ensure that the requirements of the Customs Policies as it relates to PTPs are fully complied with. (2019/61)*

#### Merchant's Overtime

290. The total Overtime Fees collected for January to December 2019 was \$200.890M or 1% of the total revenue collected by Customs. This represents a negative variance of \$68.579M below the approved estimates. Despite several requests for overtime paid and outstanding overtime for the year 2019, the information relative to overtime was not presented for audit examination. In the circumstance, the scope of the audit was restricted and the completeness and accuracy of the amounts reflected as merchant overtime could not be ascertained. At the time of reporting in November 2020, the Authority failed to present the necessary documentations to substantiate its response.

**Authority's Response:** The Head of the Authority acknowledge the comments of the Auditor General. In relation to the period under review (2019) and in respect of the Wharves and Boathouse, the information requested is always available at the discretion of the auditor. Further, it may be noted that for the period under review, to-date overtime paid is \$82.920M, overtime outstanding is \$13.076M. Thus, efforts are being made to obtain outstanding sum from the respective agents. Additionally, it may also be noted that cash payments for overtime services performed are not reflected in the above total.

**Recommendation:** The Audit Office recommends that the Authority comply and present the information in a timely manner for audit review. (2019/62)

291. For the year 2018, the Revenue Statement and overtime records maintained by the various Units continue to reflect substantial variances. During the year 2018, the Revenue Statements reflected the sum of \$222.938M, while the various registers (cash payments and payments made on-demand) reflected amounts totalling \$122.445M, resulting in a variance of \$100.493M. Similarly, for the years 2015-2017, variances totalling \$121.085M were reflected between the revenue statements and the various registers. The table provides details:

Year	Revenue Statement \$'000	Authority's Records \$'000	Variances \$'000
2015	77,387	64,978	12,409
2016	92,613	64,978	27,635
2017	144,765	63,724	81,041
Sub-Total	314,765	193,680	121,085
2018	222,938	122,445	100,493
Total	537,703	316,125	221,578

**Authority's Response:** The Head of the Authority indicated that overtime payments (both Cash and Demand Payments) for different Transit Sheds can be paid at the Boathouse or any other Transit Sheds, and as such the Revenue Statement of a specific Transit Shed would not necessarily agree with the Overtime records for that Transit Shed, since the Statement may reflect Overtime payments for multiple Transit Sheds, hence reason for variances. Additionally, it is important to note that multiple agents might have work at the same Transit Shed on the same date and time for work done simultaneously, hence, Officers names are usually replicated on multiple requests (C43) but the Officers can only claim once. However, the agents are obligated to pay for the services requested on each request (C43). This may also be responsible for the variances.

292. Management had explained over the years that efforts were on-going to determine the reasons for the variances and a computerised system of sub-codes to identify taxpayers making payments will be implemented to assist in the reduction of these variances. However, at the time of reporting in November 2020, an updated position on the matter was not presented.

**Authority's Response:** The Head of the Authority indicated that a software solution for this did not materialise because of other priorities on the Information Technology Department.

**Recommendation:** The Audit Office recommends that the Authority seek to implement the computerised system as soon as possible to properly account for overtime payments received from Merchants. In addition, a reconciliation of payments received against the respective demands should be carried out to determine whether all demands issued were fully honoured by the Merchants. (2019/63)



### Liquor Licence

293. The total Liquor Licence collection for January to December 2019 amounted to \$25.375M, which is equivalent to \$911M above the approved estimates.

294. Examination of the various TRIPS reports presented for audit revealed that there were 1,131 registrants in the Liquor Licence database as at 31 December 2019. Additional examination revealed that 2,433 individuals purchased liquor licences in 2019. As such, the number of individuals that purchased liquor licences supersedes the total number of registrants in the TRIPS database. Similarly, in 2018, there were 2,704 registrants in the Liquor Licence database and 3,986 individuals purchased and renewed their licences. In the circumstances, the completeness and accuracy of the amounts reflected as liquor licences could not be ascertained. See details in the table below:

Locations	Licences Purchased	TRIPS Report	Variances
Anna Regina Essequibo	269	1,131	1,302
Bartica	56		
Camp Street	1,326		
Corriverton	117		
Lethem	29		
Linden	36		
New Amsterdam	600		
Total	2,433	1,131	1,302

295. At the time of reporting a list of Liquor Licence registrants were presented and are currently being reviewed. It should be noted, that the Authority presented the TRIPS Reports that highlighted 1,131 Liquor Licence registrants on 4 June 2020.

**Authority's Response:** The Head of the Authority indicated that the registrants for liquor licences were approximately 2,850 of which 2,457 purchased licence resulting in 392 defaulters. The estimated fees from the 392 defaulters was approximately \$907,300. In 2018, there were 293 defaulters with estimated revenue of \$623,800. The department will continue to actively pursue the defaulters by issuing reminding letters.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to record the accurate number of registrants in the Liquor Licence database and to put measures in place to have all defaulters comply with the applicable laws. (2019/64)*

### Tax Exemptions

296. Exemptions from duties and taxes totalled \$190.441 billion for the period under review, as compared to \$134.236 billion in 2018. This represents an increase of \$56.205 billion or 41.87% over the corresponding period.

297. In addition, it should be noted that the value of revenue foregone for the year 2019 represents 84.27% of the actual revenue collected by the Authority. The table below gives details of tax exemptions granted according to concession categories.

Type of Exemption	2019		2018		Variance
	№. of Entries	Amount \$'000	№. of Entries	Amount \$'000	Amount \$'000
<u>Conditional Tax Exemptions</u>					
Companies/Businesses	11,213	172,319,707	9,359	104,762,530	67,557,177
Ministries/Government Depts.	820	2,337,330	1,034	4,444,706	(2,107,376)
Remigrants	182	439,565	210	988,637	(549,072)
Churches/Charitable Organisations	188	2,158,377	230	1,858,592	299,785
Diplomats	68	700,317	166	800,324	(100,007)
Public Officials/Officers	909	2,178,993	573	585,049	1,593,945
Foreign Funded Projects	145	966,213	270	2,527,315	(1,561,102)
Hospitals	553	152,311	530	142,468	9,843
Others	10	401,355	61	157,238	244,117
Sub-Total	14,088	181,654,169	12,433	116,266,859	65,387,309
Unconditional Tax Exemptions	5,665	8,787,220	5,384	17,969,612	(9,182,392)
Total	19,753	190,441,389	17,817	134,236,471	56,204,917

**Authority's Response:** The Head of the Authority indicated that tax exemption is a matter of policy, and is only administered by the Authority. The large increases stated above relate to the Oil and Gas sector which is emerging and unless policy change is effected is expected to grow exponentially as the industry develops. In 2019 several Companies/Businesses (Investors) entered into Agreements with the Government of Guyana which contributed to large sums of Tax Exemptions being granted. With the implementation of the Automated System for Customs Data (ASYCUDA) effective January 2019 a specific ANC (I12) was created for the Oil & Gas Sector. Hence, during the period January to December 2019 - \$125.2 billion was approved/granted in Tax Exemptions for this sector.

298. As shown in the table above, tax exemptions granted to companies and businesses represented 94.86% or equivalent to \$172.320 billion of the total conditional exemptions granted. However, the total value of tax exemptions granted in respect of Investment Agreements facilitated through the Guyana Office for Investment (Go-Invest) and the Guyana Geology & Mines Commission (GGMC) could not have been determined. In response to similar finding for 2018, management had indicated that efforts were made but it was unsuccessful. However, ASYCUDA World will try to capture the data going forward.

299. On 4 May 2020 the ASYCUDA Report for January to December 2019, was presented and it was reviewed and discussed with the Authority. It was determined that the information could only be produced by requesting the information individually. It was also explained that a request was made in January 2020 for the ASYCUDA World Team to create a breakdown of the Additional National Code (ANC) to reflect the categories as per TEP&VD TRIPS 570 Report. As a follow-up to the audit observation, on 3 September 2020, the Additional National Codes (ANC) was presented and is currently being examined. It was also explained by the Authority that in order to determine the breakdown of the 'Companies/Businesses' category in an informative report a request will have to be made for the companies/businesses individually to be generated in ASYCUDA.

**Authority's Response:** The Head of the Authority indicated that this information was prepared and submitted to the State Auditor with a detailed explanation on 19 May 2020. These ANC's were created to have a breakdown relative to Companies / Businesses under Go-Invest and GGMC.

**Recommendation:** The Audit Office recommends that the Authority continue its efforts to upgrade its operations to provide informative reporting to facilitate audit procedures. (2019/65)

300. An analytical review of the total tax exemption granted for the past three years has shown a decrease in the number of exemptions granted. In addition, the value of the exemption granted also decreased from the year 2015 to 2016 by \$36.300 billion or 39.3%. However, for the past two years (2017 and 2018) there has been an increase of the tax exemption values by 37.52% and 43.42%, respectively. With respect to 2019, there has been an increase of \$69.705 billion for five of the exemption categories and a decrease of \$13.500 billion for five of the exemption categories (conditional and un-conditional)

**Authority's Response:** The Head of the Authority indicated that the increase was mainly due to: (1) taxpayers being more aware of exemptions being granted and are utilising same; and (2) the creation of the Oil & Gas Industries Sector. Unless there are policy changes in the future, these exemptions are expected to grow exponentially in the future unless there are policy changes in this area.

301. In addition, an analytical review of the tax exempted and the taxes paid under 'Conditional Tax Exemption' for the year under review revealed that of the tax exempted totalled \$181.654 billion and taxes paid totalled \$5.342 billion, which is only 4% of the tax exempted. A similar observation was made in 2018, tax exempted totalled \$116.267 billion and taxes paid totalled \$5.342 billion, which is only 4% of the tax exempted. Notably, luxurious and modern motor vehicles attracted tax exemption of which no payment of taxes were required. The vehicles that are noted do not relate to Remigrants but other categories of tax exemptions granted in 2018.

**Authority's Response:** The Head of the Authority indicated that this is notable since the Law Governs for such exemptions on 'High End Vehicles' which were granted to Diplomats, Expatriates, Remigrants, to be used for Road Projects, etc. Also, with the amendment of the Law, whereby the Remigrant have a \$5M credit and they can purchase/Import more than one motor vehicle with the \$5M Tax Credit. Most of the Remigrants utilise the full amount of the Tax Credit; since, the 10% and the 5% are no longer applicable and beneficiaries are utilising within the credit threshold.

**Recommendation:** *The Audit Office recommends that the Authority take all necessary steps to monitor the tax exemption process and to carefully administer these exemptions. (2019/66)*

#### Investment Agreements

302. In accordance with the Investment Act №.1 of 2004, a procedural audit of the incentives granted to an investor or an investment enterprise is required to be carried out annually by the Auditor General. According to the records obtained from Go-Invest and Guyana Geology and Mines Commission (GGMC), twenty-nine and six companies were granted incentives respectively, however the Authority recorded forty-seven companies for 2019.

303. Of the forty-seven companies recorded by the Authority, six were confirmed by GGMC and all were approved by the Authority. On the contrary, twenty-nine were confirmed by Go-Invest of which twenty-four were approved and five were not recorded by the Authority. As a result, seventeen companies were recorded by the Authority but were not confirmed by GGMC and Go-Invest. In addition, of the seventeen companies not confirmed by GGMC and Go-Invest eleven were approved, four processing and two denied.

**Authority's Response:** The Head of the Authority indicated that a simple reconciliation can be done to complete this exercise, since based on the process, the GRA cannot act on an IDA unless the two agencies so recommend and thereafter approved by the Minister of Finance. Further PSA's would also allow for Exemptions.

**Recommendation:** *The Audit Office recommends that the Authority take all necessary steps to reconcile and present an updated status for audit review. (2019/67)*

304. During 2019, the Authority was in transition between TRIPS and ASYCUDA World for the Tax Exemption operations. As such, information were recorded in TRIPS and ASYCUDA World. A request was made for the Authority to present the reports produced by ASYCUDA World to provide details relating to purchases that were facilitated through the Investment Agreements. However, at the time of reporting in November 2020, these were not provided. In the circumstances, the scope of the audit was limited and the completeness and accuracy of the sample files could not be ascertained.

**Authority's Response:** The Head of the Authority indicated that the schedules are completed and can be reviewed as per request.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have the information available and to present same to facilitate audit procedures. (2019/68)*

305. A sample of twenty-one Investment Agreements (IAs) was examined. Seventeen were recommended by Go-invest and four by Guyana Geology and Mines Commission (GGMC). Examination of the TRIPS 705 Report - Listing of Revenue Loss by Beneficiary revealed the following:

- a) Of the twenty-one Investment Agreements examined it is alarming to note that sixteen or 76% of the companies/business were for renewal and expansion while five or 24% were new. Investment Agreements came into effect since the year 2010 of which approximately \$9.801 billion exemptions were received by these companies for the years 2010 to 2018. To note, the 'Time for Completion of Project' were stated between one to three years in the Investment Agreement.

**Authority's Response:** The Head of the Authority indicated that the GRA has no control over the renewal/items exempted within the period of the Investment Agreement. It should also be noted that GRA has recommended that these IDA's be for two or three years since on many occasions, the sister agencies are tardy in sending renewals and the GRA to approve the exemptions pending their submission to the Authority.

**Recommendation:** *The Audit Office recommends that the Authority conduct investigations to determine whether the businesses are in compliance with the Investment Agreement. In addition, to put measures in place to enforce businesses to complete works in the stipulated time-frame as highlighted in the Investment Agreements. (2019/69)*

- b) Key documents such as Guyana Revenue Authority and National Insurance Scheme compliances and, Audited Financial Statements were omitted from eleven, nine and eighteen respectively of the Investment Agreement files examined. As such, there is a breach of Standard Operational Procedures.

**Authority's Response:** The Head of the Authority indicated that NIS and GRA Compliances may not always be submitted since the newer companies have to be in operation for at least six months to receive a NIS Compliance. In addition, the Tax Status is requested for all IA's before processing.

**Recommendation:** *The Audit Office recommends that the Authority ensure that businesses provide these key documents before granting them the exemption. (2019/70)*

- c) One beneficiary of the incentive had a clause in the IA stating that "Waive of Customs Duty and Excise Tax on the vehicles should only be granted after Go-Invest has verified that 75% of the machinery and equipment have been acquired and installed at the project location. "No documentation was seen to verify Go-Invest did its verification however; one vehicle and three machinery and equipment were purchased. As such, there is a breach of Investment Agreement.

**Authority's Response:** The Head of the Authority indicated that the purchase of a vehicle cannot be perceived as a breach of the IDA, since the machinery has been purchased. Further the Authority cannot be blamed for the inaction of its sister Agency. The GRA's mandate is to collect taxes. For them to do another agency's work will only strain its resources.

- d) One beneficiary of the incentive received tax exemptions totalling \$325,095 for items that were not seen in the IA presented. At the time of reporting in November 2020, all related details were submitted to the Authority.

**Authority's Response:** The Head of the Authority indicated that the importer Carl Niamatali T/A Memorial Gardens and Crematorium also trades under the name of the Guyana Cancer Prevention Society and that organisation is granted tax exemptions status as an approved Non-Governmental Organisation (NGO). In this regard, goods imported for use by the organisation and for free distribution will also be granted tax exemptions. It must be noted that the same TIN applies to both entities with the different Trade Names.

**Recommendation:** *The Audit Office recommends that the Authority monitor the exemptions granted to the businesses and to ensure that exemptions are granted in accordance with the Investment Agreement. (2019/71)*

### Remigrants

306. The Remigrant Scheme is administered by the Ministry of Foreign Affairs in conjunction with the Guyana Revenue Authority, who administers the tax exemption. During the year under review, the Authority processed 110 applications with tax exemptions totalling \$392.274M. Thirty-seven of these applications processed by the Authority were for the year 2018.

**Authority's Response:** The Head of the Authority indicated that due to the Transition from TRIPS to ASYCUDA effective 2019 where the Remigrants are now being required to pay a Customs Broker a Brokerage fee to have the application lodged and process in order to clear the items. However, some of the Remigrants would complain that they cannot afford the cost of a Broker. Thus, resulting in the application pending and also with the implementation of the eight-year-old restriction on the importation of Motor Vehicles which limits the Remigrant to only import a motor vehicle that is less than eight years old. As a result, less Remigrants imported their motor vehicle from their Previous Country of Domicile. Since, these did not fall into the above restriction and the vehicle were not in keeping with our traffic code.

307. The Ministry of the Presidency, Department of Citizenship Remigration Unit received 226 applications during the year 2019 of which, seventy-three applications were processed by the Authority.

**Authority's Response:** The Head of the Authority indicated that due to the change of Law and the implementation of the \$5M Tax credit whereby, the Remigrant is required to pay the additional taxes on the motor vehicle if the taxes assessed accumulate to over \$5M. Hence, there was a decrease in the applications being processed, since some Remigrants cannot afford to pay the difference in taxes on the Motor Vehicle.

**Recommendation:** *The Audit Office recommends that the Authority take all necessary steps to process the Remigrant applications in a reasonable time-frame. (2019/72)*

308. During the year 2018, the Authority processed 188 applications with tax exemption totalling \$988.637M. In 2018, 95% of the persons who were granted remigrant status and benefits from the tax exemption were between the ages of 55-76. In 2019, it was observed the individuals that benefited from the Remigrant Scheme were between the ages of 24-65.

**Authority's Response:** The Head of the Authority indicated that this percentage is a result of a sample test being done of which the GRA has no control over the age range of the Remigrants.

### Other Matters

#### Scanners

309. The Authority entered into a Public Private Partnership Agreement with the Guyana National Industrial Company, Lombard Street, Georgetown for the utilisation and operation of the Mobile Container Scanner. This initiative came into existence since the scanner was repaired but the Authority did not have the appropriate site to facilitate its operations. The scanner operation was launched on Monday 16 July 2018 at the Guyana National Industrial Company to scanner export containers.

310. In addition, it was reported that the Authority has received a donation of another mobile scanner and baggage scanner through the Government of China initiative. Efforts to verify the date of agreement and the location of the scanner could not be determined since limited information was provided. In response to this finding in 2017, the Authority reported that the new baggage scanner is due to arrive in November 2018 with completion of installation towards the end of December 2018. However, at the time of reporting in November 2020, the scanner was not received.

**Authority's Response:** The Head of the Authority indicated that the scanner is now operable. The new baggage scanner is installed and it is operable.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to improve customs enforcement operations across Guyana and to comply with International Regulations. (2019/73)*

#### Human Resources- Dismissal and Termination

311. During the year 2019, twelve employees were dismissed and seven employees were terminated. The Authority made the benefits payments to the employees who were terminated. The employees dismissed and terminated held the positions such as Supervisors, Group Leaders, Clerk IIs, Porters and Security Guard. Additional verification revealed that 33% of the employees were from the Integrated Regional Tax Offices, 34% of the staffs were from the Customs, Excise and Trade Operations (Wharves and Boathouses and Entry Processing Unit). The remaining 33% of the employees were from the Law Enforcement & Investigation Division VAT Audit & Verification, Entry Process Unit, Revenue Accounting, Operating Services, etc.

312. For the years 2019, the Authority made benefits payments to former employees totalling \$7.198M. Similarly, in 2018 and 2017, the Authority made benefits payments to former employees totalling \$17.976M and \$3.079M respectively.

**Authority's Response:** The Head of the Authority indicated that the Authority exercises its right to dismiss staff after careful consideration and due diligence. When infractions are suspected these are thoroughly investigated using the special expertise of a Special Investigation Unit that was established three years ago. Once an investigation report is prepared and presented, the charges and supporting evidence are made available to staff who under the principle of natural justice are given the opportunity of a hearing and to defend themselves. In cases where an allegation is proven and in line with the Employee Code of Conduct which recommends the disciplinary action that should be meted out for infractions, that dismissal action is taken. The action to terminated staff for good and no cause are done always in compliance with the Termination of Employment and Severance Pay Act.

During the year 2019, the Authority terminated six staff and twelve were dismissed. The Authority made the benefits payments to the employees who were terminated. The employees dismissed and terminated held the positions as Supervisors, Group Leaders, Clerk IIs, Porters and Security Guard etc. The Authority made termination benefit payments to former employees totalling \$7.672M.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to encourage employees to adhere to the policies and Employee Code of Conduct of the Authority to assist in the enhancement of the services provided to taxpayers. (2019/74)*

### International Airports

#### Eugene F. Correia International Airport (EFCIA)

313. In May 2019, the operation of Customs Office at the Eugene F. Correia International Airport (EFCIA) were audited. However, audit examinations were limited due to the non-submission of key documentations and the unavailability of an Officer to facilitate physical inspections of detained and seized items during the year under review. See details below:

- a) Revenue Hand Over Books for the year 2018.
- b) Courier Held Register.
- c) Physical verification of Detained and Seized Items.

**Authority's Response:** The Head of the Authority explained that this situation of non-cooperation was not reported until the first submission of this audit report. After the meeting, contact was made with the Supervisors at the location. The auditors were to make arrangements to review registers. Some of which they have collected.

314. The updated response provided by the Authority is inaccurate since the observations were submitted on 28 May 2019, three months prior to the final Auditor General Report. In addition, a visit was made to the Customs Operation on 4 September 2020, and the matters remain the same. We were unable to verify the sample of cargo held, detained and seized items due to the condition of these storage bonds. Further, the revenue hand over books were not located and presented

**Recommendation:** *The Audit Office recommends that the Authority take steps to ensure that there is adequate accountability for all records and supporting documents, so these could be provided for audit. In addition, to ensure that the storage bonds are in good condition. (2019/75)*

## Value Added Tax

### Approved Estimates

315. According to the National Estimates 2019, amounts totalling \$99.669 billion were estimated to be collected from Value Added Tax (VAT) and Excise Tax during the year 2019. However, according to the Revenue Collection Statement produced by the Authority, amounts totalling \$95.921 billion were reflected as amounts estimated to be collected. As such, there is a variance of \$3.748 billion, as shown in the table below:

Line Items	Description	Approved Estimates \$'000	GRA's Revenue Collection Statements \$'000	Variances \$'000
5911	Import Goods	28,803,794	27,707,619	1,096,175
5912	Import Services	0	200,960	(200,960)
5921	Domestic Supply	25,529,679	26,837,566	(1,307,887)
5951	Imports - Motor Vehicle	6,987,041	6,904,533	82,508
5952	Imports - Petroleum Products	30,965,814	27,016,294	3,949,520
5953	Imports - Tobacco	1,478,122	1,391,920	86,202
5954	Imports - Alcoholic Beverages	978,390	929,391	48,999
5961	Domestic Supply - Alcoholic Beverages	4,795,112	4,685,574	109,538
5981	Interests - VAT	83,208	65,122	18,086
5982	Penalties - VAT	47,887	40,228	7,659
	Stamps - Tobacco Products	0	103,451	(103,451)
	Stamps - Alcoholic Beverages	0	14,801	(14,801)
5084	Liquor Licence	0	23,709	(23,709)
Total		99,669,047	95,921,168	3,747,879

**Authority's Response:** The Head of the Authority indicated that the initial budgeted collection for VAT and Excise Tax for 2019 was \$99.669B. The budgeted collection was later revised based on the actual collection for January to May; thereby reducing the year's budgeted collection for VAT and Excise Tax to \$95.897B. The year's budgeted collection for the Revenue Authority was unaffected.

**Recommendation:** The Audit Office recommends that the Authority ensure that there is strict adherence to the approved estimates since this document is approved by the National Assembly. Also, to have the revised statement presented for audit review. (2019/76)

### Revenue Collection

316. According to the Statement of Receipts and Disbursements for VAT produced by the Ministry of Finance, amounts totalling \$99.669 billion were estimated to be collected from VAT, Excise Tax, and Interest and Penalties during the year 2019. Actual collections paid into the Consolidated Fund totalled \$96.547 billion, representing a negative variance of \$3.122 billion. Seven tax types reflected the negative variances totalling \$4.610 billion, while the other three categories reflected positive variances.

317. The table below provides a comparative analysis of estimated and actual amounts collected and paid into the Consolidated Fund as reflected on the Statement of Receipts & Disbursements - Value Added Taxes. It shows that the Authority under-performed on seven of the ten revenue tax types by amounts totalling \$4.610 billion.



Line Items	Description	Approved Estimates \$'000	Amount Collected & Paid into Consol. Fund \$'000	(Under)/Over Estimates \$'000
<b>Value Added Tax (VAT)</b>				
5911	Import Goods	28,803,794	29,122,884	319,090
5912	Import Services	0	179,123	179,123
5921	Domestic Supplies	25,529,679	23,373,546	(2,156,133)
5981	Interest - VAT	83,208	46,258	(36,950)
5982	Penalties - VAT	47,887	25,768	(22,119)
Sub-Total		54,464,568	52,747,579	(1,716,986)
<b>Excise Tax</b>				
5951	Imports - Motor Vehicle	6,987,041	7,977,195	990,154
5952	Imports - Petroleum Products	30,965,814	29,123,900	(1,841,914)
5953	Imports - Tobacco	1,478,122	1,427,095	(51,027)
5954	Imports - Alcoholic Beverage	978,390	785,465	(192,925)
5961	Domestic Supp. - Alcoholic Beverage	4,795,112	4,485,990	(309,122)
Sub-Total		45,204,479	43,799,645	(1,404,834)
Grand Total		99,669,047	96,547,224	(3,121,823)

318. The VAT estimate for the year 2019 was \$54.465 billion and during the period \$52.748 billion was collected. This amount represents a negative variance of \$1.717 billion or 3% below the budgeted collections. Similarly, the Excise Tax estimate for the year 2019 is \$45.204 billion. This represents a negative variance of \$1.405 billion or 3% below the budgeted collections. Total revenue collected in the period January to December 2019 was \$96.547 billion. This amount represents a negative variance of \$3.122 billion or 3% below the approved budgeted collections.

**Authority's Response:** The Authority indicated that the revised Budgeted collection for VAT was \$54.851B. The Revenue Authority VAT collection for 2019 was \$55.674B from which refunds in the amount \$2.815B was refunded thereby reducing the VAT collection to \$52.748B. The Revenue Authority acknowledges the shortfall of VAT collection net of refunds. The initial estimate for excise collection for January to December 2019 was \$45.204B which was later revised to \$41.046B. The Authority excise collection for 2019 was \$43.803B, a surplus of 6.7% of the estimated collection.

#### VAT Refunds

319. The Authority refunded \$2.815 billion for 2019. There was an increase of \$144.899M or 5% when compare to 2018.

**Authority's Response:** The Head of the Authority indicated that the positive variance was achieved as a result of the continued efforts to expedite the back-log in the prior years VAT refund applications. During 2019 there was major pay outs for investment companies and as a result of a court ruling. Additionally, there was an increase in VAT refund applications from the emerging oil and gas sector. VAT refund paid to the Oil and Gas Sector in 2019 was in excess of G\$444.7M.

**Recommendation:** *The Audit Office recommends that the Authority continue in its efforts to reduce the back-logs of VAT refunds. (2019/77)*

### VAT Registrants

320. The Value Added Tax Act (Amendment) Regulations that took effect from 1 February 2017, provides for an increase in the VAT threshold from \$10M to \$15M. Every person who carries on a taxable activity and where the taxable activity: (a) equals to or exceeds the threshold of \$15M less than, or at the end of twelve months; (b) is expected to exceed the threshold in any period during the next twelve months must be registered for VAT. During the year 2019, there were a total of forty-four individuals and companies with total import values that exceeded \$15M who were not registered for VAT. Similarly, in 2018, there were a total of 236 individuals and companies with total import values that exceeded \$15M who were not registered for VAT. However, it could not be ascertained what actions were taken by the Authority to determine whether those individuals were potential VAT registrants.

**Authority's Response:** The Head of the Authority indicated that as previously reported in the 2016-2018 responses to this concern raised, the VAT Act provides for mandatory registration where annual taxable supplies are \$15M (effective February 2017) and above. Therefore, importation in excess of \$15M is just a trigger/red flags for further profiling of the TP to determine the value of taxable supplies made by the TP. The Revenue Authority continuously monitors imports and other information reflected on our data base along with third party information to profile and register taxpayers for VAT. In 2019, 373 taxpayers were profiled and 74 were identified for VAT registration from information reflected in our database which included reports on importers.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to identify all taxpayers who are potential VAT registrants with a view of having them register with the Authority. (2019/78)*

321. As at 31 December 2019, the TRIPS database recorded 5,481 VAT registrants of which, 173 and 244 were new registrants for the year 2018 and 2019, respectively. A comparison between the numbers of new registrants for the years 2015 to 2019 shows a decrease of seventy-five VAT registrants. See details in table below:

Year	New Registrants	Comparative Increase/Decrease
2015	190	59
2016	249	
2016	249	15
2017	264	
2017	264	55
2018	319	
2018	319	(75)
2019	244	

**Authority's Response:** The Head of the Authority indicated that there was a significant increase in VAT registration in 2017 and 2018 when compared to prior years due to VAT compliance initiatives (patrol visits and profiling from our database) which commenced in 2017. In 2019, the compliance activities continued but there was a decline in registration from patrol visits since most of the dense areas were exhausted. The Authority continues to enforce VAT registration compliance.

### VAT Returns

322. Section 31(1) of the VAT Act requires every taxable person to lodge a tax return for each tax period with the Commissioner-General within fifteen days after the end of the period, whether or not, tax is payable in respect of that period. Out of the 5,481 VAT registrants in the TRIPS database 5,062 were identified as active as at 31 December 2019. Of this amount, 2,900 taxpayers filed 36,336 returns with the Authority. Examination of the remaining 2,162 taxpayers who failed to submit their returns revealed that there were no submissions from 1,059 taxpayers while partial submissions were made by 1,103 taxpayers. A similar observation was made in the year 2018 where there was a total of 1,911 defaulting VAT registrants of which, 1,413 registrants had no submission and 498 made partial submission.

**Authority's Response:** The Head of the Authority indicated that in 2019, 19,386 VAT returns were demanded from 3,268 defaulting VAT registrants including registrants who made partial submissions and those who made no submission. Thirty-four VAT registrants were also sent to the Legal Services Division for appropriate action for non-compliance in 2019. The Authority continues to monitor the failure of VAT registrants to file their returns and take steps to address same.

**Recommendation:** *The Audit Office recommends that the Authority to continue its efforts to ensure that all taxpayers comply fully with the requirements of the VAT Act as it relate to filing of tax returns. (2019/79)*

323. Management has still not taken steps to ensure that all queried VAT returns are promptly corrected and entered into the TRIPS database. At the time of reporting, fifty-two VAT returns in respect of the year 2019 and 203 VAT returns for the years 2011 to 2018, which were queried by the Authority were still not finalised and entered into the database. The following table gives a breakdown:

Year	VAT Returns		
	<u>Not entered in</u> TRIPS as at August 2019 (A)	<u>Entered in</u> TRIPS as at August 2020 (B)	<u>Not entered in</u> TRIPS as at August 2020 (C=A-B)
2011	111	62	49
2012	50	35	15
2013	35	23	12
2014	46	31	15
2015	40	34	06
2016	59	40	19
2017	83	33	50
2018	55	18	37
Sub-Total	479	276	203
2019	0	0	52
Total	479	276	255

**Authority's Response:** The Head of the Authority indicated that as at 3 September 2020, VAT Returns not entered in TRIPS for 2019 has been reduced to 52. This is a continuous process and work is on-going to have these returns corrected and processed into TRIPS.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have VAT returns with queries finalised and entered into TRIPS database in a timely manner. (2019/80)*

### VAT Refunds Paid

324. For the years 2014-2016, refunds to taxpayers reflected variances amounting to \$470M, \$16M and \$235M, respectively. In response to the finding in the prior year report, the Authority explained that reconciliations to account for the differences were on-going. These reconciliations were completed and submitted for audit; however, it was observed that they are a number of reconciling items amounting to \$19.200M, \$3.900M and \$1.800M, in respect of the years 2014 to 2016 that needs corrective action. Some of the reasons noted for the reconciling items include: (a) refunds paid but not posted in TRIPS; (b) refunds posted in TRIPS but not included in Report №. 276; (c) refunds paid to non-registrants; and (d) refunds keyed in with incorrect cheque dates. At the time of reporting, reconciling items for the years 2014 to 2016 were \$113.456M, \$9.681M and \$5.816M, respectively.

**Authority's Response:** The Head of the Authority indicated that due to the limitations of TRIPS, our IT Department is still being engaged to assist in remedying some of the reconciling issues.

**Recommendation:** *The Audit Office recommends that the Authority take the necessary steps to finalise the reconciling items and make the necessary adjustments to the related records. (2019/81)*

### Refundable VAT Returns

325. During the year 2019, the sum of \$2.004 billion was paid to sixty-two taxpayers as VAT refunds in respect of the years 2012 to 2019. However, according to TRIPS Report №. 213 - Listing of Refundable VAT Returns for the year 2019, there were still 8,249 refundable VAT returns valued at \$10.614 billion on hand. In addition, the total number of refundable VAT Returns for prior years could not have been determined. Similarly, in 2018 the sum of \$2.371 billion was paid to seventy-seven taxpayers as VAT refunds in respect of the years 2012 to 2018, while according to TRIPS Report №. 213 - Listing of Refundable VAT Returns for the year 2018, there were still 8,529 refundable VAT Returns valuing \$6.083 billion on hand. At the time of reporting the List of Applications for 2019 were submitted and are currently being reviewed.

**Authority's Response:** The Head of the Authority indicated that initiative was taken in 2019 to complete all prior years VAT refund applications hence payments reflected for periods 2012 to 2019. As it relates to the information reflected on the Listing of Refundable VAT Returns, as previously stated in response to this issue raised in the 2017 and 2018 reports, the Listing of Refundable VAT Returns reviewed by the Auditor detailed the credit returns filed by VAT registrants in a given period/year. Due to the nature of VAT, credits reflected on VAT returns may either be set off against subsequent returns (self refunded) or may be refunded by the GRA subsequent to application for same as provided by the VAT legislation. Therefore, in determining the VAT refunds payable for a specific period, the total VAT refund applications should be used rather than the Listing of Refundable VAT Returns (VAT returns with credits). The Authority continues to expedite all VAT refund applications.

**Recommendation:** *The Audit Office recommends that the Authority take the necessary steps to ensure that applications for VAT refunds are processed in a reasonable time-frame. (2019/82)*

### Objections and Appeals

326. Management has still not taken appropriate measures to monitor the status of all default matters in order to ensure that cases pending are finalised in a timely manner. An examination of the VAT Objections and Appeals Registers presented for the year 2019 revealed that 490 cases were received by the Authority. At the time of reporting in November 2020, Management was still to finalise 428 cases, which resulted in the inability to collect potential taxes totalling \$913.010M. Similarly, for year 2018, Management is still to finalise 148 cases where taxes in dispute amounted to \$463.831M. The table below summarises the amounts in dispute.

Year	Type	No. of Cases Received	No. of Cases to be finalised as at 31 July 2020	Taxes in Dispute \$'000
2018	Individual	118	65	29,320
	Companies	316	83	434,511
<i>Sub-Total</i>		<i>434</i>	<i>148</i>	<i>463,831</i>
2019	Individual	270	208	382,807
	Companies	220	220	530,203
<i>Sub-Total</i>		<i>490</i>	<i>428</i>	<i>913,010</i>
<b>Total</b>		<b>924</b>	<b>576</b>	<b>1,376,841</b>

327. Further, at the time of reporting in November 2020, the 220 cases reviewed from companies during 2019 were not concluded.

**Authority's Response:** The Head of the Authority indicated that the Objections & Appeals Section continues to work assiduously to finalise objection cases on hand in a timely manner.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have all outstanding cases finalised as soon as possible. (2019/83)*

### Internal Revenue

#### Revenue Management Systems (RMS)

328. The Revenue Management System (RMS) is based upon Data Torque's a commercial off the shelf Tax Administration Systems. The core business objectives for the implementation of this new Tax Administration Systems are: (1) to comprehensively automate the tax administration procedures; (2) improve efficiency in tax administration through accuracy, completeness and timeliness of tax collection and reporting; (3) improve the timeliness of payments to reduce debts; and (4) to promote synergies across Government agencies through information sharing, etc.

329. RMS aims to automate the full lifecycle of tax administration including analytics and risk management and will be delivered in three phases:

- Core functional modules and e-services.
- Additional workflows and online functionality and advance compliance.
- Business intelligence and risk management.

330. The total sum for the DataTorque is US\$6.263M exclusive of taxes. This comprises of US\$5.216M for the Revenue Management System Licence and Implementation and US\$1.407M for warranty and support for the first three years. At the time of reporting in November 2020, the sum of US\$2.023M equivalent to GY\$436.365M was made.

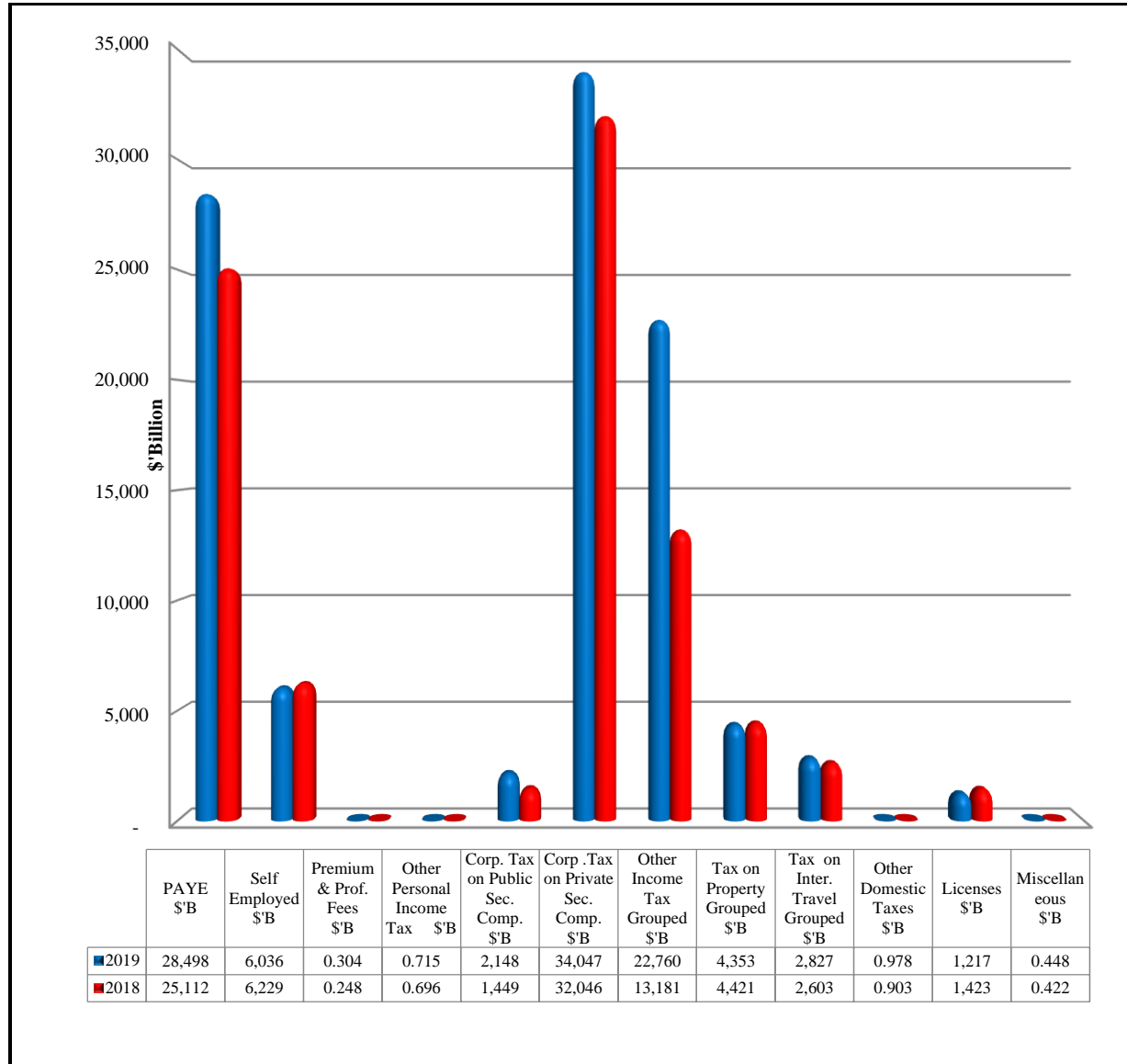
Revenue Collection

331. According to the Statement of Receipts and Disbursements - Internal Revenue, amounts totalling \$99.024 billion were estimated to be collected for the fiscal year ended 31 December 2019. Actual amounts collected and paid into the Consolidated Fund totalled \$104.331 billion, a positive variance of 5.39% or \$5.307 billion when compared with the approved estimates. Notwithstanding the positive variance, the Authority under-performed by \$4.446 billion on twelve of the twenty-two Internal Revenue tax types as indicated in table below.

Line Items	Description	Approved Estimates \$'000	Amount Collected & Paid into Consol. Fund \$'000	(Under)/Over Estimates \$'000
5111	Pay As You Earn	29,210,325	28,497,949	(712,376)
5112	Income Tax on Self-Employed	7,131,542	6,036,130	(1,095,412)
5113	Premium	301,571	299,424	(2,147)
5124	Corporation Tax - Private Sector Companies	36,355,180	34,047,411	(2,307,769)
5142	Property Tax - Private Sector Companies	3,297,191	3,190,739	(106,452)
5143	Estate Duty	51,155	41,185	(9,970)
5144	Property Tax - Individuals	1,055,552	932,833	(122,719)
5165	Motor Vehicle and Road Traffic Ordinance	1,035,272	978,198	(57,074)
5171	Licences - Motor Vehicles	1,166,000	1,149,907	(16,093)
5172	Licences - Other Vehicles	516	492	(24)
5173	Licences - Trading	31,172	29,090	(2,082)
5182	Miscellaneous Fee	74,487	60,837	(13,650)
Total		79,709,963	75,264,195	(4,445,768)

**Authority's Response:** The Head of the Authority indicated that regarding the table which was presented in the report, the Agency is not certain of what is/are the source document/s used to prepare the table with the approved estimates as these differ from the 2019 target. For e.g. the first two tables for PAYE and IIT - Self-Employed as included in Table 1 seems like inflated numbers, MoF may need to provide clarity here as to what is the composition of these numbers and whether they represent a merger with other categories as most of the other amounts collected reconciles, with the exception of the first two. It is apposite to mention; however, that ALL moneys collected for ALL Tax Line Items were deposited into the Consolidated Fund and reconciled with the Ministry of Finance's IFMIS figures, as reconciled and verified deposits into the Consolidated Fund.

COMPARATIVE ANALYSIS OF INTERNAL REVENUE PAID INTO THE  
CONSOLIDATED FUND FOR THE YEARS 2019 AND 2018



**Figure 6**

### Internal Revenue Refunds

332. The Income Tax Act Cap. 81:01 (Amendment) Regulation 10 of 2018 dated 7 December 2018, provides for the Commissioner-General in discharging his functions under the Act in regards to payment, collection and refund of income tax to: (b) *subject to the Act, make payments of income tax refunds due to persons out of the Income Tax Deposit Fund; and (c) pay the net revenue received into the consolidated fund.* As such, the Authority refunded \$15.351M during the year 2019.

333. Examination of the records maintained by the Authority pertaining to refunds revealed the following:

- a) Refunds were paid to various categories of tax types. However, on the 2019 Revenue Collection Statement produced by the Authority it was recorded under Employed-PAYE. As a result, there is a misclassification of refunds.

**Authority's Response:** The Head of the Authority indicated that the assumption of the Audit Office of a misclassification of refunds on the Revenue Collection Statement is not accurate. Examination of the revenue collection statement and refund schedules revealed refunds were classified as follows: Individual Income Tax-Others amounted to \$9.327M, Individual Income Tax-Self Employed amounted to \$6.020M and Withholding Tax \$5,000.

- b) As at August 2020, taxpayers did not uplift refunds totalling \$1.174M for 2019 and \$10.318M for January to April 2020. Therefore, refunds totalling \$11.491M were not uplifted by taxpayers.

**Authority's Response:** The Head of the Authority indicated that it contacted these taxpayers to uplift their Income Tax Refunds; however, at the time of audit it was not uplifted. As of May 2020 the Authority has been depositing Income Tax refunds to the individual's Bank Account to resolve this problem.

**Recommendation:** *The Audit Office recommends that the Authority records the refunds on the Authority Revenue Collection 2019 Statement according to the tax types. In addition, to continue in its efforts to make income tax refunds payments to taxpayers in a timely manner. (2019/84)*

### Self-Employed Tax

334. Amounts totalling \$7.132 billion were estimated to be collected from Income Tax - Self-Employed for the year 2019. Total income tax collected from self-employed taxpayers for the year under review amounted to \$6.036 billion, which is equivalent to \$1.095 billion below the approved budgeted collections.

**Authority's Response:** The Head of the Authority indicated that the Budget for Income Taxes Self – Employed for 2019 was \$6.56B, our actual collections amounted to \$6.04B, representing a variance to budget of (\$524M) not what was articulated in the Auditor's General report above which stated that collections for this tax type were below budgeted collections by \$1.095 billion.

The overall negative variances resulted primarily from several individuals making significantly lower or no payments during the period January to December 2019, when compared with payments made in the corresponding period of 2018.



An overall analysis of Income Tax paid by self-employed individuals revealed increase in current and early payments of \$367.4M or 6.9% and \$5.8M or 11.8% respectively while arrears payment decreased by \$543M or 35.4%, this was expected after the amnesty programme in 2017. It is apposite to mention however that there was an increase in our tax base for self-employed as evident by the increase of 1,021 or 6.6% in the total number of self-employed individuals remitting taxes. During 2019 when compared with the same period in 2018 (16,522 in 2019 and 15,501 in 2018).

**Recommendation:** *The Audit Office recommends that the Authority engage the Ministry of Finance to ensure that the classification and categorization of tax types be reflected as the same on the two statements. (2019/85)*

335. Over the years, the Authority continued to experience difficulties in having delinquent self-employed persons comply with the requirements of the Income Tax Act. As at 31 December 2019, there were 103,135 active registered self-employed persons in the TRIPS database of which only 16,992 persons or 16% of the active registrants filed returns. In the circumstance, a total of 86,143 persons or 84% of the active registrants did not file their tax returns. Similarly, in 2018, 82,986 or 83% of the active registrants did not file their returns. In response to a similar finding in the years 2017 and 2018, Management had indicated that the database needed cleansing and work has commenced to remove taxpayers not required to file tax returns and this is currently on-going.

**Authority's Response:** The Head of the Authority indicated that the list provided does not represent an accurate number of active taxpayers. Preliminary data cleansing activities have uncovered various categories of taxpayers to be removed. Work has commenced to remove taxpayers not required to file and this is currently on-going.

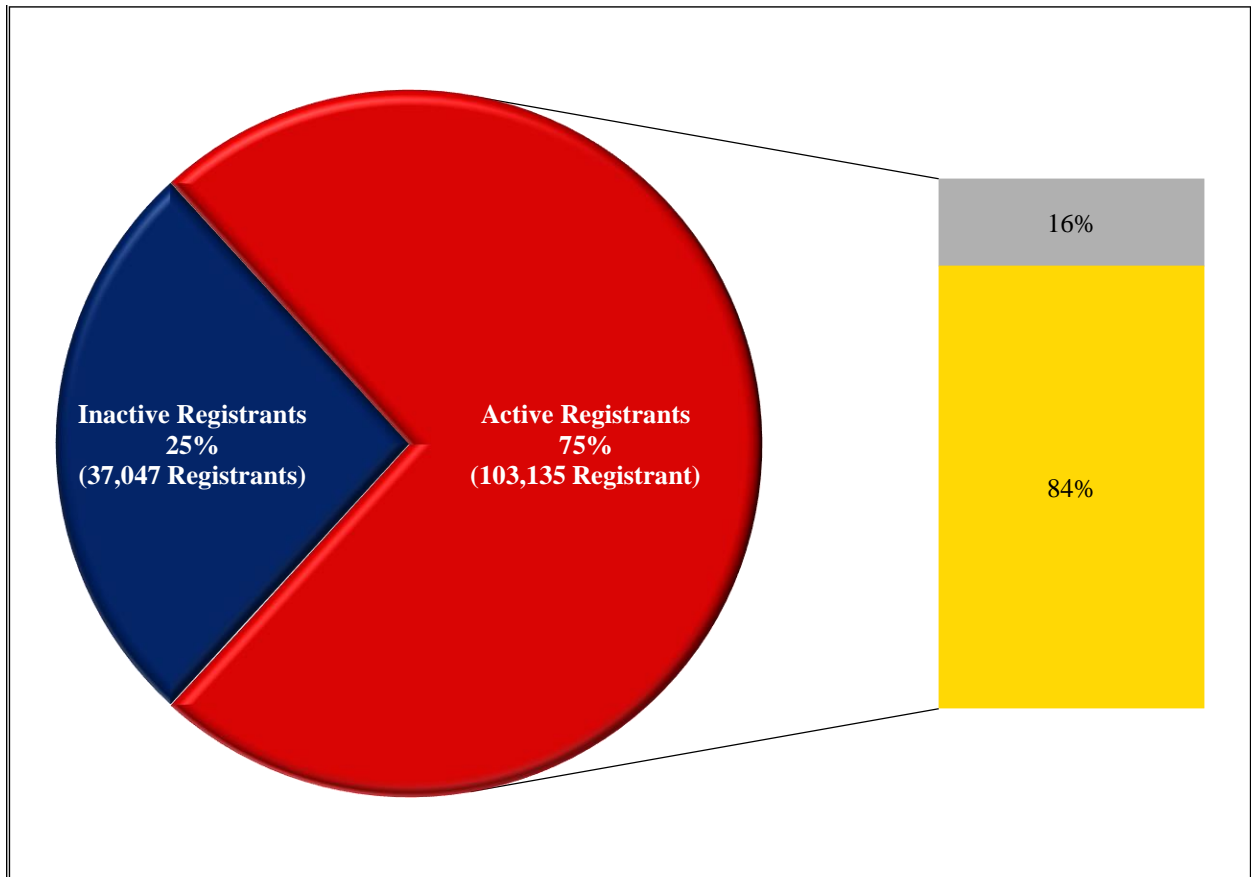
The Guyana Revenue Authority issues Demand Notices to defaulting self-employed taxpayers on a continuous basis and in addition, raise assessment in the absence of the Return in some instances.

- Number of Demands issued during 2019 are 18,810
- Number of demands continue to be issued in 2020 (31 July) total 12,571

In light of the number of self-employed taxpayers not filing returns and the limited resources at the disposal of GRA, the Authority has adopted a risk management approach to prioritise the high-risk taxpayers with revenue implications.

**Recommendation:** *The Audit Office recommends that the Authority pursue all possible avenues to have delinquent self-employed persons comply with the requirements of the Income Tax Act with a view of maximising revenue collections. Also, to continue its' efforts to cleanse the database and present same for audit examination. (2019/86)*

COMPARATIVE ANALYSIS OF SELF-EMPLOYED TAXPAYER  
FILINGS OF RETURNS FOR THE YEAR 2019



16%	Active Registrants who filed Tax Returns	16,992
84%	Active Registrants who did not file Tax Returns	86,143
	Total Active Registrants	103,135

**Figure 7**

Pay As You Earn

336. In accordance with the Income Tax Act, a Form II is required to be submitted each year for the previous year, on the total tax deductions made by each employer. Examination of the Forms II Register for the year 2018 revealed that of the 819 returns submitted, all were examined by the Authority. An analysis of the 819 examined returns submitted revealed that there were seventeen instances where the returns had variances. At the time of reporting in November 2020, these returns reflected over-deductions and/or under-deductions totalling \$6.020M and negative \$9.478M, respectively.

**Authority's Response:** The Head of the Authority indicated that the outstanding cases are being closely monitored to ensure their reconciliation.

337. In addition, with respect to returns received in the year 2017, the Authority was still to reconcile 226 returns with assessed variances of negative \$96.935M. Seventy-one Forms II greater than Form V with assessed variances of \$28.815M and 155 returns with assessed variances of negative \$125.935M in relation to Form V greater than Form II. See details in the table below:

Description	No. of Instances	Amount on		Variance \$'000
		Forms II \$'000	Forms V \$'000	
Forms II greater than Forms V	71	1,317,156	1,288,341	28,815
Forms V greater than Forms II	155	2,709,168	2,834,918	(125,750)
Total	226	4,026,324	4,123,259	(96,935)

**Authority's Response:** The Head of the Authority indicated that the outstanding cases are being closely monitored to ensure their reconciliation.

338. Further, of the ninety-six over/under deductions in 2016, thirty-five with assessed variances \$4.228M remained outstanding.

**Authority's Response:** The Head of the Authority indicated that the outstanding cases are being closely monitored to ensure their reconciliation.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to closely monitor the cases for the year under review and to ensure they are reconciled in a timely manner. In addition, to work assiduously to have the cases for the years 2016 and 2017 be closed. (2019/87)*

Mortgage Interest Relief (MIR)

339. During the year under review, the Authority received 444 applications in Georgetown and 113 applications at the Regional Integrated Tax Offices. Of the applications received, 113 and sixteen are re-applications for the years 2013 to 2018 and 2019 respectively.

340. Mortgage Interest Relief (MIR) payments for the year under review was \$187.004M while in 2018 the payments totalled \$167.891M; therefore, there is an increase of \$19.113M. A sample of fifty applications received in Georgetown was examined and the following were observed:

- a) Sixteen applicants received payments totalling \$9.337M for prior periods (year in which the Loan was granted by the Commercial Bank) despite the fact that the applications were made in 2019. A similar observation was made in 2018 and it was recommended that, the Authority seek to have clarity on the Income Tax Act as it relates to MIR and to have a definite position in relation to the retroactive payments of MIR. In addition, the matter was discussed with the Legal Department of the Authority and it was highlighted that “the law did not intend to be retroactive and should not be applied and interprets as such”. See Memorandum dated 3 August 2018. It should be noted, prior to 2018 a taxpayer was only paid MIR for the year of application and two subsequent years after which the taxpayer had to reapply to benefit from this relief.

**Authority’s Response:** The Head of the Authority indicated that the Law is clear as it relates to the application and payment of MIR. There is nothing in the Income Tax Act or Legislation that limits the application to the year applied and within which the interest is accrued. In the absence of legislation, the applicant is eligible for the relief.

**Recommendation:** *The Audit Office recommends that the Authority seek to have clarity on the Income Tax Act as it relates to the retroactive payment of MIR, taking into consideration the amended of Section 20(A)(1) of the Income Tax Act by way of the Income Tax Amendment Bill 2020 that increased the principle amounts of the housing mortgage loan from \$15M to \$30M. (2019/88)*

- b) Two new applications were made in 2019 and the mortgages were taken over a period of five years, in addition, the amounts exceeded the amendment to Section 20 (A) (1) of the Income Tax Act Cap. 81:01, which indicated that homeowners who obtain mortgages on or after 1 February 2017 will only be eligible to apply for MIR where the mortgage exceeds \$15M. However, these applications were approved.

**Authority’s Response:** The Head of the Authority indicated that the two new applicants obtained mortgage prior to the amendment of Section 20A (1) of the Income Tax Act Cap.81:01 and are therefore eligible to receive MIR for housing mortgage loans not exceeding \$30M. One applicant was granted approval in keeping with the law and the other applicant was not granted approval as a result of failure to submit relevant supporting documents.

- c) One of the applicants highlighted at (b) received this relief for the years 2013 to 2019 totalling \$1.008M. However, it was disputed that the relief was granted on ‘renovation’ and not the ‘acquisition of the property’. To note, the Commercial Bank referred to the loan as ‘complete renovation on existing property’. Evidence was seen where clarification was sort from the Commissioner-General via Memo dated 26 September 2019. However, there is no evidence in the MIR file to confirm that approval was granted.

**Authority’s Response:** The Head of the Authority explained that approval was granted using a similar case as a guide whereby the Authority’s Legal Division give guidance concerning the application for MIR.

- d) One MIR beneficiary was paid 40% of the Loan interest instead of 30%.

**Authority’s Response:** The Head of the Authority explained that the applicant correctly benefited from the relief using the correct statutory rate of 40% according to the provisions of Section 36 A of the Income Tax Act Cap 81:01.

- e) There was no evidence that visits were done to ensure that the applicants are residing at the properties. A similar observation was made in the 2018 audit where there was no evidence of visits for the twenty-six applications examined. A list of eight visits conducted was presented for audit, of which, two were done in 2018 and six in 2019 for the years 2013 - 2018.

**Authority's Response:** The Head of the Authority indicated that visits were done to ensure that the Taxpayer occupies the residence; however, these visits are done randomly with emphasis being placed on the high risk applicants.

- f) Nine MIRs were approved between the periods 4 July 2019 to 18 November 2019; however, as at 30 June 2020, no payments were made. On the contrary, other approved MIRs were paid immediately after approval.

**Authority's Response:** The Head of the Authority explained that of the nine applications identified, six were paid. The other three applications are awaiting the submission of supporting documents by the applicants to facilitate payment.

**Recommendation:** *The Audit Office recommends that the Authority: (a) seek to have clarity on the Income Tax Act as it relates to MIR; and (b) conduct more visits to ensure that beneficiaries are residing at the properties. (2019/89)*

#### Tributors

341. The Income Tax Act, Chapter 81:01 requires that “any payment of emoluments made by an employer to a Tributor; the employer shall withhold 10% of the gross amount instead of 20%. The employer shall account for and pay over to the Authority on or before the 1 April, 1 July, 1 October and 31 December, respectively”.

342. The Income Tax Act (Amendment) Act 2018 No.3 of 2018 requires a deduction of 10% rather than 20% as was required in the Income Tax (Amendment) Act 2017 No. 1 of 12. As such, the Authority collected amounts totalling \$192.467M as Tributors Tax during the year under review.

343. In 2019, a sample of seventy-two Tributors Tax Returns filed by fifteen taxpayers was selected for verification of the accuracy, completeness and validity of the transactions. Examination of these Returns revealed the following:

- a) Thirty-seven payments totalling \$43.691M were made to the Authority; however, no Returns were submitted. At the time of reporting in November 2020, evidence was seen where the returns were filed. However, these returns were not examined for completeness and accuracy by the Authority. In addition, the returns were not submitted for audit review. As such the accuracy, completeness and validity of the transactions could not be verified.

**Authority's Response:** The Head of the Authority indicated that from schedule submitted by the Auditor thirty-five of the thirty-seven Tributor Tax Returns outstanding have been submitted and posted. Demands were dispatched for the other two, however to date same has not been filed.

**Recommendation:** *The Audit Office recommends that the Authority put measures in place to encourage taxpayers to submit their returns and have them examined and presented for audit examination in a timely manner. (2019/90)*

- b) In addition, six taxpayers filed ten returns where over/under payments accumulating to \$0.284M were made. Similarly, for the year 2018, seven returns with underpayments totalling \$2.963M remained outstanding.

**Authority's Response:** The Head of the Authority indicated that of the six taxpayers who made over/under payments net amounts of \$283,818, those taxpayers with underpayments, made payments of \$175,000. Follow-up actions are currently on-going.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have all outstanding Tributors liabilities paid to the Authority. (2019/91)*

344. In 2018, the Authority collected amounts totalling \$246.468M as Tributors Tax. A sample of fifty-two Tributors Tax returns was examined. It was observed that twelve payments totalling \$23.583M were made for which no returns were submitted. As a result, it could not be determined whether the correct amount of taxes was deducted and paid over to the Authority. At the time of reporting in November 2020, three returns were submitted and reviewed, resulting in five returns not presented with estimated taxes of \$9.936M.

**Authority's Response:** The Head of the Authority indicated that of the eight returns, three returns with taxes of \$5.519M have since been examined and the remaining returns are currently being located for review.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have all outstanding Tributors liabilities paid to the Authority and to have all submitted returns submitted for audit review. (2019/92)*

345. During the year 2017, a sample of nineteen Tributors Tax returns were examined of which nine returns had underpayments totalling \$3.732M. At the time of reporting in November 2020, six returns with underpayments totalling \$2.961M remained outstanding. It must be noted that, tributors promised to send adjusted returns. However, at the time of reporting the return were not submitted.

**Authority's Response:** The Head of the Authority indicated that adjusted returns were provided to the Auditor during 2018, indicating that the Seven Tributors returns have underpayments totalling \$1.855M and not \$2.963M. Letters were issued to the seven Tributors to remit the outstanding taxes. Of this amount a balance of \$560,000 currently remains to be paid. Follow-up actions are on-going to secure payment.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to have all outstanding Tributors liabilities paid to the Authority. (2019/93)*

#### Premium Tax

346. Amounts totalling \$301.571M were estimated to be collected from Premium Tax during the year 2019. Premium Tax collected for the year 2019 amounted to \$299.424M. This amount is equivalent to \$2.147M below the approved estimates. During the year thirteen taxpayers filed Premium Tax returns with the Authority.

347. A sample of six taxpayers was selected to verify accuracy, completeness and validity of the transactions. Examination of the records revealed that returns were not filed for five payments totalling \$5.032M. As a result, the collections could not have been substantiated.

**Authority's Response:** The Head of the Authority indicated that three returns totalling \$2.420M are available for examination. Demand letter was sent for one outstanding return in the sum of \$1.959M. The remaining return will be made available for review.

**Recommendation:** The Audit Office recommends that the Authority put measures in place to encourage taxpayers to submit their returns and have them examined and presented for audit examination. (2019/94)

### Corporation Tax

348. The sum of \$36.355 billion and \$1.026 billion were estimated to be collected from Corporation Tax, and interest and penalties respectively, from private and public sector companies for the year 2019. However, amounts totalling \$34.047 billion and \$2.148 billion were collected. This is equivalent to a net negative variance of \$1.186 billion or 3.2% below the approved estimates.

**Authority's Response:** The Head of the Authority indicated that the total Corporation Tax collected from Private Sector for the period of January to December 2019 amounts to \$34.05B or 32.6% of the total revenue collected by Internal Revenue. This amount is equivalent to \$1.03B or 2.9% below the approved budgeted collection and \$2.0B or 6.2% above the total collected during the period January to December 2018. The negative variance below the budgeted collection resulted mainly from:

- Companies within the Oil and Gas Sector remitting smaller payments than expected with respect to Corporation Income Tax as a result of substantial amounts being withheld and paid over to the GRA as Withholding Taxes. As per the laws of Guyana, 10% of payments to non- resident companies on account of any contract undertaken must be withheld and remitted to the GRA. This amount of tax deducted is not a final tax but is creditable against the Corporation Income Tax liability of the non-resident contractor.
- Decreases in taxes remitted by several companies from the LTD sector with respect to current taxes due to a decrease in the advance tax payments and balance of taxes, audit work will have to be done to examine the veracity of the claims of less taxable profits.

349. According to the Authority's TRIPS database, as at 31 December 2019, there were 6,731 registered companies of which, 4,962 were identified as active. However, only 2,034 companies filed returns for the year of assessment 2019 resulting in 2,928 companies not filing their returns as required by the Income Tax Act and applied by the Corporation Tax Act. Similarly, in 2018 of 4,271 companies, which were deemed active, 1,582 did not file their tax returns.

**Authority's Response:** The Head of the Authority indicated that the department continues to issue demand notices to the defaulting taxpayers. In addition, assessments in the absence of the returns submitted are issued to defaulting companies and legal action is instituted against chronic non-filer. One case was sent for legal action in 2019.

- Number of demands issued during 2018 - 1,817
- Number of demands issued during 2019 - 1,836
- Number of demands continued to be issued in 2020 - 522

The list provided does not represent an accurate number of active taxpayers required to file corporate returns. Including in the list are Partnerships, Village Councils and other entities which are not legally required to file. Work has commenced and are currently on-going to remove these entities not required to file tax returns.

**Recommendation:** The Audit Office recommends that the Authority pursue all possible avenues to have delinquent companies comply with the requirements of the Corporation Tax Act with a view of maximising revenue collections. Also, to continue its efforts to cleanse the database and present for audit examination. (2019/95)

350. The Authority continues to have difficulties in retrieving taxpayers' personal files. During the 2018 audit request was made for a sample of 270 returns files in respect of companies making payments totalling \$24.551 billion. At the time of reporting in November 2020, the files were not presented for audit. Similarly, in 2017, sixty files were requested of which forty-three were presented in September 2018. As such, seventeen files with payments totalling \$84.118M remain un-presented as at September 2020; however, efforts are being made to present the files for audit examination.

351. Examination of the forty-three 2017 files presented revealed a total of \$566.030M and \$214.017M represented as overpayments to be refunded and overpayments to be used as tax set-off, respectively.

**Authority's Response:** The Head of the Authority indicated that the sample of 270 returns files requested included multiple payments made by several companies for the same year and does not represent 270 files but rather 87 files in total. Further the state of the filing room does not allow for the timely fulfilling of these requests. Measures have been put in place to remedy this situation such as scanning returns upon receipt, corporate and self-employed returns being filed separately and all statute-barred years taken out of taxpayers' files. The scanned returns are available for review by the Auditor

**Recommendation:** The Audit Office recommends that the Authority continue its efforts to adequately account for records and to enhance the condition of the filing room. (2019/96)

#### Property Tax

352. Amounts totalling \$4.353 billion were collected and paid into the Consolidated Fund as Property Taxes from private and public sector companies for the year 2019. This amount is equivalent to negative variance of \$200.343M below the approved estimates.

**Authority's Response:** The Head of the Authority indicated that total Property Tax collected for the period of January to December 2019 amounts to \$4.31B. This amount is equivalent to \$60.2M or 1.4% above the approved budgeted collections and \$65.4M or 1.5% above the total Withholding Tax collected during the period January to December 2018 (See breakdown in the table below).

G\$000's

Revenue Collection Area	Actual '18	Budget '19	Actual '19	VARIANCE			
				Over 2018	%	Over Budget	%
<b>NET PROPERTY TAX</b>	<b>4,377,071</b>	<b>4,251,440</b>	<b>4,311,656</b>	<b>(65,415)</b>	<b>(1.5)</b>	<b>60,216</b>	<b>1.4</b>
- Individual	1,016,361	988,946	932,833	(83,528)	(8.2)	(56,113)	(5.7)
- Companies Private	3,201,702	3,090,283	3,190,739	(10,963)	(0.3)	100,456	3.3
- Companies Public	159,008	172,211	188,084	29,076	18.3	15,872	9.2

**Recommendation:** The Audit Office recommends that the Authority engage the Ministry of Finance to ensure that the classification and categorisation of tax types be reflected as the same on the two Statements. In addition, to reconcile the approved estimates of the Authority and the Ministry of Finance Statement of Receipts and Disbursements. (2019/97)



353. The Authority continues to have difficulties in retrieving taxpayers' personal files. During the 2018 audit a request was made for a sample of six-two files in respect of taxpayers making payments totalling \$2.452 billion. At the time of reporting in November 2020, the files were not presented for audit; however, efforts are being made to present the files for audit examination.

**Authority's Response:** The Head of the Authority indicated that the state of the filing room does not allow for the timely fulfilling of these requests. Measures have been put in place to remedy this situation such as scanning returns upon receipt, corporate and self-employed returns being filed separately and all statute-barred years taken out of taxpayers' files. The scanned returns are available for review by the Auditor.

**Recommendation:** *The Audit Office again recommends that the Authority continue its efforts to adequately account for records and to enhance the condition of the filing room. (2019/98)*

#### Professional Fees

354. The Authority continued to experience difficulties in having practicing professionals comply with Section 37, Chapter 81:01 of the Income Tax Act. Total revenue collected from Professional Fees for the year amounted to \$4.911M or 4.47% of the total revenue collected by Internal Revenue. This amount is equivalent to \$188,000 or 3.98% above the approved estimates, when compared to 2018 collections this tax type is 4.28% above the collections during the same period. The Authority continues to reduce the budget amounts; in 2019, it was reduced by \$1.295M or 21.52% and in 2018 by \$640,000 or 9.7% when compared to prior years respectively.

**Authority's Response:** The Head of the Authority indicated that this is indeed an issue faced by the Authority. Continuous efforts will be put in place to help curb this situation by addressing same with the responsible body of these professionals. This is however a work-in-progress since other alternative measure are being put in place in an effort to capture these professionals. Some of these measures include using the information obtained from responsible bodies, payment reports etc. in an effort to advise the professionals of their obligations. Our new software will also assist in reducing these issues. Please note that these measures require additional human resource which is not currently available.

The consistent dip in collections over the years may be attributable to less persons taking out and or renewing their license and the contentious issue over the years engaging the attention of the court on the payment of practicing fees for the professionals, lawyers in particular.

**Recommendation:** *The Audit Office recommends that the Authority pursue all possible avenues to have professionals comply with the requirements of the Income Tax Act with a view of maximising revenue collections. (2019/99)*

355. In accordance with Section 37 of the Chapter 81:01, professionals practicing for a reward in any year are required to be the holder of a Practice Certificate issued by the Commissioner-General in respect of that year. The fee for the certificate is payable on or before the last day of February each year. At the time of reporting in November 2020, 180 professionals paid for certificates after the stipulated date. Similarly, in 2018, 170 professionals paid for certificates after the stipulated date.

**Authority's Response:** The Head of the Authority indicated that the Professionals practicing for a reward in any year are indeed required to be the holder of a Practice Certificate issued by the Commissioner-General in respect of that year. However, not all Professionals apply for their certificate or pay the prescribed taxes by February 28. Demand Letters are usually sent to Professionals who are registered by the Debt Management Division. Most of the Professionals paid their Professional fees during the processing of their Tax Practice Certificate.

**Recommendation:** *The Audit Office recommends that the Authority put measures in place to ensure that professionals pay for their certificates on or before the stipulated date. (2019/100)*

356. As at 31 December 2019, there were 688 active registered professionals in the TRIPS database of which only 252 professionals or 37% purchased the Professional Certificates. As a result, 436 or 66% of the active professionals did not purchase Professional Certificates. Despite the constant decline in professionals complying with Section 37 of the Tax Act, the Authority failed to conduct any field visits during the year.

**Authority's Response:** The Head of the Authority indicated that although some persons are registered in our database as Professionals, they may not be required to apply for the Tax Practice Certificate or pay the Professional fees because such individual might be employed by the Government. The change in one's employment status contributes to the fluctuation in the application received and fees collected. Also, due to human resource constraints no visits or streets surveys were completed by the Authority during the period.

**Recommendation:** *The Audit Office again recommends that the Authority continue its efforts to have professionals comply with the Income Tax Act. (2019/101)*

357. Requests were made for the lists of registered professionals from the various professional bodies. However, at the time of reporting in November 2020, no list was submitted by the Professional bodies for audit. Similarly, in 2018 no professional bodies submitted the list of professional. In 2017, only one professional body (the Dental Council) was presented for audit.

**Authority's Response:** The Head of the Authority indicated that although some persons are registered in our database as Professionals, they may not be required to apply for the Tax Practice Certificate or pay the Professional fees because such individual might be employed by the Government. The change in one's employment status contributes to the fluctuation in the application received and fees collected. Also, due to human resource constraints no visits or streets surveys were completed by the Authority during the period.

**Recommendation:** *The Audit Office again recommends that the Authority continue its efforts to have non-compliant professional bodies submit the outstanding list of registered professionals. (2019/102)*

358. A sample of fifty-three professional certificate applications was requested for audit review; however, at the time of reporting these applications were not presented. Similarly, in 2018 and 2017, the seventy professional certificate applications requested were not presented. In 2018, the system generated certificates were examined; however, they did not provide adequate information for the audit review. In these circumstances, the scope of the audit was restricted and the completeness and accuracy of the amounts reflected as professional fees could not be ascertained.

**Authority's Response:** The Head of the Authority indicated that upon completion of an application, the transaction or temporary jacket is sent to the Filing Room to be placed in the taxpayers' main file. Please note that files were requested from the Filing Room but were not located in time to provide for audit. Please note to prevent this recurring, we have also put a system in place to scan those documents so that they can be accessible. Continuous efforts will be made to ensure the responsible bodies submit the list of the respective Professionals to the Authority. Additionally, alternative measures will be used to reduce these irregularities.

**Recommendation:** *The Audit Office again recommends that the Authority put systems in place to ensure that these jackets are located and produced for audit in a timely manner. (2019/103)*

359. A Conservatory Order instituted in October 2003 restraining the Guyana Revenue Authority from assessing and collecting increased fees from all Professionals was still in effect and the matter had not been finalised. Because of this Order, the Authority was barred from collecting an additional sum of \$77.329M in Professional Fees for 2019. Similarly, in 2018, the Authority was barred from collecting an additional sum of \$55.290M. At the time of reporting in November 2020, the matter was still engaging the attention of the Court.

**Authority's Response:** The Head of the Authority indicated that the Guyana Revenue Authority is indeed restrained from collecting the higher fees by virtue of the Conservatory Order issued in October 2003.

**Recommendation:** *The Audit Office recommends that the Authority pursue this matter to bring closure and to implement a new regime structure for the payment of Professional Fees to avoid the continuation of the non-payment of the increased fees.* (2019/104)

#### Tax on International Travel – Travel Tax & Travel Voucher Tax

360. Total Travel Tax collected for the year 2019 amounted to \$1.234 billion or 1.2% of the total revenue collected by Internal Revenue. This amount is equivalent to \$73.080M above the approved estimate and \$81.032M above the collections during the period January to December 2018. Total Travel Voucher Tax collected for the year 2019 amounted to \$1.592 billion or 1.5% of the total revenue collected by Internal Revenue. This amount is equivalent to \$83.478M above the approved estimate and \$143.291M above the collections during the period January to December 2018.

361. Amendment to Section 56(2) of the Tax Act, Cap. 80:01 states: *“Every traveller in respect of each occasion on which he leaves Guyana shall pay a travel tax of three thousand five hundred dollars in pursuance of section 56(2).”* This Act took effect on 1 February 2017.

362. In addition, Tax (Amendment) Act No.9 of 2017, came into operation on 1 February 2017. Section (2A) (a) states that *“The Commissioner may appoint such number of collection agents as he deems necessary for the purpose of collecting and remitting travel tax. Section (2A) (b) Travel Tax may be paid to the Commissioner or to the agent of the Commissioner in accordance with Section 10 (1) of the Travel Voucher Tax Act.”* As such, Travel Tax is now included the passenger's tickets by the airlines and is remitted to the Authority within the time highlighted in the Travel Voucher Tax Act.

363. Examination of the records pertaining to Tax on International Travel revealed the following:

- a) The Travel Voucher Tax Act requires airlines to furnish the Commissioner-General with a Return disclosing pertinent details such as, the number of tickets sold, the cost of each ticket, the period to which the return relates, the name of the carrier, etc., no later than twenty-two days following the end of the period to which the return relates. Five of the seven operational airlines failed to submit the Travel Voucher and Travel Tax declarations for various periods in 2019. As a result, it could not be determined whether the correct amount of taxes was deducted and paid over to the Authority, this is a breach of the Travel Voucher Tax Act. The table below provides details of the outstanding declarations.

Airlines	None Declaration Periods	
	Travel Voucher Tax	Travel Tax
Airline 1	18	18
Airline 2	2	0
Airline 3	1	1
Airline 4	9	9
Airline 5	3	3

364. A request was made 30 March 2020 for ‘all returns filed by all operational airlines’ and a schedule with the returns and the receipts were presented for audit review on 14 April 2020. It must be noted that at the time of reporting in November 2020, the returns for the periods mentioned above were not presented contrary to the response provided by the Authority.

**Authority’s Response:** The Head of the Authority indicated that our records indicate that the five operational airlines identified did submit returns within the statutory due date. Soft copies of the returns are available for examination.

**Recommendation:** *The Audit Office recommends that the Authority provide all documentations requested in a timely manner to facilitate audit reviews since none submission affects the completeness of audit examination. (2019/105)*

- b) The Travel Voucher Tax (Amendment) Act No.10 of 2017 came into operation on 16 January 2017. The Act states, “No carrier or charterer shall operate an aircraft in Guyana **unless a bond** to ensure payment of travel voucher tax is given in a sum determined by the Commissioner-General”. Seven airlines operated flights originating from Guyana during the year under review of which only two airlines complied with the requirement as having bonds in place. Similarly; in 2018, seven airlines operated flights originating from Guyana and only two airlines complied with to the requirement of the Travel Voucher Tax (Amendment) Act 2017. Additionally, one of the airlines that complied with this requirement did not submit the bond to the Authority but a letter of confirmation from the Commercial Bank was submitted.

**Authority’s Response:** The Head of the Authority indicated that eight airlines operated flights originating from Guyana during the year under review and are therefore required to remit Travel Voucher Tax and Travel Tax. Only two airlines conformed to the requirement of the Travel Voucher Tax (Amendment Act) 2017, since these airlines came into operation after the amendment was enacted. The requirement to submit a bond for airlines owned by CARICOM countries was waived.

**Recommendation:** *The Audit Office recommends that the Authority make every effort to have the other airlines conform with the Travel Voucher Tax (Amendment) Act 2017. (2019/106)*

- c) The Travel Voucher Tax (Amendment) Act 2017 emphasises that carrier or charterer who fail to remit Travel Voucher Tax when it becomes due and payable commits an offence and shall be liable to a fine under Section 10 (2A) (a) and the forfeiture of the bond executed under paragraph (e). Examination of the Travel Voucher and Travel Tax Declarations submitted and payments made revealed that penalties and interest totalling \$103.191M were not collected from three airlines who failed to comply with the Travel Voucher Tax Act. In addition, only one of the airlines has a bond in effect at the time of reporting in November 2020.

**Authority's Response:** The Head of the Authority indicated that for the first-mentioned airline a request for waiver was submitted and is currently being reviewed. The second-mentioned airline was granted full waiver of penalty charges; however, the interest charges have been paid on 28 February 2020. The third-mentioned Airline was granted partial waiver of the penalty and interest charges; the remaining amount was paid on 5 May 2020.

**Recommendation:** *The Audit Office recommends that the Authority enforce the requirements of the Travel Voucher Tax (Amendment) Act 2017 which would encourage airlines to conform to the applicable Regulation. (2019/107)*

365. Examination of the 2018 records pertaining to Tax on International Travel - Travel Tax & Travel Voucher Tax revealed the following:

- a) Four airlines failed to submit the Travel Tax on the required deadlines and the Authority failed to collect \$11.117M in penalties and interest.
- b) In addition, two airlines failed to submit the Travel Voucher Tax on the required deadlines and the Authority failed to collect \$20.645M in penalties and interest. To note, one of these airlines do not have a bond in effect as highlighted in the Travel Voucher Tax (Amendment) Act №. 10 of 2017.

366. At the time of reporting in November 2020, one of the airlines was granted a 75% waiver. This airline made a payment of \$1.109M to the Authority. The other airline applied for a waiver and it was not granted, this airline made payments totalling \$24.175M in December 2019 and February 2020. The other two airlines made payments totalling \$147,000.

**Authority's Response:** The Head of the Authority indicated that the first airline mentioned in the schedule provided by the Auditor, incurred a penalty and Interest of \$4,688,866 and \$341,539 respectively. Partial waiver of the penalty and interest imposed was granted and the difference paid via receipt №. CLIQHO\2019\C58099. The second mentioned airline made payment via receipt №. CLIQHO\2018\C257307. With regards to the third airline mentioned in the schedule, the request for waiver of Interest and penalties computed were not granted and as such, the payments were made via receipt №. CLIQHO\2020\C44996.

**Recommendation:** *The Audit Office recommends that the Authority make every effort to have airlines comply by submitting returns and making payments within the stipulated time as highlighted in the Travel Voucher Tax Act. In addition, to insist that airlines established bonds as stipulated in the Travel Voucher Tax (Amendment) Act 2017. (2019/108)*

367. An airline which began operations in December 2014 was not submitting Travel Voucher Tax returns in the required format. At the time of the audit, this airline is now in compliance hence, Travel Voucher Tax, penalties and interest totalling \$44.259M is outstanding for the years 2014-2016. An agreement was signed in October 2016 and the amount was to be settled in twelve monthly installments of \$3.688M. However, at the time of reporting in November 2020, the amount remained outstanding.

**Authority's Response:** The Head of the Authority indicated that the airline with outstanding penalty and interest is currently in liquidation and a claim for payment was filed on 6 June 2017 with the liquidator.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to collect all outstanding taxes due to the Authority. (2019/109)*

368. The Travel Voucher Tax (Amendment) Act 2017 emphasises that any carrier or charterer who fail to remit Travel Voucher Tax when it becomes due and payable commits an offence and shall be liable to a fine under Section 10(2A). Failure to comply with this requirement will result in a 15% penalty on the unpaid gross amount in addition to interest charges for every day late. At the time of reporting in November 2020, amounts totalling \$948,408, \$1.800M and \$2.896M representing penalties and interest in respect of the years 2014, 2012 and 2011 respectively, remained outstanding.

**Authority's Response:** The Head of the Authority indicated that the following are an updated position as it relates to the observations:

- The airline with outstanding penalty for 2014 is in liquidation and a claim for payment was filed with the liquidator on 6 June 2017.
- For the year 2012 penalties amounting to \$1.8M is due by an airline that ceased operations and the penalty may not be recovered.
- For the year 2011, penalties of \$2.896M is outstanding by one airline. The airline has filed for bankruptcy in Barbados. The GRA has filed a claim in Barbados for payment.

369. An airline, which had its inaugural flight on the 6 July 2013, and ceased all operations on 6 June 2015, had not remitted Travel Voucher Tax for the entire period of its operations. It was explained that Management is actively pursuing the liability. However, at the time of reporting in November 2020 no payments have been made.

**Authority's Response:** The Head of the Authority indicated that this airline ceased operations in June 2015; however, the management of the Guyana Revenue Authority is actively pursuing the liability. No payments have been made to date.

**Recommendation:** *The Audit Office recommends that the Authority continue its efforts to collect all outstanding taxes due to the Authority. In addition, the Authority should put systems in place to avoid recurrence of same. (2019/110)*

#### Objections and Appeals

370. Management has still not taken appropriate measures to monitor the status of all default matters and to ensure that cases pending are finalised in a timely manner. An examination of the Objections and Appeals Registers presented for the year 2019 revealed that 983 cases were received by the Authority. At the time of reporting in November 2020, Management was still to finalise 1,042 of the cases, which resulted in the inability to collect potential taxes and penalties amounting to \$11.231 billion and \$10.468 billion, respectively. Similarly, for years 2008 to 2018, Management is still to finalise 1,403 cases where taxes and penalties in dispute amounted to \$8.577 billion and \$215.240M, respectively. The table below summarises the amounts in dispute.

Year	No. of Cases Received	No. of Cases to be finalised as at 31 July 2020	Taxes in Dispute \$'000	Penalties in Dispute \$'000
2008	1,388	18	6,089	91
2009	762	9	6,290	197
2010	962	15	2,816,911	1,961
2011	809	32	53,271	704
2012	327	21	54,420	326
2013	345	6	4,871	203
2014	408	12	130,049	1,555
2015	682	38	182,169	7,858
2016	1,028	34	345,114	40,427
2017	1,010	164	1,077,390	102,658
2018	2,019	1,054	3,900,918	59,260
Sub-Total	9,740	1,403	8,577,492	215,240
2019	1,088	1,042	11,231,043	10,467,868
Total	10,828	2,445	19,808,535	10,683,108

**Authority's Response:** The Head of the Authority indicated that the Objections & Appeals Section continues to work assiduously to finalise objection cases on hand in a timely manner.

**Recommendation:** The Audit Office recommends that the Authority continue its efforts to have all outstanding cases finalised as soon as possible. (2019/111)

#### Trade and Miscellaneous Licences

371. It was estimated that \$31.172M in Licences - Trading will be collected. However only \$25.535M were collected and paid into the Consolidated Fund. As such, the Authority recorded a negative variance of \$2.082M or 6.68% below the approved estimates and \$6.084M or 13.92% below the collections during the period January to December 2018.

372. In addition, total revenue collected from Licence - Miscellaneous for the year 2019 amounted to \$37.142M or 0.04% of the total revenue collected by Internal Revenue. This amount is equivalent to \$9.023M above the approved estimates.

**Authority's Response:** The Head of the Authority indicated that the negative variance below the approved budgeted collections resulted from the overestimation of the expected collections.

373. As at 31 December 2019, there were 7,500 registrants for Trade and Miscellaneous Licences. However, only 4,992 renewed their licences resulting in 2,508 defaulters. As a result, the Authority did not collect licences fees estimated in the sum of \$48.536M. Similarly, in 2018, there were 3,486 defaulters resulting in lost estimated revenue of \$65.431M.

**Authority's Response:** The Head of the Authority indicated that the registrants for Trade and Miscellaneous were approximately 6,800 of which fees were collected for \$4,727 resulting in defaulters of 2,087. The estimated licence fee for the alleged 2,087 defaulters was approximately \$17.2M. In 2018, there 6,970 Registrants for Trade and Miscellaneous Licences, 308 were for Hucksters and 6,662 for Other Trade and Miscellaneous Licences of which licence fees were collected for 5,073 resulting in 1,589 defaulters. The estimated licence fees for the alleged 1,589 Trade and Miscellaneous defaulters are \$10.278M and not \$65.431M as was stated.

**Recommendation:** The Audit Office recommends that the Authority make every effort to have the information reviewed and adjusted before submitting for audit review. In addition, efforts should be made to have a standardised report for Trade and Miscellaneous Licence - Registrants. (2019/112)

374. Gazetted on 25 July 2018, Bill №. 11 of 2018 – The Tax (Amendment) Act 2018 made provision for the issuance of provisional licenses for some businesses for a period of not more than two years and for a fee of 50% of the respective annual licence fee where it can be shown that application for a licence is in process and all efforts are being made to satisfy the requirement thereof. However, at the time of reporting in November 2020, the Authority failed to issue any provisional licenses. Similarly, in 2018, no provisional licenses were issued. As such, the Authority continues to lose revenue from this tax category.

**Authority's Response:** The Head of the Authority indicated that Provisional licences can only be issued when businesses respond to the registration drive, or LEID Officers carry out enforcement exercises. In many cases persons opt to take out the full licence by carrying out the necessary changes rather than opting for provisional licences. The GRA will continue to advise the erring businesses to allow them to rectify their status.

**Recommendation:** The Audit Office recommends that the Authority put systems in place to encourage none compliant businesses to regularise its operation by purchasing the provisional licenses. In addition, the Authority should continue in its efforts of making available to traders the provisional licences with the view of maximising revenue collections. (2019/113)

#### Legal Confirmations

375. A request was made on the 20 April 2017 to have all legal counsels contracted by the Guyana Revenue Authority submit confirmations in respect of all judgments, litigations and claims involving the Authority for the period 1 January to 31 December 2017. At the time of reporting in November 2020, these were not presented. Similarly, in 2016 no confirmations were received by the Audit Office of Guyana.

376. At the time of reporting in November 2020, a list of legal counsels contracted by the Authority was presented for 2019. No payments were made for 2019 since there are seven on-going matters before the Courts. In 2018, the Authority incurred expenses totalling \$53.469M for twelve cases.

**Authority's Response:** The Head of the Authority indicated that the cases referred to in 2018 relate cases before the CCJ for \$3.4B, and one before the High Court for \$29B, where it was felt that inside Counsel did not have the requisite expertise. The inside counsel expertise has been constantly developed, hence Legal Counsel contracted by the Authority in 2019 was paid the sum of five hundred and twenty thousand dollars (\$520,000), and this related to a traffic accident between a GRA vehicle which led to a civilian death.

#### Revenue Accounting and Control

##### Bank Reconciliation

377. One Commercial Bank provided bank confirmation statements reflecting closing balance of \$8.715M, \$31.373M and \$31.380M for the years ended 31 December 2017, 2018 and 2019 respectively. However, the Authority could not provide information as to the purpose of this Account. In addition, Bank Reconciliation Statements were not prepared and presented for audit.

**Authority's Response:** The Head of the Authority indicated that the Authority reconciles all Bank Accounts it holds at commercial banks. The account in question was not opened or is being operated by the Authority. Examination of deposit slips being processed through this account will reveal that the deposits are being made on official Bank of Guyana issued stationery for the Authority's main revenue accounts. The existence of this account is unbeknownst to the Authority and it is assumed that this serves as a vehicle for the acceptance of deposits for Bank of Guyana as is common with Republic Bank and Guyana Bank for Trade & Industry in the outlying areas. The Authority has engaged the Commercial Bank to rectify this situation.



378. During the year under review, the Authority maintained ten Bank Accounts, five with Bank of Guyana and five with four Commercial Banks on behalf of the Internal Revenue, Customs and Trade Administration and Value Added Tax.

379. Bank confirmation for one Commercial Bank was not presented for the year 2019. Similarly, in 2018, this Commercial Bank did not provide Bank confirmation as requested as at 31 December 2018. It must be noted; this account was opened to facilitate electronic payments.

**Authority's Response:** The Head of the Authority indicated that the Commercial Bank was notified in writing by the Authority for the request of confirmation of accounts, these notifications were acknowledged by affixing date received and signature upon receipt.

**Recommendation:** *The Audit Office recommends that the Authority follow-up with the Commercial Bank to ensure that confirmation is forwarded to the Audit Office. (2019/114)*

380. In addition, this Bank Account is no longer used for the purposes intended. This account is presently used as a Deposit Account in one of the Regions. It had a closing balance of \$2.101M after a withdrawal of \$25.333M was made on 31 December 2019. In addition, on a daily basis large sums of revenue were deposited to this account. However, withdrawals were done in an adhoc manner and not on a regular basis. During 2019, twenty-six withdrawals totalling \$188.571M were made. As such, it was not possible to determine the reasons for the delay in transferring the revenue to the Consolidated Fund.

**Authority's Response:** The Head of the Authority indicated that the large deposits into this account relates to the revenue collected at the Morawhanna location in Region №. 1. This revenue is deposited into the account on a forth night basis, while the transfers to the Official Revenue Account are done after the manual receipts are entered into TRIPS and the verification of the Collector's Cash Book Statement (CCBS) is completed. Early 2020 the GRA's Mabaruma location started entering transactions for both Morawhanna and Mabaruma locations into TRIPS, ASYCUDA and LRPS which resulted in a real time reporting of revenue collected.

**Recommendation:** *The Audit Office recommends that the Authority monitor this account more regularly and make the necessary deposits to the Consolidated Fund in a timely manner. (2019/115)*

381. Audit examination of the June, July and August 2019 bank reconciliation statements for account №. 3194 held at bank of Guyana revealed that, amounts totalling \$13.120M were recorded as 'Deposit not on Bank Statement' for June and July 2019. However, the amount was not recorded on the bank reconciliation statement for August 2019, audit examination of the bank statement for August revealed that the deposits were not recorded therein. In the circumstance, the completeness and accuracy of the balances reported in the reconciliation statement could not be determined.

**Authority's Response:** The Head of the Authority indicated that this amount represents reconciling item resulting from recording errors in the Cash Book. These errors would have been corrected, resulting in removal from Bank Reconciliation Statements. The related records are available for examination by Audit Office personnel.

**Recommendation:** *The Audit Office recommends that the Authority ensure that all necessary adjustments to the Cash Book and the Bank Reconciliations are done in a timely manner. (2019/116)*

382. The ESCROW Account that is used as a holder of potential revenue due to seizure matters continues to increase in its closing balances. As at 31 December for the years 2016, 2017 and 2018 the closing bank balances were \$331.918M, \$514.873M and \$1.165 billion, respectively. During the year 2018, the Authority closed 257 seizure files with estimated revenue collections of \$332.881M. As such, it can be concluded that revenue deposited to this account is not being transferred to the Consolidated Fund on a regular basis or in a timely manner. As at September 2020 the closing bank balance for this account was \$16.222M. At the time of reporting in November 2020, efforts are being made to transfer the revenue on a regular basis.

**Authority's Response:** The Head of the Authority indicated that a comprehensive review of the deposits made to this account was undertaken and several transfers in July 2019 totalling \$1.39 billion were made to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Authority continue to monitor this account and make the necessary deposits to the Consolidated Fund in a timely manner. (2019/117)*

383. Audit review of the Authority's Bank Reconciliation Statement and other related records for one of the Commercial Bank Account under Line Items - Deposit not on Bank Statement valued \$3.864M could not be verified. Management stated that this amount represents a deposit made to the Guyana Police Force's Account instead of the Authority's Account in error. At the time of reporting in November 2020, this matter has not been resolved.

**Authority's Response:** The Head of the Authority indicated that the Commercial Bank responsible for processing deposits for the Authority was written to have deposits regularised and transferred to the Authority's account. We have been advised that the account to which these deposits were processed is dormant and requires action from a Government Ministry. The Authority has engaged the Ministry to resolve this issue.

**Recommendation:** *The Audit Office recommends that the Authority take action to bring closure to this matter as soon as possible. (2019/118)*

#### Dishonoured Cheques

384. Examination of the Dishonoured Cheques Register revealed that 228 cheques valued \$329.071M were dishonoured during the year 2019, of which ninety-four cheques valued at \$104.895M were referred to the drawer. Seven cheques for the years 2011, 2013, 2015 and 2017 valued at \$3.665M remained dishonoured.

**Authority's Response:** The Head of the Authority indicated that efforts are on-going to have outstanding cheques cleared.

**Recommendation:** *The Audit Office recommends that the Authority follow-up with the Police to recover all outstanding moneys due to the Authority and bring closure to this matter. (2019/119)*

#### Other Matters

385. The Guyana Revenue Authority computerised part of its operations in April 1996 with the introduction of the Automated System for Customs Data (ASYCUDA). The new system was designed to administrate the customs process and covered most foreign trade procedures. It processed manifests, customs declarations, and other forms while ensuring tariffs on imports and exports were assessed according to Governing Regulations. It was later upgraded in January 2003 to Version 2.7.

386. TRIPS, a fully integrated modular system to manage Government revenues, was designed and produced by Crown Agents, a private limited company incorporated and registered in England. It was introduced with the aim of boosting efficiency in the assessment, collection and accounting for revenue. It comprises two core applications - Taxes and Customs, which share information with each other and each application encompasses a total of thirteen modules. However, the functioning of the system was limited and needed improvement and this led to the implementation of the Total Revenue Integrated Processing System (TRIPS) on 1 January 2007.

387. TRIPS did not deliver the Manifest Module and some of the major regimes required to capture all imports of Customs. In addition, the discussions of implementing a National Single Windows also required a software that was compatible and ASYCUDA World was recommended since it was already tested and used by most of the Caribbean Countries.

388. In 2018, the Authority terminated the TRIPS II contract with Crown Agents due to underperformance by the vendor. Immediately thereafter, the Authority engaged UNCTAD for the implementation of ASYCUDA. ASYCUDA World is comprised of two core modules; e-Manifest and e-SAD. The regimes and functions are outlined in the following table as a replacement of TRIPS Taxes and Custom.

<b>N<sup>o</sup>.</b>	<b>Name of Module</b>	<b>Purpose</b>
1	E-Manifest: Electronic Submission of manifest Validation of Date and Arrival of Vessels Updating last discharge date and time Confirming/Not Confirming Outturn Report Requests for Amendments Approval of Amendments	Automate all manual submission of Ships Manifest by Agents.
2	Exemptions: Electronic Submission of Applications for exemptions Review and Approval	Process all applications for tax exemptions electronically. Query applications electronically for additional information and or clarification. Provide hard or soft copies of CG Tax Exemption Letters.
3	E-SAD Electronic Submission of Declaration/Self-Assessment Cashiering Documentary Checks, Valuation, Classification, Goods Inspection, Enforcement and Post Clearance. Releasing and Exiting of Goods  NB: All Regimes Implemented with the exception of: IM8 – Transshipment between Ports T1/C25 – Automate documentary procedures for Movements of Goods from one Wharf to another Wharf or Transit shed. IM9 – Automate the Spirits Warehouses Outstanding Location – Lethem	Automate all manual submission of customs declarations. Simplify processing time of all declarations. Reduce processing time significantly. Collection and Accounting for all payments electronically. Automated Check Points in AW. Generation of the Release Order and Acknowledgement of Goods when exited.

№.	Name of Module	Purpose
4	Risk Profiling: Creation of Selectivity Rules Profile declarations as follows: YELLOW – Documentary checks (Valuation and classification) RED – Goods examination GREEN – Immediate Release of goods BLUE – Post Clearance Audits Monitoring and Review of Selectivity Rules Update and Modifications of Selectivity Rules	Establishment of a Risk Management Unit

389. In addition, in 2018, the Authority terminated the TRIPS II contract with Crown Agents due to underperformance by the vendor. Subsequently, the Authority engaged Data Torque out of New Zealand for the implementation of a tax administration software called Optimal Revenue Management System (RMS). RMS aims to automate the full lifecycle of tax administration including analytics and risk management and will be delivered in three phases:

- Core functional modules and e-Services
- Additional workflows and online functionality
- Advance compliance, business intelligence and risk management

390. The project is expected to conclude in 2021 with first phase due to go live in February 2021. The first phase will result in the complete replacement of TRIPS taxes and will provide the following modules:

- 1) Taxpayer and tax type registrations
- 2) Returns processing
- 3) Payments processing
- 4) Compliance monitoring, reporting and management
- 5) Monitoring for filers, stop-filers and non-filers
- 6) Case workflows for:
  - a. Vetting and approval of TIN and tax type registrations
  - b. Management of correspondence and enquiries
  - c. Assessments
- 7) Taxpayer accounting
- 8) Revenue accounting
- 9) Role based security
- 10) eServices - Online filing for INC, PAYE, VAT, Property Tax individuals, Property Tax Company
- 11) Document management
- 12) Taxpayer services – Part 1
- 13) Tax Type Rollout (CIT, IIT, VAT, PAYE, Excise, Premium, Travel Vouchers and Travel Tax, Withholding Tax, Professional Fees, Tributors, Capital Gains Tax, Property Tax Individuals, Property Tax Company).

## Regional Integrated Tax Offices

### Corriverton Integrated Tax Office

391. The total number of vehicles temporarily entering for the periods October to December 2016 and January to February 2017 and whether they returned on expiration of the approved period, could not have been determined since the related register was not presented for audit with the explanation that the register was handed over to the Guyana Police Force to facilitate an on-going investigation. In a follow-up in August 2019, the register was still with the Guyana Police Force.

**Authority's Response:** The Head of the Authority indicated that the register in question covers the period October 2016 to February 2017 and was handed over to the Guyana Police Force. This investigation has not been completed by the police to date. As such, this register remains in their possession.

**Recommendation:** *The Audit Office recommends that the Authority put systems in place to have the records retrieved from the Police to have this matter resolved. (2019/120)*

### Revenue

392. The recording and accounting procedures for Internal Revenue, Licence Revenue Office and Value Added Tax needs to be amended to properly account for revenue in a systematic way. Revenue collected for TIN Certificates are incorporated and recorded with Value Added Tax on the Daily Reports but is incorporated and banked under the Internal Revenue. On the other hand, a Taxpayer who has recently renewed their Road Licence and is transferring the Motor Vehicle to another Taxpayer receives a rebate. However, it is difficult to ascertain those transactions from the reports prepared by the Authority.

**Authority's Response:** The Head of the Authority indicated that the issue of revenues from TIN and Compliance certificates being classified as VAT revenue is a result of a work around in TRIPS Suspense Account to allow for these transactions to be recorded and collected in TRIPS. As would have been stated in the past, the GRA is unable to modify TRIPS to include additional tax types or revenue streams. However, the introduction of Optimal RMS will address this problem and resolve the revenue classification problem. It has to be pointed out that there are reports that assist in the classification of suspense payments according to requisite revenue stream. The deduction from revenue when motor vehicles are transferred on the basis of the existence of a valid Motor Vehicle Licence conforms with good accounting practices and ensures that taxpayers are not disadvantaged.

**Recommendation:** *The Audit Office recommends that the Authority make every effort to properly account for revenue in a systematic way. (2019/121)*

AGENCY 04  
MINISTRY OF FOREIGN AFFAIRS

Current Year Matters

Current Expenditure

Unspent Balances

393. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability Act 2003, which requires all unexpended balance of public moneys out of the Consolidated Fund to be returned to the Consolidated Fund at the end of each fiscal year. Furthermore, unspent balances from the 2019 allocations totalling \$54.759M for twenty Embassies/Missions were paid over to the Consolidated Fund during the period January to March 2020. As a result, the Appropriation Account of the Ministry of Foreign Affairs, Programme 2 - Foreign Policy Promotion, was overstated by the said sum of \$54.759M. Similarly, balances from the 2018 allocations amounting to \$112.482M were paid over to the Consolidated Fund during the period January to April 2019.

394. The following table provides a summary of the 2019 balances paid over in 2020.

List of Missions	Date of Refund	Foreign Currency	Refunds		Total G\$
			Current G\$	Capital G\$	
CG New York	2020/01/23	US\$2,555.30	526,817	5,963	532,780
Guyana Embassy, Kuwait	2020/01/23	US\$5,062.26	1,055,482	0	1,055,482
Guyana Embassy, Paramaribo	2020/01/27	US\$7,730.12	1,595,631	16,098	1,611,729
Guyana Embassy, Brussels	2020/01/28	US\$13,233.05	2,759,091	0	2,759,091
Guyana Consulate, Nickerie	2020/01/28	US\$3,030.92	631,947	0	631,947
Guyana Consulate, Barbados	2020/01/28	US\$7,913.17	1,649,896		1,649,896
Guyana High Commission, London	2020/01/29	£5,795.47	1,541,447	0	1,541,447
Guyana Honorary Consulate, Boa Vista	2020/01/30	US\$7,957.55	1,659,150	0	1,659,150
Guyana Embassy, Beijing	2020/02/03	US\$10,387.03	2,165,695	0	2,165,695
Guyana Consulate, Toronto	2020/02/04	CAD\$8,684.73	1,366,227	2,054	1,368,281
Guyana Embassy, Washington	2020/02/10	US\$6,315.43	1,316,768	0	1,316,768
Guyana High Commission, Ottawa	2020/02/10	CAD\$51,168.45	8,007,709	44,731	8,052,440
Guyana Permanent Rep, New York	2020/02/11	US\$21,327.64	4,446,813	0	4,446,813
Guyana High Commission, T&Tobago	2020/02/17	US\$42,656.75	8,864,872	29,061	8,893,933
Guyana Embassy, Brazil	2020/02/17	US\$21,089.32	4,380,024	17,100	4,397,124
Guyana Embassy, Geneva, Switzerland	2019/02/21	US\$219.11	0	45,684	45,684
Guyana High Commission, India	2020/02/27	US\$153.67	29,537	2,504	32,041
Guyana High Commission, South Africa	2020/03/04	US\$22,926.13	3,842,980	937,119	4,780,099
Guyana Embassy, Havana	2020/03/20	CAD\$34,742.42	5,410,879	58,026	5,468,905
Guyana Embassy, Caracas	2020/03/26	US\$11,268.07	2,349,393	0	2,349,393
Total			53,600,358	1,158,340	54,758,698

**Ministry's Response:** The Head of Budget Agency stated that there was a significant reduction of unspent balances for 2019 when compared to 2018. This was as a result of the constant review of the Missions' work programme in keeping with their cash flow requests, budget allocations, remittance and expenditure. The Head of Budget also explained that funds were remitted in September 2019, to cover expenditure for the period October to December 2019. However, contracts for six Heads of Missions were subsequently terminated and this had a direct effect on expenditures relating to rental, utilities and other operational costs.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue to take steps to ensure that the Embassies/Missions comply with Section 43 of the Fiscal Management and Accountability Act 2003. (2019/122)

Employment Costs

395. Approximately forty-one percent of the Ministry's wages and salaries were paid to employees who were hired on a contractual basis. A summary is shown in the table below:

Line Item	Description	Total Paid \$'000	Percentage (Expended)
6111	Administrative	219,365	14
6112	Senior Technical	48,647	3
6113	Other Technical and Craft Skilled	298,714	19
6114	Clerical and Office Support	196,049	12
6115	Semi-Skilled Operatives and Unskilled	159,719	10
6116	Contracted Employees	662,027	41
6117	Temporary Employees	19,961	1
Total		1,604,482	100

396. Further, fifty-three (approximately fourteen percent) of the total employees (367) as of December 2019, were on contract. A summary is shown in the table below:

Line Item	Description	Actual as per December Payroll	Percentage of (Staff)
6111	Administrative	102	28
6112	Senior Technical	4	1
6113	Other Technical and Craft Skilled	39	11
6114	Clerical and Office Support	79	22
6115	Semi-Skilled Operatives and Unskilled	75	20
6116	Contracted Employees	53	14
6117	Temporary Employees	15	4
Total		367	100

**Ministry's Response:** The Head of Budget Agency stated that the expenditure caters for the payment of wages and salaries and other benefits to Legal Officers of special contracts relating to border matters, Advisors, Directors, Administrative Staff, Heads of Missions and other Senior Officers of the Ministry.

397. The table below shows the staffing summary at the time of preparation of the 2019 National Estimates compared with actual staffing according to the December payroll.

Line Item	Description	National Estimates 2019	Actual as per December Payroll	Difference
6111	Administrative	95	102	7
6112	Senior Technical	6	4	(2)
6113	Other Technical and Craft Skilled	50	39	(11)
6114	Clerical and Office Support	75	79	4
6115	Semi-Skilled Operatives and Unskilled	80	75	(5)
6116	Contracted Employees	57	53	(4)
6117	Temporary Employees	18	15	(3)
Total		381	367	(14)

**Ministry's Response:** The Head of Budget Agency stated that the Budget for 2019 was presented in December 2018. As such, the staffing details were submitted using October 2018 payroll.

398. Included in the fifty-three employees hired on contract were nine employees who were below the age of forty-five and should have been on the Permanent Establishment. A summary according to age strata is provided in the table below:

Age	Nº. of Employees
Below 45	9
45-55	9
Over 55	35
Total	53

**Ministry's Response:** The Head of Budget Agency stated that the nine Officers below the age of forty-five years were Legal Officers. These Officers were on special contracts, and were working on sovereignty matters. The Head of Budget Agency added that whilst the nine Officers within the age range of forty-five to fifty-five years did not qualify for the Pensionable Establishment; the thirty-five Officers above the age of fifty-five years included the Director General, two Advisors to the Minister, Director, Senior Foreign Service Officer, Principal Foreign Service Officer, Chief of Protocol, Librarian, Cleaner, Gardener, Office Assistant and Heads of Missions.

399. According to the December payroll, the salary ranges of employees on contract were as follows:

Salary Range	Nº. of Employees	Amount \$'000
Below \$100,000	10	741
\$100,001 - \$250,000	11	1,739
\$250,001 - \$400,000	22	6,545
Above \$400,000	10	7,221
Total	53	16,246

**Ministry's Response:** The Head of Budget Agency stated that all staff were being paid on the correct salary scale which was approved by the Public Service Ministry.

#### Accounting for Expenditure

400. Audit checks carried out in January 2020 revealed that the Ministry still had on hand, 203 cheques valued \$593.051M that were drawn for the financial year 2019. This is a breach of Section 43 of the Fiscal Management and Accountability Act 2003, which requires any unexpended balance of public moneys out of the Consolidated Fund to be returned to the Fund at the end of each fiscal year. As a result, the Ministry's Appropriation Accounts were overstated by the said amount of \$593.051M. In addition, it must be noted that the items/services were not received by the Ministry at the time of the checks in January 2020

401. As at 24 July 2020, twenty-five of these cheques totalling \$14.651M were still on hand. On 6 August 2020, the Ministry wrote the Accountant General requesting that seven of the twenty-five cheques amounting to \$10.092M be refunded to the Consolidated Fund.



**Ministry's Response:** The Head of Budget Agency stated that the transactions for the 203 cheques were entered into the IFMIS after 15 December 2020. The seven cheques were refunded because of duplicate payments and non-compliance by the Supplier. The eighteen cheques are at the Ministry of Finance to be uplifted by the Supplier/Company. The Head of Budget Agency stated that the Ministry will contact the individuals to uplift the cheques.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take steps to ensure compliance with Section 43 of the Fiscal Management and Accountability Act 2003. (2019/123)*

#### Other Matters

##### Shortfall

402. There was a sixty-three percent shortfall in expenditure under Programme 041 - Development of Foreign Policy, Line Item 6284 - Other. Moreover, the sum of \$681.244M remained unspent from the approved allotment of \$1.088 billion. The shortfall represented approximately sixty-three percent of the approved allotment. As such, the Ministry have not executed its anticipated level of activities.

**Ministry's Response:** The Head of Budget Agency stated that this allocation caters for the payment of Consultancy Services for border issues. The Guyana/Venezuela border matter was submitted to the International Court of Justice in 2018, and it was anticipated that the hearings would have commenced in 2019. However, the first hearing was in June 2020, which has resulted in the savings under this Line Item.

#### Capital Expenditure

##### Shortfall

403. The sum of \$13.621M, representing approximately thirty-two percent of the approved allotment (\$42.912M) under Programme 041 - Development of Foreign Policy, Line Item 12005 - Buildings, remained unspent. The sum allotted made provision for the payment of retention, and completion of electrical works - Head Office.

**Ministry's Response:** The Head of Budget Agency stated that a reconciliation was done on all payments made to the contractor. The solar installation was done by the Guyana Energy Agency at a lower cost, which resulted in the savings.

#### Other Matters

##### Master and Sectional Inventory

404. The Ministry did not maintain a Master Inventory. This is a breach of Section 24 of the Stores Regulations, which states that "*The Permanent Secretary shall ensure that Master and Sectional Inventories...are kept and are properly maintained...*".

**Ministry's Response:** The Head of Budget Agency stated that the Ministry will update and submit the Master Inventory for audit.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take steps to ensure full compliance with Section 24 of the Stores Regulations. (2019/124)*

Prior Year Matters

Other Matters

Outstanding Advances

405. Ten advances totalling US\$14,310 that were issued during the period 1995-1999 to Officers of the Guyana Embassy, Washington were still outstanding. The issuing of such advances from the operational funds of the Missions was not in keeping with established procedures. Furthermore, funds are allocated for such purposes under the Accountant General's Department of the Ministry of Finance, which issues such advances and account for the transactions.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry had written the Accountant General seeking advice on how to clear the ten advances off the books. The Head added that the Ministry will continue to work with the Ministry of Finance towards clearing the outstanding advances.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to follow-up with the Ministry of Finance to clear the outstanding advances. (2019/125)*

Follow-up on the Implementation of Prior Year Audit Recommendations

406. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/118	Breach of Section 43 of FMA Act 2003		√	
2018/119	Breach of Section 43 of FMA Act 2003	√		
2018/120	Breach of Section 43 of FMA Act 2003	√		
2018/121	Outstanding Advances		√	

AGENCY 05  
MINISTRY OF THE PRESIDENCY

Current Year Matters

Current Expenditure

Employment Costs

407. Amounts totalling \$1.954 billion were budgeted for Employment Costs. The sum of \$1.938 billion was expended. Included in the sum of \$1.938 billion were amounts totalling \$1.844 billion, which were expended for the payment of wages and salaries. Audit checks revealed that the sum of \$1.375 billion, which is approximately seventy-five percent of the total Employment Costs, was paid to employees who were employed on a contractual basis. A summary is shown in the table below:

Chart of Account	Description	Total Paid \$'000	Percentage (Expended)
6111	Administrative	91,783	5
6112	Senior Technical	29,000	2
6113	Other Technical & Craft Skilled	51,858	3
6114	Clerical and Office Support	176,338	9
6115	Semi-Skilled Operatives	92,696	5
6116	Contracted Employees	1,374,730	75
6117	Temporary Employees	27,262	1
Total		1,843,667	100

408. The table below shows the staffing details at the time of preparation of the 2019 National Estimates versus actual staffing according to the December payroll.

Chart of Account	Description	National Estimates 2019	Actual as per December Payroll	Difference
6111	Administrative	42	41	(1)
6112	Senior Technical	16	16	0
6113	Other Technical & Craft Skilled	58	49	(9)
6114	Clerical and Office Support	192	183	(9)
6115	Semi-Skilled Operatives	99	107	8
6116	Contracted Employees	479	471	(8)
6117	Temporary Employees	24	57	33
Total		910	924	14

409. Further, the 471 employees on contract represented approximately fifty-one percent of the total employees (924) as of December 2019. A summary is shown in the table below:

Chart of Account	Description	Actual as per December Payroll	Percentage (Staff)
6111	Administrative	41	4
6112	Senior Technical	16	2
6113	Other Technical & Craft Skilled	49	5
6114	Clerical and Office Support	183	20
6115	Semi-Skilled Operatives	107	12
6116	Contracted Employees	471	51
6117	Temporary Employees	57	6
Total		924	100

410. The Public Service Commission Circular No. 1/2017 dated 7 February 2017, required Permanent Secretaries, Heads of Departments and Regional Executive Officers to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. The table below provides a summary as per 'Age Range' of the employees on contract, as of December:

Age Range (Years)	No. of Employees
Below 45	189
45-55	110
Above 55	172
Total	471

411. As can be noted in the table above, 189 contracted employees were below the age of forty-five and should have been transferred to the Pensionable Establishment. Included in the 189 contracted employees, were 102 employees who were contracted as of December 2018, and should have been transferred to the Permanent Establishment.

**Ministry's Response:** The Head of Budget Agency indicated that the transition of staff to the Pensionable Establishment is an on-going process. The Administration is faced with many challenges such as staff members who haven't met the requirements for transfer due to the upgrade of their qualifications among other factors.

**Recommendation:** The Audit Office once again recommends that the Head of Budget Agency continue with the process of moving its current eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/126)

412. The table below provides a summary as per salary range of the 471 employees on contract according to the December payroll:

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	150	11,272
\$100,001 - \$200,000	175	23,716
\$200,001 - \$400,000	101	28,195
Above \$400,000	45	31,648
Total	471	94,831

Print and Non-Print Materials

413. The sum of \$288.098M was expended for print and non-print materials. Included in the said sum were amounts totalling \$18.599M, which represented full payments on two contracts for the acquisition of 100,000 birth certificates. The contracts were awarded by NPTAB through the single source method of procurement. The Ministry in its request to NPTAB to utilise the single source method of procurement stated that blank birth certificates are printed with highly sensitive security features which are confidential. The Ministry also stated that the incumbent supplier and its 'sister company' had successfully delivered on previous contracts and have proven to be reliable, confidential and provided 'high-quality security-features enable blank certificates'. At the time of this report a special investigation was being conducted into the said acquisition of birth certificates.

Subsidies and Contributions to Local Organisations

414. The sum of \$2.191 billion was budgeted for Subsidies and Contributions to Local Organisations. Amounts totalling \$2.190 billion were expended. A summary of the expenditure is shown in the table below:

Particulars	Amount \$'000
Subvention to Statutory Bodies	1,769,473
Subvention to Other Agencies	223,390
Salaries (Programme 1,8 and 5A)	133,396
Purchases, rehabilitation, cleaning, maintenance - Castellani House	33,301
Office Expenses	20,753
Rental of building	7,390
Provision of quality surveying for Youth Department	1,770
Donation	500
Withholding Tax	397
Total	2,190,370

415. Included in the sum of \$2.190 billion, were amounts totalling \$1.769 billion, which were released to seven statutory entities that are under the control of the Ministry. It should be noted that capital subventions amounting to \$885.801M were also given to the seven agencies. The table below provides a breakdown as per agency.

Entity	Current \$'000	Capital \$'000	Total \$'000
Environmental Protection Agency/Wildlife Management Authority	577,437	18,451	595,888
National Parks Commission	306,525	15,642	322,167
National Sports Commission	145,230	654,584	799,814
Protected Areas Commission	240,281	12,760	253,041
Institute of Applied Science & Technology	250,000	16,501	266,501
Guyana Lands & Surveys Commission	150,000	163,000	313,000
The National Trust of Guyana	100,000	4,863	104,863
Total	1,769,473	885,801	2,655,274

416. These entities are subjected to separate financial reporting and audit. However, six of the seven agencies continued to breach Section 80 (3) (c) of the Fiscal Management and Accountability Act of 2003. Section 80, Sub-sections (1) and (3) (c) requires that statutory bodies “...as soon as is practicable and in all events not later than four months after the end of the fiscal year established for that statutory body...submit an annual report to the concerned Minister... which shall include...a report prepared by the Auditor General on the financial statements of the statutory body”. The table below provides the status of submission of Financial Statements for these statutory bodies:

Entity	Year of Last Audit	Remarks
National Parks Commission	2008	2009-2013 Audits in progress 2014-2018 Financial Statements on hand 2019 Financial Statement not received
National Sports Commission	2013	2014-2018 Audits in progress 2019 Financial Statement not received
Protected Areas Commission	2013	2014-2016 Audits in progress 2017-2019 Financial Statements not received
Institute of Applied Science & Technology	2015	2016 Audit in progress 2017-2018 Financial Statements on hand 2019 Financial Statement not received
Guyana Lands & Surveys Commission	2015	2016-2017 Financial Statements on hand 2018-2019 Financial Statements not received

**Ministry’s Response:** The Head of Budget Agency stated that action will be taken to present the outstanding Financial Statements. More specifically, National Parks Commission - 2019 will be submitted by 31 Oct 2020; Protected Areas Commission - the draft financials will be submitted by 15 Dec 2020; Institute of Applied Science & Technology - the draft financials will be submitted by 31 Oct 2020; and Guyana Lands & Surveys Commission - the draft financials will be submitted by 30 Nov 2020.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that Section 80 of the FMA Act is fully complied with. (2019/127)

417. Four of the seven Statutory Bodies also failed to comply with Section 80(4) of the Fiscal Management and Accountability Act of 2003. This Section stipulates that “The concerned Minister shall, within two months following the receipt of the annual report, present the annual report of each statutory body to the National Assembly”. The table below shows the status of each Statutory Body.

Entity	Last Audited Financial Statement	Annual Report Laid in the National Assembly
Environmental Protection Agency/Wildlife Management Authority	2015	2014
National Sports Commission	2013	2010
Guyana Lands & Surveys Commission	2015	2010
The National Trust of Guyana	2018	2014

**Ministry’s Response:** The Head of Budget Agency indicated that the Ministry was in the process of having the outstanding reports laid in the National Assembly.

**Recommendation:** The Audit Office once again recommends that the Head of Budget Agency ensure that Section 80 (4) of the FMA Act is fully complied with. (2019/128)

### Accounting for Expenditure

418. The Ministry continued to breach the provisions of Section 43 of the Fiscal Management and Accountability Act 2003, which requires that at the end of each fiscal year, any unspent balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the said Fund. Moreover, the Ministry failed to refund to the Consolidated Fund, the sum of \$1.394 billion drawn via 831 cheques, which were still on hand after the close of the fiscal year. As a result, the Appropriation Accounts of the Ministry were overstated by the said sum of \$1.394 billion. Similarly, the Ministry's Appropriation Accounts were overstated by \$339.758M in 2018.

**Ministry's Response:** The Head of Budget Agency stated that with the exception of four, all cheques were paid out. Most of these cheques were for expenditure incurred and for on-going contractual arrangements for the Department of Citizenship and Energy for which no capital allocations were available in 2020.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency ensure that Section 43 of the FMA Act is complied with. (2019/129)*

419. The 831 cheques were drawn for expenditure under the Ministry of the Presidency, Department of Citizenship, Department of Social Cohesion, and Public Service Management for the year under review. As of 26 October 2020, six cheques valued \$326.032M were still on hand. However, Payment Vouchers and other supporting documentation were not seen for ninety cheques valued \$95.525M, which purportedly paid. As such, we could not determine whether the goods/services were received.

**Ministry's Response:** The Head of Budget Agency stated that: (i) Department of Citizenship and Immigration Services have four cheques on hand for passport modernisation; and (ii) the Department of Social Cohesion, Culture, Youth and Sport has two cheques, which were stale-dated; however, a request was done to have these updated and paid.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the documents relating to the cheques paid, for audit. (2019/130)*

420. Eighty-eight transactions totalling \$799.027M received the requisite approvals from the Head of Budget Agency, Ministry of the Presidency after the transactions were processed for payment, and the related cheques drawn. Further, the accounting unit of Programme 053 - Public Service Management prepared and certified its payment documents prior to receiving approval from the Ministry, before transactions are processed. However, fifteen transactions totalling \$111.593M received the requisite approvals from the Permanent Secretary, Public Service Management and the Head of Budget Agency, Ministry of the Presidency after the transactions were processed for payment, and the related cheques drawn.

421. This constituted a breach of Section 31 (1) of the FMA Act. More specifically, this Section stipulates that "No charge shall be made against an appropriation except on the requisition of the Head of the budget agency for which the appropriation was made or of an official authorised in writing by the Head of the budget agency for the purpose". This situation posed a risk, as it sets a precedence whereby transactions are processed without the necessary approvals. As such, opportunities for the perpetration of wrongdoing are present, and may be perpetrated without prompt detection.

**Ministry's Response:** The Head of Budget Agency stated that while the audit finding is noted, it must be highlighted that the Permanent Secretary, Office of the President approves all invoices first at Office of the President before processing by the Finance Department. The Head of the Budget Agency also stated that the process implemented at the Ministry given the fact that there are various Departments under the Ministry's purview, permits the various Department Heads to approve payment first, then the Permanent Secretary, Office of the President signs off after the cheques are drawn.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the Ministry comply fully with Section 31 of the FMA Act. (2019/131)*

#### Cheque Orders

422. According to Circular №. 14/2018 dated 23 October 2018, Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, the Department of Social Cohesion failed to adhere to this requirement. Moreover, seventy-six Cheque Orders totalling \$20.740M were still outstanding for the year 2019. As a result, we could not determine whether the Department received value for all sums expended.

423. Further, the Department of Social Cohesion was still to submit thirty-three and fourteen Cheque Orders totalling \$8.759M and \$1.899M for the years 2018 and 2017, respectively.

**Ministry's Response:** The Head of Budget Agency stated that the Department of Social Cohesion, Culture, Youth and Sport acknowledged the audit findings of seventy-six outstanding Cheque Orders. The Ministry has since located fifty-seven which are available for audit verification. Efforts are on-going to retrieve the outstanding Cheque Orders.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency: (i) Put systems in place to ensure Cheque Orders are cleared within the stipulated time-frame; (ii) Submit the outstanding Cheque Orders for audit. (2019/132)*

#### Missing Vouchers

424. A perusal of 6,706 transactions, revealed that 234 Payment Vouchers totalling \$123.280M were not submitted for audit. In the circumstances, we could not ascertain the correctness, accuracy and validity of these 234 transactions. See summary in the table below:

Department	Percentage of Transactions Perused	№. of Payment Vouchers Missing	Total \$'000
Ministry of the Presidency and Department of Citizenship	100	70	24,798
Public Service Management	24	9	22,916
Department of Social Cohesion	21	155	75,566
Total		234	123,280



425. Similarly, the Ministry was still to present for audit examination, 153 and 10 Payment Vouchers totalling \$46.375M and \$9.255M, for the years 2018 and 2017, respectively. See summary of outstanding Payment Vouchers for the year 2018 in table below:

Department	Nº. of Payment Vouchers	Total \$'000
Ministry of the Presidency and Department of Citizenship	52	19,662
Public Service Management	29	5,037
Department of Social Cohesion	72	21,676
Total	153	46,375

**Ministry's Response:** The Head of Budget Agency indicated that the Accounts Unit is working to retrieve these vouchers and have them presented for audit.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency ensure that all unrepresented Payment Vouchers are located and submitted for audit examination. (2019/133)*

#### Inter-Departmental Warrants

426. An examination of the IFMIS revenue report revealed that the sum of \$108.766M was paid into Miscellaneous Revenue as refunds on Inter-Departmental Warrants. The refunds should have been credited to the respective Line Items from which the related Inter-Departmental Warrants were issued. As a result, the Ministry's Appropriation Account was overstated by the said sum of \$108.766M. It should be noted that Miscellaneous Revenue is reported on by the Ministry of Finance.

**Ministry's Response:** The Head of the Budget Agency acknowledges the finding and will institute a monitoring system to have all unspent balances credited to the respective Line Item.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure that refunds on Warrants are credited to the respective Line Items from which they were issued, so that the Ministry's Appropriation Accounts accurately reflects its expenditure. (2019/134)*

427. Further, the Financial Return for a Warrant issued in the sum of \$54.656M to the Ministry of Public Infrastructure indicated that the entire warranted sum was expended. However, the said sum was reflected as being refunded to Miscellaneous Revenue, which is included in the sum of \$108.776M reported on above.

**Ministry's Response:** The Head of the Budget Agency was notified that the projects were awarded on 31 December 2019 and the project commenced subsequently, however accounts personnel would have credited the total sum to revenue instead of the Ministry's Budget Line. The Ministry will have an Officer assigned to monitor the Financial Returns for Warrants

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency monitor the execution of activities for which sums are warranted, to ensure its intended purpose(s) are achieved. (2019/135)*

## Other Matters

### Shortfall in Expenditure

428. The sum of \$9.037 billion was allotted for re-current expenditure under the ten programmes of the Ministry. Amounts totalling \$8.866 billion were expended, resulting in a shortfall of \$171.164M. Of significance, is the shortfall of \$85.977M under Programme 055 - Citizenship and Immigration Services. The shortfall represented approximately eleven percent of the programme's approved allotment of \$748.329M.

### Maintenance of Contract Register

429. Whilst some action was taken, the Ministry's Contract Registers were still not properly maintained to reflect pertinent information as it relates to the recording of payments and balances on contracts. In addition, contracts awarded in prior years and for which payments were already made in the respective years, were given 2019 contract numbers. This situation made it difficult and tedious to obtain and analyse information relating to contracts.

**Ministry's Response:** The Head of Budget Agency indicated that the Administration of the Office of the President has implemented systems to rectify the updating of the Contract Register based on the observations stated.

**Recommendation:** The Audit Office once again recommends that the Head of Budget Agency ensure that the Contract Register is properly written-up to accurately reflect pertinent information. (2019/136)

## Capital Expenditure

### Shortfall in Expenditure

430. The sum of \$3.366 billion was allotted under the ten capital programmes of the Ministry. A Supplementary Provision in the sum of \$4.300M was approved for Programme 56 - Department of Social Cohesion, bringing the total funds available to \$3.371 billion. Amounts totalling \$2.969 billion were expended, resulting in a shortfall of \$401.092M. The shortfall represented approximately twelve percent of the total funds available. This is an indication that the Ministry did not achieve its anticipated level of capital activities. A summary of the shortfall is shown in the table below:

Programme Number and Description	Total Funds Available \$'000	Total Expenditure \$'000	Shortfalls \$'000	Shortfall %
051-Policy Development and Administration	451,251	435,234	16,017	4
052-Defence and National Security	23,000	22,080	920	4
053-Public Service Management	18,943	18,576	367	2
055-Citizenship and Immigration Services	802,093	745,406	56,687	7
056-Department of Social Cohesion	448,901	404,752	44,149	10
057-Environmental Management and Compliance	263,009	105,178	157,831	60
058-Cultural Preservation and Conservation	133,672	73,755	59,917	45
059-Youth	236,997	202,524	34,473	15
05A-Sport	659,400	654,584	4,816	1
05B-Energy Generation and Petroleum	333,273	307,358	25,915	8
Total	3,370,539	2,969,447	401,092	

Programme 051 - Policy Development and Administration

431. The table below provides a summary of expenditure under this programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
1214100	Office and Residence of the President	57,750	54,217	3,533	6
1701700	Minor Works	95,000	95,000	0	0
2405200	Land Transport	52,000	52,000	0	0
2507900	Purchase of Equipment	30,000	30,000	0	0
3301100	Lands and Surveys	163,000	163,000	0	0
4403300	Technical Assistance-Public Sector Delivery Mechanism	10,000	0	10,000	100
4403400	Technical Assistance-Strengthening of National Institutional Mechanism for Climate Change Adaption	27,000	24,516	2,484	9
4504500	Institute of Applied Science and Technology	16,501	16,501	0	0
Total		451,251	435,234	16,017	

Purchase of Equipment

432. The sum of \$30M was allocated under this programme for the purchase of furniture and equipment for State House, Gaming Authority, Office of the Climate Change and offices within the Ministry of the Presidency. The entire allocation was expended. However, assets totalling \$16.978M could not be physically verified. As a result, it could not be determined whether the items were received and being used as intended.

**Ministry's Response:** The Head of Budget Agency stated that the audit finding is noted. The assets purchased for the Departments under the purview of the Ministry are usually received and put into use by the respective Departments and therefore the respective Heads are accountable for those assets.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency locate the assets and submit the relevant information so that the assets can be physically verified as received. (2019/137)*

433. Further, assets valued \$22.805M were not entered into the relevant records. This is a breach of Section 23 of the Stores Regulations, which requires appropriate entries indicating the location and custodian of Permanent Stores.

**Ministry's Response:** The Head of Budget Agency stated that while the Administration noted the audit finding, it must be stated that the Departments have separate stores sections; thus, assets purchased by these Departments are accounted for at the respective Departments. Only assets purchased for Programme 1 passes through the Office of the President Stores. The Head of Budget Agency assures that efforts have been made to improve the record keeping aspects of all assets.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure these assets are properly brought to account in the records of the Ministry in keeping with Section 23 of the Stores Regulations, and submit the evidence for audit. (2019/138)*

Technical Assistance – Public Sector Delivery Mechanism

434. The Government of Guyana and Inter-American Development Bank entered into a Technical Assistance Agreement for Public Sector Delivery Mechanism. The sum of \$10M was allocated for the establishment of national mechanism for improved execution of Development Projects. The entire allocation of \$10M remained unspent.

435. Similarly, the \$10M allocated in 2018 was also unspent. As a result, the intended benefits of the project, which included improved implementation of public sector investment programme, and improved capacity to measure outcomes and impacts of Development Projects, were delayed.

**Ministry’s Response:** The Head of Budget Agency stated that the sum of 10M was budgeted for by the Ministry of Finance but was not utilised. The Administration made several attempts to enquire about the intended purpose but efforts proved futile.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take action to resolve this issue. (2019/139)

Technical Assistance-Strengthening of National Institutional Mechanism for Climate Change Adaption

436. On 21 July 2017, the Caribbean Development Bank (CDB) and the Government of Guyana entered into an Agreement for the “Strengthening of the National Institutional Mechanism for Climate Change Adaptation”. The Bank agreed to provide financing amounting to €143,894. The sum of \$27M was allotted in 2019 for the completion of: (i) five-year strategic plan for the Office of Climate Change; and (ii) National Climate Change Communication Strategy and Implementation Plan.

437. The sum of \$24.516M was expended, leaving an unspent balance of \$2.484M. Consultancies which included: (i) preparation of national communications strategy and implementation plan; (ii) development of a five-year strategic and implementation plan; and (iii) development of national climate change policy and action plan, were at varying stages of completion.

**Ministry’s Response:** The Head of Budget Agency stated that the consultancy was delayed due to the consultant's work not being of adequate quality needed for approval by the OCC and CDB. The balance remaining under the Technical Assistance is US\$38,470.00; an amount of US\$41,687.40 remains to be paid to the consultant, thus, the Counterpart funding required from GoG is US\$3,217.40 or G\$670,828 using BoG current rate of exchange of \$208.50.

Programme 055 – Citizenship and Immigration Services

438. The table below provides a summary of expenditure for this programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
1214400	Buildings	88,500	34,005	54,495	62
2509900	Furniture and Equipment	713,593	711,401	2,192	1
Total		802,093	745,406	56,687	

### Buildings

439. The sum of \$88.500M was budgeted for: (i) the construction of building at Lethem to accommodate expansion of Immigration services; and (ii) extension of building - Stephen Campbell House. Amounts totalling \$34.005M were expended, resulting in a shortfall of \$54.495M. The shortfall was approximately sixty-two percent of the funds allotted. As a result, the Ministry did not achieve its anticipated level of activities under this programme. A summary of the expenditure is shown in the table below:

Details	Amount \$'000
Construction of Immigration Building, Region №. 9	21,494
Construction of fence at Stephen Campbell House	5,485
Final valuation Immigration building, Region №. 6	2,977
Construction of guard hut and bridge, Linden	1,111
Withholding tax	1,019
Consultancy services	1,543
Purchase of air conditioning units	376
Total	34,005

440. An award was granted by NPTAB on 4 October 2019, for the extension of the building at Stephen Campbell House in the sum of \$33.834M. However, the Ministry did not enter into a contract for the works. As such, this project did not commence in 2019.

**Ministry's Response:** The Head of Budget Agency stated that the completion time of this project was four months. The Ministry anticipated a roll-over and was trying to minimise the occurrence of roll-over projects and decided not to proceed with the project and instead opted to proceed with other small projects that could have been executed within the time-frame.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that proper planning and execution of the Ministry's activities are done to ensure the benefits are achieved as intended. (2019/140)*

441. Examination of the Payment Vouchers, contract and other supporting documentation revealed that amounts totalling \$11.492M, exclusive of withholding tax, were expended on the construction of a fence at Stephen Campbell House, construction of an immigration building, Region №. 6, construction of guard hut and bridge, consultancy services and purchase of air conditioning units. However, these activities were not provided for in the National Estimates of capital expenditure. Further, approvals for inclusions-in-programme were not sought, which is a breach of Section 34 of the FMA Act. More specifically, this Section requires that "...the purpose of the expenditure of the money stipulated in a drawing right shall be consistent with the appropriation allotment...".

**Ministry's Response:** The Head of Budget Agency acknowledged that this was an oversight and steps will be taken to avoid any future occurrences.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/141)*

### Furniture and Equipment

442. The sum of \$713.593M was budgeted for: (i) the provision of e-kiosks, passport issuing control system workstations and border management system; and (ii) purchase of printers, computers, chairs, scanners, uninterruptible power supply systems, servers, cabinets, air conditioning units and water dispensers. Amounts totalling \$711.401M were expended, leaving an unspent sum of \$2.192M. A summary of the expenditure is shown in the table below:

Details	Amount \$'000
Provision of e-Passports, e-Passport issuing and control system, and border management system	651,184
Office equipment	25,874
Computers and accessories	23,655
Office furniture	8,019
Walk through scanner	1,577
Guyana Revenue Authority	1,092
Total	711,401

443. The single source method of procurement was used for the provision of e-Passports, e-Passport issuing and control system, and border management system. The NPTAB granted an award on 4 July 2019, in the sum of US\$12,420,500. The Ministry entered into a contract with the supplier on 18 September 2019. Using the rate of exchange of G\$215 - US\$1, as contained in documentation submitted for audit, the Guyanese Dollars equivalent of the contract is approximately \$2.670 billion.

444. It should be noted that the components listed on SCHEDULE "C" (Price and Payment) of the contract, amounted to US\$12,450,500. This is a difference of US\$30,000 from the awarded contract price, which is approximately G\$6.450M.

**Ministry's Response:** The Head of Budget Agency cited as an error on the award of contract document by the National Procurement and Tender Administration Board and will be corrected.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure this issue is corrected soonest. (2019/142)*

445. The deliverables of the contract included the following:

- a) New Border Management System with ten APC e-Kiosks with five years' maintenance and support
- b) Border Management System Stand-by Site
- c) New e-PICS with five years' maintenance and support
- d) e-PICS Warm Stand-by Site
- e) Online Passport Application and Payment System
- f) 398,000 Regular e-Passports (32 pages)
- g) 100,000 Regular e-Passports (48 pages)
- h) 800 Service e-Passports
- i) 800 Diplomatic e-Passports
- j) 900 specimen e-Passports for on-site training, testing, etc.

446. Eight payments totalling G\$651.184M were processed in 2019. However, only four payments totalling G\$325.602M were transferred to the supplier. As at October 2020, the Ministry still had four cheques totalling \$325.582M on hand. The four Payment Vouchers for these transactions had no supporting documents. As such, we could not ascertain the basis for the preparation of these payments.

447. It should also be noted that the processing of these four transactions were in breach of Section 31 (2) of the FMA Act, which stipulates that “*Each requisition for a payment of public moneys out of the Consolidated Fund shall be in such form, accompanied by such documents and certified in such manner as the Minister may by regulation prescribe*”.

448. Section 31 (3) was also breached. This Section stipulates that “*No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of the budget agency concerned or an official authorised in writing by that Head for the purpose certifies –*

- a) *in the case of a payment for the performance of work, the supply of goods or the provision of services*
  - i. *that the work has been performed, the goods supplied or the services provided, as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing the work, good or services...*
  - ii. *where, pursuant to a contract...a payment is to be made prior to the completion of the work, supply of the goods or provision of the services, as the case may be, that the payment is in accordance with the contract...*”

**Ministry’s Response:** The Head of Budget Agency stated that the payment is based on the payment schedule as per the contract.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 31 of the FMA Act. (2019/143)*

449. Included in the sum of \$711.401M were amounts totalling \$13.419M that were expended on the acquisition of assets for the Department of Energy. It should be noted that budget allocations for the Department of Energy were made under Programme 05B - Energy Generation and Petroleum. As such, Section 34 of the FMA Act was breached.

**Ministry’s Response:** The Head of Budget Agency stated that the Department of Energy is a newly established Department that has expanded its staffing capacity to fulfill its mandate. As such, after the Department was relocated to provide for the additional accommodations required, there was an urgent need to have the building furnished. Discussions with the Ministry of Finance had led to the Ministry reprioritising its work programme to be able to furnish the Department of Energy. Hence, funds were utilised from the Department of Citizenship and Immigration Services to procure items for the new building that housed the Department of Energy.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/144)*

450. A summary of the assets acquired for the Department of Energy is shown in the table below:

Particulars	Amount \$'000
Supply and install air-conditioning units	7,945
Ten laptops	1,671
One Walk through scanner	1,577
Access control for Dept. of Energy	1,370
Payment for 6KVA PDM power supply	856
Total	13,419

451. Included in the sum of \$8.019M expended on office furniture, was a payment in the sum of \$4.820M for the supply of office furnishing. Attempts to verify the items proved futile. Moreover, the Department of Citizenship claimed that the items were sent to the Department of Energy. However, the Department of Energy could not locate the items. In this regard, the Ministry could not account for assets valued \$4.820M.

**Ministry's Response:** The Head of Budget Agency stated that the Administration of the Office of the President is working to resolve this matter; however, the Department of Citizenship as a Department is accountable for all assets purchased and received and is responsible for their own stores.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency locate these assets and inform the Audit Office so that a physical verification can be done. (2019/145)*

452. The National Procurement and Tender Administration Board granted an award in the sum of \$2.955M for the acquisition of fifteen desktop computers for the Department of Citizenship. The entire sum was paid to the supplier. An examination of the payment documents revealed that the contract for the acquisition of the computers was only signed by the supplier.

453. Furthermore, the Ministry did not sign the contract. This is a breach of Section 31 (2) of the FMA Act, which stipulates that *"Each requisition for a payment of public moneys out of the Consolidated Fund shall be in such form, accompanied by such documents and certified in such manner as the Minister may by regulation prescribe"*.

454. A physical verification of the computers revealed that the specifications of the computers delivered to the Department did not match the specifications on the invoice. Attempts to obtain a quotation from the said supplier for a computer with the same specifications proved futile. As a result, it could not be ascertained whether the Ministry received full value for the sum expended. This is a breach of Section 31 (3) of the FMA Act.

455. Further, changing the specifications after the award of a contract would have breached the Procurement Act. Moreover, bidders would have tendered for the items based on particular specifications. As a result, the changing of the specifications did not afford equal opportunity to the other bidders. This is in contravention of the spirit of the Procurement Act, which seeks to promote fairness and transparency in the procurement process.

**Ministry's Response:** The Head of the Budget Agency stated that contact was made with the Supplier at the time of purchase who explained that, the exact specifications weren't available. This was communicated to the IT personnel who gave the approval to proceed with the next available specification. The Supplier is willing to compensate and repay the difference once it's communicated.



**Recommendation:** The Audit Office once again recommends that the Head of Budget Agency: (i) ensure full compliance with Section 31 of the FMA Act; (ii) ensure contractual obligations are adhered to; and (iii) ensure full compliance with the Procurement Act. (2019/146)

Programme 056 – Department of Social Cohesion

456. The table below provides a summary of expenditure under this programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
1214400	Buildings	50,000	22,401	27,599	55
1904000	Jubilee Republic Programme	350,000	347,774	2,226	1
2405200	Land Transport	38,101	24,137	13,964	37
2509900	Furniture and Equipment	10,800	10,440	360	4
Total		448,901	404,752	44,149	

Buildings

457. The sum of \$50M was budgeted for the construction of bond and offices - Head Office. Amounts totalling \$22.401M were expended, resulting in a shortfall of \$27.599M. The shortfall was more than half (55%) of the allocation. The Ministry entered into a contract in the sum of \$39.940M for the construction of storage bond and offices - Head Office, Main Street, Georgetown. The Ministry also entered into a contract in the sum of \$2.796M for the provision of consulting services for the said construction works. Amounts totalling \$20.947M and \$1.454M were made on the construction and consultancy contracts, respectively. The works were still in progress at the end of 2019. As a result, the benefit of improved accommodation was delayed.

**Ministry's Response:** The Head of Budget Agency stated that the Administration noted the finding and the project was delayed due to COVID-19. However, works resumed in August 2020 and the project is expected to be completed in November 2020.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure projects are planned and executed in a manner to ensure the benefits are achieved as intended. (2019/147)

Land Transport

458. The sum of \$38.101M was budgeted for the purchase of vehicles. Amounts totalling \$24.137M were expended, resulting in a shortfall of \$13.964M. The shortfall represented approximately thirty-seven percent of the allocation. This is an indication that the Ministry may not have executed its anticipated level of activities under this programme. Furthermore, the benefit of improved transportation, may be delayed.

**Ministry's Response:** The Head of Budget Agency acknowledges the findings, and stated that the shortfall was as a result of two tenders and subsequent annulment for the procurement of one minibus for the Department.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure projects are planned and executed in a manner to ensure the benefits are achieved as intended. (2019/148)

Programme 057 – Environmental Management and Compliance

459. The table below provides a summary of expenditure under this programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
2509900	Furniture and Equipment	1,000	999	1	0
3401500	Environmental Protection Agency	31,771	15,450	16,321	51
3401700	National Parks Commission	63,925	15,642	48,283	76
3401800	Protected Areas Commission	12,760	12,760	0	0
3402500	Wildlife Management Authority	3,553	3,001	552	16
4403600	Guyana Protected Areas System	150,000	57,326	92,674	62
Total		263,009	105,178	157,831	

Environmental Protection Agency

460. The sum of \$31.771M was allocated for the payment of retention, and provision for building - Lethem. Amounts totalling \$15.450M were released to the Environmental Protection Agency, resulting in a shortfall of \$16.321M. The shortfall was more than half (51%) of the allocation. This is an indication that the Ministry did not achieve its anticipated level of activities under this programme. Furthermore, the benefit of improved accommodation and operational efficiency, would have been delayed.

**Ministry's Response:** The Head of Budget Agency stated that included in the unspent sum is (i) the sum of \$4.777M for a 9 seater mini-bus. This was because the tender received was above the allocated sum in the budget. However, the minibus was procured from the Agency's Trust Fund Account; (ii) the remaining sum of \$12.461M is for the Construction of the new multi-floor office building. Approval was given for this project to be considered a multi-year project (2019/2020). The Head added that the Management of EPA was undecided as to the location of this office, as such funds remained unspent at the end of the year.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure projects are planned and executed in a manner to ensure the benefits are achieved as intended. (2019/149)*

National Parks Commission

461. The sum of \$63.925M was allocated for: (i) the completion and rehabilitation of stands; (ii) rehabilitation of animal exhibits; and (iii) purchase of equipment. Amounts totalling \$15.642M were released to the National Parks Commission, resulting in a shortfall of \$48.283M. The shortfall was more than three-quarters (76%) of the allocation. This is an indication that the Ministry did not execute its anticipated level of activities under this programme. Furthermore, the benefit of improved facilities, accommodation and operational efficiency, would have been delayed.

**Ministry's Response:** The Head of Budget Agency indicated that the shortfall is as a result of various procurement issues that were beyond the control of the Commission. The Commission has taken steps to advocate for assistance in this area to avoid recurrence and to ensure that the work plan is fully executed.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure projects are planned and executed in a manner to ensure the benefits are achieved as intended. (2019/150)*

### Guyana Protected Areas System

462. The sum of \$150M was allocated under Germany-KfW fund for the improvement of infrastructure and supply of equipment to enhance the management and conservation of biodiversity in three protected areas: Shell Beach, Kaieteur National Park and Kanuku Mountains. Amounts totalling \$57.326M were expended, resulting in a short fall of \$92.674M. The shortfall was more than half (62%) of the allocation. This is an indication that the Ministry did not achieve its anticipated level of activities under this programme. Furthermore, the benefit of improved facilities, improved compliance with international obligations, and enhanced operational efficiency, would have been delayed.

**Ministry's Response:** The Head of Budget Agency indicated that the disbursements for activities under Components I (Infrastructure and Equipment) and II (Community Resource Use) of the Guyana Protected Areas System Phase III (GPAS III) Project were not received from KfW during 2019, contrary to what was anticipated for the year. As a result, the only expenditure under the project was for direct payments to the implementation consultant (GFA) and for initial activities under Component III (Training Measures).

**Recommendation:** The Audit Office recommends that the Head of Budget Agency monitor the execution of this project to ensure the benefits are achieved as intended. (2019/151)

### Programme 058 – Cultural Preservation and Conservation

463. The table below provides a summary of expenditure under this programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
1208200	Building - Cultural Centre	53,045	42,934	10,111	19
1218300	Institute for Creative Arts	5,474	5,369	105	2
1218400	Castellani House	8,895	4,751	4,144	47
1218500	National School of Dance	2,575	1,864	711	28
1218600	Museum Development	3,000	568	2,432	81
1218700	Burrowes School of Arts	3,390	705	2,685	79
1218800	National Archives	14,500	12,701	1,799	12
1218900	National Trust	42,793	4,863	37,930	89
Total		133,672	73,755	59,917	

### Building - Cultural Centre

464. The sum of \$53.045M was allocated for: (i) completion of roof; (ii) provision for theatre chairs; (iii) provision for rewiring of building; and (iv) purchase of equipment for sound room. Amounts totalling \$42.934M were expended, resulting in a shortfall of \$10.111M. The shortfall represented approximately nineteen percent of the allocation. This is an indication that the Ministry may not have achieved its anticipated level of activities under this programme.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry acknowledges the findings of the audit. However, the \$10.111M represents savings from the phase two of the roof as it was completed in phase 1. In addition, the rewiring was awarded in October 2019 and was delayed because the National Cultural Centre was booked by private producers to December 2019 and the execution of the works would have affected the execution of those programmes. The project was rolled over to 2020.

### Castellani House

465. Amounts totalling \$4.751M were expended from the sum of \$18.895M allocated for the rehabilitation of Castellani House roof. The shortfall of \$4.144M, which was almost half (47%) of the allocation, resulted from an outstanding sum of \$1.244M on the contract awarded in the sum of \$5.995M, and a saving of \$2.9M.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry acknowledges the findings of the audit.

### Museum Development

466. The sum of \$3M was allocated for: (i) provision for mortise press, chairs, desks, table and Cabinet-Guyana National Museum; (ii) purchase of pressure washer and blower, Walter Roth Museum of Anthropology; and (iii) provision for cupboard - Museum of African Heritage. The sum of \$0.568M were expended, of which amounts totalling \$0.294M were paid to acquire chairs. The difference in expenditure of \$0.273M represented final valuation payment on a contract for the rehabilitation of the Guyana National Museum's roof.

467. There was a shortfall in expenditure of \$2.432M, which was more than three quarters (81%) of the allocation. This resulted from the Ministry not acquiring mortise press, desks, table and cabinet for Guyana National Museum, pressure washer and blower for Walter Roth Museum of Anthropology, and cupboard for Museum of African Heritage. As a result, the benefit of enhanced preservation of national heritage, would have been delayed.

**Ministry's Response:** The Head of Budget Agency indicated that the \$2.432M represents moneys allocated to complete the roof of the Guyana National Museum and savings on purchases. The moneys allocated to several of the purchases under the profile were insufficient and therefore the purchase could not be made. In addition, the contractor for the roof project would have indicated that he was unable to finish the roof because of financial constraints the project was subsequently terminated. The project was awarded once again in December 2019; however, the new contractor, on inspecting the works, would have indicated that the bid price was insufficient to complete the roof.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are executed as planned, so that intended benefits can be achieved. (2019/152)*

### Burrowes School of Arts

468. The sum of \$3.390M was allocated for the provision for security system, biometric time management system, table, saw, sand blaster and wood carving tools. Amounts totalling \$0.705M were expended to acquire a security system, biometric time management system, and a saw. The unspent sum of \$2.685M, which was more than three quarters (79%) of the allocation, resulted from the Ministry not acquiring the table, sand blaster and wood carving tools. As a result, the benefit of improved proficiency would have been affected.

**Ministry's Response:** The Head of Budget Agency stated that the \$2.685M represents savings from purchases on the profile and from unspent moneys for the sand blaster and the wood carving tools set as the tender board approval was received on 5 December 2019. These items were to be procured overseas and the company could not guarantee that the items would be delivered to the Ministry before 31 December 2020. The actual cost for the sand blaster (\$1.2M) was more than the sum allotted and so the Unit had to wait on the completion of the other purchases to use the accrued savings towards the purchase of the sand blaster.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are executed as planned, so that intended benefits can be achieved. (2019/153)

National Trust

469. The sum of \$42.793M was allocated for: (i) the payment of retention; (ii) provision for monuments - 1823 Memorial, Chinese Arrival, Portuguese Arrival and Ruimveldt Massacre; and (iii) provision for St. George’s Cathedral and Providence Hindu Temple. Amounts totalling \$4.863M were expended as shown in the table below:

Particulars	Amount \$’000
Restoration of 1838 Revolt Memorial Independence Park	1,298
“ “ 1823 Memorial Monument	1,061
“ “ St. George’s Cathedral	908
Rehabilitation of St. Peter’s Church	872
Restoration works at Fort Zeelandia	724
Total	4,863

470. There was a shortfall in expenditure of \$37.930M, which was more than three quarters (87%) of the allocation. This resulted from restoration works not being done on Chinese Arrival, Portuguese Arrival and Ruimveldt Massacre Monuments, and Providence Hindu Temple. As a result, the benefit of improved facilities, operational efficiency and preservation of national heritage, would have been affected.

**Ministry’s Response:** The Head of Budget Agency stated that the designs and locations for the memorials were modified via policy decisions on several occasions, which resulted in lengthy delays for the projects. By August 2019 the entity tendered two out of the four memorials having received approval for the designs and two locations late. However, one was awarded and one nullified. The entity subsequently, requested the use of restrictive tendering as an alternative method of procurement following the failure in the earlier method. Approval was received from National Procurement and Tender Administration Board for the procurement method and the additional locations finalised. The three memorials were then tendered in November resulting in awards being granted 31 December 2019.

The Head added that in relation to the Providence Hindu Temple, an adjustment of programme was sought for this project and received from the Finance Secretary in June 2019, which resulted in delay to project timeline as the allocations were insufficient. The project was tendered by August 5<sup>th</sup> but not successful. The entity subsequently, requested the use of restrictive tendering as an alternative method of procurement following the failure in the earlier method. Approval was received from NPTAB for the procurement method and the project was retendered in November and awarded 31 December 2019.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are executed as planned, so that intended benefits can be achieved. (2019/154)

Programme 059 - Youth

471. The sum of \$236.997M was allocated under Programme 059 - Youth for: (i) completion of building at Vrymen’s Erven and Sophia training centres, lecture hall at Kuru Training Centre, and dormitory and lecture hall at Coldingen; (ii) provision of tools and equipment - Vrymen’s Erven Training Centre; (iii) rewiring of building, upgrading of classrooms and purchase of equipment - Kuru Kuru Training Centre; (iv) rewiring of building and purchase of furniture and equipment - Sophia Training Centre; (v) construction of building and living quarters - Madewini; (vi) provision for building and mess hall - Den Amstel; (vii) construction of building - Coldingen; (viii) rehabilitation of buildings at Christianburg and Soesdyke, and roof at Kuru Kuru Training Centre; and (ix) provision for furniture and equipment.

472. The sum of \$202.524M was expended, resulting in a shortfall of \$34.473M, which represented approximately fifteen percent of the allocation. It should be noted that the construction of building and living quarters at Madewini was not undertaken. As a result, the Ministry's intention to improve facilities and operational efficiency would not have been fully achieved under this programme.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry acknowledged the findings; however, we would like to state that the value remaining to be spent (shortfall) as of 31 December 2019 based on the Ministry's record was \$34,434,382. The reasons for the shortfall in expenditure are:

- i. The sum of \$22,992,491 was rolled over to 2020 to cover 4 multi-year projects with consultancy, namely at Sophia Training Centre and Vryman's Erven Training Centre and to cover the cost of powering the buildings that were constructed in 2018/-2019 at KKTC, MTC, DETC and CTC. Please find further details below:
  - a) Sophia Training Centre-This is a multi-year project; it was on-going as of 31 December 2019. Therefore, the outstanding sum of \$15,312,352 was rolled over to 2020.
  - b) Consultancy fee for the completion of the Sophia Training Center was \$1,033,972.
  - c) Vryman's Erven Training Centre. This is a multi-year project; it was completed as of 31 December 2019. However, the retention for the sum of \$3,697,897 was rolled over to 2020 to be paid after the defect's liability period.
  - d) Powering of building constructed in 2018/2019 at Madewini, Kuru-Kuru, Den Amstel and Coldingen Training Centres - the project was awarded in December 2019 and the contractor needed time to procure the materials to execute the work. Hence it was rolled over to 2020 (\$2,948,270).
- ii. There was an overall savings of \$406,086. Please find further details below:
  - a) Retention Amounts- \$4,394
  - b) KKTC-Internet Connection, E-Governance- \$379,264
  - c) DATC-Completion of two-storey dormitory and lecture hall- \$2,000
  - d) CTC-Completion of two-storey apartment building and female dormitory- \$1,500
  - e) VETC-Provision for Tools and Equipment- \$18,928
- iii. The project for the rewiring of KKTC compound was not done because the consultant deemed the allocated \$6,000,000 to be insufficient to complete the work. The consultant's electrician advised that due to severe voltage fluctuation and outdated electrical work, it was not safe to do the work in parts. Hence, it will need to be catered for in its entirety in a subsequent budget.
- iv. The sum of \$21,822,048 was allocated for the furnishing of buildings constructed in 2018-2019 at KKTC. However, there was a shortfall of \$4,035,805. This sum was unspent because the recommended contractors to supply the materials were unable to get the relevant supporting documents (e.g. GRA and NIS Compliances) to obtain the required awards to make the purchases.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are executed as planned, so that intended benefits can be achieved. (2019/155)*

Programme 05A – Sport

473. The sum of \$659.400M was allocated under Programme 05A - Sport for: (i) completion of stands at Bartica, and synthetic tracks at Region Nos. 6 and 10; (ii) construction of fence - Cliff Anderson Sports Hall; (iii) construction of fence and washroom - National Gymnasium; (iv) construction of security hut - Durban Park; and (v) provision for ground enhancement programme. The sum of \$654.584M was expended, resulting in a shortfall of \$4.816M. A summary of the expenditure is shown in the table below:

Details	Amount \$'000
Construction works	447,124
Inter-Departmental Warrants	161,864
Consultancy services	29,316
Guyana Revenue Authority	13,351
Purchase of sports gears	2,929
Total	654,584

474. Including in the sum of \$161.864M were two Warrants amounting to \$55.987M that were issued to the Regional Administration No. 5 for the execution of various projects on behalf of the Ministry. According to the Financial Returns, amounts totalling \$55.971M were expended, leaving a balance of \$0.016M. An examination of the expenditure incurred from the funds warranted revealed the following findings:

- a) A contract for the rehabilitation of tarmac, parking lot and carriageway at the National Gymnasium, Mandela Avenue, Georgetown was awarded to the lowest bidder at his bid price of \$12.343M. As can be noted, the project was in Georgetown and not Region No. 5. Further, the project was supervised by Engineers from the Ministry. However, the reason(s) for warranting the execution of the project to the Regional Administration No. 5 could not be determined.
- b) Further, the contract stated that the contractor shall satisfactorily complete all works within eleven days of commencement, and failing to complete all or part of the contract, a penalty of \$0.1% of the contract sum per day will be levied against the contractor. A Commencement Order was not presented. However, the dates of commencement (27 December 2019), and completion (7 January 2020) were stated on the accounts sheet prepared by the RDC Engineering Department.
- c) An examination of the Practical Completion Certificate dated 21 April 2020 stated that all works were completed. This indicated that the works were delayed by 104 days. As such, the sum of \$537,140 should have been charged as penalty; since, only ten percent of the contract sum can be levied as penalty.
- d) Further, a cheque dated 7 January 2020 drawn in the sum of \$1.209M, was still at the Sub-Treasury's Department. The cheque represented the ten percent retention, and has since become stale-dated. The amount of \$1.209M should have been refunded in keeping with Section 43 of the FMA Act.

- e) The sum of \$5.715M was warranted for the procurement of lights. A contract for the supply and installation of solar LED floodlights and construction of washroom facilities at Onverwagt was awarded to the lowest bidder at his bid price of \$5.711M. An examination of the Bills of Quantities and schedule of works completed revealed that only the sum of \$2.739M was spent on the lights. The difference of \$2.972M on the contract was paid for the construction of a washroom. As a result, the amount of \$2.973M was misallocated, which is a breach of Section 34 of the FMA Act.
- f) A sum of \$9.980M was warranted for works at Augsburg, Burma. However, the works were not executed. Instead, works amounting to \$9.453M were done at the Ross Community Centre. Evidence of approval to change the works were not provided for audit. This is a breach of Section 34 of the FMA Act.
- g) Further, a cheque dated 7 January 2020 drawn in the sum of \$198,548, was still at the Sub-Treasury's Department. The cheque represented the ten percent retention on the contract, and has since become stale-dated. The cheque valued \$198,548 should have been refunded in keeping with the requirements of Section 43 of the FMA Act.
- h) A contract for the construction of a Multi-Purpose Court at Plantation Ross Sports Club was awarded to the lowest bidder at his bid price of \$7.427M. A sum of \$1.5M was provided for the supply of a pair of basketball rims, stanchion, back-board, nets, and markings on court to indicate borders for different sports disciplines. As of 26 October 2020, only one set of the items were provided and installed; whilst, the court was not yet marked.
- i) A contract for the installation of flood lights at Plantation Ross Community Centre was entered into for a sum of \$2.026M. As of 14 September 2020, a cheque dated 7 January 2020 drawn in the sum of \$198,548, was still at the Sub-Treasury's Department. The cheque represented the ten percent retention on the contract, and has since become stale-dated. The cheque valued \$198,548 should have been refunded in keeping with the requirements of Section 43 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency stated that the Warrant for the rehabilitation of tarmac, parking lot and carriageway at the National Gymnasium, Mandela Avenue, Georgetown was inadvertently sent to Regional Democratic Council (RDC) Number 5 instead of RDC Number 4 for execution. This was done due to the fact that the Chief Engineer was tasked with the supervision of the Jubilee Projects country wide. The contract for this project was issued and sign by RDC №. 5.

The Head also stated that due to the proximity of the project the Engineer assisted with periodical visits and updates in order to lend support to the RDC №. 5 for the final completion of the project primarily after it was delayed. Report emanating is that the contractor was obstructed from commencing the works due to other works being conducted at the exact location, namely construction of the gymnasium fence adjoining the Tarmac and the Mandela avenue upgrade. As a result, his access to execute the works was completely restricted.

The Head added that the above-mentioned period of delay eventually caught up with the COVID-19 pandemic and resulted in further delays in the execution of the works. These factors resulted in the delay in the commencement and execution of the works. This in our opinion was a reasonable request and did not deserve the application of liquidated damages especially when the entire country was negatively affected by the pandemic.



As it relates to the other findings above, the Head noted the following:

- e. Moneys were previously warranted by the Ministry to RDC 5 to complete general upgrade of the Onverwagt ground in preparation for the 50<sup>th</sup> Republic Jubilee celebration. The sum of \$5.715M was warranted for the completion of the lighting for which only \$2.739M was required, however the balance on the allocation was not refunded to the Ministry and was used for works to washroom facility.
- f. Checks made with the RDC №. 5 indicated that the project was moved to the Ross Community to benefit more residents, since the community of Augsburg is under populated. Efforts are being made provide copy of change order to the Ministry.
- h. The cheque valued at \$198,548 will be refunded since the value of works completed was paid for under the penultimate certificate.
- i. There was a delay in the purchase of the Basketball rims, stanchions, backboard, and nets was due to the granting of approval on the quality of equipment from the National Sports Commission. The items have since been purchased and the installation has commenced.
- j. The cheque valued at \$198,548 will be refunded since the value of works completed was paid for under the penultimate certificate.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take the following actions as it relates to the findings above: (i) proper planning should be done when warranting funds; (ii) the stipulations of contracts should be implemented, especially as it related to the application of defects liability and institution of liquidated damages; (iii) comply fully with Section 43 of the FMA Act; (iv) comply fully with Section 34 of the FMA Act; and (v) the items should be supplied, or any overpayment be recovered in relation to the construction of a multi-purpose court at Plantation Ross Sports Club. (2019/156)*

Programme 05B - Energy Generation and Petroleum

475. The table below provides a summary of Programme 05B - Energy Generation and Petroleum:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
1414400	Buildings	100,000	75,355	24,645	25
2405200	Land Transport	28,000	26,733	1,267	5
2509900	Furniture and Equipment	5,273	5,270	3	0
4404600	Oil and Gas Sector Development Programme	200,000	200,000	0	0
Total		333,273	307,358	25,915	

### Buildings

476. The sum of \$100M was budgeted for the provision of building. Amounts totalling \$75.355M were expended, resulting in a shortfall of \$24.645M. The shortfall was one quarter (25%) of the allocation. This is an indication that the Ministry did not execute its anticipated level of activities under this programme. Furthermore, the benefit of improved accommodation would have been affected.

**Ministry's Response:** The Head of Budget Agency indicated that the sum of \$100M was estimated to be spent within the allocation year of 2019 towards the payment of rehabilitating and retrofitting a building to house the Department of Energy; however, the building was yet to be determined. A decision was later taken to house the Department of Energy at the former UNDP building Brickdam and Boyle's Place, which has improved the accommodation needs of the DE. following an approval for an adjustment in programme, (Ref. №. PCMD: 05/01/108/2019), this allocation was reformulated to provide for the following:

- a) Upgrade of Electrical, IT and Data System
- b) Rehabilitation of Building
- c) Provision of Cubicles

Accordingly, this change in programme resulted in a savings of approximately 25% of the original allocation of \$100M.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are executed as planned, so that intended benefits can be achieved. (2019/157)*

477. A summary of the expenditure is shown in the table below:

Details	Amount \$'000
One server	48,000
Customised office furniture	9,580
Rehabilitation of building and plumbing works	6,761
One generator set	5,828
Electrical works	2,529
One phone system	2,132
Guyana Revenue Authority	525
Total	75,355

478. The Department expended amounts totalling \$55.960M on the purchase of one server, generator and phone system. However, these items were not included in the National Estimates. Further, an approval for a change-in-programme was not sought. As a result, the Ministry breached Section 34 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency stated that the National Estimates could not have included the provision for the server, as the need for this equipment emerged, during the course of the year, as being critically required for the Department to function more effectively. A change in programme was requested and the requisite authorisation received (Ref. №. PCMD: 05/01/108/2019), for the expenditure towards the procurement of these equipment: (a) Upgrade of Electrical, IT and Data System; (b) Rehabilitation of Building; and (c) Provision of Cubicles.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency comply fully with Section 34 of the FMA Act. (2019/158)*

479. Three transactions amounting to \$48M were processed for the acquisition of one ISILON Gen. 6 server for the Department of Energy. However, a tender board award was not seen. Further, the contract provided for audit was not signed. As such, we could not determine whether the Ministry entered into a formal agreement with the supplier for the acquisition of the server. In the circumstances, the Ministry breached Section 31(3) of the FMA Act. It should be noted that the three cheques amounting to \$48M were refunded to the Consolidated Fund on 16 September 2020.

**Ministry's Response:** The Head of Budget Agency indicated that the need for the ISILON Gen 6 Server became eminent for the more efficient functioning of the Department of Energy, procurement of this equipment began, using the Sole Sourced Selection (SSS) process. The SSS process was determined to be the only suitable method for acquiring this machine, as the Supplier was the only source in Guyana with the ability to offer warranty and training, and meet the delivery schedule in 2019. It was on this basis that the Department communicated to the Head of the Accounts Unit, of the Ministry of the Presidency, the need for setting aside funds in December 2019, as we awaited the likely NPTAB award of contract.

The approval delays from National Data Management Agency (NDMA), for this IT equipment, further exacerbated the postponement of the NPTAB's Award. Therefore, the synchronization of the two approval processes went beyond the DE's expectations. This contextual constraint may have influenced the premature cheque transaction of \$48M. However, it is noteworthy, that a Contract was not signed with the Supplier, nor was any disbursement of moneys made to the Supplier. It is understood that the cheque is stale-dated, since it was drawn up since late 2019. The DE is committed to evolving its institutional capacity through best practices in this regard, to prevent recurrences of this anomaly.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency comply fully with Section 31 of the FMA Act. (2019/159)*

#### Oil and Gas Sector Development Programme

480. Provisions were made in the National Estimates for capital expenditure to improve institutional capacity for management of the oil and gas sector. The project was to be financed by IDA and IDB, through separate loan agreements. The sum of \$200M was allotted, of which \$120M and \$80M were to be provided by IDA and IDB, respectively.

481. On 18 July 2018, Government of Guyana and the International Development Association signed an agreement whereby, the IDA agreed to provide an advance out of the World Bank's Project Preparatory Facility in an amount not exceeding US\$1.6M. The objective of the Agreement was to facilitate the preparation of a proposed project designed to enhance legal and institutional frameworks and strengthen the capacity of key institutions to manage the oil and gas sector in Guyana. Activities included: (i) enhancement of legal and institutional framework; (ii) capacity building of key institutions; and (iii) project management.

482. An Agreement was signed between GoG and IDA on 11 April 2019, to refinance the project. The terms of the refinancing included the IDA providing credit in an amount of SDR14.3M, equivalent to US\$19.774M.

483. This project is subject to separate financial reporting and audit. The last audit report was issued on 16 September 2020, for the period 18 July 2018 to 31 December 2019. A key finding is that the project did not execute fourteen planned activities with a total budgeted cost of US\$2.510M. The delay in the timely execution of activities could result in the project not achieving its planned objectives within the stipulated timeframe. Further, management and other related costs may increase.

**Ministry's Response:** The Head of Budget Agency acknowledged the findings.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency monitor the execution of this project to ensure the benefits are achieved as intended. (2019/160)*

484. In relation to funding from IDB, on 11 February 2019, the Government of Guyana and Inter-American Development Bank signed a loan agreement to support Guyana's evolving energy sector by: (i) investing in sustainable/cleaner energy solutions to diversify the energy matrix in the Hinterland, while contributing to climate change mitigation; (ii) investing in the reinforcement of transmission infrastructure to improve reliability and stability of the Demerara Berbice Interconnected System; and (iii) strengthening the Department of Energy to develop a regulatory framework and improve institutional capacity and governance of the Oil and Gas Sector. The total estimated cost of the programme was US\$21.160M. The duration of the project was four years.

485. This project is also subject to separate financial reporting and audit. However, IDB waived the requirement for the presentation of audited Financial Statements for the period 11 February to 31 December 2019. The reasons cited for the waiver were: (i) the nominal value of expenditure during the reporting period; and (ii) the quality of the unaudited in-house Financial Statements presented to IDB.

#### Other Matters

##### Stores and Other Public Property

486. Section 24 of the Stores Regulations 1993 stipulates that "*the Permanent Secretary shall ensure that Master and Sectional Inventories in Forms 11 and 13 of permanent stores are kept and are properly maintained and that quarterly and physical inspections and reconciliation are carried out.*" However, the Ministry's Master and Sectional Inventories were not updated to reflect the assets acquired in 2019. A similar situation had existed in 2018.

**Ministry's Response:** The Head of Budget Agency stated that the Administration of the Ministry of the Presidency noted the audit findings. This is an on-going process and the Administration is enforcing measures to ensure that all assets are updated in the Sectional and Master Inventory.

**Recommendation:** *The Audit Office once recommends that the Head of Budget Agency take immediate steps to ensure that Section 24 of the Stores Regulations are complied with. (2019/161)*

## Prior Year Matters

### Current Expenditure

#### Training (Including Scholarships)

487. The sum of \$102,000 drawn since 2018 for the payment of stipend was still on hand at the Department of Public Service Management.

**Ministry's Response:** The Head of Budget Agency stated that Management will ensure that stricter measures are enforced for students to uplift their allowances on a timely basis.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to resolve this issue. (2019/162)*

488. Also, in 2018, there were three instances whereby paysheets processed for amounts totalling \$238,000, were manually adjusted \$84,000. The difference of \$154,000 could not have been verified; since, receipts were not presented to substantiate this amount. A sum of \$40,000 has since been refunded.

**Ministry's Response:** The Head of Budget Agency stated that Management is in the process of reconciling the payment of the amount of \$114,000 to the students.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the results of its reconciliation for audit. (2019/163)*

### Capital Expenditure

#### Works

489. The contract for the rehabilitation, modification and addition to existing residence (Building №. 4) to house four proposed syndicate rooms, Ogle Estate Complex was awarded in 2018 to the lowest responsive bidder in the sum of \$53.651M in 2018. It was noted that the contract sum was increased by \$19.501M, resulting in a revised contract price of \$73.152M. The Engineer's Estimate was \$58M. As at 31 December 2018, amounts totalling \$72.828M were paid to the contractor. Physical verification revealed that the works were completed and the building was already occupied. However, we were unable to determine whether payments made for the completed works were fair and reasonable; since, the breakdown of measured works was not attached to the final valuation dated 14 November 2018, which was presented for audit examination. In addition, the following observations were noted:

- a) It was noted that the contract sum was increased by \$19.501M or 36% of the original contract sum, from \$53.642M to \$73.143M. However, based on the documents presented for audit examination, we were unable to determine the works which were to be completed with the \$19.501M increase.

- b) Examination of the details for the additional works totalling \$31.161M revealed that amounts totalling \$29.076M or 93% of the cost for these additional works were made as lump sum payments. It could not be determined how the lump sum prices were arrived at. However, it was revealed that these lump sum payments were made for construction works, which should have been detailed, measured and quantified, and whereby rates from the contractor's priced bid would have been applicable. As a result of the payments being made as lump sums, it could not be determined whether payments totalling \$29.076M were fair and reasonable.

**Ministry's Response:** The Head of Budget Agency stated that the observations are noted by the Department, and added that the consultants C.R Marshall and Associates/Gary Holder were contacted and the Audit Query/Observations was brought to their attention and they promised to supply the information requested, i.e. detailed, measured and quantified costs for the additional works undertaken. The consultant is on Medical Treatment out of the jurisdiction and promised to provide same.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency should submit the outstanding documents to aid verification of the payments made. (2019/164)*

490. Overpayment in the sum of \$2.308M made in 2015 was still not recovered by the Ministry at the time of reporting in November 2020. This occurred on seven items in the Bills of Quantities for erecting of fence and security lights at building E - Castellani Compound. However, it was noted that the Ministry had engaged the Attorney General's Office on a way forward on this matter.

**Ministry's Response:** The Head of Budget Agency explained that the Ministry continues to follow-up with the Attorney General's Office on this matter.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency follow-up this and submit an update. (2019/165)*

491. Overpayments in the sums of \$4.114M and \$4.767M made in 2015 were yet to be recovered from two contractors with respect to the installation of water distribution line and system, and night lighting system, respectively, at the Synthetic Track and Field Facility.

**Ministry's Response:** The Head of Budget Agency explained that the Ministry continues to follow-up with the Attorney General's Office on this matter.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency follow-up with the Attorney General's Office and submit an update. (2019/166)*

#### Purchases

492. Physical verification carried out on 21 June 2019, revealed that a sedan motor car that was purchased in 2018, was involved in an accident. However, an accident report was not presented for audit verification. It should be noted that the Ministry had written the Guyana Police Force in January 2020, requesting an accident report. It should also be mentioned that the motor car was not repaired.

**Ministry's Response:** The Head of Budget Agency stated that the Department accepts the observation and added that a letter was written to the Commissioner of Police requesting the accident report for the sedan motor car and continues to await their response. A reminder will be sent shortly to the Commissioner of Police.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency follow-up with the Commissioner of Police and submit an update. (2019/167)

493. The CCTV system with a cost of \$19.108M, which was purchased during 2015 for the National Intelligence Center, had still not been delivered. However, it was noted that the Ministry had engaged the Attorney General's Office on a way forward on this matter.

**Ministry's Response:** The Head of Budget Agency explained that the Ministry continues to follow-up with the Attorney General's Office on this matter.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency follow-up this and submit an update. (2019/168)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

494. The table below shows the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 16 recommendations; 6 were not implemented, 9 were partially implemented and 1 was fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/122	Breach of Circularised Instructions - contracted employees			√
2018/123	Breach of Section 80 (4), FMA Act 2003			√
2018/124	Various deficiencies		√	
2018/125	Breach of Section 43, FMA Act 2003, and various deficiencies		√	
2018/126	Breach of Section 24, Stores Regulations		√	
2018/127	Outstanding Cheque Orders		√	
2018/128	Accounting for Expenditure		√	
2018/129	Breach of Section 43, FMA Act 2003		√	
2018/130	Improper maintenance of records		√	
2018/131	Shortfall in expenditure		√	
2018/132	Poor contract administration			√
2018/133	Non-submission of accident report		√	
2018/134	Breach of Procurement Act and Stores Regulations	√		
2018/135	Non-delivery of items			√
2018/136	Overpayment on construction works			√
2018/137	Overpayment on construction works			√

AGENCY 17  
MINISTRY OF INDIGENOUS PEOPLES' AFFAIRS

Current Year Matters

Current Expenditure

Employment Costs

495. The sum of \$199.894M was expended for the payment of wages and salaries. Audit checks revealed that amounts totalling \$125.026M, which is approximately sixty-two percent of this sum, were paid to employees who were employed on a contractual basis. A summary is shown in the table below:

Line Item	Description	Total Paid \$'000	Percentage (Expended)
6111	Administrative	17,831	9
6112	Senior Technical	5,547	3
6113	Other Technical and Craft Skilled	8,354	4
6114	Clerical and Office Support	14,837	7
6115	Semi-skilled Operatives and Unskilled	23,144	12
6116	Contracted Employees	125,026	62
6117	Temporary Employees	5,155	3
Total		199,894	100

496. According to the payroll for December 2019, the Ministry had a total of 141 employees, of which, thirty-five percent were contracted employees. A summary is shown in the table below:

Line Item	Description	Actual as per December Payroll	Percentage (Staff)
6111	Administration	15	11
6112	Senior Technical	4	3
6113	Other Technical and Craft Skilled	9	6
6114	Clerical and Office Support	18	13
6115	Semi-Skilled Operatives and Unskilled	32	23
6116	Contracted Employees	50	35
6117	Temporary Employees	13	9
Total		141	100

497. The table below shows the staffing summary at the time of preparation of the 2019 National Estimates compared with actual staffing according to the December payroll.

Line Item	Description	National Estimates 2019	Actual as per December Payroll	Difference
6111	Administration	11	15	4
6112	Senior Technical	3	4	1
6113	Other Technical and Craft Skilled	8	9	1
6114	Clerical and Office Support	15	18	3
6115	Semi-Skilled Operatives and Unskilled	29	32	3
6116	Contracted Employees	56	50	(6)
6117	Temporary Employees	5	13	8
Total		127	141	14



**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that the differences were as a result of factors such as: transfer of staff to the Permanent Establishment, recruitment of new employees, and employees who did not request to have their contracts renewed.

498. The Public Service Commission Circular №. 1/2017 dated 7 February 2017, required Permanent Secretaries, Heads of Departments and Regional Executive Officers to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. The table below provides a summary as per 'Age Range' of the employees on contracts, as of December 2019.

Age Range (Years)	№. of Employees
Below 45	23
45-55	10
Above 55	17
Total	50

499. As can be noted in the table above, twenty-three contracted employees were below the age of forty-five years, and should have been transferred to the Pensionable Establishment. It should be noted that the Ministry had twenty-eight contracted employees below the age of forty-five years at the end of 2018.

**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that those Officers below the age of 45, were Officers whose qualifications did not match their Job Description.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue to act to regularise these employees. (2019/169)

500. The table below provides a summary as per salary range of the fifty employees on contract according to the December payroll:

Salary Range	№. of Employees	Amount \$'000
Below \$100,000	20	1,676
\$100,001 - \$250,000	26	3,539
\$250,001 - \$400,000	2	677
Above \$400,000	2	928
Total	50	6,820

501. The Ministry of Finance had urged that cash payments of salaries be minimised after the introduction of the Integrated Financial Management and Accounting System (IFMAS) in 2004, and that employees be paid under the bank deposit system as required by Circular №. 3/2003 dated 29 September 2003. The Ministry has not fully complied with this instruction. Moreover, cash payments for salaries amounting to \$12.846M were made to eleven employees for the year.

**Ministry's Response:** The Head of the Budget Agency acknowledged the finding, and further stated that these payments were inevitable since, these Officers are not in close proximity to Banks or Financial Institutions. As such, it was not economically viable for them to travel to liquidate their cheques.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency act to curb this practice, as it also posed a security risk. (2019/170)

Office and Field Supplies

502. The sum of \$80.519M was expended for Office and Field Supplies, which included drugs and medical supplies, field materials and supplies, print and non-print materials, fuel and lubricants, and janitorial and cleaning supplies. Findings in relation to fuel and lubricants are provided hereunder.

Fuel and Lubricants

503. Approximately ninety-four percent (306) of the Ministry's serviceable vehicles (326) were issued to Indigenous Villages. The remaining 20 were used by the Ministry. Log Books were presented for the thirteen vehicles that were required to maintain same. However, an examination of the Log Books revealed the following discrepancies:

- a) Approval for journeys undertaken not always evident.
- b) Departure and return times not always stated.
- c) Odometer readings were not recorded.
- d) Supervisory checks not always evident.

504. As a result, we could not determine whether all journeys undertaken were properly authorised and in the interest of the public.

**Ministry's Response:** The Head of the Budget Agency acknowledged the finding and explained that a more effective system is in place to manage Log Books.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure Log Books are properly maintained, so as to account for its use. (2019/171)*

Education Subventions and Grants

505. Four payments to four Village Councils totalling \$6.063M were processed on 2 January 2020, that is, after the close of the financial year. The following table summarises the payments to the Councils:

Name of Village Council	Amount \$'000
Monkey Mountain	1,725
Kako	1,656
Morakobai	1,516
Mora	1,166
Total	6,063

506. The processing of transactions after the close of the financial year is a breach of Section 43 of the FMA Act, which stipulates that all unspent balances at the end of the financial year shall be refunded to the Consolidated Fund.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and promised to operate in keeping with Section 43 of the FMA Act.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Section 43 of the FMA Act. (2019/172)*

### Accounting for Expenditure

507. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability Act 2003. This Section requires all unspent balances shall be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Moreover, audit checks conducted in January 2020, revealed that the Ministry had on hand, 351 cheques drawn for sums totalling \$315.938M. It should be noted that the Appropriation Accounts were overstated by the said sum. Similarly, in January 2019, the Ministry had on hand, 115 cheques drawn for a total of \$226.279M from its 2018 allocations.

508. Of the 351 cheques, 316 drawn for sums totalling \$268.674M were dated 2 January 2020. The difference of thirty-five cheques totalling \$47.264M were drawn on various dates, and dated back as far as May 2019. At the time of this report in October 2020, the Ministry still had twenty-two cheques for amounts totalling \$17.367M on hand. These cheques have since become stale-dated.

**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that they were six Cheque Order payments at the Ministry totalling \$3.686M, and the other cheques were direct payments which the Ministry of Finance are in custody of. However, the Ministry further stated that they will be more proactive in this regard.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Section 43 of the FMA Act as it relates to paying over unexpended balances of public moneys to the Consolidated Fund. (2019/173)*

### Inter-Departmental Warrants

509. An examination of the IFMIS revenue report revealed that the sum of \$4.817M was paid into Miscellaneous Revenue as refunds on Inter-Departmental Warrants. The refunds should have been credited to the respective Line Items from which the related Inter-Departmental Warrants were issued. As a result, the Ministry's Appropriation Account was overstated by the said sum of \$4.817M. It should be noted that Miscellaneous Revenue is reported on by the Ministry of Finance.

**Ministry's Response:** The Head of the Budget Agency noted this finding and explained that the Ministry is in the process of ascertaining the unearthed facts that contributed to this matter.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure that refunds on Warrants are credited to the respective Line Items from which they were issued, so that the Ministry's Appropriation Accounts accurately reflects its expenditure. (2019/174)*

## Capital Expenditure

### Buildings

510. The sum of \$19.405M was provided for: (i) payment of retention; (ii) completion of dormitory at Liliendaal and hostel at Princess Street, Georgetown; and (iii) provision for living quarters. Amounts totalling \$18.348M were expended. Included in the sum expended were amounts totalling \$3.564M, which were paid on a contract for recapping sections of compound & clearing of western & eastern drains of the hinterland scholarship student's dormitory, Liliendaal.

511. It should be noted that the contract was awarded by NPTAB on 23 December 2019. However, the contract was signed by the Ministry and the contractor on 16 December 2019; that is, one week prior to the contract being awarded. Further, the Ministry issued a Commencement Order on 17 December 2019; that is, also prior to the award of the contract.

512. The intent of the Procurement Act was to promote the integrity of, and fairness and public confidence in, the procurement process, and achieving transparency in the procedures relating to procurement. However, the situation reported on represented a clear deviation from the procurement process.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and promised to desist from such actions in the future.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Procurement Act 2003. (2019/175)*

Amerindian Development Projects (ADP)

513. The sum of \$702.698M was budgeted for: (i) payment of retention; (ii) completion of Green Enterprise Development Centre; (iii) provision for Hinterland Employment and Youth service project, presidential grants and support to eco-tourism and cultural projects; (iv) provision for agro-processing facilities, ground coffee production, lapidary workshop and tractors; and (v) construction of benab, bridges and upgrading of trails. Amounts totalling \$690.288M were expended, as summarised in the table below.

Description of Works	Amount \$'000
Presidential Grants	230,392
Hinterland Employment and Youth Service (HEYS)	182,795
Capital Grants	144,891
Green Enterprise Development Centre	48,328
Year of Indigenous Language	28,130
Filter Tanks	18,000
Purchase of Tractor	15,252
Purchases of Equipment, Instruments & Barbwires	13,260
Radio sets	4,868
Const. Works - Bina Hill - Female & Male Dorms	3,372
Consultancy for Green Centre	1,000
Total	690,288

Presidential Grants

514. Village Councils would submit proposals for funding of projects. These projects would include acquisition of goods, and provision of works, and services. The Ministry processed payments totalling \$230.392M for 202 Village Councils. The table below summarises the payments for each Region:

Region №.	№. of Councils	Amount \$'000
1	61	70,597
2	10	13,500
3	6	4,000
4	5	4,900
5	1	1,500
6	3	4,000
7	24	30,800
8	25	30,500
9	57	59,295
10	10	11,300
Total	202	230,392

515. It should be noted that seven of these payments to seven Councils totalling \$5.450M were processed on 2 January 2020, that is, after the close of the financial year. The following table summarises the payments to the Councils:

Region №.	Name of Village Council	Amount \$'000
1	Hobodeia	1,000
3	River's View	800
8	Bashville/Yawong	700
	Fair View	1,000
	Kanapang	400
	Kato	800
10	Muritaro	750
Total	7	5,450

516. The processing of transactions after the close of the financial year is a breach of Section 43 of the FMA Act. Further, it was unclear why the Ministry processed these transactions after the close of the financial year 2019, given that the Presidential Grants were approved for the financial year 2019.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and explained that their actions were as a result to facilitate Village Councils; however, the Ministry will desist from such practices.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Section 43 of the FMA Act. (2019/176)*

517. Further, up to the time of this report in October 2020, four Village Councils had still not uplifted payments totalling \$2.518M. The following table lists the Councils:

Region №.	Name of Village Council	Amount \$'000
1	Hobodeia	1,000
	Arakaka	368
8	Kanapang	400
10	Muritaro	750
Total	4	2,518

518. These payments should have been refunded in keeping with the requirements of Section 43 of the FMA Act.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and promised to desist from such in the future.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Section 43 of the FMA Act. (2019/177)*

519. Due to the COVID-19 guidelines and restrictions, the Audit Office was unable to visit the Village Councils to examine the relevant records for the projects. Verification of goods acquired and works completed could also not be done. Notwithstanding this, the Audit Office requested the Ministry to provide the relevant records from the Village Councils.

520. At the time of reporting, only twenty-two Village Councils submitted reports for audit. The submissions represented approximately eleven percent of the Village Councils to whom payments amounting to \$26.400M were made. The payments also represented approximately eleven percent of the total Presidential Grants paid to the Village Councils.

521. Furthermore, 180 of the Village Councils, which is approximately eighty-nine percent of the 202 Village Councils, did not submit reports. Total payments to these 180 Councils amounted to \$203.992M, which also represented approximately eighty-nine percent of the total Presidential Grants paid to the Village Councils. The following table summarises the (non)submission of reports by Region:

Region №.	Reports Submitted		Reports Not Submitted		Total №. of Councils	Total \$'000
	№. of Councils	Amount \$'000	№. of Councils	Amount \$'000		
1	0	0	61	70,597	61	70,597
2	7	10,500	3	3,000	10	13,500
3	0	0	6	4,000	6	4,000
4	1	1,500	4	3,400	5	4,900
5	0	0	1	1,500	1	1,500
6	1	1,500	2	2,500	3	4,000
7	0	0	24	30,800	24	30,800
8	0	0	25	30,500	25	30,500
9	12	11,900	45	47,395	57	59,295
10	1	1,000	9	10,300	10	11,300
Total	22	26,400	180	203,992	202	230,392

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and stated that due to the COVID-19 pandemic, they are not in a position to report the true status of these projects.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency obtain these reports and submit same for audit. (2019/178)

522. The table below provides a summary of the status of the Presidential Grants based on information submitted for audit. It should be noted that the four Village Councils which did not uplift payments totalling \$2.518M, were also part of the 180 Councils that did not submit information on Presidential Grants they had received.

№. of Councils	Expenditure \$'000	Status
16	19,400	Project completed
6	7,000	Work/services in progress
180	203,992	Information not submitted for audit
202	230,392	

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and stated that due to the COVID-19 pandemic, they are not in a position to report the true status of these projects.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency obtain the reports and submit same for audit, to corroborate its (Ministry) response. (2019/179)

Hinterland Employment Youth Services (HEYS)

523. The sum of \$182.795M was expended on the HEYS programme during 2019. This included the payment of stipends, stimulus grants to individuals to set up small projects, purchases of items and equipment for training, and meals, accommodations and travelling for the execution of the training programme. The table below summarises the expenditure for the year.

Description	Amount \$'000
Stipend	19,302
Ration Allowance	1,120
Miscellaneous Expenses	1,206
Purchase of field & office supply	3,931
Purchase of Assets	1,458
Reimbursement of Expenses Incurred	4,751
Payment for Football Coach	181
Repairs to Excavator	9,469
Recoupment of Imprest	4,546
Meals and Refreshments	2,906
Meals, Accom. & Travelling	3,562
Air & Land Transportation	10,572
Stimulus Grants (Cash)	10,700
IDWs	109,091
Total	182,795

524. Stimulus grants amounting to \$112.110M were paid during the year. Included in this sum were amounts totalling \$102.010M and \$10.100M that were paid through Inter-Departmental Warrants and Cash, respectively. The table below summarises the expenditure.

Particulars	IDW \$'000	Cash Payments \$'000	Total \$'000
Region №. 1	40,300	0	40,300
Region №. 2	750	4,800	5,550
Region №.3	0	3,550	3,550
Region Nos. 4 & 10	4,150	0	4,150
Region №.5	0	600	600
Region №. 6	0	1,150	1,150
Region №. 7	12,200	0	12,200
Region №. 8	16,950	0	16,950
Region №. 9	33,350	0	33,350
Miscellaneous	50	0	50
Refund on IDWs	(5,740)	0	(5,740)
Total	102,010	10,100	112,110

525. Stimulus grants were awarded to youths upon completion of training programmes. The grants are awarded in the sums of \$100,000 and \$50,000 for special and ordinary grants, respectively. According to an annual report prepared by the HEYS Department, a total of 2,131 youths from 219 villages/communities enrolled and completed the Cluster Programme.

526. The 2,131 youths were paid the ordinary grant, which amounted to \$106.550M. Forty-four of the said youths were also paid special grants, which amounted to \$4.4M, bringing total payments to \$110.950M. However, according to the IFMIS Account Analysis Report, the sum of \$112.110M was expended, giving an unexplained difference of \$1.160M.

**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that the Ministry is in process of seeking clarity through the Ministry of Finance on this matter.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency investigate the unexplained difference of \$1.160M, and submit the results for audit. (2019/180)*

527. Further, documentation stipulating the criteria for the payment of the special grants were not submitted for audit. As a result, the basis for the payments of the special grants could not be verified.

**Ministry's Response:** The Head of the Budget Agency noted this finding and are making efforts to have the instrument used to validate their actions.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the criteria used for the award of special grants, so that the accuracy and propriety of the payments can be determined. (2019/181)*

528. According to the IFMIS Account Analysis Report, the sum of \$5.740M was refunded on IDWs for stimulus grants. However, an examination and analysis of Financial Returns for the twenty-two IDWs for stimulus grants revealed that unspent balances amounted to \$0.650M, giving a difference of \$5.090M.

**Ministry's Response:** The Head of the Budget Agency has noted this finding, and further stated that the Ministry was working with the Ministry of Finance to resolve this matter.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency investigate the unexplained difference of \$5.090M, and submit the results for audit. (2019/182)*

### Capital Grants

529. Amounts totalling \$144.891M were paid over to thirty-seven Village Councils for the execution of various capital projects. See summary as per Region in table below:

Region №.	№. of Villages	Amount \$'000
1	10	57,030
2	5	9,279
3	1	2,500
4	1	1,503
7	5	21,500
8	5	9,729
9	8	39,035
10	2	4,315
Total	37	144,891



530. It should be noted that fifteen payments totalling \$36.371M were processed on 2 January 2020, that is, after the close of the financial year. The following table summarises the payments to the Councils:

Region №.	Name of Village Council	Amount \$'000
1	Wauna/Tobago	1,100
	Koriabo/Arukamai	1,439
	Kwebanna	5,000
	Santa Rosa	5,000
	Santa Rosa Island	1,000
	Warapoka	2,000
2	Wakapau	780
	St. Monica	923
7	Phillipai	159
9	Pai Pang	1,500
	Awarewaunau	435
	Surama	1,035
	Sand Creek	1,500
	Nappi	5,000
10	Rockstone	9,500
Total	15	36,371

531. The processing of transactions after the close of the financial year is a breach of Section 43 of the FMA Act. Further, it was unclear why the Ministry processed these transactions after the close of the financial year 2019, given that the capital grants were approved for the financial year 2019.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and promised to desist from such in the future.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Section 43 of the FMA Act. (2019/183)*

532. It should be noted that Kwebanna Village Council was awarded a capital grant of \$10M. The first payment of \$5M was uplifted in September 2019. However, the second payment of \$5M which was processed on 2 January 2020, was uplifted one year after until 9 September 2020. The second payment should have been refunded in keeping with the requirements of Section 43 of the FMA Act.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and promised to desist from such in the future.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Section 43 of the FMA Act. (2019/184)*

533. Due to the COVID-19 guidelines and restrictions, the Audit Office was unable to visit the Village Councils to examine the relevant projects' records. Verification of goods acquired and works completed could also not be done. Notwithstanding this, the Audit Office requested the Ministry to facilitate the provision of the relevant records from the Village Councils.

534. At the time of reporting, only two Village Councils submitted reports for audit. The submissions represented approximately five percent of the Village Councils to whom payments amounting to \$7.228M were made. The payments also represented approximately five percent of the total capital grants paid to the Village Councils.

535. Furthermore, thirty-five of the Village Councils, which is approximately ninety-five percent of the thirty-seven Village Councils, did not submit reports. Total payments to these thirty-five Councils amounted to \$137.663M, which also represented approximately ninety-five percent of the total capital grants paid to the Village Councils. The following table summarises the (non)submission of reports by Region:

Region №.	Reports Submitted		Reports Not Submitted		Total №. of Councils	Total \$'000
	№. of Councils	Amount \$'000	№. of Councils	Amount \$'000		
1	0	0	11	57,030	11	57,030
2	0	0	5	9,280	5	9,280
3	0	0	1	2,500	1	2,500
4	0	0	1	1,503	1	1,503
7	0	0	5	21,500	5	21,500
8	1	2,228	2	7,500	3	9,728
9	1	5,000	8	34,035	9	39,035
10	0	0	2	4,315	2	4,315
Total	2	7,228	35	137,663	37	144,891

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and explained that because of the pandemic the Ministry did not visit Villages or allow Councillors to visit the office, therefore it was difficult for them to ascertain the true status of these projects.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency obtain the reports and submit same for audit, to corroborate its (Ministry) response. (2019/185)*

#### Air, Land and Water Transport

536. The sum of \$64.692M was provided for the purchase of boats, engines, buses, vehicles and ATVs. Amounts totalling \$64.650M were expended. Included in the sum expended was an amount of \$2.650M, which was paid for the procurement of one ATV. The award was granted by NPTAB on 30 December 2019. However, the contract was signed by the Ministry and the contractor on 5 December 2019; that is, more than three weeks prior to the contract being awarded.

537. The intent of the Procurement Act was to promote the integrity of, and fairness and public confidence in, the procurement process, and achieving transparency in the procedures relating to procurement. However, the situation reported on represented a clear deviation from the procurement process.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding committed to refrain from such actions in the future.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Procurement Act 2003. (2019/186)*

### Office Furniture and Equipment

538. A payment was processed in IFMIS in the sum of \$11.939M for the purchase of furniture and equipment for Bina Hill Male & Female Dormitories. The cheque was drawn on 2 January 2020. However, the Payment Voucher and supporting documents were not submitted to the Ministry of Finance for its requisite examination. The Payment Voucher was surrendered to the Ministry of Finance in October 2020. This clearly indicated that the cheque was drawn without the Payment Voucher duly authorised, examined, and passed for payment.

539. This is a clear breach of Section 31, 'Payment Authority', of the FMA Act. More specifically, Section 31 (2) stipulates that "Each requisition for a payment of public moneys out of the Consolidated Fund shall in such a form, accompanied by such documents and certified in such a manner as the Minister may by regulation prescribe". Further, Section 31 (3) stipulates that "No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of budget agency concerned or an official authorised in writing by that Head for the purpose certifies –

- a) *in the case of a payment for the...supply of goods... –*
  - i. *that the...goods supplied..., as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing...the goods...or, if not specified in the contract or arrangement, that the price is fair and reasonable;*
  - ii. *where, pursuant to a contract or other arrangement, a payment is to be made prior to the...supply of the goods..., as the case may be, that the payment is in accordance with the contract or arrangement; and*
- b) *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment".*

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding, and promised to be more effective in their planning.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 31 of the FMA Act. (2019/187)*

540. It should be noted that the cheque was still on hand at the time of this report, and has since become stale-dated. The cheque valued \$11.939M should have been refunded in keeping with the requirements of Section 43 of the FMA Act.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding, and explained that these cheques were renewed and will be deposited to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 43 of the FMA Act. (2019/188)*

## Other Matters

### The Amerindian Purpose Fund (APF)

541. The Amerindian Purposes Fund (APF) was established in the year 2000 in keeping with Section 28 of the Amerindian Act Chapter 29:01. This Act was later repealed by Section 84 of the Amerindian Act (2006), which had not in itself provided for the operation of the Fund. Nonetheless, the original Act, at Section 29, required the preparation of Financial Statements and an audit by the Auditor General. These even though not captured in the current Act are best practice requirements of any accounting process, but were never satisfied since the establishment of the fund.

542. Over the years, observations were made in relation to the significant sums of moneys which was received and expended from the Fund, and the Ministry's continued poor financial management of the Fund. While the current Act has no provision for the APF, the Ministry failed to put measures in place for the proper use, record-keeping and management of the fund.

**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that a reconciliation process had commenced in November of 2017; however, this was halted in the year 2018 after the Special Organises Crime Unit (SOCU) demanded all documents associated with this account prior to the year 2015.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure systems are put in place urgently so that the fund can be better managed. (2019/189)*

543. The Ministry maintained a Cash Book. However, the Cash Book was still not balanced and did not reflect an opening balance as at 1 January 2019. In addition, the Ministry did not perform any reconciliation of the Cash Book balances with the Bank Statement balances. It should be noted that this Bank Account was last reconciled as of November 2009.

**Ministry's Response:** The Head of the Budget Agency acknowledges this finding and explained that the Ministry has minimised the usage of this account until it is reconciled. However, analytical procedures are being done periodically for accountability purposes.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency ensure this account is reconciled earliest, and the results submitted for audit. (2019/190)*

544. An analysis of the receipts and Payment Vouchers presented for audit examination revealed that the sum of \$26.768M was received as revenue; whilst, the sum of \$24.460M was expended. The Bank Statements showed an opening balance of \$25.155M as at 1 January 2019, and a closing balance of \$27.463M. The closing Cash Book balance as at 31 December 2019, was also \$27.463M. A summary of the transactions of the fund is shown in the table below.

Particulars	Amount \$'000
Opening Balance (B/S)	25,155
<u>Add: Receipts</u>	<u>26,768</u>
	51,923
<u>Less: Expenditure</u>	<u>(24,460)</u>
Balance	27,463
<u>Less: Closing Balance (B/S)</u>	<u>(27,463)</u>
Balance	0

## Prior Year Matters

### Capital Expenditure

545. A contract for the excavation, land filling, construction of drains and concrete works at student dorms, Liliendaal, was awarded in 2013 in the sum of \$14M. The full contract sum was paid to the contractor. Based on physical verification in April 2013, and a subsequent revisit in April 2014, where measurements were also taken, it was determined that the sum overpaid to the contractor was \$8.597M. It should be noted that the Ministry had sought legal advice from the Solicitor's General Office (last correspondence dated 29 July 2020). Notwithstanding this, at the time of reporting in November 2020, the Ministry had still not recovered the overpayment.

**Ministry's Response:** The Head of the Budget Agency noted this finding and explained that the Ministry is still awaiting a response from the Solicitor General's Office.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency continued to follow-up this matter with a view of recovering the overpayment. (2019/191)*

### Other Matters

#### Amerindian Purpose Fund (APF)

546. The sum of \$1.2M was uplifted by the Kanapang Village Council as a Presidential Grant for 2017. The Council was to implement a sewing project. Checks carried out in 2018 revealed that the Council did not account for the grant in its records.

**Ministry's Response:** The Head of Budget Agency acknowledged this finding and explained that the Ministry last visit to Kanapang was in 2019 and residents confirmed that the project was executed. However, in the absence of the Toshao bills could not be verified.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to uplift the relevant receipts and submit same for audit. (2019/192)*

547. The Ministry was still to recover seventy-one advances totalling \$26.572M that were issued in 2015 to 2017. A summary of the outstanding advances is shown in the table below.

Year	No. of Advances	Amount \$'000
2015	41	16,404
2016	24	9,548
2017	6	620
Total	71	26.572

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and stated that assiduous efforts were made to locate these advances in order to have them cleared.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency make every effort to recover all outstanding advances. (2019/193)*

548. The Audit Office is still to receive the progress report with respect to construction of a pavilion at Aranka, Region №. 1. The sum of \$1M was reportedly used for the construction.

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and the Ministry explained that investigation is still on-going on this matter.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency make every effort to obtain and present this report for audit examination. (2019/194)

#### Cheque Orders

549. The Ministry had still not cleared 111 Cheque Orders drawn during 2015 to 2017 for sums totalling \$289.712M. A summary of the outstanding advances is shown in the table below.

Year	№. of Advances	Amount \$'000
2015	38	16,149
2016	70	272,830
2017	3	733
Total	111	289,712

**Ministry's Response:** The Head of the Budget Agency noted these findings and explained that whilst the Ministry is making efforts to further reduce these totals, the Ministry has made significant effort in managing their Cheque Orders thereafter.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take the necessary action to locate the outstanding Cheque Orders and have them presented for audit examination. (2019/195)

#### Follow-up on the Implementation of Prior Year Audit Recommendations.

550. The table below shows the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of the Budget Agency regarding the recommendation made by the Audit Office. It should be noted of the 12 recommendations; 6 were not implemented, 2 were partially implemented and 4 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/138	Breach of Circularised Instructions		√	
2018/139	Breach of Procurement Act	√		
2018/140	Breach of Section 43, FMA Act 2003	√		
2018/141	Breach of Section 43, FMA Act 2003			√
2018/142	Missing Payment Vouchers	√		
2018/143	Breach of Stores Regulations	√		
2018/144	Un-reconciled Bank Account			√
2018/145	Missing Cheque Orders			√
2018/146	Unaccounted funds - APF		√	
2018/147	Non-submission of progress report - construction			√
2018/148	Outstanding advances			√
2018/149	Overpayment on contract			√

AGENCY 21  
MINISTRY OF AGRICULTURE

Current Year Matters

Current Expenditure

Employment Costs

551. According to the National Estimates 2019, amounts totalling \$746.392M were budgeted for Employment Costs for a staff complement of 345. As at 31 December 2019 amounts totalling \$746.233M were expended on 402 staff. This represents fifty-seven staff more than what was budgeted for. As such, it would appear Employment Costs were over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase / (Decrease) 2019
6111	Administrative	19	27	8
6112	Senior Technical	38	51	13
6113	Other Technical and Craft Skilled	61	68	7
6114	Clerical and Office Support	35	37	2
6115	Semi-Skilled Operatives	37	45	8
6116	Contracted Employees	155	171	16
6117	Temporary Employees	0	3	3
Total		345	402	57

552. Amounts totalling \$425.719M were paid to 171 contracted employees for the period under review, this represents 57% of the total Employment Costs and 43% of the total employees of the Ministry of Agriculture (MoA). Shown in the table below are salary ranges of the 171 contract Employees.

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	64	4,433
Between \$100,001 - \$200,000	10	1,212
Between \$200,001 - \$400,000	92	20,111
Above \$400,000	5	2,983
Total	171	28,739

553. The Public Service Commission (PSC) Circular No. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, for 2019 there was a total of 151 contracted employees below the age of forty-five whom are eligible for transfer to the Pensionable Establishment. It should be noted that seven of the 151 positions were already catered for on the list of approved positions under the Ministry for 2019. Shown in the table below are age ranges of the 171 contracted employees:

Age Range (Years)	No. of Employees
Below 45	151
45 - 55	8
Above 55	12
Total	171

**Ministry's Response:** The Head of Budget Agency indicated that it must be considered that the 2019 Estimates was passed in December 2018 with an earlier staff count, staff turnover would have resulted during the period after the budget was prepared in 2018 to December 2019, hence an increase or decrease in the number of staff is normal.

In the year 2017, the MoA commenced the process of appointing employees who were employed on contract gratuity terms to the Pensionable Establishment. It must be emphasised that employment of staff on contractual basis is a policy matter; however, the MoA continues to place contracted employees who meet the required criteria on the Pensionable Establishment in keeping with Circularised Instructions. In addition, the 151 contracted employees are Government of Guyana scholarship awardees who are attached to different Semi-Autonomous Agencies within the MoA. These employees are subsequently detached from the Ministry at the end of their respective contract period.

The Government of Guyana prior to 2014 increased the award of scholarships to pursue studies in the field of Agriculture Science and related subjects at the University of Guyana (UG), the Guyana School of Agriculture (GSA) as well as overseas. The scholarships are for degree as well as diploma programmes; and the graduates are employed in the Public Service on contract gratuity terms for five and three years respectively. Thus, every year a number of bonded staff depart and is replaced by another batch of graduates. This practice remains in place to date; therefore, an increase in graduates results in a corresponding increase in employment within the MoA and related sectors.

**Recommendation:** *The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and take immediate steps to move its current eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/196)*

554. An analysis of the staff strength revealed that the Ministry would have increased its staff strength by fifty-six over the years 2017 to 2019 as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	346	372	26
2018	2019	372	402	30
Total				56

**Ministry's Response:** The Head of Budget Agency indicated that with regards to the increase of staff for the years 2017 to 2019, a thorough analysis of the Ministry's payroll would further reveal staff departure of a similar number, as explained above.

555. Nevertheless, the MoA still had twenty-four vacancies as advertised in the PSC Staff Vacancy Circular No. 1/2019 dated 27 June 2019. These vacancies included critical posts such as one Chief Technical Officer, one Chief Hydro Meteorological Officer, one Monitoring and Evaluation Officer, one Head Strategic Planning, Policy Development and Analysis Unit, one Head Monitoring and Evaluation Statistics and Forecasting Unit and one Head Project and Programme Development Unit. As a result, these critical vacancies would have an adverse effect on the operations of the Ministry.



**Ministry's Response:** The Head of Budget Agency indicated that twenty-four staff vacancies were advertised in PSC Staff Vacancy Circular №. 1/2019 dated 27 June 2019. Interviews were conducted for the vacancies; however, only the positions of Chief Technical Officer and Chief Hydro Meteorological Officer were filled. PSC was requested to re-advertise the other positions since no suitable candidates were found.

**Recommendation:** *The Audit Office recommends that the Ministry urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Ministry and in particular the level of control needed to ensure adequate checks and balances. (2019/197)*

### Maintenance of Buildings

556. According to the National Estimates amounts totalling \$34.400M were budgeted in 2019 for the maintenance of buildings. Allotments transfers totalling \$13.461M were made revising the total funds available to \$47.861M. As at 31 December 2019, amounts totalling \$41.215M were expended.

557. An examination of a sample of seventy-four Payment Vouchers and supporting documents in relation to maintenance of buildings revealed that there were thirty-three instances with an aggregate value of \$6.602M where works were completed by contractors before the Ministry and the contractors would have entered into contract. As a result, there was a breach of the internal controls, contracts should be signed before the commencement of works. In addition, this practice puts the Ministry at risk in case of any shortcomings by the contractor.

**Ministry's Response:** The Head of Budget Agency indicated that in some instances the works were of an emergency nature; hence, the contractors were asked to commence work immediately. The Ministry will take the necessary action to prevent any recurrence of this nature.

558. Included in the expenditure of \$41.215M was a contract for repairs to the Storage Bond at the Hydromet Office, Brickdam which was awarded in the sum of \$13.115M by the National Procurement and Tender Administration Board (NPTAB). The works comprised of the fabrication of a single storey steel framed structure with hollow concrete block walls, installation of a metal security door, painting and finishes. The construction of a washroom attached to the building was also completed as additional works. At 31 December 2019, the contractor received an advance payment of \$2.581M, representing 20% of the contract sum; followed by one interim payment of \$1.987M. Multi-year approval was granted and the remaining balance of payments were made in 2020.

559. In addition, physical verification done on 23 September 2020 revealed that the works were completed. However, it was discovered that a completely new structure was constructed using funds allocated under 6242 – Maintenance of Buildings, despite these construction works being capital in nature. Budget Circular 2017 dated 1 July 2016 states that maintenance and repairs are distinguished by two features; they are activities undertaken periodically in order to be able to utilise such assets over their expected service lives and that they do not change the Fixed Asset or its performance, but simply maintain it in good working order or restore it to its previous condition in the event of a breakdown.

**Ministry's Response:** The Head of Budget Agency indicated that the storage bond was initially constructed with wood and concrete. The repairs done comprised of 20 to 25% change to the original structure. These works were considered necessary so that the building could maintain its functionality.

**Recommendation:** *The Audit Office recommends that the Ministry desist from using current budgetary allocations for completing capital works. (2019/198)*

Subsidies and Contributions to Local Organisations

560. According to the National Estimates 2019, the sum of \$8.086 billion was budgeted for Subsidies and Contributions to eight Local Organisations. On 30 December 2019, a Contingencies Fund Advance Warrant for \$179.369M was granted for National Drainage and Irrigation Authority (NDIA), taking the total funds available to \$8.265 billion. As at 31 December 2019, amounts totalling \$8.263 billion were released to eight subvention entities under the control of the Ministry. These entities are subject to separate financial reporting and audit with the exception of the Guyana Society for the Prevention of Cruelty to Animals which is audited by Private Audit Firm. The entities failed to comply with Section 80 (4) of the Fiscal Management and Accountability (FMA) Act. This Section stipulates that “The concerned Minister shall, within two months following the receipt of the annual report, present the annual report of each Statutory Body to the National Assembly”. The status of the entities are as follows:

Agency	Amount Received \$'000	Last Audit Report	Last Audited Report Laid in National Assembly	Remarks
National Drainage & Irrigation Authority	5,678,170	-	-	Nov. 2013 to Dec. 2014 & 2015 - Audit in progress 2016-2018 Financial Statements submitted 2019-Financial Statement not submitted
National Agriculture Research & Extension Institute	1,037,364	2016	2015	2017-2018 Audit in progress 2019 Financial Statement submitted
Guyana Livestock Development Authority	700,000	2011	-	2012 Audit in progress 2013-2016 Financial Statements submitted 2017-2019 Financial Statement not submitted
Guyana School of Agriculture	410,000	2008	-	2009-Audit in progress 2010-2019 Financial Statements submitted
Mahaica Mahaicony Abary/Agricultural Development Authority	220,000	2007	-	2008-2010 Audit in progress 2011-2014 Financial Statements submitted 2015-2019 Financial Statements not submitted
Guyana Marketing Corporation	212,014	2017	2016	2018 Financial Statements submitted 2019 Financial Statement not submitted
Hope Coconut Industries Limited	6,000	1994	-	2008-2014 Audit in progress 2018 Financial Statement submitted 2015-2016 & 2019 Financial Statements not submitted
Guyana Society for the Prevention of Cruelty to Animals	600			Not a Statutory Body Private Auditor
Total	8,264,148			

**Ministry's Response:** The Head of Budget Agency stated that the Annual Reports and audited Financial Statements for National Agriculture Research & Extension Institute for 2015 and Guyana Marketing Corporation for 2016 were recently laid in the National Assembly.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that all outstanding Financial Statements for the above mention entities are promptly submitted for audit and all outstanding audited reports are laid in the National Assembly in a timely manner. (2019/199)

561. As mentioned previously, a Contingencies Fund Advance Warrant for \$179.369M was granted for the increased in work programme by NDIA in an effort to reduce the likelihood of flooding and damage to infrastructure in critical areas in Region №. 4 during spring tides and to negate the effect of widespread flooding in Region №. 5. At the time of reporting in November 2020, amounts totalling \$180.496M were expended on these works. The difference of \$1.127M was met from NDIA re-current funds. A summary of the expenditure relating to the Contingencies Fund Advance Warrant is shown in the table below:

Description	Amount \$'000
<b>Region №. 4</b>	
Emergency repairs to earthen sea dam with rip rap sea defence protection	53,189
Emergency repairs of supply Sluice and River Embankment, Mahaica	27,633
<b>Region №. 5</b>	
Construction, monitoring and repairs of secondary sea dam from Columbia to Fairfield	46,198
Repairs, extraction and transportation of mobile pumps	25,148
Repairs, extraction and operation of excavators	8,896
Fuel to operate pumps in flooded areas	8,000
Raising and shaping of Secondary Sea Dam, Columbia to Prospect and Harmony Hall to Fairfield, Mahaicony	5,463
Construction of Bellamy Canal stop-off at Fairfield and Dantzig	2,695
Supply and delivery of geotextile fabric for use on Secondary Sea Dam, Mahaicony	1600
Survey - secondary sea dam from Columbia to Fairfield, Mahaicony	1,389
Technical oversight services for construction of secondary sea dam from Columbia to Fairfield	285
Total	180,496

562. It was noted that two cheques totalling \$179.370M were paid out of the Consolidated Fund on 31 December 2019 to the NDIA to meet the above expenditure. The difference of \$1.127M was met from NDIA re-current funds. However, Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 requires all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year. As such the Ministry would have breached the Act by the withdrawal of this significant sum on the 31 December 2019.

**Ministry's Response:** The Head of Budget Agency stated that the amount allocated by means of the Contingencies Fund Advance Warrant to NDIA was expended on 31 December 2019. Hence, there was no breach of Section 43 of the FMA Act.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure compliance with the requirements of the FMA Act, especially as it related to Section 43. (2019/200)*

Guyana Sugar Corporation Inc.

563. During the period under review, it was noted that there was no budgetary allocation made to the Guyana Sugar Corporation Incorporated (GUYSUCO). However, for the years 2015 to 2018 it was observed that amounts totalling \$42.682 billion was provided as subsidies and contribution to this entity as follow:

Year	Amount Released \$'000
2015	12,000,000
2016	11,000,000
2017	9,000,000
2018	10,682,000
2019	0
Total	42,682,000

564. The GUYSUCO Inc. is subject to separate financial reporting and audit. The last audit was in respect of the year 2016 and the audited accounts was laid in the National Assembly on 9 September 2020. Financial Statements for the years 2017 to 2019 were presented for audit. However, the audit for the year 2017 was not finalised because of several pertinent outstanding issues which were raised by the auditor during the audit that were not being addressed by the Corporation.

**Ministry's Response:** The Head of Budget Agency stated that the GUYSUCO Inc. has indicated that all information requested by the external Auditor, were provided. Further, all queries raised have been answered and the final audited accounts for 2017 presented to the Corporation for the Board of Directors approval.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that Financial Statements are promptly submitted for audit and all outstanding reports are laid in the National Assembly in a timely manner. (2019/201)

#### Fuel and Lubricants

565. The amount of \$25.835M was budgeted for Fuel and Lubricants for the Ministry for 2019. Allotment transfers totalling \$1.790M were made revising the total funds available to \$24.045M. According to the Appropriation Accounts the full amount was expended as at 31 December 2019. However, it was noted that the Ministry prepaid for fuel amounting to \$2.529M which was not received as at 31 December 2019. As a result, the Appropriation Accounts would have been overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry would have prepaid an amount to make provision for the continuous supply of fuel to the Ministry to ensure there is no disruption of service.

**Recommendation:** The Audit Office recommends that the Ministry desist from purchasing fuel beyond its consumption capacity and comply with the Cash Basis of Accounting. (2019/202)

#### Maintenance of Vehicles

566. According to the National Estimates 2019, amounts totalling \$25.280M were budgeted in 2019 for the maintenance of vehicles. Allotments transfers totalling \$9.278M were made revising the total funds available to \$34.558M. As at 31 December 2019, amounts totalling \$33.644M were expended. A review of the expenditure incurred indicated apparent excessive expenditure in respect of seven vehicles as shown in the table below:

Registration Number	Description	Date of Registration	Amount \$'000 2018	Amount \$'000 2019	Total \$'000
PVV1434	Land Cruiser	15.06.2016	3,398	3,019	6,417
PKK2986	Hilux Surf	06.11.2006	705	1,588	2,293
PJJ3705	Double Cab	06.10.2004	0	1,034	1,034
PTT3092	Double Cab	11.03.2015	0	947	947
PWW6724	X-Trail	03.01.2018	135	840	975
PRR7963	Double Cab	06.09.2013	718	648	1,366
PSS2046	Mini Bus	29.01.2014	590	569	1,159
Total			5,546	8,645	14,191

**Ministry's Response:** The Head of Budget Agency indicated that the expenditure incurred on the vehicles mentioned were necessary to ensure the safety of staff and availability of transportation to carry out the day-to-day activities of the Ministry.

**Recommendation:** The Audit Office recommends that the Ministry monitor the cost for maintaining the above vehicles and consider approaching the Ministry of Finance (MoF) with a view of obtaining the necessary funds to replace them since this is likely to result in significant cost savings. (2019/203)

#### Stores and Other Public Property

567. The Stores Regulations requires that Log Books and historical records be kept for vehicle owned and/or operated by the Ministry to record the cost of maintenance and other pertinent information. However, for the year 2019, an examination of the thirty-three serviceable vehicles for which Log Books were required to be maintained, the following discrepancies were noted:

- a) Examination of Log Books for ten vehicles revealed that the signature of the Authorising Officer was not present.
- b) There were ten instances where vehicle Log Books were not updated with fuel received.
- c) Odometer readings were not recorded in the Log Books for three vehicles.
- d) The signature of the Checking Officer was not evident in the Log Books for four vehicles.

568. As a result, it could not be ascertained whether proper control was exercised over the use of these vehicles. A similar situation was noted for 2018.

**Ministry's Response:** The Head of Budget Agency stated that the observations with respect to the Ministry's Log Books are noted. The necessary actions have been taken to ensure that all Log Books are properly maintained in accordance with the relevant Regulations.

**Recommendation:** The Audit Office once again recommends that the Ministry ensure that there is full compliance with the Stores Regulations as it relates to the maintenance of Log Books. (2019/204)

### Other Matters

569. During the period under review, the Ministry expended amounts totalling \$11.636 billion on current and capital expenditure but excluding Employment Costs. An analysis revealed that expenditure for January to November average approximately 8% of the total expenditure per month; however, in December spending significantly increase to approximately 14%. Moreover, in December capital spending went up to 24% of the total capital expenditure compare with an average of approximately 7% for January to November. It should be noted that the budget for 2019 was approved in December 2018 and as such better planning and execution should have been done in the earlier part of the year so as to ensure that the Ministry achieved its anticipated level of expenditure and payments are made in a timely manner. An analysis of the spending by the Ministry is shown in the table below:

Month	Current Expend \$'000	Current Expenditure %	Capital Expend \$'000	Capital Expenditure %	Total Expend \$'000	Total Expenditure %
January	476,877	5	82,454	3	559,331	5
February	814,459	9	211,324	8	1,025,783	9
March	812,253	9	229,570	9	1,041,823	9
April	758,587	8	172,905	7	931,492	8
May	771,498	8	323,334	13	1,094,832	9
June	772,235	8	49,407	2	821,642	7
July	305,989	3	242,136	10	548,125	5
August	1,190,971	13	38,836	2	1,229,807	11
September	761,606	8	319,448	13	1,081,054	9
October	748,998	8	214,077	8	963,075	8
November	735,662	8	29,288	1	764,950	6
December	965,662	11	608,370	24	1,574,032	14
Total	9,114,797	100	2,521,149	100	11,635,946	100

570. The Ministry breached Section 43 of the FMA Act. This Section requires all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Audit checks revealed that eighty cheques totalling \$202.799M were printed on or/after 31 December 2019 with respect to 2019 transactions as shown in table below. As a result, the Appropriation Accounts would have been overstated by the said amount.

Cheque Date	No. of Cheques	Amount \$'000
31.12.2019	58	192,575
02.01.2020	20	10,000
03.01.2020	2	224
Total	80	202,799

**Ministry's Response:** The Head of Budget Agency stated that all of the cheques were subsequently disbursed to the respective payees.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure compliance with the requirements of the FMA Act, especially as it relates to Section 43 of the Act. (2019/205)

### Capital Expenditure

571. The sum of \$4.615 billion was allotted to the four capital programmes of the Ministry. Amounts totalling \$3.244 billion were expended, resulting in a shortfall of \$1.371 billion. The shortfall represented approximately thirty percent of the total funds available. This is an indication that the Ministry did not execute its anticipated level of capital activities during the period under review. A summary of the shortfall is shown in the table below:

Prog. No.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1	Ministry Administration	1,077,653	338,937	738,716	69
2	Agriculture Development & Support Services	3,423,146	2,851,396	571,750	17
3	Aquaculture Development	63,160	8,317	54,843	87
4	Hydro metrology	50,890	45,634	5,256	10
Total		4,614,849	3,244,824	1,370,565	

572. Further, there were significant shortfalls within the programmes, as shown in the tables below, and detailed in the subsequent paragraphs.

#### Programme 1 Ministry Administration

Line Item	Description	Total Funds \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1302300	Drainage & Irrigation Pumps	669,379	75,804	593,575	89
2100700	Flood Risk Management	320,000	204,860	115,140	36
4404000	Reverse Linkage Programme - Rice Development	30,000	0	30,000	100
Total		1,019,379	280,664	738,715	

#### INDIA Loan - Drainage and Irrigation

573. The sum of \$669M was provided for Drainage and Irrigation Pumps and Institutional Strengthening - INDIA. However, according to the Appropriation Account as at 31 December 2019 only the sum of \$75.804M was expended resulting in a shortfall of \$593.575M or 89% in expenditure. Noteworthy is that although sums were budgeted for in 2017 and 2018 under this project, the allocations were not expended. As a result, the intended benefits of this project, which included improved drainage and irrigation in selected regions, and improved agricultural output, could be delayed.

**Ministry's Response:** The Head of Budget Agency stated that this project suffered several setbacks which were only resolved in April 2019, when the advance payment guarantee and the performance security were received from the contractor. The advance payment amounting to G\$75.8M was made to the contractor, leaving a balance of G\$593.575M. This sum represents costs for nine fixed pumps, three mobile pumps, spares and installation services. However, the pumps only arrived in Guyana in March 2020, hence the reason for the under spending in 2019. The next phase of the project is the installation of the pumps by personnel from India; however, this process has been delayed due to the COVID-19 Pandemic.

IDA Credit №. 5474-GY - Flood Risk Management Project

574. On 10 October 2014, the International Development Association (IDA) and the Government of Guyana (GoG) entered into an agreement to assist in the reduction of the risk of flooding in Region №. 4. The sum of \$320M was allotted in 2019 for: (i) rehabilitation of sections of East Demerara Water Conservancy embankment; (ii) Hydrology and hydraulic modelling of the East Demerara Water Conservancy; (iii) design and construction of pump station at Liliendaal; and (iv) procurement of earth-moving equipment. According to the Appropriation Account, as at 31 December 2019, only the sum of \$204.860M was expended resulting in a shortfall of \$115.140M or 36% in expenditure.

575. This project is subject to separate financial reporting and audit. The last audit report was issued on 7 August 2020 for the year ended 31 December 2019. The main observations from the audit are as follows:

- a) According to the Work Plan, the project planned to expend amounts totalling US\$1,535,296 during 2019. However, amounts totalling US\$982,541 or 64% of the planned expenditure was achieved. The table below gives a comparison of the planned and actual expenditure according to the three components of the project:

Component	Amount Planned US\$	Amount Expended US\$	Variance US\$
1 - Priority Works for Flood Risk Reduction	1,439,648	888,779	550,869
2 - Institutional Strengthening for Flood Risk Reduction	2,602	2,602	0
3 - Project Management and Implementation Support	93,046	91,160	1,886
Total	1,535,296	982,541	552,755

- b) As a result, the project did not achieve its objectives within the stipulated time and the intended benefits which included improved drainage and irrigation being delayed. Notwithstanding this, approval was granted for an extension of project to 20 January 2021 which will allow for the completion of the activities.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry concurs with the observations stated.

Reverse Linkage Project in Rice Development Production

576. On 28 November 2018, the MAX AGRI COMMERCE SDN BHD, Malaysia and the Government of Guyana entered into an agreement to enhance the capacity in relation to Guyana's rice production in order to maintain self-sufficiency and increase export of high-quality rice. In 2019 the amount of \$30M was allotted for: (i) introduction of Innovative rice varieties from Malaysia Including: (a) two high yielding varieties and one aromatic variety, (b) development of a rice value chain; and (c) capacity building in Certified Seed Production and breeding methodology and protocol and (ii) establishment of a unified seed production system.

577. However, according to the Appropriation Account the entire allocation remained unspent. Noteworthy, a similar situation existed in 2018 where the sum of \$40M allotted was not utilised. As a result, the intended benefits of the project, which included improved rice variety, enhanced rice production, and improved quality, could be delayed.

**Ministry's Response:** The Head of Budget Agency explained that the agreement between MAX AGRI COMMERCE SDN BHD, Malaysia and the GoG is for the provision of Technical Support in the form of Consultancy Service.



Programme 2 - Agriculture Development and Support Services

Line Item	Description	Total Funds \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
2802900	Sustainable Agriculture Development Project	300,000	82,775	217,225	72
2803000	Hinterland Environmentally Sustainable Agriculture Development Project	240,000	44,999	195,001	81
1405500	Rural Agriculture Infrastructure Development	350,000	239,379	110,621	32
1301900	Mangrove Management	100,000	76,632	23,368	23
Total		990,000	443,785	546,215	

IDB №. 3798/BL-GY - Sustainable Agriculture Development Project

578. On 21 February 2017 the Inter-American Development Bank (IDB) and the GoG entered into an agreement to increase the productivity of the agricultural sector, while maintaining a sustainable and climate resilient use of natural resources in Guyana. The sum of \$300M was allotted in 2019 for: (a) conduct of national agricultural census; (b) construction of state-of-the-art abattoir at Onverwagt; (c) rehabilitation of agriculture research facility at Ebini; and (d) institutional strengthening. According to the Appropriation Account the sum of \$82.775M was expended in 2019, resulting in a shortfall in expenditure of \$217.225M or 72%.

579. This project is subject to separate financial reporting and audit. The last audit report was issued on 28 July 2020 for the year ended 31 December 2019. The main observations from the audit are as follows:

- a) According to the Work Plan for the year 2019, the programme had a planned budgetary allocation of US\$2.279M of which amounts totalling US\$397,002 or 17% were expended on operational activities, as shown in the table below:

Investment categories	Amount Budgeted US\$	Amount Expended US\$	Unspent Balance US\$
<b>Component 1-</b> Information for policy making and natural resource management	170,000	2,480	167,520
<b>Component 2-</b> Strengthening of the agricultural innovation and extension system	1,119,000	190,011	928,989
<b>Component 3-</b> Support for compliance with sanitary and phytosanitary standards	630,000	0	630,000
Monitoring and Evaluation	144,625	54,429	90,196
Programme Administration	215,701	150,082	65,619
Total	2,279,326	397,002	1,882,324

- b) As mentioned, the programme only achieved 17% of its anticipated level of activities for the year 2019 and 8% of the total programme cost as at 31 December 2019, which indicated that the Programme did not achieve its objectives as planned. In addition, the slow implementation of the project may result in the delay of its intended benefits. These included improved quality data for agricultural sector, enhanced productivity and ability to meet sanitary phyto-sanitary standards, and access to processing facilities.

**Ministry's Response:** The Head of Budget Agency stated that this project continues to experience challenges because of changes to the loan agreement in 2018, including Free Prior Informed Consent (FPIC).

IFAD Loan №. 2000001704/Grant №. 2000001705 - Hinterland Environmentally Sustainable Agriculture Development Project

580. On 21 March 2017, the International Fund for Agricultural Development (IFAD) and the GoG entered into an agreement to improve the livelihood resilience through income generation, access to assets, improved nutrition and adaptation to climate variability. The sum of \$240M was allotted in 2019 for: (a) investment plans for development of local value chains; (b) establishment of investment fund for entrepreneurial, agricultural based ventures in Regions 1 and 9; (c) conduct of State of Food and Agriculture Study (SOFA) In Mabaruma and Moruca; (d) infrastructure to promote community resilience; and (e) Institutional Strengthening.

581. According to the Appropriation Account as at 31 December 2019, amounts totalling \$44.999M were expended from the budgetary allocation of \$240M, resulting in a shortfall of \$195.001M or 81%. Similar shortfalls in expenditure of 81% and 94% were noted for 2018 and 2017 respectively.

582. This project is subject to separate financial reporting and audit, the last audit report was issued on 2 July 2020, for the year ended 31 December 2019. The main observations from the audit are as follows:

- a) According to the audit report the planned expenditure for the year 2019, as stated in the Annual Work Plan & Budget (AWPB) presented was US\$1.066M or 13% of the IFAD's contribution to the project. According to the Statement of Expenditure as at 31 December 2019, amounts totalling US\$151,965 or 14% of the budget were expended. A summary of the 2019 expenditure by categories is shown in the table below:

Description	Budgeted Amount US\$	Amount Expended US\$		Total Expenditure US\$	Balance on Budget US\$
		IFAD	CRoG		
<b>Category I:</b> Vehicles and equipment	65,179	2,378	60	2,438	62,741
<b>Category II:</b> Training	6,000	0		0	6,000
<b>Category III:</b> Consultancy Services	843,608	69,260		69,260	774,348
<b>Category V:</b> Salaries & Operating Expenses	150,737	80,327	50,129	130,456	20,281
Total	1,065,524	151,965	50,189	202,154	863,370

- b) It should be noted that approximately thirty-three months after the effective date of the project, amounts totalling US\$357,292 or 3% of the total project cost was expended. The slow delivery of the project's activities could result in it not achieving its stated objectives within the stipulated time which included improved access to financing for farmers, increase income generating opportunities, and enhanced food security and nutrition.

**Ministry's Response:** The Head of Budget Agency indicated that this project experienced several difficulties in the early stages including:

- Difficulties with contracting a Financial Institution to manage the investment Fund;
- Constraints with the development of investment plans; and
- Delays with the recruitment of staff at both the PMU level and procurement of logistical support and office furniture and equipment.

These challenges were subsequently resolved, and the project is expected to be restructured shortly.

CDF Loan No. ROG/L0002 - Rural Agricultural Infrastructure Development Project

583. On 14 December 2016, the CARICOM Development Fund (CDF) and the GoG entered into an agreement to assist the Ministry of Agriculture to improve Rural Agricultural Infrastructure Development in Small Scale Farming Communities in Region Nos. 4 and 5. The sum of \$880M was allotted for the Rural Agricultural Infrastructure Development Project. For the year 2019, the sum of \$350M was allocated for: (i) completion of drainage and irrigation systems and access dams at Mocha, Triumph, Buxton and Ithaca; (ii) commencement of on farm development at Mocha, Triumph, Buxton and Ithaca; (iii) provision of dairy farm and processing Facility-President's College; (iv) provision of planting materials to selected farming groups in project areas; (v) purchase of equipment; and (vi) supervision.

584. As at 31 December 2019 the sum of \$239M was expended resulting in a shortfall of \$111M or 32% in expenditure for 2019. The intended benefits of the project, which included improved access to agricultural infrastructure and farmlands, and increased agricultural productivity, could be delayed.

585. This project is subject to separate financial reporting and audit, the last audit report was issued on 30 June 2020, for the year ended 31 December 2019. According to the audit report, the Sources and Uses of Funds Statement for the year ended 31 December 2019 revealed amounts totalling US\$1.186M or 71% of the planned expenditure were executed as follows:

Description	Budgeted Amount US\$	Amount Expended US\$	Difference US\$
<b>Component 1: (Loan)</b> Rehabilitation of Drainage and Irrigation Systems	1,342,926	879,516	463,410
<b>Component 2: (Grant)</b> Purchase of Equipment and Monitoring and Evaluation	239,808	174,334	65,474
<b>Component 3: (CRoG)</b> Monitoring and Project Management	95,923	132,630	(36,707)
Total	1,678,657	1,186,480	492,177

**Ministry's Response:** The Head of Budget Agency stated that the Ministry concurs with the statements.

**Recommendation:** The Audit Office recommends that where applicable, the Head of Budget Agency should monitor the execution of its programme more closely, with a view of achieving its goals. (2019/206)

Mangrove Management

586. The sum of \$100M was allocated for: (i) construction of groynes at Richmond, Paradise and Triumph; (ii) provision of monitoring and data collection; and (iii) provision of furniture - Mangrove Awareness Centre - Victoria. According to the Appropriation Account as at 31 December 2019, the sum of \$76.632M was released to the Unit resulting in a shortfall in expenditure of \$23.368M. The benefits of the project which is sustainable coastal zone protection could be delayed.

587. An examination of the records of the Unit revealed that of the amount of \$76.632M released to the Unit only amounts totalling \$72.224M were expended. However, as at 14 September 2020 there was no evidence that the unspent balance of \$4.408M was refunded to the Consolidated Fund. Section 43 of the FMA Act requires all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year.

**Ministry's Response:** The Head of Budget Agency stated that the unspent balance will be refunded to the Consolidated Fund on or before the 16 October 2020 and actions will be taken to prevent any recurrence.

**Recommendation:** The Audit Office recommends that the Unit ensure that there is strict compliance with Section 43 of the FMA Act at all times. (2019/207)

Programme 3 - Fisheries

588. The sum of \$63.160M was budgeted in 2019 for the final payment for a boat and provision for incubators, security system, fish feeders and water filtration system. According to the Appropriation Account as at 31 December 2019, the sum of \$8.317M were expended resulting in a shortfall in expenditure of \$54.843M or 87%.

**Ministry's Response:** The Head of Budget Agency stated the sum of \$54.843M was budgeted for the Vessel, which was delivered in April 2020 instead of October 2019 as expected, hence the reason for the shortfall. The vessel arrived and was handed over to the Fisheries Department on 14 April 2020, an inspection of the vessel was subsequently conducted by the Audit Office on 12 August 2020.

Subventions to Statutory Bodies

589. The sum of \$2.433 billion was budgeted in 2019 for six statutory bodies. According to the Appropriation Account amounts totalling \$2.408 billion were released to the entities as shown below:

Agency	Amount Budgeted \$'000	Amount Received \$'000
National Drainage & Irrigation Authority	2,085,931	2,085,931
Mahaica Mahaicony Abary/Agricultural Development Authority	231,339	210,700
Guyana Livestock Development Authority	63,000	63,000
New Guyana Marketing Corporation	24,600	19,765
Guyana School of Agriculture	19,736	19,736
National Agriculture Research & Extension Institute	8,540	8,540
Total	2,433,146	2,407,672

National Drainage & Irrigation Authority

590. The sum of \$2.086 billion was allotted to National Drainage & Irrigation Authority (NDIA) for: (a) payment of retention; and (b) completion, construction and rehabilitation of drainage and irrigation structures and pump stations. As at 31 December 2019 the full amount was released to the entity.

591. Included in the expenditure of \$2.086 billion were thirty-one contracts with an aggregate value of \$584.339M that were expected to commence in the last quarter of 2019 with a duration period ranging from 2-12 months for civil works and delivery of materials and equipment. In addition, included in the thirty-one contracts were ten projects with an aggregate value of \$95.614M that were awarded in May, July and September 2019 and were slated to commence in November and December 2019. However, it is unclear why contracts are commencing in some cases more than four months after they were awarded as shown in the table below:

Date of Award	Month of Commencement	Description	Contract Sum \$'000
02.05.2019	November	Supply of irrigation Pipes Bamboo creek	10,131
02.05.2019	November	Supply of irrigation pipes Tussengeng	5,966
17.09.2019	November	Provision of Labour for installation of irrigation pipes Tusseneng	3,661
17.09.2019	November	Provision of Labour for installation of irrigation pipes Bamboo Creek	6,111
23.09.2019	November	Purchase of Tractor and Implements	14,965
16.07.2019	December	Lot 1 Excavation of Drainage and Irrigation channels Perth Mahaica	11,444
16.07.2019	December	Lot 2 Extension of Perth Baiboo main drainage channel	11,679
16.07.2019	December	Rehab of structures and desilting of drains Lower Pomeroun River	11,370
09.07.2019	December	Installation of structure at Tuschen farming area	11,158
23.09.2019	December	Purchase of tractor and rotary cutter	9,129
Total			95,614

**Ministry's Response:** The Head of Budget Agency stated that the works associated with the contracts mentioned here commenced shortly after the awards were granted; however, the entity concurs that the contracts for supplies took some time to deliver thereby delaying payments.

Follow-up on the Implementation of Prior Year Audit Recommendations

592. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/150	Breach of Stores Regulations - Log Books			√
2018/151	Breach of FMA Act - Cheques on Hand	√		
2018/152	Breach of Procurement Act - non delivery of vessel	√		
2018/153	Breach of Circularised Instruction - Contracted Employees		√	
2018/154	Breach of FMA Act - Laying of audited accounts in the National Assembly		√	

AGENCY 25  
MINISTRY OF BUSINESS

Current Year Matters

Current Expenditure

Employment Costs

593. According to the National Estimates 2019, amounts totalling \$190.325M was budgeted for Employment Costs for a staff complement of eighty-five. As at 31 December 2019 amounts totalling \$187.810M were expended. As such, it would appear that Employment Costs were over budgeted since the amount expended was \$2.515M under the budgeted allotment. See summary of staffing in table below:

Line item	Description	National Estimates 2019	Actual 2019	Increase / (Decrease) 2019
6111	Administrative	13	13	0
6112	Senior Technical	15	14	(1)
6113	Other Technical and Craft Skilled	5	5	0
6114	Clerical and Office Support	18	20	2
6115	Semi-Skilled Operatives	7	7	0
6116	Contracted Employees	27	26	(1)
Total		85	85	0

594. During the period under review amounts totalling \$82.843M were paid to twenty-seven contracted employees of which twenty-six received salaries, vacation allowance and gratuity, while the other employee received arrears in basic salary, basic salary, vacation allowance and gratuity. Shown in the table below are salary ranges of the twenty-six contracted employees.

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	10	745
\$100,001 - \$200,000	7	927
\$200,001 - \$400,000	5	1,372
Above \$400,000	4	2,269
Total	26	5,313

595. The Public Service Commission (PSC) Circular No. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, for 2019, there were a total of twelve contracted employees below the age of forty-five who should have been employed on the Pensionable Establishment. It should be noted that two of the twelve positions were already catered for on the list of approved positions under the Ministry for 2019. Shown in the table below are age ranges of the twenty-six contracted employees:

Age Range (Years)	No. of Employees
Below 45	12
45 - 55	2
Above 55	12
Total	26

**Ministry's Response:** The Head of Budget Agency stated that efforts are being made for the twelve contracted employees be appointed to the Pensionable Establishment. However, it should be noted that during the period under review, the Ministry is pursuing the Scrap Metal Unit becoming a Subvention Agency in keeping with the Legislation under which it was established for which nine persons were employed under contract.

**Recommendation:** The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and take immediate steps to move its current eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/208)

596. The Ministry of Business (MoB) had seventeen vacancies as advertised in the PSC Staff Vacancy Circular №. 1/2019 dated 27 June 2019. These vacancies included critical posts such as Director, Business Strategy and Policy Unit, Legal Officer, Senior Commerce Officer and Economist Communication Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Ministry.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry is waiting on the PSC to conduct interviews for the various vacancies.

**Recommendation:** The Audit Office recommends that the Ministry continue to engage the PSC on the staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Ministry. (2019/209)

#### Subsidies and Contributions to Local Organisations

597. According to the Appropriation Accounts amounts totalling \$987.281M were budgeted for Subsidies and Contribution to Local Organisation under Current Expenditure Programme 2 - Business Development, Support and Promotion, Programme 3 - Consumer Protection and Programme 4 - Tourism Development and Promotion. The total allocation was increased by allotment transfers totalling \$21.278M, increasing the total funds available to \$1.008 billion. As at 31 December 2019, amounts totalling \$1.008 billion were expended as subsidies and contributions in respect of five agencies. These agencies are subject to separate financial reporting and audit. The table below shows the transfers and the audited status of each agency:

Agency	Amount Transferred \$'000	Last Audit Report	Last Report Laid in National Assembly	Remarks
Guyana Tourism Authority	301,781	2003	-	2004 Audit in Progress 2005-2011 Financial Statements submitted but returned to client for adjustments 2012-2019 Financial Statements not submitted
Guyana Office for Investment	222,000	2017	2015	2018 Audit in progress 2019 Financial Statement not submitted
Guyana National Bureau of Standards	227,234	2015	2011	2016-2017 Financial Statements submitted 2018-2019 Financial Statements not submitted
Small Business Council	170,000	2018	2016	2019 Financial Statement not submitted
Competition and Consumers Affairs Commission	87,044	2014	-	2015-2017 Audit in progress 2018-2019 Financial Statements not submitted
Total	1,008,059			

598. As can be noted above, the five statutory bodies failed to comply with Section 80 (3) (c) and Section 80 (4) of the Fiscal Management and Accountability (FMA) Act 2003. These sections require that Statutory Bodies not later than four months after the end of the fiscal year established for that Statutory Body submit an annual report to the concerned Minister which shall include a report prepared by the Auditor General on the Financial Statements of the Statutory Body and the concerned Minister shall, within two months following the receipt of the annual report, present the annual report of each Statutory Body to the National Assembly.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry will work with the agencies to have the outstanding Financial Statements presented for audit and the reports submitted for laying in the National Assembly.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that all outstanding Financial Statements for the above mentioned entities are promptly submitted for audit and all outstanding audited reports are laid in the National Assembly in a timely manner. (2019/210)*

#### Other Matters

##### Contracts

599. An examination of 28 contracts selected for examination revealed the following unsatisfactory observations:

- a) Ten instances totalling \$25.006M where the date of the contract or extension agreement were after the commencement date of the works.
- b) Thirty-nine instances where dates were not affixed to indicate when the Authorising Officer certified that the works were satisfactory completed.
- c) Three instances totalling \$9.263M where the Tender Board approvals were after the contract/extension agreement period.
- d) Three instances amounted to \$9.877M where the Tender Board approvals were within the contract/extension agreement period.
- e) Two instances where pertinent details such as the contract sum, contract date and the execution period of the contracts were not stated in the document.

**Ministry's Response:** The Head of Budget Agency stated that: (a) delays in requests for extensions were as a result of an anticipation of an award/decision from National Procurement and Tender Board Administration Board (NPTAB) on tenders opened, so that requests for extension of security services would take into account the transition procedures that needed to be catered for; and (b) the relevant form will be amended to allow for dates to be affixed under each signature.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that there is fully compliance with the Procurement Act and its Regulations at all times. (2019/211)*

600. During the period under review, the Ministry expended amounts totalling \$1.990 billion on current and capital expenditure but excluding Employment Costs. An analysis of the expenditure revealed that expenditure for January to November average approximately 7% per month; however, in December there was a significant increase of 24% in spending as shown in the table below. Moreover, almost half of the capital budget was expended in December. It should be noted that the budget for 2019 was approved in December 2018 and as such better planning and execution should have been done in the earlier part of the year so as to ensure that the Ministry achieved its anticipated level of expenditure and payments are made in a timely manner.



Month	Current Expenditure \$'000	Current Expenditure %	Capital Expenditure \$'000	Capital Expenditure %	Total Expenditure \$'000	Total Expenditure %
January	68,031	5	0	0	68,031	3
February	100,952	8	0	0	100,952	5
March	102,956	8	36,734	5	139,690	7
April	114,080	9	32,221	5	146,301	7
May	102,512	8	23,073	3	125,585	6
June	95,383	7	45,815	6	141,198	7
July	87,981	7	109,020	15	197,001	10
August	101,011	8	35,349	5	136,360	7
September	127,797	10	33,346	5	161,143	8
October	102,871	8	50,289	7	153,160	8
November	105,297	8	34,672	5	139,969	7
December	169,617	13	310,778	44	480,395	24
Total	1,278,488	100	711,297	100	1,989,785	100

601. The Ministry continued to breach Section 43 of the FMA Act which stipulates that all unspent balances are to be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Audit checks revealed that the Ministry processed 241 cheques totalling \$213.625M from the Consolidated Fund on/after 31 December 2019. As a result, the Appropriation Accounts would have been overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency stated that to date all cheques have been paid.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure compliance with the requirements of the FMA Act, especially as it related to Section 43. (2019/212)

#### Scrap Metal Trade

602. An examination of Receipts and Payments Register maintained for the scrap metal trade revealed an opening balance of \$5.313M as at 2 January 2019. During the period under review, amounts totalling \$240,500 were recorded as receipts; whilst, payments amounted to \$1.575M giving a closing balance of \$3.978M as at 31 December 2019. A separate Bank Account is maintained for the Unit at Republic Bank (Guyana) Limited. The closing balance of this account as at 31 December 2019 was \$3.814M which should have been transferred to the Consolidated Fund Account No. 407.

603. It was noted that with effect from January 2019, all revenues earned from the scrap metal trade which amounted to \$44.485M for the year were deposited directly into the Consolidated Fund Account No. 407; whilst, all expenditure relating to the Unit including Employment Costs were met from the MoB Appropriations for 2019.

**Ministry's Response:** The Head of Budget Agency indicated that steps will be taken to transfer the balance to the Consolidated Fund.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take steps to transfer the balance in the Republic Bank Account to the Consolidated Fund. (2019/213)

## Capital Expenditure

### Shortfall in Capital Expenditure

604. The sum of \$1.136 billion was allotted for under the four capital programmes of the Ministry. According to the Appropriation Accounts, amounts totalling \$711.299M were expended, resulting in a shortfall of \$424.726M. The shortfall represented approximately thirty-seven percent of the total funds available. This is an indication that the Ministry did not execute its anticipated level of capital activities during the period under review. A summary of the shortfall is shown in the table below:

Prog. №.	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
1	Policy Development and Administration	112,500	69,342	43,158	38
2	Business Development, Support and Promotion	1,014,475	632,926	381,549	38
3	Consumer Protection	5,500	5,495	5	0
4	Tourism Development and Promotion	3,550	3,536	14	0
Total		1,136,025	711,299	424,726	

605. Further, the table below provides a summary of the significant shortfalls that were observed under capital expenditure activities:

Prog. №.	Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000
2	National Quality Infrastructure	360,000	161,868	198,132
2	Industrial Development	334,147	236,080	98,067
2	Single Window Automated Processing System	100,000	14,720	85,280
1	Buildings	97,000	53,877	43,123
Total		891,147	466,545	424,602

### National Quality Infrastructure

606. The sum of \$360M was available under this project for the support to economic diversification and exports through: (i) establishment of facilities for metrology, testing and legal metrology; (ii) purchase of laboratory equipment for Bureau of Standards, Ministry of Public Health (MoPH) and Ministry of Agriculture (MoA); (iii) preparation of National Export and Investment Promotion Strategy; and (iv) construction of access road. According to the Appropriation Account as at 31 December 2019, the sum of \$161.868M was expended, which resulted in a shortfall of 55% or \$198.132M of the total funds available. A similar shortfall of 57% or \$114.700M was noted under this project in 2018.

607. The activities were to be executed under a loan agreement signed between the Government of Guyana (GoG) and the Inter-American Development Bank (IDB). The Agreement, 'Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program, Loan №. 3824/BL-GY', was signed on 21 February 2017. The GoG and IDB committed the sum of US\$9M for five years and six months to support economic diversification and exports through the enhancement of the National Quality Infrastructure (NQI) and through a National Export and Investment Promotion Strategy. The specific objectives of the programme were to enhance the capacity of the NQI, improve facilities for the NQI and enhance the capabilities of Guyana Office for Investment (Go-Invest) for the export and investment promotions.

608. This project is subject to separate financial reporting and audit. The last audit report was issued on 10 August 2020 for the year ended 31 December 2019 and the main observations are as follows:

- a) According to the Variance Analysis Statement, the sum of US\$979,050 was allocated for the period under review, of which amounts totalling US\$708,083 or 72.32% of the amount allocated were expended as follows:

Description	Budgeted Amount US\$	Amount Expended US\$	Variance US\$
Modernisation of the Institutional Framework of the NQI.	322,070	129,834	192,236
Improving Laboratory Facilities and Equipment	265,000	154,340	110,660
Implement National Export and Investment Strategy	140,400	189,526	(49,126)
Programme Administration	251,580	234,383	17,197
Total	979,050	708,083	270,967

- b) An examination of the Annual Operation Plan (AOP) for the period 1 January 2019 to 31 December 2019 revealed that the programme planned to undertake the following activities; Proficiency Testing Microbiology and Chemical, Microbiological Techniques, Consultancy for PR/Awareness campaign, NQI for Oil & Gas and Best Practices on IPAS. However, these activities were not executed. Therefore, the delayed implementation of the program's activities may lead to the intended benefits of the programme not being achieved as planned.
- c) In addition, IDB's approval of the AOP for 2019 was not submitted for audit examination. Therefore, in this circumstance it cannot be ascertained, whether, the AOP submitted for audit scrutiny was approved by the IDB.

**Ministry's Response:** The Head of Budget Agency stated that the reasons for the underperformance were:

- i. Retendering of consultancy for the development of a Trade and Investment Strategy for Go-invest.
- ii. The resignation of the Support Engineer, resulted in the delay of the design of the access road being completed.
- iii. The lengthy response time from key stakeholders.
- iv. Lack of qualified specialist in the field of quality and standards that is available locally and regionally.

**Recommendation:** The Audit Office recommends that management execute planned activities in a timely manner in order to meet the objectives and to prevent an overrun of the timeframe of the loan. (2019/214)

#### Industrial Development

609. The sum of \$334.147M was available under this project for: (i) completion of industrial estate development at Lethem, and business incubators at Lethem and Belvedere; and (ii) construction of fence at Coldingen. However, as at 31 December 2019, the sum of \$236.080M were expended, resulting in a shortfall of \$98.067M or 29%.

610. As outlined in the 2019 Capital Project Profile the benefits of the project were to improve infrastructure for business development. Hence, the delayed implementation of the Program's activities may lead to the intended benefits of the programme not being achieved as planned.

**Ministry's Response:** The Head of Budget Agency stated that underperformance of Lethem Business Incubator resulted from:

- a) Due to limited materials on site and the downsizing of the labour force due to the deplorable state of the road way to Lethem, this prevented the timely transport of materials such as cement, roof sheeting, floor boards etc. to the site, which resulted in a delay of the works.
- b) Inclement weather conditions:
  - i. The completion of the terrazzo floor was affected by the excessive rainfall.
  - ii. The Georgetown to Lethem road was impassable during the heavy rainy season and this delayed the transport of construction materials to the site.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely.* (2019/215)

611. The NPTAB gave its approval for the contract to install telephone infrastructure at the Belverdere and Lethem Industrial Estate to be awarded in the sum of \$11.371M. It was noted that two contracts dated 30 December 2019 and which amounted to \$11.371M were entered into before the National Board would have given its approval.

612. The contract period was stated as 31 December 2019 to 15 February 2020; whilst, the payment terms stated that the contract sum is to be paid upon satisfactory completion of the jobs. However, it was noted that a cheque was cut on 3 January 2020 for the sum of \$11.171M and kept on hand until February 2020 when it was paid to the contractor but the receipt for this payment was dated 7 September 2020. In addition, the works satisfactory done was sign by Director of Industrial Development but a date was not stated. In this regard, it could be established when the contractual obligations were fulfilled.

**Ministry's Response:** The Head of Budget Agency stated that preparatory works were completed by GTT even though their policy required receipt of payment before and therefore, the full payment was required to be made and was processed. The GTT representatives were informed on several occasions that the payment was ready to be uplifted.

#### Single Window Automated Processing System

613. The sum of \$100M was budgeted in 2019 for: (i) review and modernisation of regulatory framework; (ii) design and deployment of Electronic Single Window infrastructure including: (a) business process re-engineering; (b) development of licence, certificate and permits module; (c) development of inter-agency goods declaration module; (d) development of integrated risk management system and; (e) enhancement of Information Technology (IT) infrastructure and internet access; and (iii) institutional strengthening for Electronic Single Window stakeholders. However, as at 31 December 2019, only the sum of \$14.720M was expended, resulting in a shortfall of \$85.280M or 85%.

614. On 11 February 2019, the Inter-American Development Bank (IDB) and the GoG signed a Loan Agreement to assist the GoG to improve the trade facilitation performance of Guyana by the development of the Electronic Single Window (ESW) thus reducing the time and costs of trade processes. The IDB agreed to provide the sum of US\$6M for the completion of all activities of the project. The completion date for all transactions under the project was stated as five years from the effective date of the Agreement which is 11 February 2019. This project is subject to separate financial reporting and audit. The Audit Office was appointed as the auditor of this project; however, the IDB granted a waiver for the submission of Audited Financial Statements for the period ended 31 December 2019.

615. As outlined in the 2019 Capital Project Profile the benefits of the Project were to reduce processing time for import/export licences. Hence, the delayed implementation of the programme's activities may lead to the intended benefits of the programme not being achieved as planned and the possibility of the overrun of the life of the Program.

**Ministry's Response:** The Head of Budget Agency stated that reasons for the underperformance was as a result of:

- a) Loan for ESW was signed in February 2019.
- b) All conditions prior to first disbursement was completed in July 2019, hence the project became eligible for first disbursement.
- c) Project got first disbursement in July 2019.
- d) While the ToRs for the first three critical consultancies were develop prior to all conditions being satisfied, finalisation and approval commenced after eligibility.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely and that timelines given are complied with. (2019/216)*

#### Buildings

616. The sum of \$97M were budgeted for the: (i) completion of the head office building at South Road; and (ii) provision for building at National Exhibition Centre. According to the Appropriation Account as at 31 December 2019 amounts totalling \$53.877M were expended, resulting in a shortfall of \$43.123M or 44.46% in expenditure mainly as a result of no contract being awarded for the building at National Exhibition Center. Significantly, according to the Capital Project Profile for 2019, the benefits of the project was to improve facilities, as such the delayed implementation of the project may resulted in the delay in benefits of having improved facilities.

**Ministry's Response:** The Head of Budget Agency stated that the balance is due to extension of project delayed the retention period for the Ministry rehabilitation and extension of building and NEC administration building due to the design phase being completed in December 2019, hence no tender was done.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely. (2019/217)*

#### Capital Subventions

617. For the period under review, amounts totalling \$222.859M were released to five subvention agencies under the Ministry of which only the sum of \$178.850M was expended resulting in an unspent balance of \$44.009M. Section 43 of the FMA Act requires all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year. However, the unspent amounts totalling \$44.009M were refunded in 2020, resulting in a breach of the FMA Act. In addition, the Appropriation Account was also overstated by the said amount. As mentioned in the earlier part of this report, these entities are subjected to separate financial reporting and audit. The table below shows details of the amounts transferred:

No.	Agency	Amount Released to Agency \$'000	Amount Expended by Agency \$'000	Unspent Amount \$'000	Date Unspent Amount Refunded
1	Official Small Business Bureau	141,000	108,226	32,774	04.09.2020
2	Guyana National Bureau of Standards	71,328	60,101	11,227	6.10.2020
3	Competition and Consumers Affairs Commission	5,495	5,495	0	-
4	Guyana Tourism Authority	3,536	3,536	0	-
5	Guyana Office for Investment	1,500	1,492	8	08.01.2020
Total		222,859	178,850	44,009	-

#### Prior Year Matters

618. The construction of a Business Incubator Centre at Lethem Industrial Area, Region No. 9 was awarded in the sum of \$271.378M. Amounts paid to the contractor as at December 2018 totalled \$138.856M. Included in this sum, was a mobilisation advance payment of \$81.414M. It was noted that only \$24.618M, which is approximately 30% of the advance payment, was recovered as at 31 December 2018. It was also noted that the Advance Payment Bond expired on 12 June 2019. As such, should the contractor defect, the Ministry would be unable to levy on the Bond to recover the outstanding balance on the Advance Payment. However, it was noted on 15 September 2020, there was an addendum to the contract as follows:

- The Ministry agree to temporarily waive Clause 46.3 (b) of the general conditions of contract which does not permit for the issuance of an Interim Payment Certificate (IPC) if insurances, performance, and mobilisation advance bonds are not valid. This was done to allow for the processing of Interim Payment Certificate No. 26.
- The outstanding balance of the mobilisation advance of \$32.071M will be deducted in its entirety from IPC No. 26.
- Clause 46.3 (b) will be fully reinstated upon the payment of IPC No. 26.

619. A physical verification on 29 July 2019 revealed that the works were incomplete and the completion date for the works expired on 31 May 2019. However, there were approved extensions which were submitted for audit in October 2020. It was noted that amounts totalling \$42.529M were expended for the period under review and the balance on contract sum was \$89.993M as at 31 December 2019.

Follow-up on the Implementation of Prior Year Audit Recommendations

620. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 10 recommendations, 9 were partially implemented and 1 was fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/155	Shortfall in Current Expenditure		√	
2018/156	Breach of the FMA Act 2003 - None Submission of Financial Statements		√	
2018/157	Breach of the FMA Act 2003 - Failure to have audited Financial Statements laid in National Assembly		√	
2018/158	Shortfall in Capital Expenditure		√	
2018/159	Shortfall in Capital Expenditure		√	
2018/160	Expiration of Advance Payment Bond		√	
2018/161	Liquidated damages due to none extension of time on Contract	√		
2018/162	Breach of Circularised Instructions		√	
2018/163	Breach of the FMA Act 2003 - Refund of Unspent Balance		√	
2018/164	Breach of the FMA Act 2003 - Failure to have audited Financial Statements laid in National Assembly		√	

AGENCY 26  
MINISTRY OF NATURAL RESOURCES

Current Year Matters

Current Expenditure

Employment Costs

621. According to the National Estimates 2019, amounts totalling \$340.367M were budgeted for Employment Costs for a staff complement of ninety-three. As at 31 December 2019, amounts totalling \$340.218M were expended for 112 staff. This represents nineteen staff more the budgeted 93. As such, it would appear Employment Costs were over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase / (Decrease) 2019
6111	Administrative	4	4	0
6112	Senior Technical	0	2	2
6113	Other Technical and Craft Skilled	1	1	0
6114	Clerical and Office Support	6	10	4
6115	Semi-Skilled Operatives	10	7	(3)
6116	Contracted Employees	72	88	16
Total		93	112	19

622. Amounts totalling \$316.628M were paid to eighty-eight contracted employees for the period under review, this represents 93% of the total Employment Costs of the Ministry. Shown in the table below are salary ranges for the eighty-eight contracted employees.

Salary Range	Nº. of Employees	Amounts \$'000
Below \$100,000	3	190
\$100,001 - \$200,000	5	857
\$200,001 - \$400,000	58	15,284
Above \$400,000	22	11,219
Total	88	27,550

623. The Public Service Commission (PSC) Circular Nº. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, for 2019, there were a total of fifty-seven contracted employees below the age of forty-five who should have been transferred to the Pensionable Establishment. Shown in the table below are age ranges of the eighty-eight contracted employees:

Age Range (Years)	Nº. of Employees
Below 45	57
45 - 55	13
Above 55	18
Total	88



**Ministry's Response:** The Head of Budget Agency stated that the Ministry of Natural Resources (MNR) has taken all relevant steps in having eligible Officers appointed to the Pensionable Establishment. Important to note is that the Government via Cabinet Decision created the Corps of Warden and Regional Coordination Unit which include employees below the age of forty-five and these staffers at the request of the Public Service were to be recruited on Contract/Gratuity terms, these positions are also not on the Inventory of Positions. Furthermore, the Ministry had received approval from Cabinet for the expansion of the Corps of Warden which resulted in nineteen additional staff in 2019. Therefore, none of the listed staffers were eligible for the Pensionable Establishment as guided by the Department of Public Service.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue moving eligible employees to the Pensionable Establishment Administration and ensure that the amount budgeted for Employment Cost is for staff positions that are filled. (2019/218)

#### Other Matters

624. During the period under review, the Ministry expended amounts totalling \$1.038 billion on current and capital expenditure but excluding Employment Costs. An analysis of the expenditure revealed that total expenditure for January to November average approximately 8% per month; however, in December spending increased to 12% as shown in the table below.

Month	Current Expenditure \$'000	Current Expenditure %	Capital Expenditure \$'000	Capital Expenditure %	Total Expenditure \$'000	Total Expenditure %
January	3,428	1	0	0	3,428	1
February	7,685	2	0	0	7,685	1
March	22,442	5	74,120	14	96,562	9
April	58,897	12	47,249	9	106,146	10
May	99,685	20	47,928	9	147,613	14
June	54,839	11	56,937	10	111,776	11
July	27,116	5	39,742	7	66,857	6
August	9,450	2	103,915	19	113,364	11
September	15,461	3	41,954	8	57,416	6
October	78,847	16	34,527	6	113,373	11
November	19,474	4	65,476	12	84,950	8
December	98,232	20	30,767	6	128,999	12
Total	495,555	100	542,614	100	1,038,170	100

625. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability (FMA) Act which stipulates that all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Audit checks revealed that the Ministry processed 182 cheques totalling \$77.771M from the Consolidated Fund on/after 31 December 2019. As a result, the Appropriation Accounts would have been overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency stated that expenditure was indeed in keeping with the Ministry's Work Plan and Procurement Plan. A review of the programmes and figures in the table above would also reveal that the Ministry was quite consistent within the period March to November with the highest percentage expenditure of 14% being recorded in the month of May.

Since the MoNR is a Non-Sub Accounting Agency all vouchers were submitted to the Ministry of Finance (MoF) for processing and completion of the payment process, all payment requests were also prepared in a timely manner for goods, works and services, verified as satisfactorily completed.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure compliance with the requirements of the FMA Act, especially as it related to Section 43 and to ensure that payments are processed in a timely manner to avoid backlog at the end of the year. (2019/219)*

### Capital Expenditure

626. The sum of \$572.972M was allotted to the two capital programmes of the Ministry for 2019. According to the Appropriation Accounts, amounts totalling \$542.614M were expended, resulting in a shortfall of \$30.358M which was noted mainly under Buildings. The shortfall represented approximately five percent of the total funds available.

#### Buildings

627. The sum of \$100.227M was budgeted for the construction of Warden's Quarters and Office Building in Aranka and Omai, Region №. 7. According to the Appropriation Account, amounts totalling \$70.009M were expended as at 31 December 2019, resulting in a shortfall of \$30.218M which was as a result of the works for Aranka not being completed in 2019.

628. A contract for the construction of Warden's Quarters and Office Building in Aranka and Omai, Region №. 7 was awarded by the National Procurement and Tender Administration Board (NPTAB) via single sourcing in the sum of \$93.280M to the Guyana Geology and Mines Commission (GGMC), a statutory body under the MoNR, on 13 August 2019. An examination of this award revealed the following unsatisfactory observations:

- a) The Ministry sought approval from the NPTAB to Single Source a construction contract to GGMC. Section 28 of the Procurement Act states that the procuring entity may engage in Single Source procurement when, the goods or construction are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights with respect to the goods or construction, and no reasonable alternative or substitute exists. As a result, it could not be determined what were the justifications for awarding this contract via Single Sourcing to GGMC.
- b) Further, the GGMC is a Statutory Body under the MoNR, providing effective stewardship of the country's mineral resources by ensuring increased opportunities for mineral resources development (exploration, documentation and extraction) and to promote and support increased investment in the mining and mining related sectors. The Commission is not involved in civil works and as such, had to sub-contract the construction of Warden's Quarters and Office Building.

**Ministry's Response:** The Head of Budget Agency stated that the GGMC by virtue of its Act and supporting Regulations is and has been involved in the construction of infrastructure projects within the mining sector. The MoNR had conducted a National Competitive Bidding (NCB) process for the project; however, the bids received were over 200% of the Engineer's Estimates. At the said time, the Commission was involved in the construction of similar projects in the mining district and as such was invited to execute the project on behalf of the Ministry for Corp of Wardens.

Approval was then sought and received from Cabinet and NPTAB to award the GGMC for the construction of Warden Quarters and Office Buildings in Bartica and Aranka, Region №. 7 for the sum of G\$93.280M, in 2019 and the construction of a Storage Bond, Generator Hut and Back Shed for G\$6.933M.

The construction of the Warden Station at Bartica has been completed and commissioned. The construction of the storage bond, generator hut and back shed has also been completed. The station at Aranka experienced delays owing to an unforeseen land use/ownership issue which required a number of steps at the regulatory level.

In light of this development, the Ministry found it to be prudent to ask the contractor to hold with the commencement of the Warden station at Aranka until the matter was sorted so as to avoid investing into the construction on property that may be owned by a third party. These issues have now been addressed and the construction will be completed in the last quarter of 2020. The sum of G\$30.358M represents the outstanding sum for said works. Approval was sought and granted from the MoF for the roll-over of the project.

***Recommendation:*** *The Audit Office recommends that the Head of Budget Agency comply with the requirements of the Procurement Act when awarding contracts. (2019/220)*

#### *Furniture and Equipment*

629. The sum of \$17.745M was allotted in 2019 for the procurement of furniture and equipment. According to the Appropriation Accounts, the sum of \$2M was expended on the purchase of furniture and equipment for Regional Coordinators, Extractive Industries Transparency Initiative Secretariat (EITI) and Legal Department; whilst, the sum of \$15.605M was expended for the provision of network attached storage, turbidity meters, water quality instruments, communication equipment, computers and enterprise resource planning software. The majority of these assets is located in the Warden's Station at Black Cayman Daag Point, Bartica, Essequibo River and could not be physically verified at the time of the audit since travelling into the Regions is restricted due to COVID-19.

#### *Forest Carbon Partnership Project*

630. The sum of G\$400M was budgeted and expended for: (a) framework for Reducing Emissions from Deforestation and Forest Degradation (REDD+); (b) design and implementation of pilot projects in areas including agriculture, forestry, mining and infrastructure aimed at reducing deforestation; and (c) institutional strengthening. According to the Appropriation Accounts, the full amount was expended as at 31 December 2019.

631. On 7 February 2014, the Inter-American Development Bank (IDB) and the Government of Guyana (GoG) signed a Non-Reimbursable Technical Corporation Agreement to assist the GoG in their efforts to establish an enabling framework and build capacity for reducing Emissions from Deforestation and Forest Degradation (REDD+) through financial and technical assistance. The IDB agreed to provide the sum of US\$3.8M for the completion of all activities of the project. This project is subject to separate financial reporting and audit. The last audit report was issued on 27 July 2020 for the year ended 31 December 2019 and the main observations from the audit are as follows:

- a) The completion date for all transactions under the project was stated as forty-two months from the effective date of the Agreement to August 2017. The project received the IDB's no objection on 7 November 2017 to extend the operational period for an additional thirty months revising the completion date to February 2020. As at 31 December 2019, the project expended amounts totalling US\$3.385M or 89% of the total amount pledged by the IDB and US\$5,322 representing GoG in kind contributions.
- b) According to the Annual Operations Plan (AOP), there was an approved budget of US\$2.439M for the year 2019. Actual expenditure amounted to US\$2.024M, which represents 83% of the approved budgetary allocations for 2019 as follows:

Description	Amount Budgeted US\$	Actual Expended US\$	Variance Amount US\$
<b>Component 1</b> - Institutional Arrangements and Consultations for REDD+ Readiness	1,154,205	898,891	255,314
<b>Component 2 - REDD</b> + Strategy and Implementation Framework	1,235,910	1,087,737	148,173
<b>Component 3</b> - Monitoring & Evaluation of Readiness Activities	48,779	36,956	11,823
Total	2,438,894	2,023,584	415,310

### Forest Inventory Study

632. The sum of \$35M was allotted for a Forest Inventory Study for 2019. The overall objective of the project was to boost the economic planning capability of the forest sector by making data available for the valuation of forest resources and for the sustainable management of Guyana's forest. The entire project will cover three phases each based on a key major output. Phase 1 was conducted during 2018 and Phase 2 during 2019.

633. Cabinet gave its no objection to sole sourcing of Guyana Forestry Commission (GFC) to conduct a national forestry inventory. A contract for the sum of \$279M was entered on 28 March 2019 between the MoNR and the GFC to perform the study. The entire allocation of \$35M was paid over to the GFC. In addition, it was noted under current expenditure, Line Item 6284 - Other, the amounts of \$3.387M and \$239.013M were expended under Programmes 1 and 2 respectively for the project.

### Follow-up on the Implementation of Prior Year Audit Recommendations

634. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 6 recommendations; 2 were partially implemented and 4 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/165	Overpayments of Salaries and Deductions	√		
2018/166	Incorrect Calculation of PAYE	√		
2018/167	Breach of FMA Act 2003 – Cheques on Hand		√	
2018/168	Unpresented Payment Vouchers	√		
2018/169	Breach of Circularised Instructions - Contracted Employees		√	
2018/170	Regularising Bonded Scholars	√		

AGENCY 32  
MINISTRY OF PUBLIC INFRASTRUCTURE

Current Year Matters

Current Expenditure

Employment Costs

635. Approximately fifty-seven percent of the Ministry's employees were on contract as at December. The table below shows a summary as per category of expenditure:

Line Item	Description	№. of Employees	Percentage (Staff)
6111	Administrative	7	1
6112	Senior Technical	30	6
6113	Other Tech. & Craft Skilled	37	8
6114	Clerical & Office Support	50	11
6115	Semi-Skilled Operatives & Unskilled	78	17
6116	Contracted Employees	271	57
Total		473	100

636. Approximately seventy-five percent of the Ministry's expenses for wages and salaries were paid to employees on contract. A summary is shown in the table below:

Line Item	Description	Amount Expended \$'000	Percentage (Expended)
6111	Administrative	16,363	2
6112	Senior Technical	51,110	7
6113	Other Technical and Craft Skilled	34,904	4
6114	Clerical and Office Support	39,795	5
6115	Semi-Skilled Operatives & Unskilled	51,006	7
6116	Contracted Employees	587,997	75
Total		781,175	100

637. The Public Service Commission Circular №. 1/2017 dated 7 February 2017, required Permanent Secretaries, Heads of Departments and Regional Executive Officers to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. The table below provides a summary as per 'Age Range' of the contracted employees as of December:

Age Range (Years)	№. of Employees
Below 45	134
45-55	62
Above 55	75
Total	271

638. As can be noted in the table above, 134 contracted employees were below the age of forty-five years and should have been transferred to the Pensionable Establishment. This is an increase from the eighty-eight employees who were below the age of forty-five years in December 2018.

639. The table below provides a summary of the contracted employees by ‘salary range’ as of December 2019.

Salary Range	No. of Employees	Amounts \$'000
Below \$100,000	89	6,941
\$100,000 - \$250,000	107	17,698
\$250,001 - \$400,000	41	13,825
Above \$400,000	34	20,094
Total	271	58,558

**Ministry’s Response:** The Head of Budget Agency stated that the need to attract and retain competent technical skills at the Ministry is of paramount nature to the infrastructural development of Guyana. Thus, with reference to CP (2019) 7:2: AA approval was given to hire staff on Contract/Gratuity terms as one of the measures to attracting and retaining the best skills available nationally to advance the Public Sector Investment Program. This was done specifically to stem the brain drain of technical staff from MoPI to Private and Oil and Gas Sectors.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency comply with the Public Service Commission Circular No. 1/2017 dated 7 February 2017. (2019/221)

#### Maintenance of Roads

640. The sum of \$1.617 billion was allotted under Line Item 6251 - Maintenance of Roads. Total expenditure amounted to \$1.547 billion, which is summarised the table below.

No.	Description	Amount Expended \$'000
1	Purchase of materials	568,076
2	Repairs and maintenance works	409,975
3	Wages and Salaries	337,253
4	Weeding and cleaning	231,896
Total		1,547,200

641. The sum of \$337.253M was expended on the payment of wages and salaries to eighty-seven contracted employees. The sum included amounts totalling \$37.077M and \$30.965M, which were deducted and paid over to the National Insurance Scheme and Guyana Revenue Authority, respectively. These employees were not included under Employment Costs in the approved estimates of current expenditure for 2019, via which provisions can be made for the payment of wages and salaries to contracted and temporary employees. As a result, the Ministry’s expenditure for Employment Costs was understated by the sum of \$337.253M.

**Ministry’s Response:** The Head of Budget Agency stated that the eighty-seven employees are attached to the Special Projects Unit of the Ministry. At the time of the preparation of the 2019 Budget, these employees were catered for. In addition, the eighty-seven employees are employed via one-year contracts and are paid on a daily basis. They do not receive gratuity. Since these workers are unskilled and short-termed, it will not be beneficial to have them appointed on the Permanent/Pensionable Establishment.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure propriety of expenditure is considered and assured when it prepares its Budget. (2019/222)

Maintenance of Buildings and Other Infrastructure

642. The sum of \$54.358M was paid on seven contracts, which were awarded for a sum of \$79.452M. However, even though the works were of a capital nature, the projects were undertaken from the Ministry's current allocations. This is a misallocation of expenditure and constitutes a breach of Section 34 of the FMA Act. A summary of the contracts is provided in the table below.

No.	Description	Contract Sum \$'000	Payments \$'000
1	Reconstruction of culvert at Cane View Avenue	13,506	12,574
2	Construction of Bridge at Voorzigtigheid	13,180	7,016
3	Reconstruction of timber bridge, Anna Catherina	13,068	10,245
4	Reconstruction of bridge, Hand-en-Veldt	12,270	5,508
5	Reconstruction of timber bridge, Anna Catherina	11,390	9,488
6	Extension of guard hut and construction of waiting area, MoPI	11,321	6,963
7	Construction of culvert at Blue Mountain	4,717	2,564
Total		79,452	54,358

**Ministry's Response:** The Head of Budget Agency stated that the reconstruction and construction of the culverts at Cane View Avenue and Blue Mountain; respectively, were due to emergencies. However, the Ministry acknowledges that the works are of a capital nature, and every effort will be made to avoid recurrences.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency comply fully with Section 34 of the FMA Act. (2019/223)

Subsidies and Contribution to Local Organisations

643. Amounts totalling \$4.069 billion were released to eleven statutory bodies under the control of the Ministry as Subsidies and Contributions to Local Organisations. These bodies are subjected to separate financial reporting and audit. The status of their respective audits is reported hereunder.

No.	Statutory Body	Amount \$'000	Year Last Audited	Remarks
1	Guyana Energy Agency (GEA)	510,877	2018	2019 Audit in progress
2	Transport and Harbours Department (T&HD)	440,000	2009	2010 Audit in progress 2011-2017 Financial Statements on hand 2018-2019 Financial Statements not received
3	Hinterland Electrification Company Inc.	58,976	-	2015-2019 Financial Statements not received
4	Kwakwani Utilities Inc.	472,326	2014	2015-2017 Financial Statements on hand 2018-2019 Financial Statements not received
5	Lethem Power Company Inc.	105,000	2014	2015-2016 Audits in progress 2017-2019 Financial Statements not received
6	Linden Electricity Company Inc.	2,200,000	2017	2018 Audit in progress 2019 Financial Statements not received
7	Mabaruma Power & Light Company Inc.	40,378	-	2016-2019 Financial Statements not received
8	Mahdia Power & Light Company Inc.	30,000	2012	2013-2014 Audits in progress 2015-2019 Financial Statements not received
9	Matthews Ridge Power & Light Company Inc.	15,000	2014	2015 Financial Statements on hand 2016-2019 Financial Statements not received
10	Port Kaituma Power & Light Company Inc.	30,000	2014	2015 Financial Statements on hand 2016-2019 Financial Statements not received
11	Berbice Bridge Company Inc.	166,304	Incorporated in 2019	
Total		4,068,861		

644. As can be noted in the table above, nine of the eleven statutory bodies have been untimely in submitting its financial statements for audit. These bodies continued to breach Section 80, Sub-sections (1) and (3) (c) of the Fiscal Management and Accountability Act of 2003, which stipulates that statutory bodies “...as soon as is practicable and in all events not later than four months after the end of the fiscal year established for that statutory body...submit an annual report to the concerned Minister... which shall include...a report prepared by the Auditor General on the financial statements of the statutory body”.

645. Eight of the eleven statutory bodies also failed to comply with Section 80 (4) of the Fiscal Management and Accountability Act of 2003, which stipulated that “The concerned Minister shall, within two months following the receipt of the annual report, present the annual report of each statutory body to the National Assembly”. The table below shows the reporting status of each statutory body.

№.	Statutory Body	Financial Statement Last Audited	Financial Statement Last Laid
1	Guyana Energy Agency (GEA)	2018	2015
2	Transport and Harbours Limited	2009	2007
3	Kwakwani Utilities Inc.	2014	-
4	Lethem Power Company Inc.	2014	2012
5	Linden Electricity Company Inc.	2017	2013
6	Mahdia Power & Light Company Inc.	2012	-
7	Mathews Ridge Power & Light Company Inc.	2014	-
8	Port Kaituma Power & Light Company Inc.	2014	-
9	Hinterland Electrification Company Inc.	-	-
10	Mabaruma Power & Light Company Inc.	-	-
11	Berbice Bridge Company Inc.	Incorporated in 2019	

**Ministry’s Response:** The Head of Budget Agency stated that:

- a) Generally, the hinterland utilities face capacity issues to prepare financial statements in a timely manner. The holding company HECI, only has one person managing all its accounts, making it extremely difficult for the company to meet its associated obligations in a timely manner, much less to provide assistance to the hinterland utilities. Accordingly, the HECI is making special efforts to hire staff to assist it and the hinterland utilities in the area of financial accounting and other related activities, including the preparation of financial statements, to meet statutory requirements.
- b) A private firm was selected to prepare the statements. However, the firm was already contracted by the Audit Office to audit at least one hinterland utility and as such, there was a possible conflict. Efforts were also made to employ an Assistant Accountant at HECI to assist with the preparation of its financial statements, and also for the hinterland utilities. The position was advertised and suitable candidates had applied, but the Ministry requested that applicants in the Ministry’s file should be evaluated instead. However, all the candidates in the applications that were sent by the Ministry did not meet the requirements, and HECI did not get the opportunity to recruit from the outside applications.
- c) There is still a great need for at least one Assistant Accountant, and to bring the financial statements up to date. Meanwhile, HECI is once again in the process of contracting a private accounting firm to assist with the Financial Statements.



- d) With additional accounting staff at HECI, much needed support can be given to the hinterland utilities that will also help to (i) reduce the financial impact on the hinterland companies from the hiring of accounting firms; and (ii) help build capacity in the utilities' accounting staff. The Head also added that Port Kaituma Power & Light Company Incorporated was unable to afford the audit fees requested at the time of the 2015 audit.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency comply fully with Section 80, Sub-sections (1), (3) (c), and (4) of the FMA Act. (2019/224)

Accounting for Expenditure

646. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability Act 2003. This Section requires all unspent balances be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Audit checks conducted in January 2020, revealed that the Ministry had on hand, 611 cheques totalling \$2.078 billion, as summarised in the table below. It should also be noted that the Appropriation Accounts were overstated by the said sum of \$2.078 billion. Similarly, the Ministry's Appropriation Accounts were overstated by \$732.787M in 2018.

Date Cheques Drawn	No. of Cheques	Value \$'000
Prior to 31 December 2019	279	774,243
December 2019	276	799,722
2 January 2020	49	497,119
3 January 2020	7	7,171
Total	611	2,078,255

**Ministry's Response:** The Head of Budget Agency stated that four cheques totalling \$590,000 were returned to the Ministry of Finance to be changed to Accountant General in order to have same refunded to the Consolidated Fund. All other cheques have been collected by payees.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 43 of the FMA Act. (2019/225)

647. It should also be noted that 123 of the 332 cheques drawn from 31 December 2019 to 3 January 2020, had insufficient supporting documents attached. The 123 cheques totalled \$865.273M, which is approximately sixty-six percent of the total value of cheques drawn within the said period (\$1.304 billion). As such, the basis on which these transactions were processed could not have been determined at the time.

648. Furthermore, the Ministry did not comply fully with Section 31 (3) of the FMA Act, as it related to the processing of these transactions. More specifically, this Section stipulates that “No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of budget agency concerned or an official authorised in writing by that Head for the purpose certifies –

- a) *in the case of a payment for the performance of work, the supply of goods or the provision of services –*
- i. *that the work has been performed, the goods supplied or the services provided, as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing the work, goods or services or, if not specified in the contract or arrangement, that the price is fair and reasonable;*

- ii. *where, pursuant to a contract or other arrangement, a payment is to be made prior to the completion of the work, supply of the goods or provision of the services, as the case may be, that the payment is in accordance with the contract or arrangement; or*
  - iii. *where...a payment is to be made in advance of verification, that the claim for payment is fair and reasonable; and*
- b) *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment”.*

**Ministry’s Response:** The Head of Budget Agency stated that at the time of audit examination on 3 January 2020 several supporting documents were not attached to the Payment Vouchers because of the volume of transactions that were being processed on 31 December 2019. However, it should be noted that the necessary supporting documentations were subsequently attached to the vouchers and are available for audit examination.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that the Ministry comply fully with Section 31 of the FMA Act. (2019/226)*

### Capital Expenditure

#### Shortfall in Expenditure

649. The sum of \$26.212 billion was allotted for capital expenditure. Contingencies and Supplementary Provisions totalled \$1.750 billion and \$1.882 billion, respectively. This resulted in total funds available amounting to \$29.844 billion. Amounts totalling \$25.223 billion were expended. This resulted in a shortfall of \$4.621 billion. The shortfall represented approximately eighteen and fifteen percent of the approved allotment and total funds available, respectively. The table below provides a summary of the shortfall.

Prog. No.	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
1	Policy Development and Administration	5,659,800	4,520,335	1,139,465	20
2	Public Works	21,415,482	18,601,209	2,814,273	13
3	Transport	2,768,343	2,101,510	666,833	24
<b>Total</b>		<b>29,843,625</b>	<b>25,223,054</b>	<b>4,620,571</b>	

650. Further, there were significant shortfalls within programmes. The particulars of these shortfalls are detailed in the subsequent paragraphs.

Programme 1 - Policy Development and Administration

651. The table below provides a summary of expenditure under this programme:

Project Code	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
12148	Government Buildings	110,000	110,000	0	0
25086	Furniture and Equipment	4,000	4,000	0	0
25087	Furnishing – Government Quarters	1,800	1,800	0	0
26066	Lethem Power Company	65,000	65,000	0	0
20667	Hinterland Electrification	129,000	129,000	0	0
26068	Power Utility Upgrade Programme	3,600,000	3,480,540	119,460	3
26069	Sustainable Energy Programme	150,000	150,000	0	0
26065	Renewable Energy Imp. Power System Project	1,000,000	565,134	434,866	43
26098	Energy Matrix Diversification Programme	600,000	14,861	585,139	98
Total		5,659,800	4,520,335	1,139,465	

Lethem Power Company

652. The sum of \$65M was allotted for the: (a) provision for expansion and relocation of distribution network and expansion of sub-station - Lethem; and (b) purchase of specialised tools. The entire sum was transferred to the Company. An examination of the documents maintained confirmed that as at 31 December 2019, the sum of \$40.345M was expended. The unspent balance of \$24.655M, which was in the possession of the company, should have been returned and surrendered to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003.

653. A contract was entered into on 3 June 2019, for the supply of five 600A, and one 1200A vacuum circuit breakers in the sum of \$25.5M. A mobilisation advance of \$5.1M was paid to the contractor on 27 June 2019. According to the contract, the intended completion was ten weeks after the signing of the contract. As such, the contract should have been completed by August 2019. However, extensions were granted, which resulted in a new completion date of 31 October 2020. The reasons cited for the delays by contractor were delays by suppliers, and more recently, the restrictions imposed by the COVID-19 pandemic.

654. It should be noted that up to the time of this report, which was over fifteen months after the contract was signed, the contractor had not yet supplied the vacuum circuit breakers. As a result, the intended benefits of improved operational efficiency in generation, transmission and distribution of electricity under this project was not yet achieved.

**Ministry's Response:** The Head of Budget Agency stated that the total sum of \$65M was committed based on contracts signed. This amount was expected to be completely expended based on contracts monitoring and information supplied by the contractors. However, the amount of \$24.655M remained, as contractors did not meet the timelines in the contracts for different reasons. The amount remaining consists of the following:

- a) \$19.9M for the vacuum circuit breaker contract.
- b) \$4.754M for the tools contract. The tools have since been delivered.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency: (i) take action to avoid undue delays, which will further delay the benefits of this project; and (ii) ensure that the Ministry comply fully with Section 43 of the FMA Act. (2019/227)*

Hinterland Electrification

655. The sum of \$89M was allotted for: (i) provision of underground cables – Mabaruma; (ii) extension and upgrading of distribution network at Kwakwani, Orealla, Siparuta and Port Kaituma; and (iii) provision for oily water separators. There was a Contingency Fund Advance of \$40M, bringing in the total funds available to \$129M. The total sum was transferred to the Hinterland Electrification Company Incorporated.

656. The Hinterland Electrification Company Incorporated (HECI) was incorporated on 16 January 2015. The main aim of the Company is to “implement and maintain the steady extension and upgrade of electricity supply systems across the hinterland, and to constantly improve systems operations, merging isolated services where appropriate”. The HECI is the holding company for the following companies:

- a) Lethem Power Company
- b) Mahdia Power and Light Incorporated
- c) Port Kaituma Power and Light Incorporated
- d) Matthew’s Ridge Power and Light Incorporated
- e) Linden Electricity Company Incorporated
- f) Kwakwani Utilities Incorporated

657. Audit examination revealed that the sum of \$79.771M was expended during 2019, with the unspent balance of \$49.229M still in the Company’s Bank Account, held at a Commercial Bank. The unspent balance of \$49.229M should have been returned and surrendered to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. Further, the Appropriation Account of the Ministry was also overstated by the said sum of \$49.229M.

**Ministry’s Response:** The Head of Budget Agency stated that the total sum of \$129M was committed based on contracts signed. This amount was expected to be completely expended based on contracts monitoring and information supplied by the contractors. However, the amount of \$49.229M remained, as contractors did not meet the timelines in the contracts for different reasons. At the time of reporting, \$43.29M of the remaining amount was expended.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to avoid undue delays, which will further delay the benefits of this project (2019/228)*

658. On 26 June 2019, HECI invited tenders for the procurement of one new 825KW generator for Kwakwani Utilities Incorporated, at an estimated cost of \$40M. According to correspondence from the Chairman of NPTAB dated 6 November 2019, the Chief Executive Officer, HECI, was informed that NPTAB recommended the annulment of the evaluation process; since, it did not agree with the recommendation of the Evaluation Committee. Further, the reason cited in the correspondence was that the “...Bidder recommended did not fully satisfy all the requirements of the Evaluation Criteria stipulated in the Bid Solicitation Document since...their tender was incomplete”. As a result, the Company issued “Notices of the rejection” to all bidders in keeping with Section 40 (3) of the Procurement Act.

659. On 14 November 2019, HECI sought and was granted approval from NPTAB to use the restricted tendering method of procurement to retender for the acquisition of the generator. It should be noted that the suppliers who were requested to submit tenders were the same suppliers who had submitted tenders initially. However, the process was annulled based on recommendation by the Evaluation Committee. The Chairman of NPTAB via correspondence dated 31 December 2019, informed the Chief Executive Officer of HECI that the Board had ‘no objection’ to the Evaluation Committee’s recommendation.

660. However, it was found that on 24 March 2020, HECI transferred the sum of \$38.5M to Power Producers and Distributors Incorporated (PPDI), for the supply of the said generator. Based on documentation seen, PPDI acquired the generator from the same supplier that was initially recommended for the contract, but who did not meet all the requirements of the evaluation criteria, causing that procurement process to be annulled.

661. This is an indication that HECI’s approach to procure the generator through PPDI may have been a deliberate attempt to avoid a fair and transparent procurement process, as intended by the Procurement Act 2003. Moreover, the Act seeks to promote competition among contractors and to promote fairness and transparency through the integrity of, and fairness and public confidence in, the procurement process, and achieving transparency in the procedures relating to procurement.

662. It should be noted that up to the time of reporting, evidence was not submitted to indicate whether the generator was delivered.

**Ministry’s Response:** The Head of Budget Agency stated that:

- a) The first bidding process was annulled based on recommendations from NPTAB since the warranty period offered by the bidder was less than acceptable. All other requirements were satisfied by the bidder.
- b) Following that, a recommendation was made for restrictive tendering, inviting the very bidders that participated in the first attempt. In the restrictive tendering process, the required warranty was emphasised. Again, the offered warranties in the otherwise responsive bids did not meet the requirements, and the process was nullified once again.
- c) Because of the MOU between HECI and PPDI for the maintenance and replacement of power equipment under HECI’s control, HECI engaged PPDI for that company to procure the generator. However, PPDI encountered the same issue with the warranty as, apparently, bidders were not prepared to offer the required warranty. Since the generator was needed, PPDI selected the best offer. Which turned out to be the offer from the supplier that was recommended in the first procurement process. The generator has since been delivered and is in operation at Kwakwani.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency: (i) ensure full compliance with the Procurement Act 2003; and (ii) submit evidence of receipt of the generator for audit. (2019/229)*

663. A contract was entered into on 28 December 2018, for the supply and installation of lattice towers at Port Kaituma river crossing, in the sum of \$26.95M. A mobilisation advance of \$4.866M was paid to the contractor on 1 April 2019. According to the contract, the intended completion date of the works was fourteen weeks after the signing of the contract. As such, the contract should have been completed by April 2019. However, five extensions were granted. The contractor cited delays by his (contractor) suppliers and more recently, the restrictions imposed by the COVID-19 pandemic.

664. It should be noted that up to the time of this report, which was over twenty months after the contract was signed, the contractor had not yet supplied any part of the tower. As a result, the intended benefits of improved operational efficiency in generation, transmission and distribution of electricity under this project was not achieved.

**Ministry's Response:** The Head of Budget Agency stated that the total sum was committed based on contract signed. This amount was expected to be completely expended based on contracts monitoring and information supplied by the contractors. However, the contractor did not meet the timelines in the contract for different reasons. The HECI is now working with the contractor to close the contract. It should be noted that for this particular contract, only one bid was received. As such, HECI was forced to work with the contractor in spite of the delays, since there was no other bid to consider.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency: (i) take action to avoid undue delays, which will further delay the benefits of this project; (ii) submit for audit, documentation relating to the sum of \$43.29M; and (iii) ensure that the Ministry comply fully with Section 43 of the FMA Act. (2019/230)*

Power Utility Upgrade Programme – IDB LOAN №. 3238-OC-GY and 3239/BL-GY

665. On 10 October 2014, the Government of Guyana and Inter-American Development Bank signed a reimbursable agreement to enhance the Guyana Power and Light Inc.'s (GPL Inc.) operational efficiency and corporate performance in order to prepare the organisation to supply electricity in a sustainable manner over the long term. The total estimated cost of the programme was US\$64.573M. The IDB agreed to provide a contribution of US\$22.5M from OC loan resources and US\$15.142M from biannual resources; whilst, the European Union agreed to contribute €19.375M for the completion and uninterrupted execution of the programme. It should be noted that the Islamic Development Bank (IsDB) was also stated as a source of financing for this programme. However, we could not determine IsDB's contribution and role in the programme; since, relevant documentation was not provided for audit.

666. The sum of \$3.6 billion was allotted for: (a) provision for loss reduction; (b) rehabilitation and upgrading of distribution networks; (c) rehabilitation of sub-stations at Kingston and Vreed-en-Hoop; (d) upgrading and relocation of distribution transformers; (e) implementation of system management software; and (f) institutional strengthening. The sum of \$3.481 billion was expended, resulting in an unspent balance of \$119.460M.

667. This programme is subject to separate financial reporting and audit, and was last audited for the financial year 2019. The audit report, which was issued on 20 April 2020, indicated that there is a risk that the programme will not be completed successfully due to previous history of delays, resulting in the overall objectives not being achieved.

668. However, the Programme's Management stated that all activities of the programme were continually monitored by the PCU through frequent update of the Programme Implementation Plan. Further, they stated that regular meetings are also held with relevant stakeholders.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure programmes are executed in a manner that will ensure its benefits are derived as intended. (2019/231)*

Sustainable Energy Programme – IDB Grant №. GRT/FM – 13897-GY

669. On 11 December 2013, the Government of Guyana and Inter-American Development Bank signed a non-reimbursable financing agreement to improve institutional capacities of the Guyana Power & Light Incorporated (GPL Inc.), and the Office of the Prime Minister (OPM), through training of staff and promotion of the use of Renewable Energy Technology in urban and hinterland areas. The total estimated cost of the programme was US\$6.250M. The IDB agreed to provide a contribution of US\$5M; whilst, GoG was to provide ‘in-kind’ contribution of US\$1.250M for the completion and uninterrupted execution of the programme.

670. The sum of \$150M was provided for: (i) the procurement and installation of photovoltaic systems in hinterland and coastal locations such as Yarakita, Hotoquai, Akawini, Bethany, Kabakaburi, Monkey Mountain and Achiwib; and (ii) construction of hydropower scheme at Kato. The entire sum was expended. This programme is subject to separate financial reporting and audit. The programme was last audited for the financial year 2019, and the audit report issued on 11 June 2020.

671. According to the audit report, the completion date for all transactions under the programme was sixty-six months from the signing of the agreement. A no cost extension of twenty-four months was granted by IDB, thereby extending the duration of the programme to December 2021. As at 31 December 2019, that is, approximately seventy-two months after the effective date of the programme, only US\$1.802M of the proceeds were used. The sum spent represented approximately twenty-nine percent of the estimated cost. Furthermore, only one activity was completed as planned during 2019. That is, the finalisation of on-going 2018 public awareness campaigns.

672. The benefits of this programme, which included improved operational efficiency and improved quality energy access, may be affected given the slow delivery of its activities.

**Ministry’s Response:** The Head of Budget Agency stated that:

- a) Two of the largest projects (the Kato hydro project and the solar PV micro-grids projects) represents about 60% of the programme budget; which were significantly delayed due to: (i) difficulty faced with getting key stakeholders to agree on the hinterland communities that would have benefitted from the installation of the solar PV micro-grids project; (ii) the difficulty in securing a viable bid for the development of Kato hydropower scheme – a viable bid was only received after multiple procurement processes; and (iii) acceptable bid for the hydropower development, along with suitable bids for related projects, exceeded the respective budgets and additional funding had to be sought, causing further delays.
- b) The installation of the wind measuring equipment had suffered protracted delays, as a result of: (i) difficulty in establishing a letter of credit as required by the contract to pay the equipment supplier, which resulted in the contract being amended to reflect a more convenient payment method; (ii) a further amendment to the contract to change the equipment specifications as some devices were no longer being manufactured following the delay in arriving at a suitable payment method; (iii) vandalism of the first wind measuring station that was installed, requiring additional resources to restore the equipment and operations; and (iv) land ownership issues with the places identified as having high potential for wind energy, with most of the land being under private ownership. The issue of suitable land for the installation of the three remaining wind measuring stations is currently being discussed with the Guyana Lands and Survey.
- c) To ensure that the programme still achieve its objects, the timeline was extended by two years.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure projects are properly planned, executed and monitored to avoid undue delays, which may affect the achievement of its benefits as intended. (2019/232)*

Renewable Energy Improvement - Power System Project – JAPAN GRANT №.1860260

673. On 27 June 2018, the Government of Guyana (GoG) and Japan International Cooperation Agency (JICA) signed a non-reimbursable financing agreement to improve efficiency of the power system by enhancing sub-station equipment and distribution lines in the City of Georgetown and the surrounding areas, as well as installing and demonstrating a solar photovoltaic system and energy management system at the CARICOM Secretariat Headquarters. The total estimated cost of the programme is US\$17.24M.

674. The sum of \$1.0 billion was allotted for: (a) enhancing of sub-station equipment and distribution lines at Canefield, Onverwagt, Good Hope and Sophia; and (b) provision for photovoltaic and energy management systems for CARICOM Secretariat. The sum of \$565.134M was expended, leaving the sum of \$434.866M unspent. The unspent sum represented approximately forty-three percent of the approved allotment. It should be noted that the \$100M allotted in 2018 was also not spent.

**Ministry's Response:** The Head of Budget Agency stated that:

- a) A total of \$1.0 billion was allotted in 2019 for services/works under three contracts. This amount included the JPY55.96/G\$107.57M advance payment for the consultant that was allotted in 2018. However, the disbursement was not completed in 2018 due to delays in processing the payment request by JICA. The disbursement was completed on 18 January 2019.
- b) Disbursements of \$434.87M for 2019 representing disbursement to the contractor, the Consortium of Mitsubishi Corporation and Takaoka Engineering Company, for the shipment of 69KV capacitors for the reactive power compensator equipment for GPL was not completed in December 2019 as per original schedule. The shipment was completed on 27 December 2019 instead of 15 November 2019. Hence, the submission and processing of payment was delayed, with the payment being completed on 20 February 2020.
- c) Even though the amount was not paid in 2019 as per allocation, it had no impact on the completion date of 30 June 2020 for the GPL component. Additionally, the delay in the disbursement had no impact on the CARICOM component which was scheduled to be completed by 30 September 2020.
- d) The Head of Budget Agency also stated that it is important to note that the project completion deadlines of 30 June 2020 and 30 September 2020 will not be achieved since the equipment installation works on the project was temporarily suspended on 30 April 2020 due to the COVID-19 pandemic and the ensuing precautionary measure (such as travel restrictions, closure of international airports and mandatory quarantine of person travelling from high risk countries) implemented by countries to contain the pandemic.
- e) Moreover, the travel restrictions advisory issued by the Government of Japan now prohibits its citizens from travelling to high risk countries such as Guyana. This advisory has prevented the contractor from dispatching personnel in a timely manner to Guyana to supervise the installation, testing and commissioning of the reactive power compensator equipment for the GPL component and the solar PV generation system and BEMS for CARICOM component. The most recent update on the status of the advisory reflects that it remains in effect.



- f) It was noted by the Japanese Government that the situation in neighboring Brazil weighed heavily in the COVID-19 status classification of Guyana. Therefore, this remains a real challenge for the project and it will be responsible for delays in realising the intended benefits of the project. A restart date of the project is still under active discussion.

675. In view of this situation, the intended benefits of the project, which included improved transmission and distribution capabilities, and increased use of clean energy alternatives would be delayed.

**Ministry's Response:** The Head of Budget Agency stated that the observation is correct.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency monitor the programme's execution to avoid any undue delays, which may further affect the achievement of its benefits as intended.* (2019/233)

Energy Matrix Diversification Programme – IDB LOAN №. 4676/ BL-GY

676. On 11 February 2019, the Government of Guyana and Inter-American Development Bank signed a loan agreement to support Guyana's evolving energy sector by: (i) investing in sustainable/cleaner energy solutions to diversify the energy matrix in the Hinterland, while contributing to climate change mitigation; (ii) investing in the reinforcement of transmission infrastructure to improve reliability and stability of the Demerara Berbice Interconnected System; and (iii) strengthening the Department of Energy to develop a regulatory framework and improve institutional capacity and governance of the Oil and Gas Sector. The total estimated cost of the programme is US\$21.160M, and a duration of four years.

677. The sum of \$600M was allotted for: (a) installation of mini-grid systems in Bartica, Mahdia and Lethem; (b) upgrading of Sophia sub-station; (c) rehabilitation of transmission lines; (d) institutional strengthening and capacity building for the Department of Energy; (e) support for pre-investment studies; and (f) capacity building.

678. Only the sum of \$14.861M was spent, resulting in a shortfall of \$585.139M, which is approximately ninety-eight percent of the sum allotted. This situation may lead to the intended benefits of the programme being delayed. These included improved reliability and energy security of the grid, and increased availability of electricity services.

**Ministry's Response:** The Head of Budget Agency stated that:

- a) The contract Loan Agreement was signed on 11 February 2019 followed by the process of establishing the Project Coordinating Unit (PCU) which took longer than expected. The PCU became effective from 1 July 2019 following the recruiting and hiring of a Project Coordinator, Finance Specialist and M & E assistant among others. From its formation, the PCU was actively involved with the preparation and finalisation of bid documents for the Bartica and Lethem solar farms.
- b) By 17 August 2019, the first draft of tender documents was submitted to IDB and was jointly reviewed between IDB and GEA in a meeting scheduled for and conducted on 29 August 2019. On September 2, a second submission was made and IDB's response was received on 5 September 2019. After incorporating all comments and suggestions based on IDB's no objection was granted on 11 September 2019. On the same date, a request for NPTAB's approval was made and NPTAB's approval was granted on 19 September 2019. Publications commenced on September 2019 and ended on 7 January 2020 - the date scheduled for the submission and opening of bids (initially scheduled for 26 November 2019).

- c) This loan is being executed by two Programme Co-ordinating Units based on the nature of the activities within the Loan Components. Component 1 (Renewable Energy (RE) Solutions for the Hinterland) and Component 3 (Institutional Strengthening and Governance of the Department of Energy) are being coordinated by the GEA; while GPL is responsible for delivery of Component 2 (Reinforcement of Transmission Infrastructure).
- d) The budgetary allocation of G\$600M was split between Component 2- (G\$200M) and Components 1 & 3-(G\$400M). At the end of 2019, expenditures recorded under Component 2 totalled G\$14.861M or 7.4% of the allocation, resulting in the shortfall of G\$185.139M. The Head added that there were delays in the procurement processes for construction works, and consultancies, as well as recruitment of staff.
- e) In consideration of the above timelines, it therefore implies that contracts could not have been awarded before 7 January 2020 and hence, the budget allocated for the activities could not have been expended in 2019.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency monitor the programme's execution to avoid any undue delays, which may further affect the achievement of its benefits as intended. (2019/234)

679. It should be noted that the programme is subject to separate financial reporting and audit. However, IDB waived the requirement for the presentation of audited Financial Statements for the period 11 February to 31 December 2019. The reasons cited for the waiver were: (i) the nominal value of expenditure during the reporting period; and (ii) the quality of the unaudited in-house Financial Statements presented to IDB.

Programme 2 - Public Works

680. The table below provides a summary of expenditure for this programme:

Project Code	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
11011	Demerara Harbour Bridge	1,000	1,000	0	0
11012	New Demerara River Crossing	100,000	100,000	0	0
11013	Berbice River Bridge	120,000	120,000	0	0
12149	Infrastructural Development	273,500	273,500	0	0
14038	East Bank/East Coast Road Linkage	2,296,410	179,494	2,116,916	92
14039	Dredging	685,000	685,000	0	0
14040	Bridges	216,630	216,630	0	0
14041	Miscellaneous Roads/Drainage	2,105,000	2,105,000	0	0
14042	Urban Roads/Drainage	1,400,000	1,399,345	655	0
14045	Highway Improvement East Coast Demerara	2,689,833	2,609,748	80,085	3
14047	Road Network and Expansion Project	1,800,000	1,202,802	597,198	33
14048	West Demerara Highway – Civil Works	252,000	245,878	6,122	2
14049	Rehabilitation of Public & Main Access Roads	190,000	190,000	0	0
14052	Hinterland Roads	2,050,000	2,050,000	0	0
14056	Linden Mabura Road and Kurupkari	200,000	200,000	0	0
15013	Sea Defence	1,950,000	1,950,000	0	0
15014	Sea and River Defence Works	3,270,000	3,270,000	0	0
15017	Water Front Development	80,000	67,109	12,891	16
16010	Stellings	685,000	685,000	0	0
19028	Equipment	35,000	34,660	340	0
19034	Guyana Restoration Project	176,109	176,043	66	0
26070	Navigation Aids	135,000	135,000	0	0
27005	Reconditioning of Ferry Vessels	180,000	180,000	0	0
34024	Guyana Energy Agency	525,000	525,000	0	0
Total		21,415,482	18,601,209	2,814,273	

### New Demerara River Crossing

681. The sum of \$100M was allotted for the provision for consultancy services to support assessment of Public-Private Partnership proposals. Audit examinations confirmed that the full sum was paid to the Demerara Harbour Bridge, via two cheques dated 3 January 2020. The Demerara Harbour Bridge received the funds on 7 January 2020 and deposited same on 27 January 2020. The processing of transactions after the close of the financial year is a breach of Section 43 of the FMA Act. It should also be noted that up to 31 July 2020, the sum remained unspent. As a result, the intended benefits of improved transportation and accessibility would be delayed.

**Ministry's Response:** The Head of Budget Agency stated that restrictions imposed as a result of the COVID-19 pandemic has caused delays to the implementation of this project. As such, the moneys allotted had to be refunded to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) projects are properly planned, executed and monitored to avoid undue delays, which may affect the achievement of its benefits as intended; and (ii) the Ministry comply fully with Section 43 of the FMA Act. (2019/235)*

### Berbice River Bridge

682. The sum of \$120M was allotted for the provision for rehabilitation of pontoons. Audit examinations confirmed that the full sum was paid to the Demerara Harbour Bridge Corporation, via two cheques dated 27 December 2019. The funds were received and deposited on 8 January 2020. The processing of transactions after the close of the financial year is a breach of Section 43 of the FMA Act, which states that all unspent balances at the end of the financial year shall be returned and surrendered to the Consolidated Fund.

683. It should be noted that the Payment Vouchers stated that the payments were made on an account for asphaltic mix. The description of the payments was different from the purpose of the allocation as stated in the National Estimates for capital expenditure. Up to 31 July 2020, the sum remained unspent. Therefore, the intended benefits of improved transportation and accessibility would be delayed.

**Ministry's Response:** The Head of Budget Agency stated that the sum of \$120M received by the Demerara Harbour Bridge Corporation was allotted for the fabrication of one new pontoon which was to be handed over to the Berbice Bridge Co. (BBCI) upon completion. This would have enabled the BBCI to carry out maintenance works to the Berbice Bridge accordingly. However, this project did not commence since the process was annulled at the tendering phase based on the advice of the Evaluation Committee at the National Procurement and Tender Administration Board via letter dated 5 February 2020.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) projects are properly planned and executed to avoid undue delays, which may affect the achievement of its benefits as intended; and (ii) the Ministry fully comply with Section 43 of the FMA Act. (2019/236)*

### Infrastructural Development

684. The sum of \$250M was allotted for: (i) payment of retention; (ii) construction and rehabilitation of geometric improvement at Hunter Street; (iii) provision for installation of highway lighting; and (iv) provision for car park - Diamond. A Supplementary Provision was received in the sum of \$23.50M, resulting in the total funds available amounting to \$273.50M. The full sum was expended.

685. In relation to the Geometric Improvement - Hunter Street, Georgetown, a contract was signed on 8 May 2019, in the sum of \$86.685M. The works comprised the construction of pedestrian side walk with concrete drains between Front Road and Daisy Street, and Water Lilly Street and Mandela Avenue on the eastern side of the carriageway, along with widening of road shoulders, full construction of concrete drain at the western side and asphalt concrete road surface finish. As at 31 December 2019, amounts totalling \$13.003M were paid to the contractor, which represented approximately fifteen percent of the contract sum. Subsequently, four interim payments were made in 2020, resulting in the total payments amounting to \$35.041M, which represented approximately forty percent of the contract sum.

686. The method of procurement used by the Ministry to engage the services of the contractor could not be determined, as there were no details regarding when the works were advertised, the duration for submission of bids, and how many bids were received. Only the contractor's form of bid dated 20 December 2019, was seen. The tender evaluation report was also not presented for audit examination. As such, we could not confirm whether tendering and award of the contract was in accordance with the Procurement Act of 2003.

687. The contract's start date for the works was 10 June 2019, with a completion date of 11 December 2019. The defects liability period was twelve months. The contractor was granted three extensions, resulting in a revised contractual completion date of 7 August 2020. A physical verification done on 9 October 2020 revealed that the works were incomplete; even though the revised contractual completion date expired. It should be noted that at the time of the physical inspection, there was minimal work activity, with the contractor's work force on site comprising only one foreman and seven workers.

688. The following were also noted:

- a) The contractor failed to pursue the works diligently, yet the Ministry granted three extensions of time, instead of taking action against the defaulting contractor. Moreover, the completion date was extended from 11 December 2019 to 13 March 2020, then to 17 July 2020, and finally to 7 August 2020. The third extension was granted even though the Ministry via letter dated 9 July 2020, highlighted to the contractor that he was performing poorly, and that "the site was abandoned on 16 December 2019, and constructive production never began again for five weeks". It should be noted that justifications for these extensions of time were not seen. As a result, the basis of the extensions could not be determined.
- b) The sum of \$120,000 was paid for Safety and Traffic control. However, at the time of the physical verification, there was no traffic control, caution signs, caution tape, barricades or traffic cones indicating that the work site was in operation. Follow-up checks conducted randomly by the Audit Office revealed that poor traffic management remained, resulting in frequent traffic congestion, as equipment and construction materials were often left precariously along the road side without any precautionary measures being in place.
- c) The final account is yet to be prepared, pending the completion of the works. However, it must be reiterated that the last extended date for completion was 7 August 2020. As such, the contract would have attracted liquidated damages.



Incomplete works with no road safety and traffic control measures in place on site

**Ministry's Response:** The Head of Budget Agency stated that the contractor has since submitted a request for an additional extension of time, which is being evaluated by the Ministry.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure: (i) the Ministry carefully examine and evaluate applications and justifications for extensions of time, so that sound decisions can be made; (ii) the Ministry make an urgent decision on the most appropriate course of action on the contract, and submit the results for audit; and Copies of the Performance Bond and Insurances be submitted for audit examination. (2019/237)

East Bank - East Coast Demerara Road Linkage - India Loan

689. The sum of \$2.229 billion was allotted for the design and construction of a road link between East Coast and East Bank from Ogle to Greater Diamond. A Supplementary Provision was received under this project in the sum of \$67.410M, resulting in the total funds available amounting to \$2.296 billion. This project is financed by a loan to the Government of Guyana from the Export-Import Bank of India. The loan was signed on 16 March 2016.

690. It should be mentioned that even though the Ministry sought and was granted approval for Supplementary Provisions only eight percent of the approved allotment of \$2.229 billion was expended. The shortfall on this project was \$2.117 billion, which was approximately ninety-two percent of the total funds available (\$2.296 billion). There was also a shortfall in expenditure of approximately forty-nine percent of the total funds available in 2018. The intended benefits of this project, which included improved access, and reduction of traffic congestion, and travel time, continued to be delayed.

**Ministry's Response:** The Head of Budget Agency stated that:

- a) The contract for the consultancy services for the East Bank - East Coast Road Linkage project (Diamond to Ogle) was signed on 10 January 2018 between Rites Limited of India and the Government of Guyana with a contract period of ten months. Subsequent to the signing of the agreement, there were a series of clarifications regarding the bank guarantee for the mobilisation advance which led to a delay in issuance of the Commencement Order. The Order was eventually issued on 13 April 2018. The time that elapsed between the signing of the agreement and the issuance of the Commencement Order significantly affected the submission dates for the deliverables which led to the shortfall of 49.22% of the budgeted sum expended in 2018.
- b) The Budgetary and Supplementary Provisions for 2019 were proposed on the basis of the completion of the consultancy services in the first quarter of 2019. This would have allowed for the civil works contract to be signed and the payment of a mobilisation advance.
- c) The consultancy services suffered delays in the issuance of the Terms of Reference and approval of the Environmental and Social Impact Assessment (ESIA) by the Environmental Protection Agency (EPA), which is essential to obtaining a work permit for the civil works. These delays affected the timelines for both the consultancy services and civil works and led to shortfall in expenditure which amounted to 92% of the total funds available for 2019.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency monitor the project's execution to avoid any undue delays, which may further affect the achievement of its benefits as intended. (2019/238)*

Dredging

691. The sum of \$285M was allotted for: (a) docking and rehabilitation of ML Allan Young, MT Setter and ML David P.; and (b) provision for spares. A Supplementary Provision of \$400M was granted, bringing the total revised allotment to \$685M. The full sum was paid to the Maritime Administration Department (MARAD) to facilitate execution of the activities. An examination of the records submitted by the Department revealed that amounts totalling \$676.564M were expended. The balance of \$8.436M was still in MARAD's Bank Account, and should have been returned and surrendered to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. Further, the Appropriation Account of the Ministry have been overstated by \$8.436M.

**Ministry's Response:** The Head of Budget Agency stated that the outstanding balance represents savings from the following projects; docking and rehabilitation of ML Allan Young, MT Setter and ML David P in the sum of \$3.541M, \$2.842M and \$2.051M, respectively. The Head of Budget Agency added that balance of \$8.436M has since been refunded to the Consolidated Fund.

The Head further stated that the savings from these projects were earmarked for the purchase of spares for these vessels. These vessels are aged and need regular repairs and maintenance which is critical for them to remain operable. In December 2019, the Administration was unable to procure the spares for these vessels, resulting in the non-utilisation these funds; however, these moneys have since been refunded to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 43 of the FMA Act. (2019/239)*

692. A summary of sum expended is provided in the table below.

No.	Description	Contract Amount \$'000	Payment from Subvention \$'000
1	Acquisition of spares for vessels	751,585	600,000
2	Docking and rehabilitation of ML Allan Young	36,459	36,459
3	Docking and rehabilitation of MT Setter	27,156	27,156
4	Docking and rehabilitation of ML David P.	12,949	12,949
Total		828,149	676,564

Acquisition of spares

693. In relation to the acquisition of spares for vessels, a contract was awarded by NPTAB on 28 March 2019 in the sum of \$351.381M. The contract was signed on 1 April 2019. The entire contract sum was paid to the supplier. Further, the NPTAB approved a variation on 4 July 2019, for a sum of \$400.204M, giving a revised contract sum of \$751.585M. This represented an increase of approximately 114% on the initial contract sum. A 'supplementary' contract was signed in the sum of \$400.204M. However, the said 'supplementary' contract was not dated.

694. The supplementary contract stated that eighty percent of the contract sum should be paid on the signing of the agreement. However, the full sum \$400.204M was paid. This is a breach of the payment terms of the contract. Further, the contractor did not provide a bank guarantee in keeping with the requirement of the terms of the contract.

**Ministry's Response:** The Head of Budget Agency stated that:

- a) The contract was signed on 5 July 2019. However, because the supplier was reliable in the execution of several contracts with the department and in an effort to expedite order process, because the acquisition of the spares was required to avoid vessel downtime, payment was made on 4 July 2019.
- b) A bank guarantee was provided for the \$351.381M, for which the items were supplied and the bond was still in-force at the time when the contract for the additional \$400.204M was signed. The original bond was used to secure this additional contract sum. Hence, there were no need for a further guarantee.
- c) The infractions are regrettable and the Department's Administration was reprimanded for same by the Administration of MoPI and measures would be implemented to avoid a reoccurrence.

695. The Ministry's response clearly indicated that the full payment of \$400.204M was made to a supplier without a formal contract, which is a clear breach of Section 31 of the FMA Act.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) the requirements of contracts are enforced fully; and (ii) the Ministry fully comply with Section 31 of the FMA Act. (2019/240)*

696. The contract documents provided did not state the type, specifications, quantity and cost of items as per contract. The department submitted a list of spares purportedly supplied. However, we could not determine whether the spares were part of the initial or 'supplementary' contracts. As a result, we were unable to ascertain whether the spares paid for were received as per contract.

697. In addition, the initial and 'supplementary' contracts stated that the spares were to be delivered within twenty-four weeks of the issuance of the first payment. The first payment of \$281.104M was made on 11 April 2019 on the initial contract; whilst, the entire contract sum of \$400.204M on the 'supplementary' contract was made on 4 July 2019. As such, the spares purchased on the initial and 'supplementary' contracts should have been supplied by October 2019 and January 2020, respectively. However, the spares were received in batches in December 2019 and February and April 2020. As such, the supplier was liable for liquidated damages; however, there was no evidence that it was applied.

**Ministry's Response:** The Head of Budget Agency stated that documents are available for audit scrutiny to determine the type, specifications and quantity of spares procured. The spares were delivered for both the original and supplementary lists and were verified by the ministry auditors, personnel from MARAD and the contractor. Delivery notes were signed by all parties and are available for scrutiny.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the necessary supporting documents are attached to payment documents to aid verification. (2019/241)*

#### Docking and rehabilitation of ML Allan Young

698. A contract was signed in the sum of \$36.459M for the docking and rehabilitation of ML Allan Young. However, the contract was not dated. As at 31 December 2019, the full contract price was paid to the contractor. An examination of the related documents revealed the following:

- a) The contract did not specify a duration for the execution of the works. In addition, a Commencement Order was not provided for audit. As a result, the contract provided for liquidated damages, we could not determine whether it should have been applied.
- b) Section 2.1 of the contract stated that an advance of fifty percent of the contract sum shall be paid on the signing of the contract, and that a bank guarantee be provided by the contractor. However, a bank guarantee was not provided for audit. As a result, we could not determine whether this requirement was adhered to.
- c) Sections 2.2 to 2.4 of the contract stated that payments be made based on fixed percentages of work completed, and one month after the expiration of the defects liability period. However, payments were not made as specified in the contract. Further, documentation certifying the percentage completion of work was not seen. This is a clear breach of the payment schedule of the contract.
- d) It should be noted that the final payment of \$7.146M was made on 13 August 2019. Approximately one year after that is, in August 2020, the Department stated that the works were in progress. This is an indication that Section 31 of the FMA Act was breached.



**Ministry's Response:** The Head of Budget Agency stated that: (i) the docking and rehabilitation of ML Allan Young 2019 bidding document and evaluation report were submitted for audit scrutiny on 20 August 2020. The Special Conditions of the Contract in the bidding document (page 36) stated that the duration of contract is 4 weeks and the start date shall be from the date the vessel is made available in the Mazaruni dock yard; and (ii) the docking of ML Allan Young was delayed because relief pilot launch ML David P was experiencing a series of problems throughout 2019. Consequently, the vessel was not docked until February 2020, and all works were satisfactorily completed in keeping with the contractual obligations and engineering standards.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) the requirements of contracts are fully enforced; and (ii) the Ministry fully comply with Section 31 of the FMA Act. (2019/242)*

*Docking and rehabilitation of MT Setter*

699. In relation to the docking and rehabilitation of MT Setter, a contract was signed in the sum of \$27.157M. However, the contract was not dated. As at 31 December 2019, the full contract price was paid to the contractor. An examination of the related documents revealed the following:

- a) The contract did not specify a duration for the execution of the works. In addition, a Commencement Order was not provided for audit. As a result, whilst the contract provided for liquidated damages, we could not determine whether it should have been applied.
- b) Section 2.1 of the contract stated that an advance of fifty percent of the contract sum shall be paid on the signing of the contract, and that a bank guarantee be provided by the contractor. However, a bank guarantee was not provided for audit. As a result, we could not determine whether this requirement was adhered to.
- c) Sections 2.2 to 2.4 of the contract stated that payments be made based on fixed percentages of work completed, and one month after the expiration of the defects liability period. However, payments were not made as specified in the contract. Further, documentation certifying the percentage completion of work was not seen. This is a clear breach of the payment schedule of the contract.
- d) It should be noted that the final payment of \$5.323M was made on 13 August 2019. In August 2020, the Department stated that the works had not yet started, even though, one year has since elapsed after the final payment would have been made. This is an indication that Section 31 of the FMA Act was breached.

**Ministry's Response:** The Head of Budget Agency stated that the Pilot Launch ML Allan, David P and MT Setter are engaged in performing pilot duties at sea and in the Georgetown Harbour on 24 hours' service. Further, the docking programme was prepared in 2018 with plan to dock these vessels in 2019. ML David P is a newly acquired launch and was expected to operate pilot duties during the time of docking of the other vessels. ML David P came with a one-year warranty (12-04-2018 to 12-04-2019), approximately one month before the warranty expiration, the engine began to experience problems and the warranty was extended to 12-08-2019, during this time ML Allan Young and MT Setter could not be docked.

The Head added that while MARAD had intended to have the vessel docked in 2019, exigent circumstances prevented the execution as planned. This was not done to breach any regulation, but was committed out of necessity.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) the requirements of contracts are fully enforced; and (ii) the Ministry fully comply with Section 31 of the FMA Act. (2019/243)*

Docking and rehabilitation of ML David P.

700. In relation to the docking and rehabilitation of ML David P., a contract was signed on 27 November 2019 in the sum of \$12.949M. As at 31 December 2019, the full contract price was paid to the contractor. An examination of the related documents revealed the following:

- a) The contract did not specify a duration for the execution of the works. In addition, a Commencement Order was not provided for audit. As a result, whilst the contract provided for liquidated damages, we could not determine whether it should have been applied.
- b) Section 2.1 of the contract stated that an advance of fifty percent of the contract sum shall be paid on the signing of the contract, and that a bank guarantee be provided by the contractor. An advance payment of \$5.076M was made on 4 December. A bank guarantee which expired on 15 January 2020. As a result, the Department was not in a position to levy on the said bank guarantee, should the contractor default.
- c) Sections 2.2 to 2.4 of the contract stated that payments be made based on fixed percentages of work completed, and one month after the expiration of the defects liability period. However, payments were not made as specified in the contract. Further, documentation certifying the percentage completion of work was not seen. This is a clear breach of the payment schedule of the contract.
- d) The department stated that the works have not yet started as of August 2020. This is an indication that Section 31 of the FMA Act was breached.

**Ministry's Response:** The Head of Budget Agency stated that the Pilot Launch ML Allan, David P and MT Setter are engaged in performing pilot duties at sea and in the Georgetown Harbour on 24 hours' service. Further, the docking programme was prepared in 2018 with plan to dock these vessels in 2019. ML David P is a newly acquired launch and was expected to operate pilot duties during the time of docking of the other vessels. ML David P came with a one-year warranty (12-04-2018 to 12-04-2019), approximately one month before the warranty expiration, the engine began to experience problems and the warranty was extended to 12-08-2019, during this time ML Allan Young and MT Setter could not be docked.

The Head added that while MARAD had intended to have the vessel docked in 2019, exigent circumstances prevented the execution as planned. This was not done to breach any regulation, but was committed out of necessity.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) the requirements of contracts are fully enforced; and (ii) the Ministry fully comply with Section 31 of the FMA Act. (2019/244)*

Miscellaneous Roads/Drainage

701. The sum of \$1.955 billion was allotted for: (i) payment of retention; and (ii) completion, construction and rehabilitation of community roads and drains in Regions 1 to 10. A Supplementary Provision was received in the sum of \$150M, resulting in the total funds available amounting to \$2.105 billion. The full sum was expended during the year of audit.

702. Examination and analysis of pertinent records revealed that the Ministry entered into 164 contracts totalling \$1.690 billion on 24 December 2019. These contracts were awarded by the Ministerial Tender Board on the said 24 December 2019. However, based on the documents submitted for twenty-one of thirty-seven contracts, it could not be determined whether the twenty-one contracts (totalling \$248.679M) were awarded in keeping with the purpose of the Procurement Act, which is to promote competition among contractors and to promote fairness and transparency through the integrity of, and fairness and public confidence in, the procurement process, and achieving transparency in the procedures relating to procurement.

703. Moreover, the methods of procurement used by the Ministry to engage the services of the contractors could not be determined; as there were no details regarding when the works were advertised, the duration for submission of bids, and how many bids were received. Furthermore, only the contractors' Forms of Bid were seen. Tender evaluation reports were also not presented for audit examination. It should also be noted that the contracts and letters of acceptance were signed on the same date. The table below provides a list of the twenty-one contracts:

No	Description	Contract Sum \$'000	Payment in December 2019 \$'000	Balance on Contract \$'000
1	Rehab. of Big Bridge Road, Friendship, EBD	12,616	1,892	10,724
2	Rehab. of 1 <sup>st</sup> Street Timehri Hill Top, EBD	11,112	1,667	9,445
3	Rehab. of Munir Khan Scheme, Craig, EBD	10,927	1,639	9,288
4	Rehab. of Seventh Street, Diamond, EBD	7,586	1,138	6,448
5	Rehab. of 1 <sup>st</sup> Street, Lusignan, ECD	13,966	2,095	11,871
6	Rehab. of road in Atlantic Gardens, ECD	13,949	2,092	11,857
7	Rehab of Seventh Street, Industry, ECD	12,603	1,890	10,713
8	Rehab. main access road at Hope, ECD	9,446	1,417	8,029
9	Rehab. of Roads, Haslington, ECD	6,411	962	5,449
10	Rehab. of Main Road, Patentia, WBD	13,092	1,964	11,128
11	Rehab. of Road, West Minister Prim. Sch. Road, WBD	9,493	1,424	8,069
12	Rehab. of 1 <sup>st</sup> Avenue, La Parfaite Harmony, WBD	8,824	1,324	7,500
13	Rehab. of Block 'Y', Cornelia Ida, WCD	13,013	1,952	11,061
14	Rehab. of road at Golden Grove, WCB	13,996	2,099	11,897
15	Rehab. of road at Sisters' Village, WCB	10,810	1,621	9,189
16	Maintain access road at No. 64, Corentyne	11,427	1,714	9,713
17	Rehab. of 2 <sup>nd</sup> Cross Street, Alness, Corentyne	11,352	1,703	9,649
18	Rehab. of Ted Street, Fyrish, Corentyne	11,311	1,697	9,614
19	Rehab. of Patrick Renison Road, No. 1 Corentyne	11,014	1,652	9,362
20	Rehab. of 1 <sup>st</sup> Cross Street, Alness, Corentyne	10,244	1,537	8,707
21	Rehab. of Middle Walk, 1802 Crabwood Creek	11,574	1,736	9,838
Total		234,766	35,215	199,551

**Ministry's Response:** The Head of Budget Agency acknowledged this finding and indicated that action would be taken to correct the situation.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency: (i) ensure the Ministry comply fully with the Procurement Act; and (ii) present the information on the procurement procedure utilised for the award of the contracts. (2019/245)

704. In relation to the contract for the rehabilitation of 1<sup>st</sup> Avenue, La Parfaite Harmony, West Bank Demerara, Region №. 3, the works included clearing and grubbing of vegetation, scarification of carriageway, placing of white sand/sand clay and crusher run sub-base with asphaltic concrete finished surface. Even though the mobilisation advance of \$1.324M was paid since December 2019, the Notice to Commence the works was issued on 2 June 2020; that is, approximately five months after. The completion date of for the works was 4 September 2020; that is, three months after the Notice to Commence the works was issued.

705. On 16 June 2020; that is, two weeks after the Notice to Commence works was issued, the Ministry wrote the contractor indicating that there was a change in the location and scope of works under the contract, whereby the works would now be completed on another road in close proximity of the original one. It must be noted that the contract sum remained the same in spite of the changes; since, the quantities were adjusted to befit the new roadworks. This is a breach of Section 33 (2) of the Procurement Act, which stipulates that *“At any time prior to the deadline for submission of tenders, the procuring entity may, for any reason, whether on its own initiative or as a result of a request for clarification by a supplier or contractor, modify the tender documents”*.

706. On 28 July 2020, the Ministry wrote the contractor regarding failure to mobilise, and poor performance. However, our physical verification on 8 October 2020, revealed that the contractor had still not mobilised to site. Further, it could not be determined if the Advance Payment Bond and the Performance Bond were extended by the contractor. Also, there was no evidence that the Ministry had taken any action against the contractor for failure to mobilise to site and complete the works.

707. It should be mentioned that an inspection on 8 October 2020, of the road which was to be rehabilitated under this contract revealed that the road had an asphalt surface and did not display any signs of failure or deterioration. However, according to the scope of works under the contract, the contractor was required to demolish the existing asphalt surface road and rebuild it again. In conclusion, the basis for selection of this road for rehabilitative works was unclear.



Condition of the road at 1<sup>st</sup> Avenue, La Parfaite Harmony for which the contract was signed to rehabilitate - 8 October 2020



Other road selected instead by the Ministry for rehabilitation under the Contract - 8 October 2020

**Ministry's Response:** The Head of Budget Agency stated: (i) The Ministry acknowledges that the road selected was indeed in a good condition. This was an oversight on the part of the Ministry and every effort would be taken to avoid a recurrence; (ii) The issuing of the Commencement Letter was an oversight by the Ministry and this is regretted. Steps have been put in place to avoid a recurrence; and (iii) At the time of preparing this response, the contractor was in the process of renewing the Bonds and Insurances.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) immediate action is taken in accordance with the conditions of contract, including termination and recovery of sums paid; (ii) the Ministry should conduct adequate needs assessment and condition surveys before selecting projects for execution; (iii) an inquiry into the circumstances leading to the selection and subsequent change of project, as well as reason for breaching the Procurement Act, and submit the results for audit; and (iv) the Ministry fully comply with Section 33 (2) of the Procurement Act. (2019/246)*

708. The contract for rehabilitation of the West Minister Primary School Road, West Bank Demerara, Region №. 3, included clearing and grubbing of vegetation, scarification of carriageway, placing of white sand/sand clay and crusher run sub-base with asphaltic concrete finished surface. Even though the mobilisation advance of \$1.424M was paid since December 2019, the Notice to Commence the works was issued on 1 June 2020; that is, approximately six months after. The completion date of for the works was 4 September 2020; that is, three months after the Notice to Commence the works, was issued.

709. On 16 June 2020; that is, two weeks after the Notice to Commence works, was issued, the Ministry wrote the contractor indicating that there was a change in the scope of works under the contract, whereby certain materials catered for in the Bills of Quantity were no longer required, and as such, the savings obtained would now be used to extend the carriageway. It must be noted that the contract sum remained the same in spite of the changes; since, the quantities were adjusted to befit the new roadworks. This is a clear breach of Section 33 (2) of the Procurement Act.

710. On 28 July 2020, the Ministry wrote the contractor regarding failure to mobilise and poor performance. However, our physical verification on 8 October 2020, revealed that the contractor had still not mobilised to site. Also, there was no evidence that the Ministry had taken any action against the contractor for failure to mobilise to site and complete the works.



No road works have commenced - 8 October 2020

**Ministry's Response:** The Head of Budget Agency stated: (i) The issuing of the Commencement Letter was an oversight by the Ministry and this is regretted. Steps have been put in place to avoid a recurrence; and (ii) At the time of preparing this response, the contractor was in the process of renewing the Bonds and Insurances.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) immediate action is taken in accordance with the conditions of contract, including termination and recovery of sums paid; and (ii) the Ministry fully comply with Section 33 (2) of the Procurement Act. (2019/247)*

711. In relation to the contract for the rehabilitation of Big Bridge Road, Friendship, East Bank Demerara, Region №. 4, which was awarded in the sum of \$12.616M, the works included the removal of debris, grading and shaping of road shoulders, scarification and application of crushed aggregates and asphaltic concrete surface. An advance payment of \$1.892M was made to the contractor in 2019. A Commencement Order was issued on 13 January 2020. However, a revised Commencement Order was issued on 30 January 2020, which stated that works will commence on or before 5 February 2020, and completed on 29 April 2020. An extension was granted for the completion of the works up to 7 August 2020. The Defects Liability could not be determined from the documents submitted.

712. A physical examination done on 8 October 2020, revealed that the works were in progress on timber revetment and HPDE pipe installations, which were all variation works to the contract.



Work in progress on site - 8 October 2020

**Ministry's Response:** The Head of Budget Agency stated that the revised contract date was 28 September 2020, and the mobilisation advance was fully recovered. The insurances are extended to 31 December 2020.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) liquidated damages be levied against the contractor for failing to complete works within the time agreed; and (ii) the execution of the works should be monitored to avoid further delay. (2019/248)*

713. A contract was signed on 31 December 2019 for emergency construction of 'B' Field Road and connecting Bridge, Sophia in the sum of \$13.913M. The works included construction of an asphalt surface road and timber foot path bridge between 'C' Field and 'B' Field, Sophia. As at 31 December 2019, a payment in the sum of \$13.217M was processed. The payment was made to the contractor on 3 January 2020. This payment represented ninety-five percent of the contract sum. The contract was awarded via single source procurement method. However, the reasons cited for using this particular method of procurement did not satisfy any of the criteria stated under Section 28 of the Procurement Act.

714. According to the contract, the duration for completion of works was four weeks. However, a valuation certifying that the works were completed and recommending full payment was prepared on 31 December 2019; that is, the same date the contract was signed and the payment processed. It is improbable that the works could have been fully completed the same day in which the contract was signed.

715. A physical verification done on 8 October 2020, revealed that the roadworks and the construction of the timber bridge were completed. However, the contractor utilised 10"x10" timber piles instead of 14" diameter timber piles for the construction of the bridge and the Ministry accepted this change and paid the contractor the same quoted price, despite the fact that the contractor did not comply with the specifications of the contract. However, we were also unable to confirm the actual length of the 10"x10" pile which was installed by the contractor. An overpayment in the sum of \$90,200 was also found to be made on the decking of the bridge.

**Ministry's Response:** The Head of Budget Agency stated that:

- (i) The reason for single sourcing is that the road and bridge serve approximately 1,000 households which includes school children and the elderly. The existing road was in a deplorable condition and the bridge was not structurally sound. In accordance with Section 28 (c) of the Procurement Act 2003, which states that “owing to a catastrophic event, there is an urgent need for the goods, services or construction, making it impractical to use other methods of procurement because of the time involved in using those methods;” the Single Source Procurement Method was used.
- (ii) Due to the emergency nature of the works, the Bills of Quantities provided for 14” diameter GH timber piles as a market research had shown that these piles are readily available from suppliers. However, when the contractor inspected the piles, they were defective due to poor storage conditions. As a result, a decision was taken to replace the 14” diameter GH timber piles with 10” X10” GH piles, which were readily available.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure: (i) the Ministry provide evidence to support the valuation which certifies that the works were completed in full on 31 December 2019; (ii) the Ministry fully comply with Section 28 of the Procurement Act of 2003; and (iii) the overpayment of \$90,200 is recovered, as well as any overpayment on the replacement of 14” diameter GH timber piles with 10” X10” GH timber piles. (2019/249)*

#### Highway Improvement - East Coast Demerara

716. The sum of \$2.2 billion was provided for: (i) construction of highway from Better Hope to Belfield; and (ii) supervision and capacity building. A Supplementary Provision of \$489.833M was approved, resulting in the total funds available amounting to \$2.690 billion. The sum of \$2.610 billion was expended. On 30 December 2014, the Ministry entered into a contract in the sum of US\$46.996M for the ‘East Coast Demerara Public Road Widening and Improvement Project’. More specifically, the project included the improving and widening of 17km of National Highway from Better Hope Village to Belfield Village. However, although the construction contract was signed on 30 December 2014, the official commencement date was 29 August 2017. The duration of the contract was two years from the date of commencement.

717. Furthermore, on 9 January 2017, the Government of Guyana and The Export-Import Bank of China signed a concessional loan agreement, whereby the Bank was to make available, a loan facility of up to ¥313,838,900 to finance the project. Further, on 11 October 2017, the Ministry and the contractor signed an addendum dated 30 December 2014. This resulted in a final all-inclusive price adjustment of US\$3.2M, catering for adjustment to the base contract price and for the removal of all utilities. As a result, the cost of the contract was revised to US\$50.196M. The sum of US\$43.092M was paid to the contractor as of December 2019. This was approximately eighty-six percent of the revised contract sum.

718. According to a progress report, the project was deemed to be approximately ninety-three percent physically completed at the end of December 2019. However, evidence of an extension to complete the works was not provided for audit.



719. On 13 June 2017, the Ministry entered into a contract for the provision of supervisory consultancy services for the project. The initial contract price was US\$2.311M, with a duration of twenty-eight months after the signing of the contract. The official commencement date was 11 July 2017. On 24 January 2020, there was an addendum to the contract, with the price increased by US\$599,612.26. This was followed by another addendum dated 24 July 2020, which further increased the contract price by US\$306,732.74. The revised contract price was US\$3.218M. This represented an increase of approximately thirty-nine percent of the initial contract price. It was reported that the increases were due to modifications in the scope of services required.

**Ministry's Response:** The Head of Budget Agency stated that there was a verbal agreement that the remaining works which includes installation of traffic lights and road marking would be completed within the defects liability period, as such an extension to the contract was not issued.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure Projects are properly planned and executed to avoid undue delays, which may affect the achievement of its benefits as intended. (2019/250)*

Road Network and Expansion Project - IDB Loan No. 2741/BL-GY

720. The sum of \$1.8 billion was allotted for: (a) rehabilitation of Sheriff Street - Mandela Avenue; and (b) consultancy services. The activities were to be executed under a project funded by the Inter-American Development Bank and Government of Guyana, which was signed on 15 March 2013. The sum of \$597.198M remained unspent, which is approximately thirty-three percent of the total funds available for the project.

721. It should be noted that there was a shortfall of approximately \$1.008 billion in 2018. This shortfall was attributed primarily to poor performance by the contractor in relation to the rehabilitation of Sheriff Street to Mandela Avenue. In addition, the 'Road Safety Action Plan' component of the project had not commenced. The intended benefits of the project, which included improved access, reduction of traffic congestion, and reduced travel time, continued to be delayed.

722. This project is subject to separate financial reporting and audit. The project was last audited for the financial year 2019, and the audit report was issued on 12 August 2020. The following salient findings were highlighted in the audit report:

- a) The project planned to expend the sum of US\$8.633M during 2019. However, the sum of US\$5.773M was expended. This resulted in a shortfall of US\$2.860M. The shortfall represented approximately thirty-three percent of the planned expenditure. A summary is provided in the table below:

Description	Amount Estimated US\$	Amount Expended US\$	Variance US\$
Expansion and Rehabilitation of the Sheriff-Mandela Road	7,114,197	5,200,328	1,913,869
Road Safety Action Plan (RSAP)	500,000	0	500,000
Implementation and Support and Institutional Strengthening	999,233	553,499	445,734
Project Administration	19,664	19,007	657
Total	8,633,094	5,772,834	2,860,260

- b) As can be noted, no expenditure was incurred on the Road Safety Action Plan. Expenditure was also not incurred under the Road Safety Action Plan in 2018. At the time of reporting on the 2018 audit in September 2019, it was explained that the IDB's no-objection to the revised Technical Evaluation Report was received on 4 July 2019, and the financial bids were opened on 16 July 2019.
- c) At the time of reporting in November 2020, it was explained that despite the submission of a revised Combined Evaluation Report by the Ministry to the IDB, the latter indicated in September 2019 that they were not willing to provide a no-objection to the RSAP. Instead IDB indicated that it would be willing to utilise an IDB consultant to prepare a proposal for the Road Safety Action Plan specifically designed for Guyana. As of April 2020, the proposal has not been received, which delayed this activity.
- d) The slow rate of execution of the project's activities can result in the project not achieving its specified timelines, thereby affecting the intended benefits of the project.
- e) The contract for the Sheriff Street-Mandela Avenue Roadway Enhancement Project was awarded in December 2017, in the sum of US\$31.028M. As of 31 December 2019, the sum of US\$12.913M was paid to the contractor. The duration of the contract was 730 days. An examination of progress report №. 21, which was for the period 1-31 December 2019, revealed that the overall progress achieved for the period was forty-three percent against a programmed eighty percent progress. This is despite 614 days being elapsed; that is, approximately eighty-four percent of the contract duration.
- f) According to the approved work programme, the major works that were scheduled to be completed in 2019, included the mobilisation of equipment and asphalt concrete mix plant, bridge replacement at Arapaima, road works, and completion of drain works. None of these works as planned for 2019 were achieved during the fiscal year.
- g) The Ministry acknowledged that the works were delayed and stated that IDB had suspended disbursements. The Ministry further stated that the delay was exacerbated by the suspension of works by the contractor due to non-payment of Interim Payment Certificates, which was due in July 2019. This was within the contractual conditions of the contract; more specifically, Sub-Clause 16.1 contractor's entitlement to suspend work.
- h) It was in the approved work programme that asphalt works were scheduled to commence in January 2020. However, at the time of the physical verification in February 2020, one month after, there was no approved mix design in place for the asphalt. The Ministry stated that the contractor does not have an approved asphalt mix design. As such, these works could not proceed.
- i) Further, the contractor had failed to mobilise or request the use of an asphalt plant with a valid EPA Environmental Permit. The Ministry stated that it was cognizant of the delay, and requested the contractor to make the mix design compliant with the works requirements (technical specifications). The Ministry added that it even offered to have the service of the DHB asphalt plant utilised for asphalt concrete supply.

- j) It was discovered that payments were being made to the contractor that were not in keeping with the contractual requirements in terms of the value of works completed. The contractor was required to complete works totalling at least US\$930,829 before an Interim Payment can be made. More specifically, Special Conditions of Contract (SCC) Clause 14.6 states that “*Minimum amount of Interim Payment Certificates is 3% of the accepted contract price*”, or US\$930,829 minimum in completed works per payment certificate. However, the Ministry made six interim payments to the contractor that did not meet this contractual requirement. The six payments totalled US\$3.050M. The Ministry stated that it approved the payments in order to allow the contractor to maintain a cash flow, but have since discontinued the practice.
- k) It was noted in a correspondence dated 22 August 2019, from the Project Consultant to the contractor that the buried high-density polyethylene (HDPE) pipe drains were to be removed and replaced with open reinforced concrete drains due to its ineffectiveness. The HDPE pipes were to be supplied to the Ministry of Public Infrastructure.
- l) The Ministry stated that there are benefits of the open concrete drains over the HDPE pipes system. The Ministry added that the change to concrete drains was estimated to be an additional US\$1.86M.
- m) According to the contract 11,730m of drains were to be constructed. However, at the time of physical verification, only 7,391m of drains were constructed, a difference of 4,339m. See summary in table below:

Item	Description	Contract (Metre)	Actual (Metre)	Difference (Metre)
1	922mm diameter HYPE storm water sewer	9,740	1,530	8,210
2	Reinforced concrete drain	1,990	5,861	(3,871)
Total length of drains		11,730	7,391	4,339

- n) In addition, three main bridges and seven culverts were to be constructed. However, to date, only one bridge and six culverts were constructed. The Ministry attributed the delays due to the contractor suspending works because of non-payment.
- o) The Ministry stated that upon the release of funds by IDB on 27 December 2020, payment was made to the contractor, who then remobilised to site on 9 January 2020. However, a reduced workforce was evident, which resulted in a reduced rate of progress. The Ministry stated that it was notified by the contractor on 7 February 2020 that it was under Force Majeure conditions due to COVID-19 that was infecting China and that there were travel restrictions that prevented its staff from returning to Guyana. To date, Guyana’s airports have not reopened to allow international flights into Guyana and as such no Chinese staff have returned. The Ministry immediately requested a detailed statement and mitigation measures to justify and temper the effects of the Force Majeure conditions but none has been received.
- p) In relation to the construction of the bridges, the Ministry stated that the contractor had initially indicated that their subcontractor was unwilling to commence bridge construction due to the imminent general elections and shortly thereafter, on 17 April 2020, works were suspended in keeping with the National Emergency Measures of 2 April 2020 imposed by the Ministry of Public Health.
- q) An independent audit conducted by IDB revealed that the contractor had breached several sections of the Environment and Social Management Plan. It was noted that the contractor suspended works on the project on 25 November 2019, after being informed of the suspension of funds by the Bank.

**Ministry's Response:** The Head of Budget Agency stated that it is agreed that there was a shortfall in the expenditure for 2019 of approximately 33% the project status; non-completion of drain and bridges construction in 2019; and that asphaltting could not commence in January 2020 as per the Construction Program. Several factors hindered project progress including the following which are listed in chronological order:

- With more than 80% of the funds previously disbursed by the IDB in February 2019 having been exhausted, the Ministry made a request through an Advance of Funds (Disbursement Request №. 18) in August 2019 in order to pay the Interim Payment Certificates (IPCs) that were due to the contractor. At the time of our request, payment for works completed and certified for June and July 2019 were due for US\$840,239.76. No funds were released by the Inter-American Development Bank.
- The IDB then suspended funding of the project on 26 September 2019, as a result of breaches to environment, social and safety protocols.
- Having not been paid for several months, the contractor officially gave notice of suspension of works on 25 November 2019 for the non-payment of approved Interim Payment Certificates claiming that the lack of payment had created financial difficulties. However, works had already been reduced/scaled back prior and this action gravely affected progress on the project. The suspension halted all works including the reconstruction of the Arapaima Bridge, which was scheduled to commence in November 2019; drain construction; and progress on the asphalt design mix were delayed. As a result of the suspension of works by the contractor, the project's progress was significantly impaired. It should also be noted that works did not restart in 2019.
- By the time funds were released by the IDB to the Ministry on 27 December 2019, there was a substantial debt of US\$3,744,103.87 due to the contractor for works completed and certified; as well as to the supervision consultant, of US\$332,213.87 for services rendered. Further, the IDB only disbursed US\$3M, which was less than the total sum due of US\$4,076,317.74. A further sum of US\$1,212,477.45 was due on 6 January 2020 for Interim Payment Certificate (IPC) №. 12.
- After part payment of the outstanding debts to the contractor on 31 December 2019, which included payment of IPCs not compliant with SCC Sub clause 14.6 Issue of Interim Payment Certificates, the contractor recommenced works on 9 January 2020.
- Upon remobilisation in January 2020, it was apparent that the complement of personnel resources on the project was severely diminished. The contractor indicated that during the suspension, several Chinese staff had returned to China and that local staff had been dismissed. With the advent of the Corona Virus in January 2020, Chinese staff were unable to return to Guyana. The Ministry was officially notified through a Force Majeure letter of 7 February 2020 from the contractor.
- The contractor then ceased works again in 19 March 2020 citing Force Majeure due to Corona Virus as their staff was concerned about the risk of contracting the disease from infected persons locally.
- Works were officially suspended until 3 July 2020 with the national emergency measures by the Ministry of Public Health resulted in the official suspension of works in April 2020.

The Head added that regarding the slow rate of execution of project activities, the fact is that without a no-objection from the IDB, no project activity can be undertaken with IDB funds. The Head also stated that with regards to the asphalt plant, there has been progress. As an update, on 20 March 2020 the EPA permit for the asphalt plant proposed was submitted and a site visit was undertaken to inspect and assess the operation. As for the asphalt mix design, the Ministry requested that the contractor adjust the mix design in keeping with the technical specifications. Testing of the aggregate materials for the mix has been completed and the results are being reviewed for compliance with the technical specifications.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to monitor this project to mitigate undue delays. (2019/251)*

#### Linden - Mabura Road Upgrade and Kurupukari Bridge

723. On 3 August 2017, the Government of Guyana and Caribbean Development Bank signed a grant agreement to procure consultancy services to update the existing feasibility study and prepare detailed designs, cost estimates and bid documents for the road upgrade between Linden and Mabura Hills, and prepare performance specifications and design-build bid documents for the new river crossing at Kurupukari. The grant was for an amount not exceeding £830,000.

724. The sum of \$200M was allotted for the studies and design for construction of Linden to Mabura, and bridging of Essequibo River at Kurupukari. The entire sum was expended. An examination of the records under this programme revealed that the services were still on-going.

#### Sea Defences

725. The Government of Guyana and Caribbean Development Bank signed a loan agreement to increase Guyana's resilience of the country's sea and river defences and reduce losses due to coastal and riverine flooding through: (i) Flood Protection Infrastructure: civil works for the reconstruction and improvement of approximately 5.4 kilometres (km) of sea and river defences; (ii) Capacity Building - consultancy services for selected capacity building in shoreline change monitoring and analysis; (iii) Community Awareness and Education Programme (CAEP) - consultancy services for public awareness and education activities; (iv) Engineering Services - consultancy services for design and supervision of the civil works; (v) Monitoring and Evaluation - consultancy services for M&E activities; and (vi) Project Management. The total estimated cost of the programme was US\$30.9M, with Guyana's contribution being US\$5.9M. The maximum duration of the project is ten years.

726. The sum of \$1.950 billion was allotted in 2019 for: (a) improvement of sea defence structures in areas such as Johanna Cecelia/Zorg, Success and Endeavour/Blenheim, Crane Mary, Good Success/New Hope, No. 78 Village to Line Path, Grove/Look-Out and Lonsdale/Sisters; and (b) capacity building, community awareness and education programme. The full sum was expended.

#### Water Front Development - UKCIF/CDB Grant No. 36/GUY

727. The sum of \$80M was allotted for the studies, design and construction of water front facilities from Ogle to Kingston, Kingston to Stabroek, and Vreed-en-Hoop. The sum of \$12.891M remained unspent, which is a sixteen percent shortfall in expenditure. It should be noted that the allocation of \$160M in 2018 had not been utilised. Whilst there has been an improvement in the implementation of this project, the provision of improved transport facilities and resilience as intended, could be delayed.

**Ministry's Response:** The Head of Budget Agency stated the sum of \$80M allotted for 2019 included a projected payment for the submission of the Environmental & Social Impact Assessment (ESIA), which was delayed. As such, the \$12.891M had to be rolled-over and was subsequently paid when the ESIA was submitted in 2020.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to monitor this project to mitigate undue delays. (2019/252)*

Stellings

728. The sum of \$685M was allotted for: (a) the completion of Leguan and Bartica Stellings; and (b) the rehabilitation of Parika Stelling. The full sum was disbursed to Transport and Harbours Department (T&HD). According to records examined from T&HD, amounts totalling \$637.479M were expended, leaving a balance of \$47.521M, which was still in T&HD's Bank Account. The said balance should have been returned and surrendered to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. This also resulted in the Appropriation Account of the Ministry being overstated by \$47.521M.

**Ministry's Response:** The Head of Budget Agency stated the two payments were made to the value of \$2.463M and \$22.600M respectively for contracts dated 31 December 2019, these two payments were made early in 2020. The remaining balance of \$22.458M being outstanding payments for the same contracts. The moneys were not refunded due to the on-going status of the works.

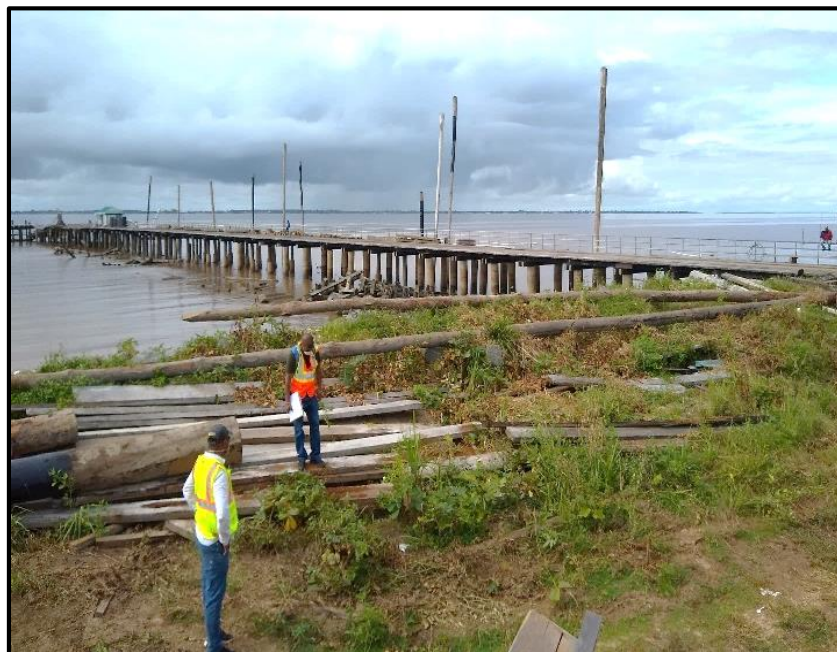
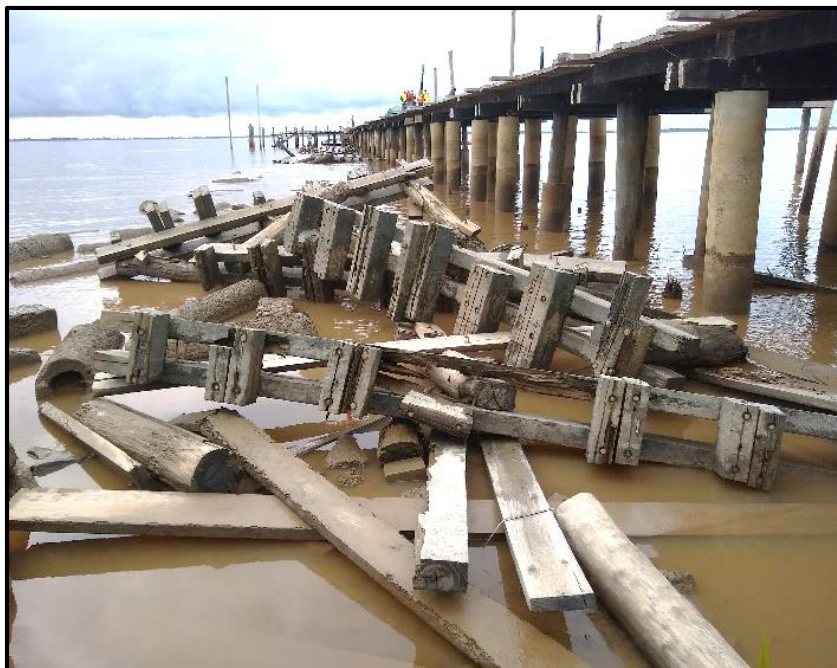
**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 43 of the FMA Act. (2019/253)*

729. A summary of the expenditure is provided in the table below:

Description	Amount \$'000
Rehabilitation of Stellings: Bartica	362,707
Leguan	99,435
Parika	63,623
Supenaam	28,436
Georgetown	13,814
Rosignol	12,784
Wakenaam	12,736
New Amsterdam	11,051
Vreed-en-Hoop	9,933
Purchase of Piles for Leguan Stelling	20,565
Purchase of Goods Wharf Scale	2,395
<b>Total</b>	<b>637,479</b>

730. As noted in the table above, the sum of \$99.435M was expended on the rehabilitation of the Leguan Stelling in 2019. The contract was awarded on 11 September 2018 by NPTAB in the sum of \$413.259M. Audit examination carried out in August 2020 revealed that payments totalling \$199.435M were made on the contract as of December 2019. However, an undated and unsigned valuation, purportedly prepared by the consultant and submitted for audit by T&HD stated that the actual value of works completed on site was \$53.064M, while our estimated value of works completed at the time was \$50.970M, representing payments in excess of \$145M for works not done.

731. At the time of reporting in November 2020, the works were still in progress. It should be noted that the Audit Office is conducting a special investigation on this project.



Work in progress at Leguan Stelling - 16 August 2020

732. Included in the sum expended under this Line Item were payments totalling \$515.084M for rehabilitation of eight Stellings, as reflected in the table below.

№	Description	Amount Paid \$'000	Interim Valuation Payments \$'000
1	Bartica	362,707	358,895
2	Parika	63,623	54,079
3	Supenaam	28,436	15,268
4	Georgetown	13,814	11,742
5	Rosignol	12,784	10,867
6	Wakenaam	12,736	10,825
7	New Amsterdam	11,051	9,393
8	Vreed-en-Hoop	9,933	8,443
Total		515,084	479,512

733. Further, as can be noted in the table above, the sum of \$515.084M included interim valuation payments totalling \$479.512M., which represented interim valuation payments. This was approximately ninety-three percent of the total payments made on the eight contracts in 2019. Moreover, the general conditions of the contracts for the above works stated that payments shall be made according to the certificate of performed works confirmed by the Engineer. However, certificates of worked performed were not attached to payment documents. As a result, the specific items paid for could not be determined. This also constitutes a breach of Section 31 (3) of the FMA Act.

**Ministry's Response:** The Head of Budget Agency acknowledged this finding and indicated that action would be taken to correct the situation.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency: (i) submit the breakdown of works done in relation to the sum of \$479.512M paid for the rehabilitation of the eight Stellings; and (ii) ensure full compliance with Section 31 of the FMA Act. (2019/254)

Guyana Restoration Project: Programme 322 – Public Works

734. The sum of \$176.109M was allotted for: (a) completion of road at Kuru Kururu; (b) provision for Community Organised for Restoring the Environment (CORE) Project; and (c) provision for installation of weight station. The sum of \$176.043M was expended, as summarised in the table below.

№.	Description	Amount Expended \$'000
1	Wages and Salaries	130,804
2	Warrants	15,903
3	Purchase office and field materials	15,603
4	Installation of truck scale	8,777
5	Construction of derelict vehicle site on Linden Highway	3,248
6	Advance for field trips, airfares and reimbursements	1,708
Total		176,043



735. The sum of \$130.804M was expended on the payment of wages and salaries to 207 contracted employees. The sum included amounts that were deducted and paid over to the National Insurance Scheme and Guyana Revenue Authority. These employees were not included under Employment Costs in the approved estimates of current expenditure for 2019, via which provisions can be made for the payment of wages and salaries to contracted and temporary employees. As a result, the Ministry's expenditure for Employment Costs was understated by the sum of \$337.253M.

**Ministry's Response:** The Head of Budget Agency stated that the 207 employees are attached to the Community Organised for Restoring the Environment (CORE) programme of the Ministry. At the time of the preparation of the 2019 Budget, these employees were catered for. In addition, the 207 employees are employed via one-year contracts and are paid on a daily basis. They do not receive gratuity. Since these workers are unskilled and short-termed, it will not be beneficial to have them appointed on the permanent Pensionable Establishment.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure propriety of expenditure is considered and assured when it prepares its Budget. (2019/255)

#### Navigational Aids

736. The sum of \$135M was allotted for: (a) construction of beacons - Waini Point; (b) acquisition of spares, buoys and global positioning system; and (c) rehabilitation of buoys and beacons. The full sum was paid to the Maritime Administration Department (MARAD) to facilitate execution of the activities. Amounts totalling \$22.417M were expended from the \$135M, leaving a balance of \$112.583M. As a result, the Ministry was unable to achieve the intended benefits of improved navigational safety, under this programme.

737. Further, the balance of \$112.583M was still in MARAD's Bank Account. The said balance should have been returned and surrendered to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. This also resulted in the Appropriation Account of the Ministry being overstated by \$112.583M.

738. A summary of the expenditure is provided in the table below:

No.	Description	Contract Amount \$'000	Payment as per Contract \$'000
1	Acquisition and supply of spares for rehabilitation of buoys and beacons	37,718	15,087
2	Acquisition and supply of spares for maintenance of buoys and beacons	18,325	7,330
Total		56,043	22,417

739. Two contracts were awarded to the same supplier for the acquisition and supply of spares for rehabilitation/maintenance of buoys and beacons. The contracts were signed on 6 June 2019, in the sums of \$37.718M and \$18.325M, respectively. Only advance payments of \$15.087M and \$7.330M, respectively, were made in 2019. Advance bonds were provided with expiry dates of 18 October 2019.

740. Further, an examination of the contracts revealed that the supply of spares should have been completed within sixteen weeks of the first payments, which were made on 18 July 2019. However, at the time of audit, the spares were not yet delivered. Further, no extensions in time were provided for audit. As such, we could not determine whether the contractor was in default, and therefore, liable for liquidated damages. Furthermore, should the contractor default, the Department would not be able to levy on the bonds.

**Ministry's Response:** The Head of Budget Agency stated that a balance of \$85M remained unspent at the time of reporting. This amount has since been refunded to the Consolidated Fund.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency: (i) ensure projects are properly planned and executed to avoid undue delays, which may affect the achievement of the benefits intended; (ii) ensure full compliance with Section 43 of the FMA Act; and (iii) submit a status on the two contracts, for audit. (2019/256)

Programme 3 - Transport

741. The table below provides a summary of expenditure under this programme:

Project Code	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
16011	Hinterland Coastal Airstrip	448,650	419,318	29,332	7
16012	Equipment – Civil Aviation	65,000	65,000	0	0
16013	CJIA Modernisation Project	1,130,193	1,130,193	0	0
16014	Central Transport Planning	270,000	242,818	27,182	10
16015	CJIA Corporation	160,000	160,000	0	0
16017	National Aviation Master Plan	94,500	10,842	83,658	89
16019	Transport Sector Enhancement Project	400,000	73,339	326,661	82
27006	Ferry Vessels	200,000	0	200,000	100
Total		2,768,343	2,101,510	666,833	

Hinterland - Coastal Airstrips

742. The sum of \$448.650M was allotted for: (a) completion of airstrips at Kamana, Bemechi and Chi Chi West; (b) rehabilitation of Port Kaituma, Phillipai and Lethem airstrips; and (c) provision for lights and charging ports for Mabaruma, Port Kaituma, Bemechi and Mahdia airstrips. The sum of \$419.318M was expended, resulting in a shortfall of \$29.332M.

**Ministry's Response:** The Head of Budget Agency stated that G\$29.332M remained uncommitted. The budget was allocated for the completion of three rollover projects from 2018, three new runway rehabilitation projects and a project for the supply of runway lights for four airstrips. Details on the implementation of those projects are as follows:

- a) 2018/2019 rollover projects - rehabilitation of Bemichi, Chi - Chi West & Kamana Airstrips were completed and all outstanding payments on the Contracts were made in 2019.
- b) 2019 new rehabilitation projects (Port Kaituma, Phillipai & Lethem Airstrips) - the procurement process for these projects commenced late and contracts were not awarded until the last quarter. Both Port Kaituma & Phillipai were awarded in December and apart from the advance payment, the only payment made as at 31 December 2019 was for preliminary activities.

- c) As it relates to Lethem Airstrip, this contract accounted for a significant share of the budgetary allocation. It was awarded mid-September and works commenced early October; however, due to the failure of the design consultant to adequately consult with stakeholders in the earlier stages, there was a need for re-scoping of the project and this resulted in schedule delays that also impacted disbursement. Based on the feedback from key air service providers, it was determined that the secondary runway (which was not part of the original scope of works) had to be repaired before works on the main runway can commence. As such, only minor works were completed on the main runway as at 31 December 2019 and the expenditure was curtailed.
- d) 2019 New Supply Project (Supply & Delivery of LED runway lights for four airstrips) — the lights and accessories were supplied and the entire contract sum was expended before 31 December 2019.

#### Central Transport Planning

743. The sum of \$270M was allotted for: (a) completion of pre-feasibility study for the establishment of a Regional Air Transport Hub at Lethem, and design for Soesdyke-Linden Highway; (b) provision for feasibility studies for new infrastructure developmental projects; and (c) development of strategic plan for the Ministry of Public Infrastructure. The sum of \$242.818M was expended, resulting in a ten percent shortfall of \$27.182M.

**Ministry's Response:** The Head of Budget Agency stated that the shortfall of 27.182M is as a result of some budgetary activities being procured for less than the budgeted amounts. Case in point, (c) contract for development of Strategic plan for Ministry of Public Infrastructure signed for \$10M, while the budgeted amount was \$30M. In effect, what is being referred to as shortfall is really a saving.

#### National Aviation Master Plan - IDB(Grant)

744. On 27 June 2018, the Government of Guyana and Inter-American Development Bank signed a non-reimbursable technical co-operation grant to develop a Civil Aviation Master Plan to provide a comprehensive proposal for improving the quality of the civil aviation oversight in Guyana, and for the structured development of Civil Aviation improvements over the next two decades in Guyana. The total estimated cost of the programme was US\$625,000. The IDB agreed to provide a contribution of US\$500,000; whilst, GOG was to provide additional resources of US\$125,000 for the completion and uninterrupted execution of the programme.

745. The Ministry was allotted the sum of \$94.5M for the development of: (a) international and domestic aviation policy; (b) domestic air transport baseline; (c) aviation and aviation safety technology; (d) safety management of air traffic in accordance with International Civil Aviation Organisation (ICAO) requirements; and (e) airport users and service improvement. The sum of \$10.842M was expended, resulting in a shortfall of \$83.658M, which is approximately eighty-nine percent of the total funds available for the programme.

746. Further, it must be noted that the entire allocation of \$90.300M in 2018 remained unspent. The Ministry had explained that this was primarily due to delays in obtaining the requisite approval from the National Procurement and Tender Administration Board and IDB.

747. The slow implementation of this programme will adversely affect the timeliness of achieving the intended benefits of improved quality of civil aviation oversight.

**Ministry's Response:** The Head of Budget Agency stated that the delays in implementation of the CAMP Project for the year 2019 were as a result of various factors, which included the Lengthy procurement process, which involved delays in the approval at both the National Procurement and Tender Administration (NPTAB) and IDB. The resolution of the matter with additional financing for the project was also an issue. While the lowest financial proposal stood at USD633,000, the IDB funds available for the project was USD448,000. It was finally resolved and GCAA was to provide the USD185,000 from an own-source revenue. As at 1 September 2020 the consultants are in the process of preparing the Final Report.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to monitor this programme to mitigate undue delays. (2019/257)*

#### Transport Sector Enhancement Project

748. On 18 September 2018, the Government of Guyana and Caribbean Development Bank signed a Loan Agreement to conduct feasibility studies and prepare detailed designs, drawings, cost estimates and bid documents for: (a) the construction of a new bridge at Wismar; (b) the construction of a new stelling at Parika; and (c) the upgrade of the Lethem Aerodrome, in accordance with the Terms of Reference. The total estimated cost of the project is US\$4.852M. The CDB agreed to lend an amount not exceeding US\$4.367M; whilst, GoG agreed to provide additional resources of US\$485,000 for the completion and uninterrupted execution of the project. The duration of the project was two years.

749. The Ministry was allotted \$400M for the preparation of studies for: (a) air transport hub at Lethem; (b) construction of bridge at Wismar, Linden; and (c) construction of riverain transport hub at Parika. The sum of \$73.399M was expended, resulting in a shortfall of \$326.601M, which represented approximately eighty-two percent of the allotted sum. The intended benefits of this project, which included improved physical infrastructure in targeted regions, may be delayed.

**Ministry's Response:** The Head of Budget Agency stated that while \$400M was allotted for this project, contracts were only signed in September and October and provision of services commenced thereafter.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure projects are properly planned and executed to avoid undue delays, which may affect the achievement of the benefits intended. (2019/258)*

#### Ferry Vessels - India

750. On 9 November 2016, the Government of Guyana and the Export-Import Bank of India (Exim Bank) signed a dollar credit line agreement to finance the procurement of an ocean ferry for meeting the transportation requirements of passengers, vehicles and cargo in the northern region of Guyana. Exim Bank of India agreed to provide the sum of US\$10M on credit to the Government of Guyana.

751. The sum of \$200M was allotted for the provision of ocean-going passenger and cargo ferry equipped with facilities for refrigerated cargo, and crane. The entire allocation remained unspent. It should be noted that the entire allotment of \$1.133 billion for 2018 was also unspent. The Ministry had explained that the allocation for 2018 was not expended primarily because Exim Bank of India did not provide the 'no objection' to the award of the bidder recommended by the Government of Guyana. As a result, the project continued to be delayed. Thus, the intended benefits of improved facilities and services were delayed.

**Ministry's Response:** The Head of Budget Agency stated that this project gained the approval of NPTAB; however, the bidder that was recommended did not find favour with the India Exim Bank, which did not give its "No Objection" as such, creating an impasse.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure projects are properly planned, executed and monitored to avoid undue delays, which may affect the achievement of its benefits as intended. (2019/259)

### Other Matters

#### Contingencies

752. The Ministry received three Contingencies Fund advances amounting to \$1.750 billion. A summary of the advances is provided in the table below.

Date of Request	CFA №.	Chart of Accounts	Purpose	Amount \$'000
29 July	1/2019	1501400 – Sea and River Defence Works	Emergency sea defence works between Fairfield to Danzight, Mahaicony, Region №. 5	460,000
9 October	2/2019	1501400 – Sea and River Defence Works	Emergency sea defence works between Fairfield to Danzight, Mahaicony, Region №. 5, and rehabilitation and upgrading measures along multiple stretches of sea defences within Region Nos. 2, 3, 4 & 6, including the islands of Wakenaam and Leguan	1,250,000
28 November	5/2019	2606700 – Hinterland Electrification	To conduct major repairs to two generators at Port Kaituma Power and Light Co. Inc.	40,000
Total				1,750,000

753. Section 41 (5) of the FMA Act stipulates that "*The Minister shall report at the next sitting of the National Assembly on all advances made out of the Contingencies Fund since the previous report of the Minister...*". However, there has been no sitting of the National Assembly in 2019, subsequent to the issuance of the advances.

#### Capital Subvention

754. Amounts totalling \$2.565 billion were released to seven statutory bodies. These bodies are subjected to separate financial reporting and audit. The status of their respective audits is reported hereunder.

No.	Statutory Body	Capital Subvention Granted \$'000	Financial Statement Last Audited	Financial Statements On Hand
1	Guyana Energy Agency	525,000	2018	2019 Audit in progress
2	Transport and Harbours Department	865,000	2009	2010 Audit in progress 2011-2017 Financial statements on hand 2018-2019 Financial statements not received
3	Demerara Harbour Bridge Corporation	1,000	2014	2015-2017 Audits in progress 2018-2019 Financial statements on hand
4	Maritime Administration Department	820,000	2005	2016-2009 Audits in progress 2010-2018 Financial statements on hand 2019 Financial statements not received
5	Guyana Civil Aviation Authority	65,000	2016	2017-2018 Audits in progress 2019 Financial statements on hand
6	Cheddi Jagan International Airport Corporation	160,000	2019	Not Applicable
7	Lethem Power Company Incorporated	129,000	2014	2015-2016 Audits in progress 2017-2019 Financial statements not received
Total		2,565,000		

755. Of the seven statutory bodies, two has been timely in the submission of its financial statements for audit. Furthermore, five agencies continued to breach Section 80, Sub-sections (1) and (3) (c) of the Fiscal Management and Accountability Act of 2003.

756. Further, the seven statutory bodies also failed to comply with Section 80 (4) of the Fiscal Management and Accountability Act of 2003. The table below shows a status of each statutory body:

No.	Statutory Body	Financial Statement Last Audited	Financial Statement Last Laid
1	Guyana Energy Agency	2018	2015
2	Transport and Harbours Department	2009	2007
3	Demerara Harbour Bridge Corporation	2014	2013
4	Maritime Administration Department	2005	2003
5	Guyana Civil Aviation Authority	2016	2010
6	Cheddi Jagan International Airport Corporation	2019	2017
7	Lethem Power Company Incorporated	2014	2012

757. It must be stated that the Guyana Energy Agency, Transport and Harbours Department, and Lethem Power Company were also in receipt of funds for re-current expenditure under Subsidies and Contributions to Local Organisations.

**Ministry's Response:** The Head of Budget Agency stated that the 2018 and 2019 audits for CJAC are completed and awaiting to be laid in the National Assembly. Whilst, the Heads of the respective agencies are taking steps to seek external assistance in having the financial statements prepared, after which it will be submitted to the Audit Office.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency comply fully with Section 80, Sub-sections (1), (3) (c), and (4) of the FMA Act. (2019/260)

### Revenue

758. An examination of the Rent Register and supporting documents revealed that rent amounting to \$1.525M was not collected for four apartments. As at July 2020, the rent had increased by \$700,000 bringing the outstanding sum to \$2.225M.

**Ministry's Response:** The Head of Budget Agency stated that every effort is being made to liquidate the outstanding amounts.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure all outstanding rent is collected, and submit the evidence for audit. (2019/261)

### Prior Year Matters

#### Capital Expenditure

#### Contract Administration and Management

##### Urban Roads/Drainage

759. A contract was signed on 11 May 2018 in the sum of \$90.532M for the rehabilitation of Compound Road, Mabaruma, Region №. 1. As at 31 December 2018, amounts totalling \$74.914M were paid. The works comprised the scarification and application of laterite and sand stone base, construction of reinforced concrete rigid pavement and associated drainage works and construction of a reinforced concrete and steel bridge along a section of roadway.

760. A physical verification on 15 August 2019, revealed that the works were incomplete. Moreover, works on the bridge were in progress; while, only half of the total width for the reinforced concrete roadway was completed along a section of the road. A site office was also not constructed.

761. A summary of the measured works based on payment documents prepared by the Ministry and examined is presented below:

Bill №.	Description	Contract Amount \$	Works Paid \$	Percentage Paid
1	General	4,445,000	3,325,000	74.8
2	Site & earthworks	531,960	531,960	100
3	Sub-base & base	2,786,000	2,050,000	73.6
4	Reinforced concrete pavement	13,878,660	13,278,660	95.7
5	Minor drainage and pavement markings	230,400	70,400	30.6
6	Reinforced concrete slipper drains and drain	9,542,100	9,542,100	100
7	Site and earthworks for three span composite steel bridge with concrete decking	3,668,180	2,668,180	72.7
8	Concrete and steel works for three span composite steel bridge with concrete decking	51,138,500	41,355,460	80.9
9	Contingency	4,311,040		
Total		90,531,840	72,821,760	84.5

762. According to Payment Certificate №. 4-Valuation №. 3, and as can be seen in the table above, full payments were made for ‘site and earthworks’ and the reinforced concrete slipper drains and drain, along with 95.7% of the total cost for the reinforced concrete pavement, and 80.9% of the total cost for the steel bridge. However, the photographs below (taken at the time of the physical verification - 15 August 2019) clearly show that the Ministry made payments for works which were not completed at the time.



No reinforced concrete drains constructed and only half of the reinforced concrete payment completed - 15 August 2019



Only two reinforced concrete abutment for the bridge completed - 15 August 2019



763. Based on our measurements and calculations, the value of works paid for, but which were incomplete at the time of the inspection amounted to \$57.741M. A summary is shown in the table below:

Description	Amount \$'000
Bill 1 - General	2,025
Bill 2 - Site and earthworks	329
Bill 4 - Reinforced concrete pavement	9,612
Bill 6 - Reinforced concrete slipper drains and drain	9,542
Bill 7 - Site & earthworks for three span composite steel bridge with concrete decking	1,810
Bill 8 - Concrete and steel works for three span composite steel bridge with concrete decking	34,423
Total	57,741

764. It was also discovered that the sum of \$8.930M was paid to the contractor for the supply and installation of pre-cast pre-stressed concrete piles for the bridge construction. However, timber piles encased on HDPE pipes were used instead. No approvals for this change was seen and no adjustment to the price was made in the valuation.

**Ministry's Response:** The Head of Budget Agency stated that:

- a) A physical verification visit was done on August 15 by the Audit Department revealing that the works were incomplete i.e. the bridge and a section of the reinforced concrete roadway. It was also indicated that some of the items in Payment Certificate №.4 - Valuation №. 3 reflected items of works which were not completed.
- b) Several factors including higher than average rainfall, the prerequisite geotechnical investigation and the relocation of GWI utilities which negatively impacted project timelines.
- c) It was also indicated that during the time of inspection the steel beams which had recently arrived in Guyana could not be released due to delays with GRA; and consequently, could not be transported to Mabaruma further affecting works on the bridge girders and deck from commencing.
- d) GWI was formally written to in 6 August 2019 prior to the inspection. The mains pipes were however relocated shortly after the teams' visit, eventually allowing for the northern approach of the road to be completed.
- e) With respect to the Bridge, steel beams arrived in Mabaruma on August 15 and were installed by 22 August with concrete works completed on 30 August 2019.
- f) The Ministry has issued a Final Payment i.e. Payment Certificate №.6 - Valuation №.5 which supersedes Payment Certificate №.4 - Valuation №.3. This final payment has comprehensively addressed all discrepancies as recorded in previous Bill of Quantities and has been updated to accurately reflect works completed to date, site office and contingency expenditure as well as materials on site.

765. The Audit Office noted the Ministry's responses, and will take steps to revisit the site with a view of verifying the works reportedly completed.

### Hinterland Roads

766. A contract was signed on 18 December 2015 in the sum of \$302.311M for the construction of Community Roads in Mahdia, Region №. 8. There were three addenda, which increased the contract price by \$256.176M, that is, approximately 85%. The new contract sum was \$558.487M. As at 31 December 2018, amounts totalling \$533.626M were paid.

767. According to payment documents examined, the Ministry paid a sum of \$103.200M for 3,225 tons of 'Minus ¾' Crushed Aggregate' under this contract. However, based on examination of the contract, aggregates for concrete works were catered for.

**Ministry's Response:** The Head of Budget Agency stated that the supply of aggregates and sand for concrete works were not included in this contract.

**Recommendation:** The Audit Office once again recommends that the Head of Budget Agency submit the technical specifications of the contract, and Minutes of the Pre-Bid Meeting to facilitate additional verification. (2019/262)

### Special Audit

#### Durban Park Jubilee Stadium

768. The Audit Office of Guyana undertook a special audit in accordance with Section 26 of the Audit Act 2004, on the construction of the Durban Park Jubilee Stadium. An interim report was issued on 7 December 2018. The following is a summary of the findings:

769. Construction commenced in 2015 in preparation for the Co-operative Republic of Guyana's 50th Independence Anniversary to be celebrated in 2016. A private company named Homestretch Development Inc. (HDI) was created to implement this project. As at 31 December 2017, amounts totalling \$1.150 billion were expended, as summarised in the table below:

Year	Source of Funding	Amount \$'000	Payment Vouchers Presented \$'000	Difference \$'000
2017	1214900-Infrastructural Development	500,000	500,000	0
	6255-Maintenance of Other Infrastructure	28,212	28,212	0
2016	1214900-Infrastructural Development	60,394	60,394	0
	6251-Maintenance of Roads	118,124	118,124	0
	Contingency 1/2016	150,000	145,990	4,010
	Contingency 2/2016	256,758	190,158	66,600
2015	Lotto Fund	36,509	0	36,509
Total		1,149,997	1,042,878	107,119

770. As can be noted in the table above, Payment Vouchers to support expenditure totalling \$107.119M were not produced for audit examination. As such, the completeness, accuracy, and validity of this amount could not be determined.

**Ministry's Response:** The Head of Budget Agency stated that the responsibility for expenditure under the purview of HDI, as well as funds paid through the 'Lotto Fund' was not that of the Ministry. The expenditure (\$107.119M) was identified as that of HDI and the responsible agency for the Lotto Fund payments. The Ministry had no responsibility for expenditure relating to Durban Park Project prior to 9 April 2016.

The Head of Budget Agency further stated that on 9 April 2016 the Ministry of Public Infrastructure was given the directive to complete the project after the works were behind schedule. The Ministry was not responsible for any expenditure prior to that date, which originated from the Lotto Fund and HDI; and as such cannot produce any documentation to substantiate those expenditures.

771. Further to the Ministry's response above, it should be noted that Payment Vouchers for amounts totalling \$70.610M were still to be submitted for audit. The said sum of \$70.610M was expended from Contingencies Fund Advance Warrants Nos. 1/2016 and 2/2016, as shown in the table above.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the outstanding Payment Vouchers for audit. (2019/263)*

772. In addition, the amount of \$500M was paid to HDI in 2017 by the Ministry to enable HDI to meet its obligation to its creditors. However, there was no documentation attached to the Payment Vouchers to indicate the works done, supervisory checks carried out on the works, as well as certification that the works were satisfactorily completed. Only the list of HDI creditors and Government's proposed payment allocation to each creditor was attached to the Payment Vouchers. In the circumstances, the correctness, accuracy and validity of the payments made could not be determined.

773. The Audit Office had written the Permanent Secretary, Ministry of Public Infrastructure on 19 July 2018, requesting documentation detailing the works done, supervisory checks of the said works, as well as certification that works were satisfactorily completed. The Head of Budget Agency explained that the Ministry was not involved in the operations of HDI. Hence, it did not have any information detailing supervisory checks or their methodology of determining that works were satisfactorily completed.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry acted on Cabinet Decision [A-CP (2016) 10:3:O] relating to payment for outstanding contracts owed by Homestretch Development Inc. (HDI). HDI submitted a schedule citing outstanding payments to forty creditors totalling \$716,065,776; given that it was a public project, the government thought it necessary to assist in the clearing of this debt. The project was of national importance and the anticipated benefits to be derived from its successful completion was immense.

The Head of Budget Agency further stated the Ministry of Finance was approached since the budget for the Ministry of Public Infrastructure was already approved by Parliament. The Ministry of Finance then outlined that \$500M could be made available to pay the contractors of HDI. The \$500M was approved in the 2017 Budget under "Infrastructure Development" which prompted the 'Cabinet Decision' as quoted above and the facilitation of the payment through the Ministry of Public Infrastructure.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency engage the Guyana Police Force to conduct a comprehensive investigation into this issue, and a report submitted for audit, as this may enable the verification of the details relating to the \$500M paid. (2019/264)*

774. On 11 March 2019, the Audit Office also made a request to the Ministry for additional documentation for the Project. Some documents have since been submitted to the Audit Office, which was being perused.

### Other Matters

775. On 19 December 2013, Officers of the Ministry had just uplifted cash amounting to \$7.847M for the payment of salaries to the Force Account Unit staff for the month of December 2013, when it was reported that armed bandits attacked and robbed the Officers in the compound of the Ministry and the payroll was stolen. The Head of Budget Agency had stated the matter was referred to the police and it was found that there was insufficient evidence to bring a conclusion to the matter. The Head of Budget Agency added that the matter was brought before the Public Accounts Committee (PAC), which advised that Cabinet's approval be sought to have the stolen amount written-off. The Ministry subsequently prepared and sent a Cabinet Paper dated 18 April 2018 with the request to have \$7,713,116 written-off. However, up to the time of reporting in September 2019, there has been no response in this regard.

**Ministry's Response:** The Head of Budget Agency stated that the report of the Public Accounts Committee of Guyana for the Years 2013 and 2014 under the head Public Works: The committee was informed of the stolen payroll and the fact that the matter was referred to the police and it was found that there was insufficient evidence to bring a conclusion to the matter.

The Head of Budget Agency further stated that the Committee recommended that the Head of Budget Agency seek cabinet's approval to have the stolen amount written off. The Ministry subsequently prepared and sent a cabinet paper dated 18 April 2018 with the request the amount of \$7.713M written-off. However, there has been no response in this regard.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency follow-up this matter, with a view of bringing it to a closure. (2019/265)*

776. A 'motion scale' paid for since 2016 was still not supplied to the Ministry. The sum of \$72.264M was paid for three of the scales. It was reported by the Ministry that two of the scales were at the wharf. However, the Ministry has been experiencing some delays with clearing the scales. Moreover, there are issues with the payment of Value Added Tax.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry has received two (2) of the scales, which are currently on the wharf. The Ministry has actively tried to engage the contractor, in relation to the supply of the third scale and the submission of documents to clear the two that are already here; however, the contractor has not responded in a timely manner. The Ministry is making every effort to bring this matter to a close.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency pursue these matters vigorously and submit the results for audit. (2019/266)*

777. The sum of \$81.570M, which represented a contractor's indebtedness to the Ministry, was still not recovered. The contractor's indebtedness was based on a valuation at the time of termination of the contract. The contract was for preparatory works related to the upgrading of the road from Better Hope to Montrose. The contract was terminated by the Ministry on 31 July 2012, citing a breach in the contractual obligations contrary to Clause 15.6 "Corrupt or Fraudulent Practices" by the contractor. It was reported in my 2014 Report that the contractor has sued the Government for wrongful termination of contract, and that the matter was before the High Court.

**Ministry's Response:** The Head of Budget Agency stated that this matter was still engaging the attention of the High Court and has not seen any significant change since last reported.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to follow-up this matter. (2019/267)*

778. The remaining sum of \$100M overpaid on the contract for the upgrading of the road from La Bonne Intention to Beterverwagting, was still not recovered. The total sum overpaid was \$120.683M, of which, \$20.683M was repaid by the contractor. The Head of Budget Agency stated that reminder letters were sent to the contractor in February 2019. However, there has not been any additional recoveries.

**Ministry's Response:** The Head of Budget Agency stated that the contractor was written to make restitution of outstanding debt on 11 September 2019 and 29 January 2020. However, no response has been received to date. The Ministry continues to implore the contractor to pay the outstanding sum of G\$100M owed for overpayments made on this contract. The last payment received was in December 2017.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue to follow-up this matter. (2019/268)*

779. The remaining sum of \$112M overpaid on the contract for the upgrading of the road from Beterverwagting to Triumph, was still not recovered. The total sum overpaid was \$132.649M, of which, \$20.649M was repaid by the contractor. The Head of Budget Agency stated that reminder letters were sent to the contractor in February 2019. However, there has not been any additional recoveries.

**Ministry's Response:** The Head of Budget Agency stated that the contractor was written to make restitution of outstanding debt on 11 September 2019 and 29 January 2020. However, no response has been received to date. The Ministry continues to implore the contractor to pay the outstanding sum of G\$112M owed for overpayments made on this contract. The last payment received was in December 2017.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency aggressively follow-up this matter. (2019/269)*

780. The sum of \$14.806M which represented a contractor's indebtedness to the Ministry, was still not recovered. The outstanding sum resulted from an advance payment that was not fully recovered. Further, the Advance Payment Bond had expired on 12 December 2015. In addition, the Ministry could not have levied on the Performance Bond which covered \$32.892M; since, this bond also expired in December 2015. The Head of Budget Agency stated that reminder letters were sent to the contractor in February 2019. However, there has not been any additional recoveries.

**Ministry's Response:** The Head of Budget Agency stated that the company was dissolved. The Ministry sought the advice of the Ministry of Legal Affairs, however the company won judgement in the matter, thus making the collection of \$14.806M a virtual impossibility.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency seek approval from the Ministry of Finance to resolve this matter. (2019/270)*

Follow-up on the Implementation of Prior Year Audit Recommendations

781. The table below summarises the prior year matters as contained in the Auditor’s General 2017 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 22 recommendations; 7 were not implemented, 7 were partially implemented and 8 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/171	Breach of Section 43, FMA Act			√
2018/172	Shortfall in expenditure	√		
2018/173	Shortfall in expenditure	√		
2018/174	Shortfall in expenditure			√
2018/175	Shortfall in expenditure		√	
2018/176	Poor contract administration and management	√		
2018/177	Poor contract administration and management	√		
2018/178	Poor contract administration and management	√		
2018/179	Poor contract administration and management	√		
2018/180	Poor contract administration and management	√		
2018/181	Poor contract administration and management	√		
2018/182	Poor contract administration and management			√
2018/183	Breach of Circularised Instructions – contracted employees			√
2018/184	Outstanding rent		√	
2018/185	Breach of Section 80 (3), FMA Act		√	
2018/186	Breach of Section 80 (3), FMA Act		√	
2018/187	Stolen cash			√
2018/188	Non-delivery of Assets			√
2018/189	Overpayment on construction works			√
2018/190	Overpayment on construction works		√	
2018/191	Overpayment on construction works		√	
2018/192	Overpayment on construction works		√	

AGENCY 33  
MINISTRY OF PUBLIC TELECOMMUNICATIONS

Current Year Matters

Current Expenditure

Employment Costs

782. According to the National Estimates 2019, amounts totalling \$116.969M were budgeted for Employment Costs for a staff complement of sixty-two. As at 31 December 2019, amounts totalling \$116.925M were expended for sixty-four staff, see summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	(Increase/ (Decrease) 2019)
6111	Administrative	2	2	0
6112	Senior Technical	2	1	(1)
6113	Other Technical and Craft Skilled	5	7	2
6114	Clerical and Office Support	12	14	2
6115	Semi-Skilled Operatives and Unskilled	8	10	2
6116	Contracted Employees	30	30	0
6117	Temporary Employees	3	0	(3)
Total		62	64	2

783. Public Service Commission (PSC) Circular №. 1/2017 dated 7 February 2017 stated that Permanent Secretaries (PS), Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. However, as at 31 December 2019, there were nine contracted employees below the age of forty-five who should have been transferred to the Pensionable Establishment. In addition, the National Estimates made provisions for four of the nine positions namely Assistant to Minister, Public Relations Officer, Systems Development Officer and Co-ordinator National Events with salary scales from 6 to 8. Shown in the table below are the salary ranges of the thirty contracted employees receiving basic salaries according to the December 2019 payroll:

Salary Range	№. of Employees	Amount \$'000
Below \$100,000	16	1,077
\$100,001 - \$250,000	11	2,119
\$250,001 - \$400,000	2	692
Above \$400,000	1	693
Total	30	4,581

**Ministry's Response:** The Head of Budget Agency indicated that systems are in place to ensure that the contracted employees are placed on the Pensionable Establishment. In addition, there was Cabinet approval for eight staff members of this Department to be retained on contract gratuity terms, while the Assistant to Minister, Public Relations Officer and Co-ordinator National Events have since resigned.

**Recommendation:** *The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/271)*

### Fuel and Lubricants

784. Amounts totalling \$7.200M were budgeted for Fuel and Lubricants for the year under review and as at 31 December 2019, the full sum was expended. Audit checks carried out revealed that amounts totalling \$845,802 were owed to Guyana Oil Company Limited (GUYOIL) by the Ministry and amounts totalling \$698,419 were owed to the Ministry - Arthur Chung Conference Centre (ACCC) by GUYOIL as at 31 December 2019.

**Ministry's Response:** The Head of Budget Agency explained that a payment for \$588,688 was processed in December and paid in January, as such this would reduce the amount owing to GUYOIL.

**Recommendation:** *The Audit Office recommends that the Ministry desist from the practice of prepaying for large amounts of fuel beyond its storage capacity. (2019/272)*

### Maintenance Works

785. Amounts totalling \$4.400M were budgeted for Vehicle Spares and Service for the Ministry's fleet of vehicles for the year under review. As at 31 December 2019, amounts totalling \$4.397M were expended. Audit examination of Payment Vouchers and other supporting documents revealed that the Ministry expended the sum of \$532,450 for the repairs to vehicle number PSS 742 which was involved in an accident in the month of February 2019. However, the vehicle was not returned to the fleet of serviceable vehicles until August 2020. In addition, the accident report was not presented for audit scrutiny.

**Ministry's Response:** The Head of the Budget agency explained that the Ministry is awaiting the accident report from the Commissioner of Police (COP) and as soon as it is received it will be shared with the Audit Office.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency follow-up with the Guyana Police Force to have the accident report. (2019/273)*

### Subsidies and Contributions to Local Organisations

786. The sum of \$1.848 billion was allotted under Programme 2 - Public Telecommunications as subvention to the National Data Management Authority (NDMA). Audit examinations revealed that as at 31 December 2019 the entire sum budgeted was paid over to the Authority. NDMA is subject to separate financial reporting and audit. The last audit report issued was for the year 2015 but has not been laid in the National Assembly. This represents a breach of Section 80 (4) and Section 80 (3) (c) of the FMA Act.

**Ministry's Response:** The Head of the Budget Agency explained that the NDMA has been duly notified of the breach of Section 80 (4) and Section 80 (3) (c) of the FMA Act. The Authority has since committed to finalising and tabling their respective previous years' reports to the National Assembly.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure compliance with the requirements of the FMA Act, especially as it relates to Section 80 (3) and Section 80 (4). (2019/274)*

### Other Matters

787. The Ministry breached the provisions of Section 43 of the Fiscal Management and Accountability (FMA) Act when it failed at the end of the year to refund thirty cheques for amounts totalling \$7.419M for the year 2019. As a result, the Appropriation Accounts were overstated by this amount. At the time of reporting in November 2020, five cheques totalling \$228,322 has since become stale dated and are still on hand at the Ministry of Finance (MoF).



**Ministry's Response:** The Head of the Budget Agency explained that the Ministry usually alerts the requisite suppliers when cheques are available for same to be uplifted at Accountant General Department, MoF. Unfortunately, a few suppliers for reasons unknown have failed to uplift their payments. The Ministry has since adopted a system to ensure that cheques are refunded to the Consolidated Fund on a timely basis and the necessary adjustments made to the Appropriation Accounts.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure that there is full compliance with Section 43 of the FMA Act. (2019/275)*

#### Stores and other Public Property

788. Audit verification and examination of records at the Ministry's stores revealed the Ministry continued to breach the Stores Regulations. In this regard the following breaches were noted:

- a) Log Books presented for audit scrutiny were not written up properly since they lacked pertinent information such as odometer reading, purpose of journey and fuel usage.
- b) A sample of thirty items were selected for physical count and it was observed that the Bin Cards were not updated.
- c) Handing and taking over statements were not done, even though the Ministry had changed Storekeepers during the year under review. A similar observation was made in our 2018 report.
- d) Duplicate and triplicate copies of the Purchase Orders were not retained by the Accounts Department and Storekeeper, respectively as was the case in 2018.

**Ministry's Response:** The Head of the Budget Agency explained that:

- a) Log Books presented for audit scrutiny are being properly written to reflect relevant information such as odometer reading, purpose of journey and fuel usage.
- b) The employees of the Ministry of Public Telecommunications (MoPT) at the time of reporting were working on rotation due to the COVID-19 pandemic; hence, the variance between the Bin Cards and physical stock on hand. The Storekeeper has already rectified this issue.
- c) In addition, we are still in the process of finalising the handing and taking over statements because our previous Storekeeper was re-assigned to the Accounts Department of ACCC and is presently on medical leave due to injuries he sustained during a vehicular accident.
- d) We have recognised the importance of having duplicate and triplicate copies of the Purchase Orders retained by both the Accounts Department and the Storekeeper and have since amended our internal systems accordingly.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure compliance with all the requirements of the Stores Regulations. (2019/276)*

#### Arthur Chung Convention Centre

789. The ACCC falls under the purview of the MoPT. Moreover, provisions were made in the Ministry's Appropriations for the administration of the Centre. The ACCC was built through a grant from the Chinese Government for the holding of conferences and national events. Fixed rates are charged for these events.

790. An examination of records submitted by the Centre revealed that the Centre had a balance of \$10.714M in its Bank Account as at 1 January 2019. The sum of \$49.279M was collected as revenue in 2019. However, the revenue was not deposited into the Consolidated Fund as prescribed under Section 38 (1) of the FMA Act, which states that “*all public moneys raised or received by the Government shall be credited fully and promptly to the Consolidated Fund*”. A similar observation was made in the previous report.

**Ministry’s Response:** The Head of the Budget Agency explain that the ACCC now fall under the purview of the Ministry of Tourism Industry & Commerce (MOTI&C). On 4 February 2020 the Conference Centre deposited the entire 31 December 2019 bank balance of \$40.913M to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure that the revenue received by the ACCC is banked in its entirety, in keeping with Section 38 (1) of the FMA Act. (2019/277)*

791. Further, payments totalling \$20.917M were made from the Centre’s Bank Account. The payments were made for catering, temporary staff wages, salary advances, repairs and maintenance, among others. The Ministry without the prior approval of the MoF authorised these payments. This is a breach of Section 21 (4) of the FMA Act, which states that “*a budget agency may expend budget agency receipts under a conditional appropriation...pursuant to a written agreement with the Minister entered into prior to the presentation of the annual budget proposal to the National Assembly...*”

**Ministry’s Response:** The Head of the Budget Agency explained that the ACCC provides a “package” service to its clients which includes catering and other services provided by third party establishments. Hence, payments received from clients in the name of the Conference Centre may include funds for these third-party vendors that must be paid to them via withdrawals from the ACCC Bank Account. Further, there are instances where advance payments received from clients are refunded due to event cancellations.

**Recommendation:** *The Audit Office recommends that the Head of the Budget Agency ensure that the Ministry comply with the FMA Act, especially as it related to Section 21 (4). (2019/278)*

792. In addition, the Ministry also authorised advances on wages, salaries and gratuity totalling \$2.792M from the Bank Account for the Centre. It should be noted, as at 31 December 2019 six advances totalling \$524,000 had not been recovered. Further, an advance in the sum of \$30,000 for 2018 was still outstanding and it was reported that the employee who received the advance is now deceased.

**Ministry’s Response:** The Head of the Budget Agency explained that persons have begun to repay outstanding advances and to date amounts totalling \$265,000 was collected. Further, the Ministry will write the Finance Secretary to ask for the \$30,000 debt incurred by a deceased ACCC employee to be written off as a bad debt.

**Recommendation:** *The Audit Office recommends that the Ministry collects all moneys outstanding and write the Finance Secretary to have the debt of the deceased person written off. (2019/279)*

## Capital Expenditure

### Buildings

793. Amounts totalling \$60M were budgeted for renovations and functional enhancements to Call Centre Building at Linden, Region №. 10. According to the Appropriation Account, the full sum of \$60M was expended on two contracts as at 31 December 2019. The sum of \$50M was expended for the renovation of call Centre building in Kara Kara Linden and the sum of \$10M was expended for the design and consultation supervision of said call Centre.

794. During 2019, the National Procurement and Tender Administration Board (NPTAB) granted approval of the contract for renovations and functional enhancements to Call Centre Building in the sum of \$116.807M through Restrictive Tendering. The works comprise demolition to sections of the existing building, supply and installation of new roofing sheets, suspended timber flooring, internal gypsum walls and partitions, gypsum and acoustic ceiling tiles, tiling and carpeting floors, painting of new and existing walls, painting of ceiling, installation of electrical fixtures, installation of new plumbing system and the modification of air condition system. An examination of the contract documents revealed that the contract was signed on 31 December 2019; however, the start date, completion date, or defects liability period could not be determined from the contract document. A physical verification on 4 September 2020 revealed the following discrepancies:

- a) The contractor received a mobilisation advance payment of \$17.171M, followed by an Interim Payment of \$31.829M. The Payment Vouchers for the two payments made to the contractor were prepared and entered in the system on the same day the contract was dated, which is on the 30 December 2019. The Accounting Officer approved both payments on this same date.

**Ministry's Response:** The Head of the Budget Agency explained the contractor indicated that due to the pandemic they were experiencing challenges to execute works. In addition, the building was not accessible as it was under the control of the Township. Therefore, the contractor decided to utilise the moneys to procure air-conditioning units from an overseas supplier totalling \$21M.

- b) Further, examination of the signed Contract Agreement revealed that it was signed by the Accounting Officer and Contractor on 31 December 2019, one day after the payments were approved. As such, the Accounting Officer approved payments even before signing of the Contract Agreement.

**Ministry's Response:** The Head of the Budget Agency explained the lapse is hereby acknowledged, in the haste to expend our budget prior to the end of the budget cycle the payment was approved prior to the signing, the Accounting Officer will make every effort in the future to avoid a recurrence.

- c) It was also discovered that both the Advance Payment Bond, as well as the Performance Bond which were furnished by the contractor is not in accordance with the Conditions of Contract, whereby the contract stipulates that both of these bonds must be in the form of a bank guarantee. However, the bonds submitted by the contractor was instead issued from North America Fire and General Insurance Co. Ltd. (NAFICO).

**Ministry's Response:** The Head of the Budget Agency explained that the contractor was contacted and they would rectify this situation by submitting Advance Payment Bond, as well as the Performance Bond in the form of a bank guarantee by 30 October 2020.

- d) Examination of the interim payment in the value of \$31.829M revealed that approximately fifty-seven percent or \$17.986M of this amount was paid for materials on site. However, no payments should have been made for materials on site since the contract does not allow for such payments.

**Ministry's Response:** The Head of the Budget Agency explained the Government of the day had urged all Ministries to expend their budgets, hence in our anxiety to effect project execution, the \$17.986M should not have been paid for materials. This sum is for materials purchased and remains on site. The contractor and consultant have indicated that a detailed submission of measured works will be made for the entire sum by latest 6 November 2020.

- e) Moreover, the advance payment was already approved for the contractor to be used for purchasing of materials, as is clearly stated in the General Conditions of Contract (GCC) Clause 34 - mobilisation or advance payment, Sub Clause 34.2,” The contractor shall use the Advance Payment exclusively to pay for plant, machinery, and equipment, materials and other expenses required directly for the execution of the contract. The contractor shall demonstrate that advance payment has been used for the purpose of execution of the contract by supplying copies of invoices or other documents.”

**Ministry’s Response:** The Head of the Budget Agency explained the contractor has committed to supply the Ministry through the consultant, all invoices, receipts and other documents in relation to the Advance Payment received by 28 October 2020.

- f) Further, our physical verification on 4 September 2020 revealed that \$16.249M out of the \$17.986M worth of materials paid for in interim payment was not on site and could not be accounted for. Among the materials paid for and not found are fifty loads of white sand valued at \$900,000, twenty-five tons’ package air conditioning units (V460,3P,60HZ) totalling \$800,261, 44" x 16" supply air duct valued \$3.0M, 36" x 48" return ducts totalling \$1.5M and three №. 1000 gallons’ storage tanks valued \$900,000.

**Ministry’s Response:** The Head of the Budget Agency explained that the \$16.249M worth of materials not being physically present on site was as a result of the contractor not having full possession of the site. The keys and security arrangements were still under the jurisdiction of the Township. However, this situation has recently been rectified and the contractor has taken full possession of the site.

- g) Also, this Interim Payment Certificate №. 1 dated 31 December 2019 was only signed by the contractor. There were no signatures of the Engineer or Project Manager certifying and approving the payment.

**Ministry’s Response:** The Head of the Budget Agency explained that this was an oversight and the Ministry would make every effort to ensure this situation does not reoccur.

- h) There was no representative from the consultant on site supervising the works being carried out and our examination of the works and materials supplied by the contractor at the time revealed that some materials were not in keeping with the specifications of the contract, whereby the contractor installed a thinner 28-gauge roofing sheet on the entire roof of the building, instead of the specified 26-gauge roofing sheet.

**Ministry’s Response:** The Head of the Budget Agency explained that the contractor had indicated that the supplier was contacted and changes would be made to rectify the situation by 6 November 2020. The consultant has also indicated that necessary action would be taken to have a duly appointed representative on site to provide supervision and guarantee that work and materials will be in accordance with specifications.

- i) It should be noted that according to the Bills of Quantities - ROOF, Item A clearly states, “Supply and install galvanized industrial profile sheeting; 26-gauge; fixed with self-tapping screws; neoprene washers and waterproof covers”.

**Ministry’s Response:** The Head of the Budget Agency explained that a commitment was given by both the consultant and Contractor to satisfy all requirements; hence the required adjustments are being made.

- j) Likewise, the contractor currently has ½” thick gypsum board onsite, however the Bills of Quantities specify the use of only 3/8” thick gypsum board.

**Ministry's Response:** The Head of the Budget Agency explained the consultant has indicated that it is an error in the Bid Document to use a less thickness, that is, 3/8" instead of 1/2" which is the recommended and better quality of gypsum board. The use of the 1/2" would make the structure sturdier.

- k) It was noted that the contractor was paid \$2M for the construction of a site office and \$1.500M for Sanitary Facilities for site accommodation. However, at the time of the physical verification, no Sanitary Facilities were noted on site. Despite receiving \$2M to construct a site office, the contractor instead reused the old materials and furnishings from the demolished sections of the building to poorly construct and furnish the site office.

**Ministry's Response:** The Head of the Budget Agency explained that the contractor has since rectified this situation and the consultant would monitor.

795. Further, based on our measurements and calculations at the time, overpayments totalling \$16.249M were discovered as shown in the table below:

Item	Description	Qty. Paid	Qty. Found	Unit	Diff.	Rate \$	Amount Overpaid \$
1	3/8" Gypsum Board	550	0	sheets	550	2,200	1,210,000
2	5/8" Plyboard	116	0	sheets	116	7,500	870,000
3	26 G Galvanised Industrial Profile Sheeting	3000	0	Ln.ft	3000	350	1,050,000
4	24" x 24" Porcelain Tiles	760	0	Nº.	760	860	653,600
5	12" x 12" Non-skid Ceramic Tiles	280	0	Nº.	280	280	78,400
6	Flat Emulsion Paint	187	0	Gals	187	4,000	748,000
7	Acoustic Ceiling Tiles	1000	0	Nº.	1000	560	560,000
8	White Sand	50	0	Loads	50	18,000	900,000
9	1" x 4" Suspended LED Fixture	51	0	Nº.	51	16,478	840,378
10	3 x 1.5mm english cable	60	0	Roll	60	7,500	450,000
11	4ft LED Tubes	180	0	Nº.	180	3,016	542,880
12	1000 Gallons Storage Tank	3	0	Nº.	3	300,000	900,000
13	Pipe Valves for Interconnecting water storage Tanks	1	0	Sets	1	150,000	150,000
14	Fire water pump Rating: 60gpm @ 80 psi	1	0	Nº.	1	950,000	950,000
15	60 gal Pressure Tank	1	0	Nº.	1	220,000	220,000
16	2" Black Steel Pipe	5	0	Lengths	5	25,000	125,000
17	2" Sch 40 PVC Pipes	4	0	Lengths	4	75,000	300,000
18	30 Metres Recess cabinets	3	0	Nº.	3	100,000	300,000
19	1" Black Steel Pipes	5	0	Nº.	5	20,000	100,000
20	36" x 48" Return Ducts	1	0	Sets	1	1,500,000	1,500,000
21	44" x 16" Supply Air Duct	1	0	Sets	1	3,000,000	3,000,000
22	25 Tons Package Air conditioning units (V460,3P,60HZ)	1	0	Nº.	1	800,261	800,261
	Total Overpaid						16,248,519

**Ministry's Response:** The Head of the Budget Agency stated that the contractor explained that the sum received was expended to order the air condition units from an overseas supplier since at that time it would have been a challenge to procure and secure the above items. Further, the contractor explained that due to anticipated delays as a result of the pandemic he placed the order early.

**Recommendation:** The Audit Office recommends that the Ministry: (i) ensure that works are actually carried out and accurately measured and quantified before payments are made to the contractor; (ii) ensure full and complete contract documents with all the required dates and timelines are available to properly monitor the contracts; (iii) request that the contractor re-submit the advance payment and performance bonds in the form of a bank guarantee; (iv) desist from making payments for materials on site and adhere to the contractual arrangements relating to payments being made to the contractor; (v) improve on the efficiency of the systems in place to monitor projects; (vi) submit copies of the Commencement Letter/ Order to commence should be, along with the complete contract document with all pages included; and (vii) improve on supervision of the works and inspection of materials being supplied by the contractor to ensure that the completed works comply with the specifications and quality required under the contract. (2019/280)



\$2M paid for a Site Office built with old materials removed from the existing building - 4 September 2020



Materials on site - 4 September 2020



Demolition works in progress to the interior of the building - 4 September 2020

796. The contract for provision of consultancy service for design and supervision - renovations and functional enhancements to Call Centre Building at Linden, Region №. 10 was awarded through sole sourcing by the NPTAB on 5 April 2019 in the sum of \$10.455M. The Consultancy comprises architectural design inclusive of preparation of Bills of Quantities and technical specifications and supervision of the construction works. An examination of the contract and relating documents revealed the following:

- a) The contract between the Ministry and the consultant was signed in April 2019; however, the exact date was not inserted, only the month and year was inserted in the agreement.

**Ministry's Response:** The Head of the Budget Agency explained this was an oversight on the Ministry's part during our haste to execute the project, an addendum to the contract will be prepared and inserted to reflect this date no later than 30 October 2020.

- b) It was noted that the services of the consultant were procured via single source method of procurement, which is in breach of the Procurement Act, since none of the justifications provided by the Ministry to NPTAB to sole source the services of the consultant are in accordance with the conditions set out under Section 28 – single source procurement of the Procurement Act.

**Ministry's Response:** The Head of the Budget Agency acknowledged the findings of this report and stated that the consultant was asked to do an assessment of the existing facility which he facilitated and prepared detailed report free of charge. As a consequence, the then administration thought it best to retain him and requested approval to sole source his services.

- c) According to the contract, the estimated time to complete the design and tender document was ten weeks. It is unclear when this ten-week period actually commenced. Also, no period was stated in the contract regarding the period for supervision of the works.

**Ministry's Response:** The Head of the Budget Agency explained that the Ministry takes responsibility for these omissions in the contract document. An addendum will be prepared to reflect the missing information by latest 30 October 2020.

- d) A physical verification on 4 September 2020 to the project site revealed that the contractor was working unsupervised since there was no representative from the Supervising Consultant on site. At the time of verification, it was observed that the gauge of the roof sheeting already installed on the building was not in accordance with the specifications of the contract and materials which were already paid for in advance were not on the site.

**Ministry's Response:** The Head of the Budget Agency explained the Ministry notes the absence of a representative from the Supervising Consultant during the physical verification activity. The consultant has since been reprimanded and requested to always have a suitable representative on site to provide the requisite Project supervision.

**Recommendation:** *The Audit Office recommends that the Ministry: (i) Adhere to the Procurement Act when procuring goods and services; (ii) Ensure proper supervision of the works in progress at all times; and (iii) Ensure all contract documents are completed with start date, duration, completion date and defects liability period. (2019/281)*

#### IT Centre for Excellence

797. On 20 April 2016, the Government of Guyana (GoG) and the Government of the Republic of India signed a Memorandum of Understanding (MoU), whereby the Government of the Republic of India will extend assistance to the GoG in the creation of a Centre for Excellence in Information Technology (CEIT). The approximate IT infrastructure cost for this project is US\$215,000 and the national service (training trainers salary, administrative cost etc. is US\$785,000 (US\$157,000/year from Financial Year 2016-2017 until Financial Year 2020-2021).

798. The co-operation measures to be financed by the Government of the Republic of India includes provision of the following:

- a) Necessary computers such as servers, desktops, projectors, printers, scanners etc.
- b) Software required for setting up CEIT.
- c) Requisite courseware for different streams of courses offered at CEIT.
- d) Deputation of one Centre Head and two trainers for a period of two years.
- e) Training of Master Trainers during the first two years.

799. The GoG committed to be responsible for provision of the following:

- a) Physical space for the CEIT.
- b) Infrastructure and logistics support such as civil and electrical works, provision of LAN cabling and data communication/telecom links.
- c) Administration and operating expenses of the Centre including maintenance and upgrading of the physical premises, furniture, basic equipment, consumables etc.
- d) Provision of office equipment, such as photocopier, fax machine, phone/internet connection.
- e) Identification and provision of a Deputy Centre Head of CEIT, who will take charge of the Centre as its head after the first year of operation.



800. During the years 2016 to 2018 amounts totalling \$284M were budgeted and during 2016 a Supplementary Provision in the sum of \$35.987M was approved bringing the total allotted sum to \$319.987M of which \$235M represents Government of India (GoI) contribution and \$84.987M GoG contribution. According to the Appropriation Accounts amounts totalling \$75.175M were expended during 2016-2018.

801. During 2019 the sum of \$40M was budgeted for GOI contribution. According to the Appropriation Accounts the full sum was expended.

**Ministry's Response:** The Head of the Budget Agency explained that:

- a) Total capital to be financed by GoG to meet its commitments under the project is \$104M.
- b) Based on this, GoI is estimated to have provided goods and services to the value of \$175.344M year ending 2019.
- c) By the end of 2018, the IT equipment and books were received from GoI. In 2019, three Local Master Trainers travelled to India to be trained (one in first quarter and two in last quarter of 2019). One Master Trainer completed the training in last quarter of 2019, while the remaining two Master Trainers completed their training in first quarter of 2020.
- d) The Center Head and two trainers from India were deputed to Guyana from February 2019. Classes at CEIT started 1st April 2019.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects are timely and the intended benefits of the programme are achieved as planned. (2019/282)*

#### National Broadband Project

802. On 26 October 2018, the Government of the Co-operative Republic of China and the Export-Import Bank of China signed a Loan Agreement whereby the Bank agreed to provide the Government of the Cooperative Republic of Guyana an Interest-Subsidized Concessional Loan in the sum of Yuan only 249,043,600 equivalents to G\$7.563 billion. The "Grace Period" is the period commencing the date on which the Agreement becomes effective and ends on the date sixty months after the effective date of the Agreement. The purpose of this loan was to finance the "Commercial Contract" which is Guyana National Broadband contract №.0Y03281700000E which was signed on 6 November 2017, between the MoPT of Guyana and the Huawei Technologies Co. Ltd with a total amount of US\$37.600M.

803. During 2018, the sum of \$2.3 billion was allotted and expended. Similarly, in 2019, the sum of \$2.040 billion was allotted for the: (i) expansion and upgrading of E-Government network to improve the efficacy of Government services in the areas of smart Government solutions, smart education, smart healthcare and safe city solution; (ii) construction and equipping of data center; and (iii) capacity building. According to the Appropriation Account, the full amount was expended. On 5 December 2019, approval was granted for a change of programme, wherein the allocation of \$40M could be used to procure a satellite hub and accessories.

#### National Data Management Authority

804. The sum of \$104.895M was budgeted for the completion of data Centre and provision for computers, scanner, generator, internet access points, fibre optic cable and accessories. According to the Appropriation Account, the sum of \$103.755M was expended as at 31 December 2019 for fibre optic cables, generator set and the construction of a data centre leaving an unspent balance of \$1.140M.

805. Audit verifications carried out on 2 October 2020 revealed several discrepancies:

- a) Fibre optic cables were still stored in containers at the ACCC.
- b) A generator set valued at \$8.329M was physically verified but was not marked to be readily identify as the property of the NDMA.
- c) An inventory of assets was not seen.

806. Due to the current pandemic (COVID-19) affecting the country and the relating measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

**Ministry's Response:** The Head of the Budget Agency explained that:

- a) The fibre optic cable stored in the containers was procured by NDMA for its network expansion work and maintenance activities such as repairing broken fibre links. NDMA is currently running and installing fibre in Regions Nos. 2, 3, 4, 5, 6, 8 and 10. Further, fibre optic cable is procured to ensure a running stock so that at no time the inventory would be out of stock. This is in part to guarantee the 96% uptime promised to NDMA's stakeholders and customers.
- b) The generator set will be marked accordingly.
- c) The Guyana National Broadband Project, which is a Turn-key Project, has not been officially completed planned handover exercises of physical assets for the last quarter of this year across the country, where equipment has been installed have been somewhat stymied due to COVID-19 restrictions.
- d) The NDMA will ensure upon hand over, that all assets are listed, and the list displayed in the areas where implemented, in accordance with Government inventory practice. It is expected that this will be accomplished before year end.

**Recommendation:** The Audit Office recommends that the Ministry: (i) comply fully with the Stores Regulations; (ii) assets bought be put into use; and (iii) better control be exercised over the implementation of its project. (2019/283)

#### Capital Purchases

807. Amounts totalling \$11M and \$7M were allotted for the purchase of furniture and equipment and a vehicle for the various departments of the Ministry. As at 31 December 2019, amounts totalling \$10.996M and \$6.759M were expended respectively. Physical verification revealed that all the assets procured were received and properly brought to account in the records of the Ministry.

#### Prior Year Matters

808. An employee was overpaid the sum of \$255,000. The employee was paid both taxable and non-taxable duty allowances for the period March 2018 to July 2019. The employee should have only been paid a non-taxable duty allowance. Audit examination revealed that the employee was paid a taxable duty allowance up to February 2018. Correspondence was seen whereby the Ministry informed the employee of the overpayment, and that the Ministry will deduct \$15,000 per month from August 2019 until the entire overpayment was recovered. However, at the time of audit in October 2020, amounts totalling \$195,000 were verified as being repaid leaving an outstanding balance of \$60,000.

**Ministry's Response:** The Head of the Budget Agency explained the ACCC has been transferred to the Ministry of Tourism, Industry and Commerce (MoTI&C), the employee's last pay certificate will reflect the outstanding balance to be deducted the PS of MoTI&C will be contacted to following up on this.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that the employee repays all moneys outstanding. (2019/284)

809. Nine thousand six hundred and nine laptops were paid for in 2015 and were received in February 2016. Physical verification in 2016 revealed that there were 2,959 damaged laptops which were on hand at the e-Governance Unit. In addition, it was reported previously that 103 laptops were stolen and that a police report was being awaited.

**Ministry's Response:** The Head of the Budget Agency explained during the period under review the e-Governance Unit was under the supervision of the Office of the President (OP). This matter is before the PS of that Agency.

**Recommendation:** The Audit Office recommends that the Head of the Budget Agency follow-up with the police to bring this matter to a closure. (2019/285)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

810. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 13 recommendations; 6 were not implemented, 6 were partially implemented and 1 were fully implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/193	Overpayment of Salaries.		√	
2018/194	Breach of Stores Regulations – Log Books.		√	
2018/195	Laying of Financial Statements for NDMA in the National Assembly.			√
2018/196	Breach of Stores Regulations.		√	
2018/197	Compliance with the FMA Act 2003– Depositing moneys to the Consolidated Fund.			√
2018/198	Compliance with the FMA Act 2003 – Payments of moneys from Centre's Bank Account.			√
2018/199	Malpractice			√
2018/200	Shortfall		√	
2018/201	Due Care	√		
2018/202	Contracted Employees			√
2018/203	Laying of Financial Statements for NDMA in the National Assembly			√
2018/204	Breach of FMA Act 2003 – Cheques on Hand		√	
2018/205	Damaged and Stolen Laptops		√	

AGENCY 40  
MINISTRY OF EDUCATION

Current Year Matters

Current Expenditure

Employment Costs

811. According to the National Estimates, amounts totalling \$5.434 billion were budgeted for Employment Costs for a staff complement of 2,884. As at 31 December 2019, amounts totalling \$5.423 billion were expended for 3,360 staff. This represents 476 staff more the budgeted 2,884 and \$11M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase (Decrease) 2019
6111	Administration	611	732	121
6112	Senior Technical	1,158	1,139	(19)
6113	Other Tech.& Craft Skilled	286	436	150
6114	Clerical & Office Support	240	272	32
6115	Semi-Skilled Operatives and Unskilled	183	225	42
6116	Contracted Employees	133	133	0
6117	Temporary Employees	273	423	150
Total		2,884	3,360	476

**Ministry's Response:** The Head of Budget Agency explained that additional funds were provided by the Ministry of Finance.

**Recommendation:** The Audit Office recommends that the Ministry ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs is for staff positions that are filled. (2019/286)

812. Audit examination of the Payroll for January – December 2019 revealed amounts totalling \$363.740M were paid to 133 contracted employees, this accounted for 2% of total expenditure. The Public Service Commission (PSC) Circular No. 1/2017 states that Permanent Secretaries, Head of Government and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, there was no evidence that action was taken to transfer forty-one of the eligible employees to the Pensionable Establishment. Shown in the table below are the salary ranges of the 133 contracted employees according to the December 2019 payroll.

Salary Ranges	No. of Employees	Amount \$'000
Below \$100,000	56	4,228
\$100,001 - \$200,000	21	3,237
\$200,001 - \$400,000	47	12,257
Above \$400,000	9	5,071
Total	133	24,794

**Ministry's Response:** The Head of Budget Agency explain that the Ministry is working on a way forward to move the contracted employees at the end of their contract to the Permanent Establishment. In addition, some of the positions occupied by employees are not provided for on the Pensionable Establishment, such as, employees in the Office of the Minister, the National Accreditation Council and the Technical Vocational Education and Training (TVET).

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue to follow-up with the PSC to have employees under age forty-five transferred to the Permanent Establishment. (2019/287)

813. Further, an examination of pay change directives for resignations for the period under review from a sample forty-seven persons leaving the job during 2019 revealed that thirteen persons were overpaid salaries totalling \$506,919 at the time of reporting in November 2020; whilst, \$41,109 was overpaid to deduction agencies. Similarly, in 2018 eleven employees were overpaid salaries totalling \$540,464; whilst, deductions totalling \$104,767 was overpaid to deduction agencies.

**Ministry's Response:** The Head of Budget Agency explain that the Ministry has since written to the individuals overpaid and the banks; however, to date only \$770,000 of the amount overpaid was recovered.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that overpayments are recovered and implement systems to prevent a recurrence. (2019/288)

#### Shortfall of Expenditure

814. The Ministry of Education (MoE) for the period under review was allotted \$18.069 billion under its six programmes. According to the Appropriation Accounts amounts totalling \$17.069 billion were expended, resulting in a shortfall of expenditure amounting to \$1 billion approximately 6% of total funds allotted, as detailed below. Similarly, shortfall of \$964.820M and \$986.120M occurred in 2017 and 2018 respectively.

Prog. №.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000	Shortfall %
401	Policy Development and Administration	1,747,949	1,649,682	98,267	6
402	Training and Development	2,009,541	1,920,679	88,862	4
403	Nursery Education	2,196,947	2,126,821	70,126	3
404	Primary Education	3,701,335	3,066,423	634,912	17
405	Secondary Education	4,044,216	3,966,771	77,445	2
406	Post-Secondary/Tertiary Education	4,369,910	4,338,920	30,990	1
Total		18,069,898	17,069,296	1,000,602	

**Ministry's Response:** The Head of Budget Agency explained that the shortfall was mainly due to savings and the expanded programme for school feeding and breakfast that the Ministry was unable to implement.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning, monitoring and execution of projects so that the intended benefits are achieved as planned. (2019/289)

Goods and Services

School Feeding Programme

815. The Ministry for the period under review was allotted \$2.609 billion for Dietary. However, \$20.186M was transferred from Dietary to Training by means of a virement in September, while \$10.136M was transferred to Dietary from Print and Non-Print Materials and Maintenance of Other Infrastructure in December, adjusting the available allotment for Dietary to \$2.599 billion. According to the Appropriation Account as at 31 December 2019, amounts totalling \$2.012 billion were expended, as shown below, resulting in a shortfall of \$587M. Similarly, in 2018 a shortfall of \$408M was recorded.

Programmes	Approved Allotment \$'000	Virements \$'000	Adjusted/ Revised Allotment \$'000	Amount Expended \$'000
402-Training and Development	128,136	(20,186)	107,950	94,937
406- Post Secondary/Tertiary Education	18,232	10,136	28,368	24,983

816. Further, examination of a sample of twenty-two contracts awarded at National Procurement and Tender Board Administration (NPTAB) to sixteen contractors totalling \$1.024 billion for the purchase of food items revealed that amounts totalling \$642.036M was paid to the contractors; whilst, as at 31 December 2019, amounts totalling \$381.871M remained outstanding, for twenty of the twenty-two contracts awarded.

**Ministry's Response:** The Head of Budget Agency acknowledged the findings and will take corrective measures to ensure virements are closely monitored.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that measures are implemented to achieved its anticipated levels of expenditure. (2019/290)*

817. Section 29 of the Stores Regulations requires that Log Books be maintained for all motor vehicles, plant, machinery and equipment. Of the forty-five vehicles owned and operated by the Ministry that were required to maintain Log Book only twenty-two Log Books were presented for audit examination. Of the Log Books presented, only seven were properly written up to reflect the purchase of fuel and authorised journeys.

**Ministry's Response:** The Head of Budget Agency explain that on-going controls are being put in place to have all Log Books properly written up to account for fuel and to have all journeys authorised and submitted for audit.

**Recommendation:** *The Audit Office recommends that the Ministry ensure Log Book are properly maintained with all pertinent information recorded therein and present same for audit examination. (2019/291)*

818. In addition, the Ministry expended \$35.391M for vehicles spares and maintenance for the period under review; however, only twenty historical records for the vehicles owned and controlled by the Ministry were presented for audit verification. As such, we were unable to determine how the Ministry monitored the individual cost of repairs in order to determine whether it was economical to retain or dispose of certain vehicles.

**Ministry's Response:** The Head of Budget Agency explained that on-going controls are being implemented to have all historical records completed with all the costs incurred for each vehicle and present same for audit examination.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that there is full compliance with the Stores Regulations as it relates to the maintenance of historical records. (2019/292)*

#### Fuel and Lubricants

819. The sum of \$23.385M was expended on the procurement of Fuel and Lubricants for the year 2019 from the Guyana Oil Company Limited (GUYOIL). However, audit examination carried out on a sample of three months Fuel Slips from GUYOIL revealed that on three instances three vehicles that were not on the list of vehicles owned and operated by the Ministry uplifted 213 litres of fuel to the value of \$46,161 from the GUYOIL Camp Street location. Similarly, in 2018 it was reported that three vehicles not registered as property of the Ministry uplifted 1,430 litres of diesel valued at \$272,054 from GUYOIL Regent Street location.

**Ministry's Response:** The Head of Budget Agency explain that a follow-up on this issue will be done since a similar issue occurred in 2018 and this matter is with the police.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency carry out regular reconciliation of Fuel Slip and GUYOIL statements and put corrective measures in place to avoid a recurrence. (2019/293)*

#### Print and Non-Print Materials

820. The amount of \$664.584M was allotted for Print and Non-Print Materials. During the year, the sum of \$35.595M was transferred by way of virement from Line Items Education Subvention and Grants and Others to Print and Non-Print Materials under the Programme Primary Education while \$6.751M was transferred from Print and Non-Print Materials under the programme Post-Secondary/Tertiary Education to Dietary adjusting total allotment for Print and Non-Print to \$693.428M. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$664.913M were expended resulting in a shortfall in expenditure of \$28.515M. Similarly, in 2018 there was a shortfall of \$75.77M.

**Ministry's Response:** The Head of Budget Agency explains that follow-up action will be taken to have corrective measures implemented to avoid a recurrence.

**Recommendation:** *The Audit Office recommends that where applicable, the Ministry should monitor the execution of its programmes more closely, with a view of achieving its goals. (2019/294)*

821. Further, audit examination revealed that there were six contracts awarded to three contractors by NPTAB under this Line Item for the purchase and printing of textbooks and exercise books in the sum of \$547.972M. As at 31 December 2019, amounts totalling \$538.299M were verified in the Contract Register as payments to the three contractors, reflecting outstanding payments totalling \$9.674M on three contracts awarded to one contractor.

822. Included in the six contracts above, is a contract awarded by the NPTAB on the 23 May 2019 for the sum of \$104.405M for the procurement of publisher's textbooks and printed textbooks for national distribution. As at 31 December 2019, amounts totalling \$93.861M were paid to the supplier for 278,780 textbooks. A Special Audit is being conducted on the purchase and printing of exercise and text books and a separate report will be issued upon completion.

### Others Matters

823. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states, “that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund.” However, the Ministry had 1,234 cheques on hand, as at 7 January 2020 totalling \$1.305 billion as shown below. As a result, the Appropriation Accounts would be overstated by the said amount.

Date	No. of Cheques	Amount \$'000
31 December 2019	67	75,843
2 January 2020	1,050	1,129,604
7 January 2020	117	99,761
Total	1,234	1,305,208

824. Further, a detailed analysis of cheques revealed that Ministry of Finance (MoF) cut 15,891 cheques totalling \$20.286 billion for current and capital expenditure incurred by the Ministry. However, 3,275 cheques totalling \$4.257 billion or approximately 21% of total expenditure were for December 2019 as shown in the table below:

Month	No. of Cheques Cut	Amount \$'000	Percentage
January	289	1,106,054	6
February	938	1,288,590	6
March	1,203	1,331,921	7
April	1,221	1,598,677	8
May	1,211	1,266,905	6
June	1,343	1,618,276	8
July	1,143	1,503,404	7
August	1,143	1,580,031	8
September	1,127	1,629,677	8
October	1,631	1,721,526	8
November	1,367	1,384,010	7
December	3,275	4,257,274	21
Total	15,891	20,286,344	100

825. In addition, audit checks carried out in October 2020 revealed that there were three cheques on hand at the Ministry totalling \$843,242, which has since become stale dated.

**Ministry's Response:** The Head of Budget Agency explained that the Ministry will be refunding these cheques to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency adhere to the requirements of the FMA Act and institute measures to ensure full repayment of all amounts remaining unspent at the end of the financial year to the Consolidated Fund. (2019/295)*



826. During 2019, Subsidies totalling \$3.529 billion and capital releases totalling \$488.641M were released to six Statutory Agencies under the control of the Ministry. The full amount was verified as received by the respective agencies. The Agencies are subject to separate financial reporting and audit. Shown below is the audited status of each Agency.

Agency	Current Exp. \$'000	Capital Exp. \$'000	Last Audit Report	Remarks
National Library	248,998	24,335	2014	2015 Audit in progress 2016-2019 Financial Statements not submitted
President College	369,751	32,953	2008	2009-2010 Audit in progress 2011-2013 Financial Statements submitted 2014-2019 Financial Statements not submitted
University of Guyana - Turkeyen	2,250,500	370,076	2015	2016-Financial Statement submitted
University of Guyana - Berbice	378,000	31,315		2017-2019 Financial Statement not submitted
Government Technical Institute	244,000	20,000		
Kuru Kuru Co-op College	37600	9,962		
Total	3,528,849	488,641		

**Ministry's Response:** The Head of Budget Agency explained that follow-up action will be taken to ensure all outstanding statements are submitted for audit.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency follow-up with the Agencies to have all outstanding Financial Statements submit to the Audit Office. (2019/296)

#### Cheque Orders

827. The Ministry has still not taken the necessary steps to ensure that Cheque Orders are cleared within the stipulated time-frame of thirty days through the submission of bills/receipts and other documents in support of payments made. At the time of reporting in November 2020, twenty Cheque Orders totalling \$116.449M remained outstanding.

**Ministry's Response:** The Head of Budget Agency explained that the Ministry is working to improve this issue to have all Cheque Orders cleared within the stipulated thirty days.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency adhere to Circularised Instructions as it relates to the clearing of Cheque Orders within the required thirty days. (2019/297)

#### Capital Expenditure

##### Shortfall of Expenditure

828. Amounts totalling \$3.795 billion were allotted under six programmes for the year under review. According to the Appropriation Accounts, the Ministry expended \$2.695 billion, thus resulting in a shortfall of \$1.099 billion, representing approximately 29% of total funds allotted. Similarly, in 2018 shortfall of expenditure amounted to \$1.228 billion. The table below gives a summary of the shortfall:

Prog. №.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000	Shortfall %
401	Policy Development and Administration	390,400	354,250	36,150	9
402	Training and Development	153,334	129,741	23,593	15
403	Nursery Education	70,500	68,215	2,285	3
404	Primary Education	138,375	123,576	14,799	11
405	Secondary Education	1,400,335	1,211,514	188,821	13
406	Post-Secondary/Tertiary Education	1,641,900	807,562	834,338	51
Total		3,794,844	2,694,858	1,099,986	

**Ministry's Response:** The Head of Budget Agency explained that apart from savings the shortfall was mainly attributed to the non-completion of St. Roses High School and Linden Technical Institute.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning, monitoring and execution of projects so that execution can be timely. (2019/298)

#### Administrative Buildings

829. The sum of \$50M was budgeted for the rehabilitation and extension of building at Examination Division for the period under review. According to the Appropriation Accounts, as at 31 December 2019, the amount of \$44.427M was expended resulting in a shortfall of \$5.573M.

830. On the 9 September 2019 a contract was awarded by NPTAB in the sum of \$51.484M for the extension of building at Exams Division Queens College Compound, payments totalling \$27.364M were verified to the Integrated Financial Management Information System (IFMIS) as being paid to the contractor as at 31 December 2019. However, there were additional payments totalling \$17.063M for works undertaken by the Ministry during the year. Details are shown in table below:

Description	Contract Sum \$'000	Amount Paid in 2019 \$'000
Construction of sports complex at Ministry of Education	19,111	948
Rehabilitation work of electrical infrastructure	13,483	12,463
Raising of RC compound at 26 Brickdam	2,996	2,437
Repairs to shed at Ministry of Education 21 Brickdam	1,240	1,215
Total	36,830	17,063

831. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

#### Guyana Education Sector Improvement Project

832. On 22 June 2017, the International Development Association (IDA) and the Government of Guyana (GoG) entered into an Agreement to improve education delivery and facilities in Guyana. During the year the sum of \$250M was budgeted for the purpose of: (i) Integrated curriculum reform in Mathematics, Science, English and Social Studies for Nursery, Primary and Grades 7 to 11; (ii) Strengthening of Faculty of Health Science and Construction of Health Science building at the University of Guyana, Turkeyen; and (iii) project administration and evaluation. According to the Appropriation Account as at 31 December 2019, amounts totalling \$219.446M were expended, resulting in a shortfall in expenditure of \$30.554M. This project is subject to separate financial reporting and audit. The last audit report was issued on 2 September 2020 for the year ended 31 December 2019. The following are key findings of the audit:

- a) The audit examination revealed that the sum of US\$1.199M was budgeted to be expended during the year. According to the Work Plans of the project, this amount represents 9% of the original project cost. The actual expenditure for the year amounted to US\$1,013,206, which is 85% of the planned expenditure for the year. The table below shows a summary of the Work Plans and the budgeted and actual expenditure for the year.

Description	Budgeted Amount US\$	Actual Expenditure US\$	Difference US\$
<b>Component 1:</b> Integrated Curriculum Reform	298,595	675,568	(376,973)
<b>Component 2:</b> Strengthening teaching capacity and improving learning environment for FHS - UG	714,986	178,608	536,378
<b>Component 3:</b> Project Implementation Support, Administration and M&E	185,459	159,030	26,429
Total	1,199,040	1,013,206	185,834

Component 2: Strengthening teaching capacity and improving learning environment for FHS UG

- b) Amounts totalling US\$178,608 were expended on the procurement of two consultancy services the details of the expenditure are shown in the table below:

Description	Amount US\$
Consultancy - UG FHS	166,608
Consultancy - Student Assessment	12,000
Total	178,608

- c) The contract for the design and supervision of civil work - new Health Sciences Faculty building at University of Guyana (UG) was awarded on 23 August 2018, in the sum of US\$462,800. This contract has two phases. Phase one, which is the design phase, will cost US\$277,680 or 60% of the contract sum. The second phase, with a cost of US\$185,120 or 40% of the contract sum is for the supervision of the construction works that will commence when the construction commences. According, to the contractual conditions, of Section 14.1 of the Special Conditions (Expiration Period) Phase 1- Design Period shall be ten months. In 2018, the sum of US\$27,768 was paid after the conceptual design review. During 2019, two payments totalling US\$166,608 were made after the schematic design review and final design review, bringing the total payments to US\$194,376 or seventy percent of the value for Phase one as at 31 December 2019.
- d) However, at the time of the audit in August 2020, Phase one was not completed and the sum of US\$83,304 or thirty percent of the cost of this phase remained outstanding resulting in the construction of the Health Sciences faculty building at UG commencing, as such, the second phase, which is the supervision of the construction cannot come into effect. Notwithstanding this, the amounts paid were verified as properly brought to account in the records of the project.

### Teachers' Training Complex

833. The sum of \$36.455M was budgeted for the period under review to make provision for: (i) construction of walkway from dormitory to library; (ii) extension of building, cleaners' quarters and upgrading of electrical system; and (iii) provision for furniture and equipment, including equipment for music and physical education programmes, to improve training, operational efficiency and accommodation. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$29.243M were expended, as recorded in the IFMIS resulting in a shortfall in expenditure of \$7.212M.

Description	Amount \$'000
Purchase of Furniture and Equipment	17,757
Purchase of Toyota Haice 15-Seater Bus	8,550
Construction of Shed and Walkway at Cyril Potter College of Education	2,936
Total	29,243

834. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Buildings - National Library

835. The Ministry for the period under review budgeted \$28.994M for the provision of: (i) payment of retention; (ii) construction of fences at New Amsterdam and Linden libraries; (iii) revetment at Ruimveldt library and tiling of floor at central library, Georgetown; and (iv) computers, chairs, fans, printers and digitalisation of rare books and special collection, to improve the facilities and operational efficiency of the libraries. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$24.335M were expended as recorded in the IFMIS resulting in a shortfall of \$4.659M.

Description	Amount \$'000
Overhauling of Electrical Wiring Circuits National Library	1,810
Extension of building National Library	489
Construction of Concrete Palling at National Library	1,533
Tiling of floor at National Library - New Wing	4,868
Purchase of Memory Cards	2,681
Purchase of Furniture and Equipment	8,408
Rehab of Electrical Infrastructure NCERD	650
Construction of Fence National Library New Amsterdam	1,515
Construction of Fence National Library Linden Branch	2,380
Total	24,334

836. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Resource Development Centre

837. The amount of \$62M was budgeted to make provision for: (i) upgrading of electrical system; (ii) extension of building and rehabilitation of fences at Guyana Learning Channel's satellite sites in Kwakwani, Orealla and Ituni; and (iii) smart classrooms, tablets, cameras, studio lights, microphones, computers and air conditioning units to improve operational efficiency and facilities. According to the Appropriation Accounts as at 31 December 2019 amounts, totalling \$50.786M were expended, as recorded in the IFMIS resulting in a shortfall of \$11.214M.

Description	Amount \$'000
Payment for construction of fence Ituni Learning Site	1,484
Payment for construction of fence at Kwakwani GLC	1,353
Payment for construction of fence at Orealla Learning Site	1,932
Purchase of equipment	35,448
Extension of Multimedia Unit NCERD	3,912
Replacement of power network NCERD	6,657
Total	50,786

838. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

*Nursery Schools*

839. The sum of \$50M was budgeted by the Ministry for the period under review to make provision for: (i) payment of retention; (ii) construction of building - Starters Nursery; and (iii) construction of sanitary block- St Gabriel's Nursery. According to the Appropriation Accounts as at 31 December 2019 amounts, totalling \$47.734M were expended as recorded in the IFMIS resulting in a shortfall of \$2.266M.

Description	Amount \$'000
Construction of school Mocha Nursery	6,047
Construction of Sanitary Blocks St Gabriels Nursery	5,288
Reconstruction Starters Nursery	30,757
Construction of Benab St Christopher Nursery	2,950
Construction of Benab Roxanne Burnham Nursery	2,692
Total	47,734

840. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

*Primary Schools*

841. The sum of \$97.625M was budgeted by the Ministry for the provision of: (i) payment of retention; (ii) rehabilitation of roof at Bel Air Primary and construction of fire escape at Winfer Gardens Primary School; (iii) extension of building and rehabilitation of Bridge - David Rose Special School; and (iv) provision for information technology laboratories, to improve the facilities and accommodation for students. According to the Appropriation Accounts as at 31 December 2019 amounts, totalling \$82.873M were expended as recorded in IFMIS resulting in a shortfall of \$14.752M.

Description	Amount \$'000
Rehabilitation Work to IT Lab Redeemer Pry	4,872
Construction of Fire Escape Staircase Winfer Garden Primary	4,139
Reconstruction of Roof Bel Air Primary, refurbishing IT Lab Bel Air Primary and Reconstruction of Roof over stairs Bel Air Primary	9,596
Repairs to IT Lab Edinburg Pry	7,345
Construction of Reinforce Concrete Bridge David Rose Special, Extension of Building David Rose Special and Construction of Guard Hut n Concrete Drains David Rose Special	34,891
Reconstruction of School St Stephens Primary	3,213
Construction of Benab Enterprise Primary	2,646
Construction of Building IT Lab Den Amstel Primary	5,203
Refurbishing of IT Lab Thomas Moore Primary	2,686
Resurfacing of Tarmac Rama Krishna Primary	2,911
Refurbishing of IT Lab Stella Maris	2,679
Refurbishing of IT Lab South Ruimveldt Park Primary	2,692
Total	82,873

842. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

#### Secondary Schools

843. The sum of \$395M was budgeted by the Ministry for the purpose of: (i) payment of retention; (ii) provision for Wismar Secondary and St. Rose's High School; (iii) construction of sanitary blocks at North Georgetown and Ascension Secondary Schools; (iv) construction of science laboratories; (v) extension of Home Economics department at Dolphin Secondary and Industrial Arts Department at Saint Joseph's High schools; (vi) construction of trestles at St. Mary's and Central High schools; and (vii) rehabilitation of Christ Church Secondary School. According to the Appropriation Account as at 31 December 2019, the sum of \$276.574M were expended as recorded in IFMIS resulting in a shortfall of \$118.426M.

844. In addition, an inclusion of programme was seen dated 6 August 2019 for consultancy service and construction of Yarrowkabra Secondary School.

845. In this regard, a contract was awarded on the 31 December 2019 at NPTAB for the construction of a secondary school at Yarrowkabra Linden Highway in the sum of \$827.756M. Audit examination carried out revealed that the mobilisation advance in the sum of \$26.041M was paid to the contractor on the 7 January 2020. No approval for a multi-year contract was seen. However, a request for multi-year approval to the Finance Secretary was seen dated 31 December 2019 the same date the contract was awarded.

**Ministry's Response:** The Head of Budget Agency explained that this was a long-planned project that has now been implemented.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects are timely and the intended benefits of the programme are achieved as planned. (2019/299)

846. The contract for the construction of the Saint Rose's High School comprises the construction of a new three storey reinforced concrete school building complete with electrical, plumbing and rain water installations, ceiling, tiling works, painting and finishes, along with external works inclusive of perimeter fence, guard hut, culvert, water reservoir and landscaping works. An audit of this project revealed the following findings:

- a) The contract was awarded at the NPTAB to the lowest evaluated bidder on the 23 April 2018 in the sum of \$352.710M and granted Cabinet Decision approval on the 18 April 2018. The Contract was signed on the 8 August 2018 with duration of eighteen months for completion and a Defects Liability Period of three months. However, in keeping with the SCC Clause 1.1, the contract start date was seven days from the signing of the contract.
- b) Further, on 17 August 2019, the NPTAB awarded an approval to increase the contract sum by \$59.595M due to the scope of the contract being extended to include a change to the foundation design whereby a deeper foundation was required using timber piles. As such, the contract sum increased from \$352.710M to \$412.304M, with the duration of the contract extended by twenty months, resulting in a revised completion date of 23 August 2021.
- c) Physical verification carried out on 10 September 2020 revealed that no works were in progress on site. However, the works for the driving of 224 timber piles for the foundation of the school building was completed.
- d) In addition, the contractor was paid a second advance payment of \$28.963M on 10 January 2020, having already received an initial advance payment of \$52.906M. At this time no significant works had commenced on site and as such, the first advance payment made would not have been expended. An analysis of the payments made to the contractor revealed that having received the first Advance Payment of \$52.906M, the contractor was further paid the sums of \$5.186M and \$1.379M under Valuations №. 2 and №. 3 respectively, followed by several small payments for security charges. Therefore, it is unclear what this first advance payment was used for.
- e) The Ministry went ahead and paid the contractor a second advance. No evidence was seen whereby the contractor used the advance payments exclusively to pay for plant, machinery, and equipment, materials and other expenses required directly for the execution of the contract, as required under clause 34.2 of the General Conditions of contract. This clause also stated, "*The contractor shall demonstrate that Advance Payment has been used for the purposes of execution of the Contract by supplying copies of invoices or other documents.*"
- f) It was further noted that both Advance Payment Bonds expired since March 2020 and none of the advance payments were recovered.



Saint Rose's High School - 10 September 2020

847. On the 31 July 2017, the NPTAB awarded a consultancy contract for the design and supervision of the new Saint Rose's High School in the sum of US\$134,790. The letter of acceptance was issued to the contractor on the 30 August 2017, where the duration of the service was from the 30 August 2017 to the 30 July 2018 for the design phase, and the supervision was to commence immediately upon the signing of the contract for the construction works. Audit examination revealed:

- a) The consultant was responsible for all soil investigations and to design the foundation for the school; however, it was discovered that the Ministry paid another consultant to review and redesign the foundation, based on a decision that the original foundation was inadequate. As such, the Ministry paid the first consultant for designing an inadequate foundation for the school building.
- b) Further examination of the Project File revealed that the Ministry engaged two additional consultants to provide services for redesigning the foundation for the school. However, it was noted that the initial Supervising Consultant was required to conduct soil investigations and design a foundation for the building as part of his contract. As such, it is unclear why the Ministry engaged two other consultants to redesign the foundation, given the fact that they had accepted the foundation design in the first place and went ahead with Tendering and Awarding the contract.
- c) A second consultancy contract was awarded in the sum of \$6.575M by NPTAB on the 30 January 2019 for an independent assessment to be conducted to determine whether a deep foundation was required for the construction of the building. No details regarding the Tendering and Award of this consultancy contract was seen and it is unclear what procurement procedures were utilised by the Ministry in the awarding this second consultancy contract.
- d) A third consultant was paid the sum of \$432,000 for the calculation of loads of the building for redesigning the foundation.



- e) The original consultant received full payment for design and supervision of the works; however, no construction works were in progress on site at the time of reporting and the contractor executed very little work up to the time of our physical verification. As such, it is unclear what the consultant was supervising to receive full payment by the Ministry for the supervision phase of the contract.

**Ministry's Response:** The Head of the Budget Agency explained that the Ministry is currently seeking the assistance from the Attorney General's Office on the way forward.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning, monitoring and execution of all projects so that completion is timely and the intended benefits are realised as planned. (2019/300)*

848. The contract for the construction of a dormitory at the Linden Technical Institute was awarded on 30 May 2018 by the NPTAB to the lowest evaluated bidder in the sum of \$398.173M. The contract was signed on 9 July 2018 with duration of eighteen months for completion and a defects liability period of twelve months. The contract was to commence on 6 September 2018 and complete on 16 August 2020. The works of the contract comprise the construction of six reinforced concrete buildings, with Blocks A to F where A and F are the Canteen and Administrative Buildings respectively and Blocks B, C, D and E being dormitories. The blocks are required to be complete with plumbing, electrical and rainwater installation, painting and tiling, along with landscaping works, boundary fence, six non-electric rooms and a guard hut. An audit of this project revealed the following findings:

- a) At the time of reporting the contractor received payments totalling \$165.176M by way of two advance payments of \$59.741M and \$49M along with eight interim payments. However, only \$20.909M or 35% of the first advance payment was recovered.
- b) Physical verification carried out on 18 September 2020 revealed that the works were incomplete despite the deadline for the completion of the works expired on 16 August 2020, there was minimal activity on site with approximately twelve staff carrying out the works. Also, no work has commenced on Block A and F while works on Blocks B, C, D and E were in progress.
- c) It was discovered that the contractor received two advance payments; however, the contract only allows for one advance payment. At the time of reporting, the contractor received two advances of \$59.741M & \$49M totalling \$108.741M or 27% of the contract sum. The second advance payment is a clear breach of the contract and should not have been paid to the contractor. Further, there was no evidence in the Project File indicating that the contractor used the advance payments exclusively to pay for plant, machinery, and equipment, materials and other expenses required directly for the execution of the contract, as required under clause 34.2 of the General Conditions of Contract. This clause also states, *"The contractor shall demonstrate that advance payment has been used for the purposes of execution of the contract by supplying copies of invoices or other documents."*
- d) Examination of the advance bond revealed that both expired on 31 January 2020 and 31 August 2020.
- e) Examination of Valuation No. 7 revealed that the sum of \$3.882M was paid under electrical installation; however, no breakdown of this sum was seen and as such, we could not verify what items were paid for at the time.
- f) In addition, no work programme, Progress Reports or Minutes of Meetings were seen in the Project File presented for audit examination.



Linden Technical Institute - 18 September 2020

**Ministry's Response:** The Head of the Budget Agency explained that the Ministry is currently working to ensure the completion of this project.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning, monitoring and execution of all projects so that completion is timely and the intended benefits are realised as planned. (2019/301)*

#### School Furniture and Equipment

849. The sum of \$195.813M was budgeted for the purchase of furniture and equipment under the six programmes of the Ministry for the period under review. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$194.019M were expended. However, physical verification carried out on a sample of furniture and equipment purchased during the year revealed that they were not marked to be identified as the property of the Ministry. In addition, the Permanent Stores Register was not presented for audit verification, as such, the furniture and equipment purchased could not be verified as properly brought to account in the records of the Ministry. Similarly, in 2018, assets purchased by the Ministry were not recorded in the Permanent Stores Register. This is a breach of the Stores Regulations.

**Ministry's Response:** The Head of Budget Agency explained that the marking of the furniture and equipment is currently on-going, however due to (COVID-19) affecting the country and the rotation of staff at the Ministry this exercise was not completed.

**Recommendation:** *The Audit Office recommends that all furniture and equipment of the Ministry are marked and recorded in the Permanent Stores Register in keeping with the Stores Regulations. (2019/302)*

Guyana Secondary Education Improvement Project

850. On 24 November 2014, the International Development Association (IDA) and the Government of Guyana (GoG) entered into an Agreement to improve facilities, education and training in Guyana. The sum of \$800M was budgeted during the year for the purpose of: (i) construction of Secondary Schools at Parfaite Harmonie, Westminster, Good Hope and Kuru Kururu; (ii) strengthening capacity of Secondary School Mathematics Teachers; and (iii) institutional strengthening. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$745.160M were expended. This project is subject to separate financial reporting and audit. The last audit report was issued on 31 August 2020 for the year ended 31 December 2019. The following are key findings of the audit:

- a) The following observations were made as stated in the work plan, the project planned to spend US\$3,836,930 during the year. However, the total expenditure for the year amounted to US\$3,546,180, which is 92% of the planned expenditure. The table below shows a summary of the work plan and the budgeted and actual expenditure for the year.

Description	Budgeted Amount US\$	Actual Expenditure US\$	Difference US\$
<b>Component 1:</b> Strengthen the Capacity of Secondary School Mathematics Teachers Nationwide	123,777	287,257	(163,480)
<b>Component 2:</b> Expansion of General Secondary School Facilities	3,516,511	3,091,005	425,506
<b>Component 3:</b> Strengthen Institutional Capacity and Project Management	196,643	167,918	28,725
Total	3,836,931	3,546,180	290,751

Component 2 - Expansion of General Secondary School Facilities

- b) Amounts totalling US\$3,091,005 were expended for the expansion of general Secondary School facilities. The table below summarises the expenditure:

Description	Amount US\$
Construction of Westminster Secondary School - Lot 1	1,608,084
Construction of Good Hope Secondary School - Lot 2	928,594
Consultancy services – Review, design and supervision	407,464
Supply of school furniture	132,509
Advertisement & bid documents	14,354
Total	3,091,005

- c) On 15 August 2018, the Bank gave its no objection, while NPTAB granted its approval on 12 September 2018, for the award of a contract for the construction of Good Hope Secondary School (Lot 2) in the sum of US\$4,082,506.80 to the lowest evaluated responsive bidder. The contract was signed on 1 October 2018 with commencement date of 15 October 2018 and duration of fifteen months for completion, from the contract commencement date. During 2018, the sum of US\$481,039.69 was paid, while in 2019 seven amounts totalling US\$928,594.01 were paid, bringing the total sum paid as at 31 December 2019, to US\$1,409,633.70. The amounts expended were brought to account in the records of the project.

- d) The physical verification of the works was done on 10 July 2020 and the following observations were made:
- i. The monthly progress report for the period 1 December to 31 December 2019 revealed several shortcomings on the part of the contractor, while the works were estimated to be only fifty percent completed when over ninety-seven percent of the originally planned project duration had already elapsed.
  - ii. The contractor failed to submit a look ahead and action plan.
  - iii. It was further discovered that the contractor made major changes to senior staff assigned to the project without requesting approvals.
  - iv. No site visits were made by the Civil/Structural Engineer while the position of Health, Safety, Environmental and Social Personnel was vacant.
  - v. As it relates to Non-conformance Reports (NCR), it was observed that the contractor was issued with numerous citations from as early as January 2019.
  - vi. Further observations were that the reinforced concrete finished floor slabs displays cracks on the finished surface running across the entire width in some of the buildings.
  - vii. The close boarding, which was installed to the underside of the roof to the buildings, displays signs of shrinkage, resulting in unacceptable crevices developing in many areas. In addition, a coat of paint was being applied to the close boarding (shown below); however, the Bills of Quantity clearly specifies the application of lacquer to the close boarding. It was unclear at the time of reporting if this was an approved change to the scope of the works.



Construction of Good Hope Secondary School - 10 July 2020

- e) On 25 November 2019, the NPTAB granted its approval for the award of a contract in the sum of US\$662,545.47 to the lowest responsive bidder for the supply and delivery of furniture for two new general Secondary Schools – Lot 1 West Minister, West Coast Demerara and Lot 2 Good Hope, East Coast Demerara. The contract was signed on 10 December 2019 and the duration of the contract was 120 days from the commencement date of 2 January 2020 to 30 April 2020. During 2019, an advance payment in the sum of US\$132,509.09 which represents twenty percent of the contract sum was made. The amount paid was in keeping with the requirements of the contract.
- f) However, audit checks revealed that no other payments were made up to the time of audit in August 2020. In addition, documentation provided indicates that the contractor wrote the project on 28 May 2020, stating furniture was completed and still in the contractor’s bond since February 2020. Further, the contractor wrote again on 23 June 2020, stating that they will not be able to keep the furniture any longer in their storage facility. At the time of reporting, evidence provided indicates that furniture with a total value of US\$350,665.07 was completed and still at the contractor’s bond.

*Guyana Skills Development and Employability Project*

851. On 23 May 2017, the Caribbean Development Bank (CDB) and the Government of Guyana enter into an Agreement to enhance training and services in Guyana. The sum of \$700M was budgeted during the year for the purpose of: (i) study and design of hospitality institute; (ii) upgrading and expansion of practical instruction departments at Mabaruma, Bartica and St. Ignatius and practical instruction centres at Fellowship, Beterverwagting and Hopetown; (iii) revision of Technical Vocational Curriculum; and (iv) training of instructors. According to the Appropriation Accounts as at 31 December 2019, amounts totalling \$100.660M were expended. This project is subject to separate financial reporting and audit. The last audit report was issued on 27 July 2020 for the year ended 31 December 2019. The following are key findings of the audit:

- a) The audit revealed that for the period under review, the sums of US\$593,777 were expended on the following components of the work plan of the project.:

Description	Budgeted Amount US\$	Actual Expenditure US\$	Difference US\$
<b>Component 1:</b> Enhanced Learning Environment	2,387,150	102,987	2,248,163
<b>Component 2:</b> Enhanced Capacity for Instructional Effectiveness	294,650	141,564	153,086
<b>Component 3:</b> Enhanced Governance & Management Capacity	201,095	64,182	136,913
<b>Component 4:</b> Enhance Second Chance Opportunities & Entrepreneurial Skills	53,741	0	53,741
<b>Component 5:</b> Technical Assistance	243,278	125,913	117,365
<b>Component 6:</b> Project Management	209,908	159,130	50,778
Total	3,389,822	593,776	2,760,046

- b) The sum of US\$3.390M was budgeted by the project for expenditure for the period under review. However only US\$593,777 was expended.

Component 1: Enhanced Learning Environment

- c) The sum of US\$102,987 was expended on Component 1 - Enhanced Learning Environment during the period January to December 2019. Expenses relating to design and supervision were met from CDB funding in the sum of US\$80,708 and GoG undertook project preparation activities to the value of US\$22,279. See details in the table below:

Source of Funding	Expenditure Details	Amount Expended US\$
Caribbean Development Bank (CDB)	Design Consultancy - Lot A	53,508
	Design Consultancy - Lot B	3,800
	Design Consultancy - Lot C	23,400
Total CDB		80,708
Government of Guyana (GoG)	Site Visits	11,206
	Survey of Practical Instruction Centres (PIC)	9,477
	Practical Instruction Department (PID)	
	Fixed Assets (photocopier)	1,453
	Materials	143
Total GoG		22,279
TOTAL CDB & GoG		102,987

- d) Audit examination of the related documents revealed that the project entered into three contracts for design and consultancy services for Lots A, B and C in the sum of US\$ 994,447. As at 31 December 2019, only 8% of the total value of the three contracts were expended.
- e) Following the CDB No Objection on 13 December 2018, a contract was awarded in the sum of US\$546,813, by the Ministry of Education for the design and supervision of Lot A on 18 February 2019. As at 31 December 2019, payments totalling US\$53,508 were made to the consultant for the submission of: (i) inception report; (ii) draft final design report; and (iii) reimbursable. However, 3.5 months has elapsed and the final design report was not submitted.
- f) A contract was awarded in the sum of US\$218,050, on 14 January 2019 for the design and supervision of Lot B by the Ministry of Education. The contract received No Objection from the CDB on 12 September 2018. During the year under review, the consultant received the sum of US\$3,800 for the submission of the inception report. However, the draft final design and the final design reports were not submitted although the completion date for the design phase was 6 May 2019.
- g) The Ministry of Education awarded a contract valued at US\$229,584 on 20 February 2019 for the design and supervision of Lot C - St. Ignatius Secondary School PID. Amounts totalling US\$23,400 were paid to the Consultant as at 31 December 2019, for the submission of the inception and draft final design reports. The final design report was not submitted in accordance with contractual obligations.
- h) According to the contractual arrangements, all three contracts have duration of thirty months, with 3.5 months assigned to the design phase and the remainder to the supervision of construction. It is to be noted that all three contracts are expected to conclude after the expiration date of the Loan Agreement on 31 December 2021. Additionally, at the time of reporting, contracts for the construction phase of Lots A, B and C were yet to be awarded.

Prior Year Matters

Current Expenditure

Print and Non-Print Materials

852. During 2018 the sum of \$511.393M was budgeted for Print and Non-Print Materials. According to the Appropriation Accounts, as at 31 December 2018, amounts totalling \$435.624M were expended. Included was the amount of \$400.425M representing purchase of text books for schools across the country. A breakdown is shown in table below:

Description	Approved Amount \$'000	Amount Expended \$'000	Difference \$'000
Training and Development	63,089	32,938	30,151
Nursery	14,801	25,473	(10,672)
Primary	123,503	23,466	100,037
Secondary	310,000	318,548	(8,548)
Total	511,393	400,425	110,968

853. The Books Committee of the Ministry recommended 174,999 quantities of books from forty-eight titles with a value of \$36.178M to be purchased. However, the Ministry purchased 307,300 books with a value of \$97.298M, which were in excess of 132,301 books with the same number of titles and with a value of \$61.120M.

**Ministry's Response:** The Head of the Budget Agency explained that follow-up action will be taken to ensure this exercise is being properly monitored.

**Recommendation:** *The Audit Office recommends the Ministry ensure contracts are properly supervised and monitored and deliverables are in keeping with the contractual obligations. (2019/303)*

Capital Expenditure

854. The Ministry was still to recover overpayments totalling \$2.603M made on the following contracts during the years 2017 and 2018

Year	Description	Amount Overpaid \$'000
2018	Repairs and maintenance of Turkeyen Nursery School	482
"	Repair and maintenance of F.E. Pollard Primary School	66
"	Repairs and maintenance to St. Christopher Nursery School	507
"	Repairs to fence and parking area, Bishops High School	71
"	Extension of building, National Library, Georgetown,	257
2017	Construction of Mocha Nursery School	1,220
Total		2,603

**Ministry's Response:** The Head of Budget Agency explained that the recovering of overpayment is an on-going exercise and the Ministry has since recovered \$1.516M to date.

**Recommendation:** *The Audit Office recommends that the Ministry take immediate steps to recover the overpayment and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2019/304)*

Other Matters

855. One Toyota Mini Bus bearing registration number PNN 9513, registered to the Ministry and assigned to Carnegie School of Home Economics was stolen from Lot 43 William Street on 31 July 2018. At the time of reporting in 2020 the matter was still under investigation.

**Ministry's Response:** The head of Budget Agency explain that the Commissioner of Police was written on this matter in 2019 and the Ministry is awaiting a report.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue to follow-up with the Police on this matter. (2019/305)

Follow-up on the Implementation of Prior Year Audit Recommendations

856. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 39 recommendations; 31 were not implemented, 3 were partially implemented and 5 were fully implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/206	Shortfall of Expenditure			√
2018/207	Breach of Circularised Instruction- Contracted Employees			√
2018/208	Employment Costs- Overpayment to Employees			√
2018/209	Accountability of funds- School Feeding			√
2018/210	Maintaining proper records – School Feeding			√
2018/211	Updating of Book Policy – Print and Non-Print			√
2018/212	Adhere to the FMA Act 2003- Payment exceeding the approved allotment- Print and Non Print		√	
2018/213	Sole Sourcing of text books- documents not provided			√
2018/214	Contract awarded to overseas supplier- documents not provided			√
2018/215	Fuel supplied to vehicles that is not the property of the Ministry			√
2018/216	Breach of the FMA Act 2003-Capital works being done from re-current budgetary allocations- J. E Burnham Nursery School		√	
2018/217	Overpayment on Contract- J.E Burnham Nursery School			√
2018/218	Overpayment on contract – FE. Pollard Primary School			√
2018/219	Overpayment on Contract- St. Christopher Nursery School			√
2018/220	Capital works being done from re-current budgetary allocations- North Georgetown Primary School			√
2018/221	Overpayment on Contract- Bishops High School			√
2018/222	Breach of the Procurement Act-Works completed before the contract was signed on 103 instances.			√



Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/223	Works not completed at Ministry of Education Annex Barima Avenue			√
2018/224	Works not completed at Ministry of Education Annex Barima Avenue			√
2018/225	Breach of the Procurement Act- Subdividing of contract to avoid Tender Board procedures			√
2018/226	Breach of the FMA Act-Capital works being done from re-current budgetary allocations			√
2018/227	Stolen Toyota Mini Bus –PNN 9513			√
2018/228	Employees of the Ministry and contractor share the same address			√
2018/229	Shortfall in Capital Expenditure			√
2018/230	Poor quality of work accepted by the Ministry from contractor- Turkeyen			√
2018/231	Overpayment on Works at President’s College Compound	√		
2018/232	Overpayment on works completed – National Library Georgetown			√
2018/233	Non submission of performance bond and order to commence work -Student and Teachers learning Complex -Turkeyen			√
2018/234	Overpayment on Works-Upper Corentyne Training Centre- Region №. 6	√		
2018/235	The Ministry to Improve on the supervision of works			√
2018/236	Termination of contract /submission of Tender Evaluation Report			√
2018/237	Submit documents regarding the delay of the execution of works			√
2018/238	Breach of the Stores Regulations			√
2018/239	Overpayment on contract /completion of works- UNESCO building	√		
2018/240	Overpayment on works- Mocha Nursery School			√
2018/241	Breach of Procurement Act- provision for variations			√
2018/242	Overpayment on Works- Book Distribution Unit	√		
2018/243	Money stolen by students-Karasabai Primary School		√	
2018/244	Overpayment to contractor- Patentia Secondary School	√		

AGENCY 42  
MINISTRY OF COMMUNITIES

Current Year Matters

Current Expenditure

Employment Costs

857. According to the National Estimates 2019, amounts totalling \$403.622M were budgeted for Employment Costs for a staff complement of 170. As at 31 December 2019, amounts totalling \$403.314M were expended on 202 staff. This represents thirty-two staff more than the budgeted 170. As such, it would appear Employment Costs were over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase / (Decrease) 2019
6111	Administrative	24	30	6
6112	Senior Technical	17	22	5
6113	Other Technical and Craft Skilled	4	6	2
6114	Clerical and Office Support	28	32	4
6115	Semi-Skilled Operatives	22	24	2
6116	Contracted Employees	61	66	5
6117	Temporary Employees	14	22	8
Total		170	202	32

**Ministry's Response:** The Head of Budget Agency indicated that the additional staff were employed during the year 2019.

858. Amounts totalling \$195.781M were paid to sixty-six contracted employees for the period under review, this represents approximately 49% of the total Employment Costs and 33% of the total employees of the Ministry of Communities (MoC). Shown in the table below are salary ranges of the sixty-six contracted employees.

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	10	798
\$100,001 - \$200,000	31	4,283
\$200,001 - \$400,000	19	5,596
Above \$400,000	6	2,874
Total	66	13,551

859. The Public Service Commission (PSC) Circular No. 1/2017 dated 7 February 2017 states that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, for 2019, there were a total of nineteen contracted employees below the age of forty-five who have been transferred to the Pensionable Establishment. It should be noted that one of the nineteen positions were already catered for on the list of approved positions under the Ministry for 2019. Shown in the table below are age ranges of the sixty-six contracted employees:

Age Range (Years)	№. of Employees
Below 45	19
45 - 55	13
Above 55	34
Total	66

**Ministry's Response:** The Head of Budget Agency stated that the Ministry continues to transition all eligible contract staff to the Pensionable Establishment.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency continue moving eligible employees to the Pensionable Establishment and ensure that the amount budgeted for Employment Costs are for staff positions that are filled. (2019/306)*

860. An analysis of the staff complement revealed that the Ministry would have increased its staff strength by sixty-seven over the years 2017 to 2019 as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	135	177	42
2018	2019	177	202	25
Total				67

861. However, despite the increase in staff over the years the Ministry still had seventeen vacancies as advertised in the PSC Staff Vacancy Circular №. 1/2019 dated 27 June 2019. These vacancies included critical posts such as one Community Development and Monitoring Officer, three Special Project Officers, one Technical Assistant, one Engineer, one System Development Officer and one Municipal Service Officer II. As a result, these critical vacancies may have an adverse effect on the operations of the Ministry.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry notes the findings of the Audit Office.

**Recommendation:** *The Audit Office recommends that the Ministry urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Ministry and in particular the level of control needed to ensure adequate checks and balances. (2019/307)*

862. During the year 2019, there were sixteen persons who severed employment with the Ministry for various reasons. Transactions relating to these pay change directives were examined and it was revealed that net salaries totalling \$118,306 was overpaid to one Officer; whilst, the related deductions amounting to \$6,855 was also overpaid to various deduction agencies. However, the overpayments were not recovered at the time of reporting in November 2020.

**Ministry's Response:** The Head of Budget Agency indicated that measures are being taken to recover the sum.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take steps to recover the amounts outstanding and implement measures to avoid recurrences. (2019/308)*

### Subsidies and Contribution to Local Organisations

863. Amounts totalling \$564.239M were allocated for Subsidies and Contributions to Local Organisations. According to the Appropriation Accounts the sum of \$563.584M were transferred to the agencies as summarised in the table below. It should be noted that these agencies are subject to separate financial reporting and audit.

Details	Amount \$'000
Electricity charges for Guyana Water Incorporated (GWI)	429,345
Subvention - Local Government Commission	124,239
Subsidies - Guyana Association of Municipalities	10,000
Total	563,584

864. According to the Integrated Financial Management Information System (IFMIS), seven payments totalling \$429.345M were paid to the Guyana Power and Light (GPL) Incorporated by the Ministry on behalf of the Guyana Water Incorporated (GWI). It should be noted that the GWI is subject to separate financial reporting and audit. The last audit for this entity was in respect of 2016 and at the time of reporting, Financial Statements were received for the years 2017 to 2019.

865. The Local Government Commission (LGC) was established by way of Order No. 23 of 2017 under the LGC Act 18 of 2013. The Commission began its operation on 23 October 2017, with functions as stipulated in Section 13 of the said Act. According to Section 29 of the Local Government Commission Act “the Commission shall publish an annual report relating generally to the exercise of its function, and a copy of every report shall be laid before the National Assembly by the Minister within six months of the following year”. The LGC is subject to separate financial reporting and audit and at the time of reporting, Financial Statements for the years 2018 and 2019 were received and the audit was in progress.

**Ministry’s Response:** The Head of Budget Agency notes the findings of the Audit Office.

**Recommendation:** The Audit Office recommends that the Ministry ensure that Financial Statements are submitted for audit in a timely manner. (2019/309)

### Stores and Other Public Property

866. Sections 6 (1) and (2) of the Stores Regulations required that the Permanent Secretary ensure that Bin Cards and Stores Ledger are maintained and kept up to date. However, an examination of the stores records revealed that the Stores Ledger and the Bin Cards were not updated for the period under review. As a result, vital control mechanisms to ensure proper accountability for stocks were not in place.

**Ministry’s Response:** The Head of Budget Agency indicated that measures are been taken to ensure that the Stores Regulations in respect to Bin Cards and Stores Ledger are adhered to. The Ministry's mechanism that are in place will be reviewed.

**Recommendation:** The Audit Office recommends that the Ministry adhere strictly to the requirements of the Stores Regulations at all times. (2019/310)

### Other Matters

867. During the period under review, the Ministry expended amounts totalling \$11.139 billion on current and capital expenditure but excluding Employment Costs. An analysis revealed that expenditure for January to October average approximately 6% of the total expenditure per month; however, in November and December spending significantly increase to approximately 21%. Moreover, in November and December capital spending went up to an average of 24% of the total capital expenditure compare with an average of approximately 5% for January to October. It should be noted that the Budget for 2019 was approved in December 2018 and as such better planning and execution should have been done in the earlier part of the year so as to ensure that the Ministry achieved its anticipated level of expenditure and payments are made in a timely manner. An analysis of the spending by the Ministry is shown in the table below:

Month	Current Expenditure \$'000	Current Expenditure %	Capital Expenditure \$'000	Capital Expenditure %	Total Expenditure \$'000	Total Expenditure %
January	139,127	6	0	0	139,127	1
February	95,340	4	502,993	6	598,333	5
March	238,706	10	321,066	4	559,772	5
April	116,812	5	109,663	1	226,475	2
May	323,227	14	536,797	6	860,024	8
June	121,055	5	416,015	5	537,070	5
July	381,649	16	561,650	6	943,299	8
August	140,660	6	1,140,793	13	1,281,453	12
September	163,650	7	481,164	5	644,814	6
October	134,704	6	436,681	5	571,385	5
November	172,403	7	2,475,154	28	2,647,557	24
December	328,734	14	1,800,904	21	2,129,638	19
Total	2,356,067	100	8,782,880	100	11,138,947	100

868. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 which stipulates that all unspent balances shall be returned and surrendered to the Consolidated Fund at the end of the fiscal year. Audit checks revealed that the Ministry processed 329 cheques totalling \$584.623M from the Consolidated Fund on or after 31 December 2019. As a result, the Appropriation Accounts would have been overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency explained that this was due to payments accumulating at year end; however, efforts will be made to ensure processing is done earlier.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure compliance with the requirements of the FMA Act, especially as it related to Section 43. (2019/311)

Inter-Departmental Warrants

869. The Ministry issued 207 Inter-Departmental Warrants (IDWs) totalling \$1.359 billion for Regions Nos. 1 to 10, Department of Social Cohesion, Culture, Youth and Sport, Ministry of Public Health (MoPH) and Ministry of Public Infrastructure (MoPI) during the year under review. Financial Returns for forty of these IDWs totalling \$160.173M were not presented for audit as detailed in the table below. As a result, it could not be determined if the funds were utilised for the purpose intended.

Receiving Agencies	No. of Warrants	Amount \$'000
Regional Democratic Council No. 3	2	47,736
Regional Democratic Council No. 4	1	28
Regional Democratic Council No. 6	1	51
Regional Democratic Council No. 8	1	4,000
Regional Democratic Council No. 9	32	68,456
Regional Democratic Council No. 10	1	102
Ministry of Public Infrastructure	2	39,800
Total	40	160,173

**Ministry's Response:** The Head of Budget Agency stated that the respective agencies have been notified in writing to provide the required information.

**Recommendation:** The Audit Office recommends that the Ministry follow-up with the defaulting Regions and Ministry to have the Financial Returns submitted. (2019/312)

870. An examination of the Warrant Register revealed that of the 207 Warrants issued, 133 Warrants totalling \$1.092 billion reflected unexpended amounts totalling \$655.147M. However, the full amount of \$1.092 billion was reflected on the Appropriation Accounts as expended, resulting in the Appropriation Accounts being overstated by the amount of \$655.147M. Shown in the table below are details of the unexpended amounts:

Receiving Agencies	No. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Unspent Balance \$'000
Regional Democratic Council No. 1	7	20,479	7,305	13,174
Regional Democratic Council No. 2	20	116,921	40,356	76,565
Regional Democratic Council No. 3	16	118,679	52,610	66,069
Regional Democratic Council No. 4	12	163,479	114,864	48,615
Regional Democratic Council No. 5	12	137,304	95,799	41,505
Regional Democratic Council No. 6	15	399,874	105,253	294,621
Regional Democratic Council No. 7	1	389	387	2
Regional Democratic Council No. 8	11	15,745	10,553	5,192
Regional Democratic Council No. 9	29	68,457	0	68,457
Regional Democratic Council No. 10	8	11,257	10,110	1,147
Ministry of Public Infrastructure	2	39,800	0	39,800
Total	133	1,092,384	437,237	655,147

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry concur with the findings of the Audit Office.

**Recommendation:** The Audit Office recommends that the Ministry monitor the execution of activities for which sums are warranted, to ensure its intended purpose(s) are achieved. (2019/313)

### Advances

871. During the period under review, there were 452 advances valued at \$18.463M given for travelling and meals from the Ministry's imprest; of these authorising signatures were not seen for four advances totalling \$83,000. In addition, Advance Forms for eleven advances valued at \$1.163M were not seen. As a result, it could not be determined whether these advances were properly authorised.

**Ministry's Response:** The Head of Budget Agency stated that the Accounts Department is currently investigating.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that all advances are properly authorised and the outstanding Advance Forms are located and presented for audit. (2019/314)*

### Revenue

872. An examination of the IFMIS Account Analysis (Revenue) revealed that amounts totalling \$101.156M were credited to revenue with respect to unspent balance on IDWs. These amounts should have been credited to the respective Line Items in the Appropriation Accounts. As a result, revenue would be overstated by the said amount. In addition, there is a difference of \$553.992M between the unspent balance in the Warrant Register and the amount refunded in the IFMIS as revenue.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry notes the findings of the Audit Office.

**Recommendation:** *The Audit Office recommends that the Ministry: (a) ensure that Financial Returns are obtained from the executing entities in a timely manner so that any unspent amount can be credited to the respective Line Items in the Appropriation Accounts; and (b) take steps to investigate the difference between Warrant Register and the amount refunded in IFMIS as revenue. (2019/315)*

873. According to the Ministry's Revenue Statement, amounts totalling \$1.839M were collected as Sundries for the period under review. However, an examination of these transactions revealed that six payments totalling \$326,120 were refunded as revenue in 2019 instead of being credited to the respective Line Items in the Appropriation Accounts. As a result, the Appropriation Accounts and Revenue would have been overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry concur with the findings of the Audit Office.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that all expenditure credits are identified in a timely manner and credit to the appropriate Line Items instead of being reflected as revenue. (2019/316)*

## Capital Expenditure

### Shortfall in Expenditure

874. The sum of \$5.550 billion was allotted to the Ministry for 2019 to execute its capital programmes. The Ministry received Supplementary Provisions totalling \$1.494 billion and a Contingencies Fund Advance Warrant of \$2.177 billion, bringing the total funds available to \$9.221 billion for 2019. According to the Appropriation Accounts, amounts totalling \$8.783 billion was expended, resulting in a shortfall of \$438M. The shortfall represents approximately five percent of the total funds available. This is an indication that the Ministry did not execute its anticipated level of capital activities in some areas during the period under review. A summary of the significant shortfalls is shown in the table below:

Project Code	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
1903900	Adequate Housing & Urban Accessibility Programme	750,000	484,615	265,385	35
1601800	Water Supply Improvement Project	150,000	0	150,000	100
2803100	Technical Assistance - Planning and Support for Local Councils	20,000	4,503	15,497	78
3600300	Solid Waste Disposal Programme	368,000	361,402	6,598	

*Adequate Housing & Urban Accessibility*

875. The sum of \$750M was budgeted for the provision of: (i) home improvement and construction of core homes on existing serviced lots between La Bonne intention and Diamond and at Parfaite Harmonie; (ii) subsidies for home improvement; (iii) consolidation of existing housing schemes; and (iv) institutional strengthening. According to the Appropriation Account amounts totalling \$485M were expended resulting in a shortfall of \$265M.

876. On 21 June 2012, the Inter-American Development Bank (IDB) approved a loan to the Government of Guyana (GoG) in the amount of US\$66M, and the GoG committed to provide US\$3M in local counterpart, to finance the Road Network Upgrade and Expansion Program, with the main objective of enhancing mobility and safety by reducing vehicle operating cost, travel times and road fatalities. A Loan Agreement was entered into between the Bank and the Borrower on 15 March 2013 (Loan Agreement №. 2741/BL-GY) to finance the Road Network Upgrade and Expansion Program. This project is subject to separate financial reporting and audit. The last audit report was issued on 14 July 2020 for the period 2 May 2017 to 31 December 2019. The following are the main observations from the audit:

- a) In a communication dated 2 May 2017, the Minister of Finance (MoF) requested the reformulation of the Loan Agreement №. 2741/BL-GY to modify its original objective and reassign the undisbursed loan balance of US\$63.5M in addition to US\$3M in local counterpart, to an Adequate Housing & Urban Accessibility Program. On 7 December 2017 the Bank approved the reassignment of the undisbursed loan balance of \$US\$63.5M, corresponding to the Loan Agreement №. 2741/BL-GY to be used for the project, in addition to US\$3M in local counterpart thus Amendatory Agreement was entered into between the GoG and the IDB on 11 December 2017;
- b) The objective of the reformulated project is to improve the quality of life in urban and peri-urban Georgetown through better access to adequate housing and basic infrastructure for low-income populations and through improved accessibility and mobility services. Specific objectives include: (i) improve housing conditions and access to basic infrastructure for low-income communities; (ii) enhance urban and suburban mobility and safety; and (iii) strengthen national and local capacity to operate and maintain urban services; and
- c) According to the Annual Operations Plan, there was an approved budget of US\$6.124M for the year 2019. Actual expenditure amounted to US\$2.324M, which represents 38% of the approved budgetary allocations for 2019 as follows:



Component	Sub-component	Amount Budgeted US\$	Actual Expended US\$	Variance Amount US\$
Delivery of Quality Housing and Basic Infrastructure Solutions	Affordable & Sustainable Housing	1,750,000	0	1,750,000
	Consolidation of Existing Housing Schemes	4,011,000	2,094,695	1,916,305
	Implementation Support & Institutional Strengthening	115,000	57,328	57,672
	Project Administration	248,500	171,841	76,659
Total		6,124,500	2,323,864	3,800,636

**Ministry's Response:** The Head of Budget Agency responded as follows:

Management team of Central Housing and Planning Authority (CH&PA) acknowledged that the programme managed to achieve 38% or US\$2.3M of the US\$6.1M budgeted for 2019. However, these short falls in expenditure are due to the following reasons:

- i. There were significant delays in the procurement process as it relates to achieving an award of contract from the National Procurement and Tender Administration Board (NPTAB).
- ii. Upon signing of the contract, mobilisation advance payments of 15% of the contract sum was required to be paid to the contractors (Lots I to 6) via an 'advance bank guarantee'. Please note, amongst the six contractors only one requested the advance payment via an advance bank guarantee. However, as it relates to the remaining five contractors, they did not request advance payment because they indicated that the Financial Institution (Banks) was requesting assets in the equivalent of which they did not possess at the time. Hence, this resulted in approximately US\$0.510M not being paid which ultimately impacted the planned cash flow.
- iii. During the first few months of the project, there were a series of vandalism, theft and robbery being encountered by the various contractors and as a result, the contractors were not working according to their work programme but rather in the morning hours alone.
- iv. Additionally, with regards to subsidies there were unforeseen challenges encountered under this activity thus, resulted in no expenditure.

In light of this, we are confident that the programme will not overrun the deadline for completion of December 2022 or any reduction to the project cost baseline by the sponsor.

#### Water Supply Improvement Project

877. The sum of \$150M was budgeted for: (i) studies to improve water supply services in areas such as Leguan, Wakenaam, Bush Lot, Mabaruma, Mahdia and Tain to No. 5 Village; (ii) conduct feasibility study for treatment of surface water from Hope Canal; and (iii) institutional strengthening. The entire allotment remained unspent. Similarly, for 2018 the budgetary allocation was not utilised. It should be noted that the benefit of this project was increased access to potable water. The project was executed under a loan agreement which was signed in September 2018 with the Caribbean Development Bank (CDB) and the GoG. This project is subject to separate financial reporting and audit.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry notes the findings of the Audit Office.

Technical Assistance - Planning and Support for Local Councils

878. The sum of \$20M was budgeted for the provision of: (i) capacity building for Local Government reform; (ii) harmonising legislation on Local Government; and (iii) drafting amendment to existing and new legislations. This project executed under a Loan Agreement with the CDB. The Grant Agreement was signed in March 2018. However, only the sum of \$4.500M was expended resulting in a shortfall of \$15.500M. A shortfall of \$10M was also noted in 2018 for this project. The benefits of this project, which included improved capacity for strategic policy management and coordination, may be delayed.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry notes the findings of the Audit Office.

Solid Waste Disposal Programme

879. The sum of \$268M was budgeted for the provision of: (i) payment of retention; (ii) completion of design for sanitary landfill sites at Bartica, Linden and Mahdia; (iii) construction of Cell II and upgrading of site facilities at Haags Bosch Sanitary Landfill Site, Eccles; and (iv) provision for design for sanitary landfill site at Lethem. Additionally, there was a supplementary allotment of \$100M bringing total available funds to \$368M. According to the Appropriation Account amounts expended totalled \$361,402M, resulting in a shortfall of the expenditure of \$6.598M. A shortfall of \$34.687M was also noted in 2018. Shown in the table below is a breakdown of the expenditure:

Description of works	Amount \$'000
Construction of Cell II Haags Bosch Sanitary Landfill Site	242,861
Release of grants	46,632
Rehab of road & bridge access road - Belle View Landfill	17,902
Construction & installation of septic tanks - Pattensen and Sophia	14,696
Supply of dump trailer	12,540
Rosehall Landfill - construction of boundary fence	10,030
Bon Success Lethem - construction of boundary fence	5,606
Bartica Landfill - construction of fence & sanitary block	5,177
Withholding tax	4,792
Billboard sign construction and vinyl	1,035
Billboard in supporting Miss Region №. 4 pageant	131
Total	361,402

**Ministry's Response:** The Head of Budget Agency stated that the Ministry notes the findings of the Audit Office.

Hinterland Sustainable Housing Programme

880. The sum of \$169.500M was budgeted for the provision of housing subsidies comprising of roof or full house replacement in areas such as Sand Creek, Baitoon, Katuur, Shiriri, Semonie, Potarinau and Karadamawau. According to the Appropriation Account amounts totalling \$169.449M were expended as at 31 December 2019.

881. On 17 February 2010, the GoG and the IDB entered an agreement to finance the Expansion and Integration of Basic Nutrition Program. The agreement stated that the GoG will contribute an amount of US\$2.300M for the complete and uninterrupted execution of the Program, while IDB will provide financing of US\$5M. However, on 29 December 2015, the GoG and IDB signed an Amending Agreement to reassign the undisbursed amount of up to US\$3.1M to be used for Sustainable Housing for the Hinterland Program. According to the Agreement, the period of execution was stated as four years from the effective date of the agreement to 30 December 2019. However, on 13 December 2019, the IDB granted approval for a general extension to the disbursement period to 30 June 2020. This project is subject to separate reporting and audit and the last audit report was issued on 7 July 2020 for the year ended 31 December 2019. The key observations from the audit are as follows:

- a) The objective of the reformulated programme was to improve the liveability of low-income families in selected communities of the hinterland through better access to housing, potable water, sanitation and the promotion of women's empowerment.
- b) According to the Programme Execution Plan, the programme planned to complete 344 full houses and seventy-eight roof replacement subsidies were completed. Details are summarised in the table below:

Year	Region №.	Programme Target		Completed	
		Full Houses	Roof	Full Houses	Roof
2016 to 2020	1	103	33	93	33
	9	241	45	155	37
Total		344	78	248	70

- c) During 2019, the sum of US\$1.064M was budgeted to be expended. However, amounts totalling US\$626,881 equivalent to 59% of the amount budgeted for 2019 were expended during the year, as summarised in the table below:

Description	Amount Budgeted US\$	Actual Expended as Cumulative Investment US\$	Balance Available US\$
<b>Component 1</b> - Delivery of the full house replacement subsidy for the hinterland			
Region №. 1	90,000	26,739	63,261
Region №. 9	733,883	502,949	230,934
<b>Component 2</b> - Delivery of the roof replacement subsidy for the hinterland			
Region №. 1	0	0	0
Region №. 9	5,750	9,034	(3,284)
<b>Other Expenses</b>			
Salaries	0	0	0
Logistics	180,994	88,159	92,835
Goods	3,865	0	3,865
Monitoring and Evaluation	50,000	0	50,000
Total	1,064,492	626,881	437,611

- d) As can be noted from the table above, the programme did not achieve its anticipated level of expenditure under five of the eight sub-components; whilst, the expenditure under one sub-component exceeded the budgeted amount. In addition, a revised budget for 2019 was not presented for audit examination.

**Ministry's Response:** The Head of Budget Agency stated that delays were encountered while awaiting the approval for the reallocation of resources from Katur and Shiriri to Kwaimatta and Hiowa. Delays were also experience while awaiting approval to utilise the savings from Hymacabra in Region №. 1 and Karasabai, Potarinau and Karaudarnau in Region №. 9. Unfortunately, upon granting approval, the weather became unsuitable to harvest timber and production of bricks for the houses thus resulting in not achieving the targets for 2019. Notwithstanding this, all procurement processes were completed in 2019 as in accordance with the Execution Agency (EA) and project Sponsor planned.

However, a closer look at the overall expenditure for the programme as at 31 December 2019 indicated that US\$2.847M was expended or 95% of total project budget at completion. In this regard, considering the recent approved programme extension, management is confident that the programme will not overrun the deadline (June 2020).

Community Infrastructure Improvement Project

882. The sum of \$300M was budgeted for the provision of Community Infrastructure Projects, property inventory and property valuation for Local Democratic Organisations. According to the Appropriation Account the full amount was shown as expended as at 31 December 2019 as follows:

Description of works	Amount \$'000
Capital releases to Community Infrastructure Improvement Project	122,764
Expansion of road to airstrip at Mahadia	33,000
NDCs - Upgrading of community grounds	30,500
Construction of building and boat landing for Kitty/Providence NDC	16,602
Construction of Nile/Cozier NDC	14,000
Construction of Moruca/Phoenix NDC	14,000
Georgetown City Council - Upgrading of play grounds	14,000
Installing of lights at 3 village grounds	11,800
CH&PA - Upgrading of play grounds	9,000
Assistance for the development of 2 wells in Region №. 1	8,000
Construction of revetment at Corriverton Green Park	7,122
Linden Town Council - Upgrading of play grounds	7,000
Construction of timber bridge at Victoria ground	6,212
Bartica Town Council - Upgrading of play grounds	6,000
Total	300,000

883. Due to the current pandemic (COVID-19) affecting the country and the relating measures of rotation of workers and travel restrictions, physical verification of these projects could not have been undertaken.

884. Included in the sum of \$300M were nineteen Warrants totalling \$136.236M which were issued to various entities. The sum of \$88.617M were expended; whilst, the unspent balance of \$47.619M were refunded to revenue. As a result, the Appropriation Account was overstated by \$47.619M; whilst, revenue was also overstated by the said amount.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry concur with the findings of the Audit Office.

Central Housing & Planning Authority (CH&PA)

885. The sum of \$780M was budgeted for: (i) provision for construction and upgrading of roads in areas such as La Parfaite Harmonie, Schoonord, Ondemeemtng, Westminster, Recht-Door Zee, Belle West, Zeelugt, Uitvlugt, Providence, Section 'D' Non-Panel, Good Hope - Phase 11, Hope/Douchfour, Herstelling, Farm, Experiment, Kilcoy/Chesney, Four and Five Miles - Bartica, Tabatinga, Amelia's Ward-Phase 11, Block 22 Wismar, Ituni and Kwakwani; (ii) installation of LED street lamps; (iii) provision for recreational facilities; and (iv) provision for expansion of electricity infrastructure in unserved areas.

886. A Supplementary Provision in the sum of \$700M, and a Contingencies Fund Advance Warrant for \$2.177 billion were granted bringing total funds available to \$3.657 billion. The Supplementary Provision of \$700M was approved for the development of 4000 new house lots in areas including Mabaruma, Meter-Meer-Zorg, Vigilance, Annandale, Mon Repos, Foulis, Hope/Experiment, Ordance Fortland, Lethem, Kwakwani, Amelia's Ward, Recht-Door-Zee, Prospect and Cummings Lodge. The allocation specifically catered for land acquisition, surveys, design, land clearing and access. The Contingencies Fund Advance Warrant of \$2.177 billion was granted to the Authority to meet the partial payment to National Industrial and Commercial Investments Limited (NICIL) for the acquisition of land at Mon Repos, Good Hope, Experiment, Edinburgh, Anna Catherina, Stewartville, La Bonne Intention (LBI) and Lusignan which was purchased from Guyana Sugar Corporation Incorporated (GUYSUCO).

887. As at 31 December 2019, the full amount was expended according to Account Analysis Report and summarised in the table below:

Description of works	Amount \$'000
Purchasing of Lands	2,413,498
Construction and Upgrading of Roads	580,364
Infrastructure Works	509,390
Drilling of Portable Well	80,000
Upgrading of Recreational Facilities	23,718
Installation of LED Street Lights	10,959
Pure Water Distribution Network	6,474
Others	32,595
Total	3,656,998

888. The CH&PA is subject to separate reporting and audit. The last audit was in respect of the year 2018 and at the time of reporting the 2019 audit was in progress. However, it was noted that the audited accounts for the year 2018 was not laid in the National Assembly as required by with Section 80 (4) of the FMA Act.

**Ministry's Response:** The CH&PA 2018 Audited Financial Statements were submitted through MoC, Permanent Secretary's Office to Cabinet for approval, before proceeding to laid the said statements in Parliament.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that audited Financial Statements are laid in the National Assembly in a timely manner. (2019/317)

### Georgetown Restoration Programme

889. The sum of \$300M was budgeted for the provision of Georgetown restoration and enhancement initiatives. According to the Appropriation Account the full amount was shown as expended as at 31 December 2019. It was noted a vehicle was purchased for the Mayor which was not in the capital profile, however approval for inclusion to programme was seen. A summary of the expenditure according to the IFMIS Report is shown in the table below:

Description of works	Amount \$'000
Georgetown Restoration & Enhancement Initiatives	162,044
Rehabilitation of Markets	89,688
Purchase of Vehicles	11,614
Purchase of Garbage Trucks	34,824
Withholding Tax	1,830
Total	300,000

890. Included in the amount of \$300M, were sums totalling \$173.658M which were paid over to the Town Clerk, Mayor & Councilors of the City of Georgetown (MCC). It should be noted that the MCC is subject to separate reporting and audit. The last audit for this entity was done for the year 2004 and at the time of reporting Financial Statements were not received for the years 2006, 2008 to 2011 and 2017 to 2019.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry notes the findings of the Audit Office.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency follow-up with the MCC to have all outstanding Financial Statements submitted for audit. (2019/318)

### Water Supply & Infrastructure Improvement Programme

891. On 14 October 2014, the Government of Guyana and the IDB signed a Loan Contract for “*Water Supply and Sanitation Infrastructure Improvement Program.*” The general objective of the programme is to improve efficiency, quality and sustainability of the potable water services and improve sanitation infrastructure in Georgetown and other areas along the coast. The total cost of the programme is estimated to be the equivalent of US\$31,676,500 which includes the amount of the financing referred to in Section 1:02 of the Special Conditions and up to Euros 10,675,000 from the resources of the Non Reimbursable Financing Agreement №. GRT/EX-14520-GY referred to in Section 3.03 of the Special Conditions. The project financing agreement would have expired on 10 October 2019. However, the IDB granted approval for an extension to the project completion date to 31 December 2020.

892. The sum of \$1.600 billion was budgeted for the provision of: (i) construction of water treatment plants - Cornelia Ida to De Kinderen, Diamond to Herstelling and Cumberland to Williamsburg; (ii) installation of distribution and transmission networks; (iii) upgrading of sanitation infrastructure; and (iv) institutional strengthening. According to the Appropriation Account, the full sum was expended as at 31 December 2019. The project is subject to separate reporting and audit and is being audited by private auditors. The last audit report was issued on 30 April 2020 for the year ended 31 December 2019 and there was no material matter noted by the auditors.

Project Development & Assistance

893. The sum of \$602M was budgeted for the provision of subvention to ten municipalities and seventy Neighborhood Democratic Councils (NDCs). According to the Appropriation Account the full amount was shown as expended as at 31 December 2019 as summarised in the table below:

Description	No. of Entities	Amount \$'000
Warrants issued to the Regions on behalf of NDCs	9	330,057
Subventions to Town Councils	9	172,358
Subventions to Neighbourhood Democratic Councils	65	66,538
Grant to Village Council	1	3,563
Gibraltar Fyrish Farmers Association	1	750
Payments made by the Ministry for NDCs	0	28,734
Total		602,000

894. It should be noted that a check at the MoF on the 24 July 2020 revealed that six cheques totalling \$4.963M were still to be uplifted by six NDCs; whilst, there were three cheques totalling \$10.051M for Linden Town Council and one cheque for \$750,000 for Gibraltar Fyrish Farmers Association still to be uplifted.

**Ministry's Response:** The Head of Budget Agency indicated that all payees are notified when cheques are ready for payment at the MoF.

895. The Municipalities continued to breach the Municipal and District Councils Act, Chapter 28:01 of the Laws of Guyana, which stipulated that "...all accounts of Municipal and District Councils be made up yearly to the end of the financial year by the Treasurer of the Council and shall be so made up not later than four months after the end of such year to which they relate and for those accounts to be audited by the Auditor as soon as practicable". It should be noted that the Ministry transferred sums totalling \$172.358M to the Municipalities in 2019. Despite this legal requirement, a number of the Municipal and District Councils were still in violation of Section 177 of the Municipal and District Councils Act Chapter 28:01. Shown below is the status of audits in respect of the nine Municipalities at the time of reporting:

Name of Entity	Amount Received 2019 \$'000	Year Last Audited	Reports Laid in National Assembly	Remarks on Financial Statements
Mayor & Councillors of the City of Georgetown	30,000	2004	None	2005 & 2007, 2012-2015 Awaiting re-submission of corrected Financial Statements. 2006, 2008-2011 & 2017 to 2019 Financial Statements not submitted
New Amsterdam Town Council	18,000	1996	None	2011-2016 Audit in progress 1997-2010 Financial Statements submitted 2018-2019 Financial Statements not submitted
Linden Town Council	18,000	1984	None	2008-2010 Audit in progress. 2012, 2014-2017 Financial Statements submitted 1985-2007, 2011, 2013, 2018-2019 Financial Statements not submitted
Anna Regina Town Council	18,000	2017	None	2018-2019 Financial Statements submitted
Rose Hall Town Council	16,515	1998	None	2003 & 2005-2017 & 2019 Financial Statements submitted 1999-2002, 2004 & 2018 Financial Statements not submitted
Corriverton Town Council	16,740	2001	None	2002-2018 Audit in progress 2019 Financial Statement submitted
Bartica Town Council	19,643	-	-	2015-2019 Financial Statements not submitted
Lethem Town Council	18,000	-	-	2005-2018 Audit in progress 2019 Financial Statement submitted
Mabaruma Town Council	17,460	-	-	2015-2019 Financial Statements not submitted
Mahdia Town Council	0	-	-	2019 Financial Statement not submitted
Total	172,358			

**Ministry's Response:** The Head of Budget Agency stated that all Municipalities have been advised accordingly.

**Recommendation:** *The Audit Office recommends that the Municipal Treasurers submit all outstanding Financial Statements to the Audit Office. (2019/319)*

896. The sum of \$66.538M was paid to sixty-five NDCs during 2019. With the exception of those that were newly established, the NDCs continued to be in breach of the Local Government Act, Chapter 28:02 of the Laws of Guyana, which stipulated that “...the accounts of Neighbourhood Democratic Councils (NDC's) to be made up annually”. According to Section 134 (1) of the said Act, the Auditor General may at any time audit the accounts of the Councils. At the time of reporting, the majority of the NDCs were significantly in arrears in terms of submission of Financial Statements for auditing. Moreover, forty-six of the sixty-five NDCs did not submit Financial Statements for the years 2018 and 2019.

**Ministry's Response:** The Head of Budget Agency stated that all the NDCs have been advised accordingly.

**Recommendation:** *The Audit Office recommends that the Overseers submit all outstanding Financial Statements to the Audit Office. (2019/320)*



### Capital Purchases

897. The sum of \$7M was budgeted for the purchase of conference table, chairs, computers, desks, scanners, refrigerators, water dispenser, uninterruptible power supply system and bookshelf. According to the Appropriation Accounts, amounts totalling \$6.704M were expended as shown in the table below:

Description	Amount \$'000
Computers	1,773
Installation of Cubicles	1,383
Power Supply System	682
Office Furniture	549
Desks	458
Scanners	440
Chairs	434
Telephone	255
Book Shelf	248
Water Dispenser	189
Correcting Evs	123
Refrigerator	110
Microwave	60
Total	6,704

898. Sections 23 and 24 of the Stores Regulations requires the Permanent Secretary to maintain a Permanent Stores Register as well as a Master Inventory to record all assets under the control of the Ministry. However, at the time of reporting, these records were not updated. As a result, it could not be determined whether the assets purchased during the period were received and properly brought to account.

**Ministry's Response:** The Head of Budget Agency indicated the Ministry continues to update the inventory and will make a request for the Audit Office to return at a subsequent period to recheck.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Stores Regulations at all times. (2019/321)*

### Prior Year Matters

899. The Audit Office was still unable to verify the completeness, accuracy and validity of the sum of \$475.635M. The said sum was paid by the Ministry in 2017 to the MCC. The funds were to facilitate payments to contractors for sanitisation services provided to the Council. The details of the payments, including the exact periods and description/particulars of services, and its related costs were not provided. Rather, a summary by contractor and nature of indebtedness was attached to the Payment Vouchers.

900. The Audit Office had written to the Council, on 12 July 2018 (copied to the Ministry), requesting pertinent records to aid verification of the expenditure. The Ministry submitted documents on 18 August 2018 comprising primarily of correspondences written by the contractors to the Ministry seeking payments. However, it was not possible to verify the expenditure from the said documents.

**Ministry's Response:** The Head of Budget Agency indicated that the MCC have been advised accordingly.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency follow-up with the Council to have the pertinent documents submitted for audit. (2019/322)*

901. A contract in the sum of \$15.464M was entered into on 8 May 2017, for the drilling of a potable water well at Campbelltown, Region №. 8. Audit checks revealed that amounts totalling \$3.866M and \$2.773M were paid during 2017 and 2018 respectively, bring the total payments to \$6.639M. The contract was terminated in 2018. Information contained in correspondence dated 6 December 2018 from GWI to the contractor stated that “...GWI will move to amicably terminate this contract under clause 40.2(a), since your company is experiencing difficulty in penetrating the rocky terrain in the project area”. However, documentation on the actual termination was not submitted for audit. Hence, we could not determine the terms and conditions of the termination.

**Ministry’s Response:** The termination letter dated 6 December 2018 was provided to audit on 31 August 2020.

902. It should be noted that the letter presented on 31 August 2020 was the same correspondence that was previously submitted for audit. However, the terms and conditions of the termination could not be determined from the correspondence presented.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the relevant documentation is submitted for audit. (2019/323)*

903. The Ministry was still to recover the sum of \$1.454M from a contractor for 300 lengths 100mm PVC pipes that GWI loaned to the said contractor. The pipes were loaned during the execution of a contract for the extension of the distribution network from Byderabo to Agatash, Bartica, in 2017. The Performance Bond on the contract was registered by GWI with the insurance company on 5 April 2018, for a claim valued \$921,175. However, GWI did not cash in on the bond.

**Ministry’s Response:** Guyana Water Incorporated (GWI) did make a claim on the bond but it was not honored. Legal proceedings were filed with respect to the bond against the Insurance Company and the contractor was given an opportunity to be heard in the matter. The matter was before the Court and it was recommended that a claim on the bond was not the appropriate action and the matter was withdrawn. The parties are in discussions to arrive at an amicable settlement.

**Recommendation:** *The Audit Office recommends that the Ministry continue to pursue recovery of the amount of \$1.454M and implement systems to prevent a recurrence. (2019/324)*

904. The sum of \$2.538M indebted to GWI by a contractor on a terminated contract was still to be recovered. The contract was awarded for the drilling of potable water well at Three Miles, Bartica. The contract was terminated in July 2017. The GWI was in possession of an advance bond to the value of \$3.081M. However, at the time of reporting there was no evidence to indicate that the advance bond was levied.

**Ministry’s Response:** Guyana Water Incorporated indicated that legal proceedings against the contractor to be filed.

**Recommendation:** *The Audit Office once again recommends that the Head of Budget Agency take action to recover the full amount of \$2.538M and implement systems to prevent a recurrence. (2019/325)*

### Special Audit

905. Responses to audit findings contained in an interim audit report dated 31 May 2018, in relation to the special audit of the Georgetown Restoration Programme executed by the MCC, are yet to be submitted to the Audit Office. The audit was requested by the Chairman of the Public Accounts Committee. Further, the request was made during a meeting held on 6 February 2017, where the audit findings of the MoC for the year 2016 were being discussed.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry has since written the City Treasurer to make all information available.

**Recommendation:** *The Audit Office once again recommends that the Municipality responds urgently to the findings contained in the interim audit report. (2019/326)*

### Follow-up on the Implementation of Prior Year Audit Recommendations

906. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 15 recommendations; 3 were not implemented, 10 were partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/245	Breach of Local Government Act - Outstanding Financial Statements		√	
2018/246	Breach of Section 43 of the FMA Act 2003 - Unspent balance not refunded		√	
2018/247	Shortfall in Capital Expenditure		√	
2018/248	Breach of Section 24 (1&2) of the Procurement Act Awarding of contracts	√		
2018/249	Outstanding document for termination of Contract		√	
2018/250	Breach of Section 43 of the FMA Act 2003 - Unspent balance not refunded		√	
2018/251	Breach of Stores Regulations - Non receipt of Assets	√		
2018/252	Transfer of eligible contracted employees to the Permanent Establishment		√	
2018/253	Breach of Section 43 of the FMA Act 2003 - cheques on hand		√	
2018/254	Completeness, accuracy and validity of expenditure (\$475.635M) could not be verified.			√
2018/255	Laying of GWI's 2016 audited Financial Statements in the National Assembly and submission of Financial Statements for 2017		√	
2018/256	Breach of Local Government Act, Chapter 28:01 - Outstanding Financial Statements for audit by Municipalities		√	
2018/257	Breach of Local Government Act, Chapter 28:02 - Outstanding Financial Statements for audit by NDCs		√	
2018/258	Unrecovered sum of \$1.454M for materials loaned to a contractor by GWI			√
2018/259	Unrecovered sum of \$2.538M indebted to GWI			√

AGENCY 43  
MINISTRY OF PUBLIC HEALTH

Current Year Matters

Current Expenditure

Employment Costs

907. The sum of \$22.065 billion was allotted for re-current expenditure under the seven Programmes of the Ministry. Amounts totalling \$21.910 billion were expended. Included in the sum allotted were amounts totalling \$6.672 billion, which were budgeted for Employment Costs. Of this sum, amounts totalling \$6.666 billion were expended. This represented approximately thirty percent of total current expenditure. A breakdown is provided in the table below.

Line Item	Description	Amount Expended \$'000	Percentage (Expended)
6111	Administrative	131,537	1.97
6112	Senior Technical	1,621,127	24.32
6113	Other Technical & Craft Skilled	919,083	13.78
6114	Clerical & Office Support	132,974	2.00
6115	Semi-Skilled Operatives & Unskilled	641,066	9.62
6116	Contracted Employees	1,900,634	28.51
6117	Temporary Employees	540,709	8.12
6131	Other Direct Labour Costs	19,162	0.29
6133	Benefits & Allowances	472,754	7.09
6134	National Insurance	286,787	4.30
Total		6,665,833	100

908. Approximately thirty-two percent of the Ministry's expenses for wages and salaries were paid to employees on contract. A summary is shown in the table below.

Line Item	Description	Amount Expended \$'000	Percentage (Expended)
6111	Administrative	131,537	2
6112	Senior Technical	1,621,127	28
6113	Other Technical & Craft Skilled	919,083	16
6114	Clerical & Office Support	132,974	2
6115	Semi-Skilled Operatives & Unskilled	641,066	11
6116	Contracted Employees	1,900,634	32
6117	Temporary Employees	540,709	9
Total		5,887,130	100

909. The table below shows the staffing details at the time of preparation of the 2019 National Estimates versus actual staffing according to the December 2019 payroll.

Line Item	Description	National Estimates 2019	Actual as per December Payroll	Difference
6111	Administrative	60	60	0
6112	Senior Technical	511	695	184
6113	Other Technical & Craft Skilled	869	929	60
6114	Clerical & Office Support	155	198	43
6115	Semi-Skilled Operatives & Unskilled	688	895	207
6116	Contracted Employees	791	210	(581)
6117	Temporary Employees	188	279	91
Total		3,262	3,266	4

910. Approximately six percent of the Ministry's employees were on contract as at December 2019. The table below shows a summary as per category of expenditure.

Line Item	Description	Actual as Per December Payroll	Percentage (Staff)
6111	Administrative	60	2
6112	Senior Technical	695	21
6113	Other Technical & Craft Skilled	929	28
6114	Clerical & Office Support	198	6
6115	Semi-Skilled Operatives & Unskilled	895	28
6116	Contracted Employees	210	6
6117	Temporary Employees	279	9
Total		3,266	100

911. The Public Service Commission Circular №. 1/2017 dated 7 February 2017 required Permanent Secretaries, Heads of Departments and Regional Executive Officers to submit a list of all Officers on Contract/Gratuity for the to be appointed on the Pensionable Establishment. An examination of the records at the Ministry revealed that there were 210 contracted employees as of December 2019, compared to 888 contracted employees at December 2018. This represented a reduction in contracted employees by approximately seventy-six percent. The table below provides a summary as per 'Age Range' of the employees on contract, as of December 2019:

Age Range (Years)	№.of Employees
Below 45	109
45-55	37
Over 55	64
Total	210

912. As can be noted in the table above, 109 contracted employees were below the age of forty-five and should have been transferred to the Pensionable Establishment.

**Ministry's Response:** The Head of Budget Agency stated that the transfer of eligible employees to the Pensionable Establishment is an on-going process.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency continue its efforts to transfer eligible employees to the Pensionable Establishment in keeping with Public Service Commission Circular №. 1/2017 dated 7 February 2017. (2019/327)

913. The table provides a summary as per ‘salary range’ of the 210 employees on contract according to the December payroll:

Salary Range	No. of Employees	Amount \$'000
Below \$100,000	58	4,578
\$100,001 - \$250,000	33	4,810
\$250,001 - \$400,000	109	32,978
Above \$400,000	10	5,475
Total	210	47,841

914. Seventeen former employees were overpaid net salaries amounting to \$1.237M. The related deductions, which included NIS and PAYE amounting to \$144,519 were also paid over to the relevant agencies. Further, nine employees who joined the Ministry in 2019, were overpaid net salaries amounting to \$42,504. Two employees were also underpaid amounts totalling \$26,182.

915. In addition, overpayments of net salaries and statutory deductions amounting to \$8.651M were also made for the period 2011 to 2018. Recoveries amounted to \$2.912M, leaving an unrecovered sum of \$5.739M, as summarised in the table below:

Years	Details of Overpayment				Balance (A+B-C) \$'000
	Net Salaries (A) \$'000	Deductions (B) \$'000	Total (A+B) \$'000	Recovered (C) \$'000	
2011	757	346	1,103	0	1,103
2012	205	74	279	0	279
2014	1,194	416	1,610	1,014	596
2015	909	138	1,047	110	937
2016	1,784	454	2,238	472	1,766
2017	421	35	456	17	439
2018	1,638	280	1,918	1,299	619
Total	6,908	1,743	8,651	2,912	5,739

**Ministry’s Response:** The Head of Budget Agency stated that the Ministry have been trying to contact the former employees through the information in the personal files. The Ministry have also written to the agencies seeking refunds.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency: (i) put systems in place to prevent recurrences; and (ii) take action to recover all outstanding overpayments. (2019/328)

916. An examination of the December 2019 payroll revealed that twenty-eight employees had temporary numbers for the National Insurance Scheme; whilst, one employee did not possess an NIS number. This situation could have adverse consequences for social security claims, as well as other benefits.

**Ministry’s Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure all employees are registered with the Scheme, so that they can enjoy all their social security benefits, without encountering unnecessary issues. (2019/329)

917. The December payroll did not state the Taxpayer's Identification Numbers for sixteen employees. This could create a conundrum for the paying over of income tax (PAYE) for these employees. Further, the schedules for PAYE and the receipts for the sums paid over to the Guyana Revenue Authority for seven months differed. The total difference amounted to \$7.283M. However, the cause(s) of the differences could not be ascertained at the time of reporting in November 2020.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure: (i) Taxpayer's Identification Numbers for all employees are recorded as required to avoid issues when paying over their PAYE to GRA; and (ii) the cause(s) for the difference of \$7.283M be investigated, and the results submitted for audit. (2019/330)

Drugs and Medical Supplies

918. The sum of \$2.568 billion was allocated for the purchase of drugs and medical supplies, of which amounts totalling \$2.563 billion were expended, as summarised in the table below. The drugs and medical supplies were verified as having being received.

Suppliers/Payees	Amount \$'000
New GPC Inc.	765,245
Caribbean Medical Supplies	502,842
PAHO	307,150
Ansa McAl Trading Ltd.	192,043
Meditron	123,485
HDM Labs	102,356
Products Roche Panama	97,590
Western Scientific Company	78,018
Guyana Revenue Authority (VAT)	71,726
Trans-Continental Medical Product	53,471
Global Healthcare Supplies Inc.	49,962
Inter-Continental Pharmacy	39,208
Linden Hospital Complex	33,067
Massy Gas Products Guyana Ltd	32,228
Diamed Caribbean Inc.	28,876
Isha Labs Caribbean	23,581
Massy Industries Guyana Limited	10,351
CEPHEID	9,690
New Timehri Handling Service Inc.	9,039
Regium International Inc.	7,576
Muneshwers Limited	5,558
Khalama AT Chemicals Company Inc.	4,342
The Royal Emporium	3,969
International Pharmaceutical Agency	3,886
Purchases below \$2M	8,050
<b>Total</b>	<b>2,563,309</b>

919. In 2018, a supplier had received payments totalling \$94.066M. However, up to the time of reporting in November 2020, the supplier was still to supply goods valued \$37.210M.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take action to ensure the outstanding goods are supplied, or if that is futile, recover the overpayment of \$37.210M. (2019/331)

920. In addition, there were also outstanding deliveries for the years 2015 to 2017, which totalled \$306.205M, as shown in the table below:

Supplier	Years			Total \$'000
	2015 \$'000	2016 \$'000	2017 \$'000	
Caribbean Medical Supplies	67,500	0	337	67,837
PAHO	0	5,738	39,014	44,752
International Pharm. Agency	0	5,174	0	5,174
New GPC Inc.	0	1,181	45,147	46,328
Supply Chain Man. Systems	49,531	0	0	49,531
Western Scientific Co.	27,585	899	0	28,484
IDA Foundation	0	13,028	0	13,028
Scientific Supplies & Tech.	0	2,474	0	2,474
USAID Global Health Chain	0	0	45,294	45,294
Massy Gas Products	0	0	967	967
Royal Emporium	0	0	2,336	2,336
Total	144,616	28,494	133,095	306,205

**Ministry's Response:** The Head of Budget Agency did not respond to these findings.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take action to ensure the outstanding goods are supplied, or if that is futile, recover the relevant sums. (2019/332)

921. At the time of reporting in November 2020, the Ministry still had on hand, eight cheques valued \$13.764M, which were drawn for the supply of drugs and medical supplies. These included three and five cheques valued \$3.422M and \$10.342M drawn in 2019 and 2018, respectively. Also five cheques drawn in 2017 for amounts totalling \$9.997, for which goods valued \$1.783M had been supplied, were still on hand at the time of reporting in November 2020.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency take action to resolve this issue. (2019/333)

922. Further, a cheque drawn in 2018 in the sum of \$46.050M was paid to the supplier in August 2020. However, we could not determine whether goods valued \$13.125M were delivered, as documentation supporting the receipt of goods was not submitted for scrutiny.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency submit the documentation indicating the receipt of the goods. (2019/334)



923. Physical counts of a sample of forty-nine types of drugs with a total of 178 batches at the Materials Management Unit (MMU) and New GPC Bond, were done in August 2020. A comparison of the physical count and balances reflected in the electronic records management system - 'Management and Control System (MACS)' revealed differences in relation to thirty-six types of drugs; that is, approximately seventy-three percent of the sample of drugs counted. It should be noted that differences were found in relation to seventy-nine batches; that is, approximately forty-four percent of the batches counted. In addition, MACS reflected balances for thirty-five batches in relation to seventeen types of drugs. However, verification exercises revealed that the shelves purported to contain these drugs were empty.

924. Further, a physical count of two types of drugs on 14 September 2020, which had a total of sixteen batches, revealed a difference of 165,300 packets of the drugs, when compared with the balances contained in MACS.

**Ministry's Response:** The Head of Budget Agency did not respond to these findings.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency investigate the differences, and submit the results for audit. (2019/335)*

925. In addition, 973,814 packets of the said drugs had expiry dates up to 31 December 2020. Furthermore, 391,768 of these packets had expiration dates up to 31 October 2020, which was approximately six weeks after the physical count. Moreover, 134,400 of these packets had an expiry date of 30 September 2020, which was only two weeks after the physical count. It should also be noted that 463,306 packets had expiry dates of approximately ten weeks after the physical count was done.

**Ministry's Response:** The Head of Budget Agency acknowledged this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that proper planning is done to avoid possible wastage. (2019/336)*

926. It was also observed that in some instances, the same type of drug was stored in different areas. This could also create difficulties in identifying expired drugs. Furthermore, during the physical count 6,500 bottles of drugs/medical supplies were found to have expired since January 2020. However, the said drugs/medical supplies were stored with drugs/medical supplies that had varying expiration dates.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to correct this situation. (2019/337)*

927. It should be noted that the Ministry discontinued the use of Bin Cards at the MMU upon the implementation of MACS. In addition, a Stores Ledger was not maintained by the Accounting Department of the Ministry. The lack of this control mechanism can lead to difficulties reconciling stocks, as well as managing the Ministry's stores.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take steps to implement mechanisms to reconcile its stocks, periodically. (2019/338)*

928. Section 39 of the Stores Regulations of 1993 states that “*It should be the duty of the Permanent Secretary to ensure that each item of stores is checked at least once a year. All shortages or other discrepancies shall be investigated immediately and a report submitted to the Secretary to the Treasury (Finance Secretary), copied to the Auditor General...*”. In this regard, it could not be determined when last the Ministry complied with this requirement.

**Ministry’s Response:** The Head of Budget Agency acknowledged this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the Ministry comply with Section 39 of the Stores Regulations. (2019/339)*

Subsidies and Contributions to Local Organisations

929. The sum of \$9.100 billion was transferred to the Georgetown Public Hospital Corporation under Programme 434 - Regional and Clinical Services to offset administrative and operational costs. This agency also received a capital subvention of \$524.595M for: (i) payment of retention; (ii) completion of living quarters, bond and maternity ward; (iii) provision for furnishing of staff quarters; (iv) rehabilitation of mental health clinic; (v) provision of furniture, medical and non-medical equipment; and (vi) provision for consultancy services.

930. The Corporation is subject separate financial reporting and audit. However, the Corporation have not yet submitted as required for audit, financial statements for the period September to December 2015, and the years 2016 to 2019. This constitute a breach of Section 80, Sub-sections (1) and (3) (c) of the FMA Act, which stipulate that “*...as soon as is practicable and in all events not later than four months after the end of the fiscal year established for that statutory body...submit an annual report to the concerned Minister... which shall include...a report prepared by the Auditor General on the financial statements of the statutory body*”.

**Ministry’s Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the Ministry comply with Section 80 of the FMA Act. (2019/340)*

Utility Charges

931. Amounts totalling \$216.200M were expended on Utility Charges. An analysis of the relevant registers and the amounts expended revealed differences, as reflected in the table below. This is an indication that all payments were not accounted for in the registers. As such, we could neither determine nor analyse the accuracy of the amounts attributed to each utility.

Description	Amount Expended \$’000	Amount as Per Register \$’000	Difference \$’000
Electricity Charges	127,804	108,027	19,777
Telephone Charges	59,387	45,204	14,183
Water Charges	29,029	21,221	7,808
Total	216,220	174,452	41,768

**Ministry’s Response:** The Head of Budget Agency stated that a reconciliation is in progress.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the results of the reconciliation for audit. (2019/341)*

### Stores and Other Public Property

932. Section 24 of the Stores Regulations of 1993 states that “*The Permanent Secretary shall ensure that Master and Sectional Inventories of permanent stores are kept and are properly maintained and that quarterly and physical inspections and reconciliation are carried out*”. However, the Ministry’s Master and Sectional Inventories were not updated to reflect the assets acquired during the period under review.

**Ministry’s Response:** The Head of Budget Agency stated that the process to update is an on-going one.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency comply fully with Section 24 of the Stores Regulations. (2019/342)*

933. In addition, the Ministry did not fully comply to Section 28 of the Stores Regulations 1993, which stipulated that “*The Permanent Secretary shall ensure that all permanent stores are properly marked so as to readily identify them as Government*”. Moreover, not all of the items purchased were marked.

**Ministry’s Response:** The Head of Budget Agency stated that Permanent Stores marking is on-going and all Stores issued are marked.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency comply fully with Section 28 of the Stores Regulations. (2019/343)*

### Other Matters

#### Contingencies

934. The Ministry received one Contingencies Fund advance in the sum of \$13.874M under Programme №.433: Family Health Care Services, Line Item 6261 - Local Travelling and Subsistence. The purpose of the advance was to offset expenses to vaccinate all eligible persons so as to ensure that herd immunity is obtained so as to prevent the transmission of Vaccine Preventable Diseases, ensure all pregnant women receive quality care (ultra sound, labs etc.).

935. Section 41 (5) of the FMA Act stipulates that “*The Minister shall report at the next sitting of the National Assembly on all advances made out of the Contingencies Fund since the previous report of the Minister...*”. However, there has been no sitting of the National Assembly in 2019, subsequent to the issuance of the advance.

#### Accounting for Expenditure

936. The Ministry continued to breach the provisions of Section 43 of the Fiscal Management and Accountability Act (FMA) 2003, whereby the Ministry failed to returned and surrendered to the Consolidated Fund, 350 cheques drawn for sums amounting to \$1.051 billion from the Ministry’s 2019 allocations. As a result, the Appropriation Accounts have been overstated by \$1.051 billion. Similarly, the Ministry’s Appropriation Accounts were overstated by \$699.841M in 2018.

937. Further, eighty-eight cheques totalling \$114.358M that were drawn prior to 2019 were also on hand in January 2020. Some of these cheques were dated as far back as December 2015; that is, over four years after the cheques would have been drawn. The table below provides a breakdown of the cheques on hand at the Ministry in January 2020.

Date	№. of Cheques	Amount \$'000
Prior to 2019	88	114,358
2 January to 30 December 2019	138	422,133
31 December 2019	74	207,081
3 January 2020	135	405,861
7 January 2020	3	16,272
Total	438	1,165,705

938. In addition, checks carried out in August 2020, revealed that 103 cheques totalling \$122.142M were still on hand. It should be noted that the cheques have since become stale-dated. Evidence was seen where the Ministry wrote to the Ministry of Finance, seeking to update thirteen cheques totalling \$2.471M.

**Ministry's Response:** The Head of Budget Agency stated that the cheques on hand are for suppliers and that some of the contracts are in various stages of supplies.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure the Ministry comply fully with Section 43 of the FMA Act. (2019/344)

#### Cheque Orders

939. According to Circular №. 14/2018 dated 23 October 2018, Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, the Ministry failed to adhere to this requirement; since, an examination of the Cheque Order Register revealed that 212 Cheque Orders totalling \$72.193M were still outstanding for the year 2019. Similar observations were made in the years 2015 to 2018; where, 242 Cheque Orders totalling \$55.562M remained outstanding at the time of reporting in November 2020. See summary in the table below:

Years	№. of Cheque Orders	Amount \$'000
2015	34	6,308
2016	6	1,270
2017	86	17,356
2018	116	30,628
Total	242	55,562

**Ministry's Response:** The Head of Budget Agency stated that Cheque Orders on hand as of 30 October 2020, were 212 and that the Accounting Unit is still in the process of clearing those outstanding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure that: (i) the Ministry comply fully with Circular №. 14/2018 dated 23 October 2018; and (ii) the outstanding Cheque Orders be submitted for audit. (2019/345)

#### Breach of Income Tax Act

940. The Ministry did not deduct withholding tax of two percent on payments exceeding \$0.5M as required by Section 39 (13) of the Income Tax Act. This Section states that "Payments disbursed to contractors in excess of five hundred thousand dollars for a contract shall be subject to a withholding tax at a rate of two percent on every payment".

**Ministry's Response:** The Head of Budget Agency acknowledge this finding and stated that it will be corrected forthwith.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 39 (13) of the Income Tax Act. (2019/346)*

Poor Maintenance of Contract Register

941. An examination of the Ministry's Contract Registers revealed that they were not properly maintained to reflect pertinent information. Moreover, the recording of payments, balances on contracts and supervisory checks were not evident. This situation made it difficult and tedious to obtain and analyse information relating to contracts.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that the Ministry's Contract Register is properly maintained, including the recording and easy retrieval of all pertinent information. (2019/347)*

Linden Hospital Complex

942. During 2019, the Ministry of Public Health transferred to the Linden Hospital Complex amounts totalling \$266.218M from its current provisions. The sum was to offset the operational costs of the Complex. However, funding for the Complex was included under Programme 434 - Regional and Clinical Services, as though it was a Department, while funding was disbursed as if it was a Subvention Agency under the Ministry. This situation was reported in 2018.

943. Furthermore, the Linden Hospital Complex was granted approval by Cabinet on 24 November 2015, to function as a Board during the period 1 December 2015 to 30 November 2016. However, no other documentation was submitted. As a result, we could not determine on what basis the Complex was operating as a Subvention Agency.

944. It was explained that the entity was managed by a Management Committee and was not required to provide the Ministry with financial or other reports that would indicate that some form of Ministerial supervision was exercised over its processes.

**Ministry's Response:** The Head of Budget Agency did not respond to these findings.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure action is taken to correct this situation. (2019/348)*

945. An examination of the payment documents and related records and documents of the Complex in relation to the utilisation of the \$266.218M was not done due to COVID-19 restrictions. As a result, we could not determine whether the funds were utilised for the purposes intended and whether expenditure incurred were done in the best interest of the Complex.

### Special Investigation

946. At the time of reporting, the Audit Office was conducting a special investigation on the leasing of a warehouse facility located at Sussex Street, Albouystown, Georgetown, to use an offsite storage facility for medical supplies.

### Capital Expenditure

#### Shortfall of Expenditure

947. The sum of \$3.172 billion was allotted under the Ministry's seven capital programmes. Amounts totalling \$2.371 billion were expended. This resulted in a shortfall of \$800.429M, which represented approximately twenty-five percent of the sum allocated. The table below gives a summary of the shortfall.

Prog. №.	Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000	Shortfall %
431	Policy Development & Administration	495,302	461,425	33,877	6.83
432	Disease Control	295,910	258,225	37,685	12.73
433	Family Health Care Services	420,660	408,682	11,978	2.84
434	Regional & Clinical Services	1,794,934	1,097,795	697,139	38.83
435	Health Sciences Education	67,000	58,424	8,576	12.80
436	Standards & Technical Services	64,875	61,709	3,166	4.88
437	Disability & Rehabilitation Services	33,000	24,992	8,008	24.26
Total		3,171,681	2,371,252	800,429	

948. Further, there were significant shortfalls within programmes. The particulars of these shortfalls are detailed in the subsequent paragraphs.

#### Programme 1 - Policy Development & Administration

949. The table below provides a summary of expenditure for this programme.

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1216200	MoPH - Buildings	438,900	413,425	25,475	5.80
1216200	Land Transport	10,000	9,748	252	2.52
1216200	Office Furniture and Equipment	42,000	36,411	5,589	13.30
1216200	Equipment - Medical	4,402	1,841	2,561	58.17
Total		495,302	461,425	33,877	

#### Buildings

950. The sum of \$438.900M was allotted for: (i) provision for Ministry's Head Office Complex; (ii) construction of laboratory - Food & Drugs Department; and (iii) provision for consultancy services. Amounts totalling \$413.425M were expended, resulting in a shortfall of \$25.475M. This is an indication that the Ministry may not have executed its anticipated level of activities under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned so that the benefits can be derived as intended. (2019/349)

951. A contract for the construction of Head Office Building phase one was awarded to the lowest of eight bidders in the sum of \$356.826M. The contract sum was approximately thirty-five percent below the Engineer's Estimate of \$546.751M. The contract was signed on 8 November 2017. The duration for completion of the works was 365 days, and the defects liability period was twelve months. The order to commence was issued on 19 July 2018, with a commencement date of 19 July 2018. As such, the works should have been completed by July 2019. Two extensions of time were granted, resulting in a with new completion date of 5 December 2019.

952. A physical inspection on 8 September 2020, revealed that works were still incomplete. Furthermore, only minor works were being carried out on the building by four persons at the time. This was approximately nine months after the scheduled completion date. As such, liquidated damages should have been instituted against the contractor. However, there was no evidence that liquidated damages were applied.

**Ministry's Response:** The Head of Budget Agency stated that prior to the contractor being given the Commencement Order, the contractor was engaged in site preparation works and the relocation of the Ministry's assets.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure adherence to the requirements of contracts. (2019/350)*

953. The incomplete works up to the time of reporting were summarised as follows:

- a) Rendering of internal HCB walls
- b) Ceiling works
- c) Painting works to internal and external walls (only prime coating done to external walls)
- d) Electrical and A/C units' installation
- e) Installation of lifts
- f) Construction of external stairs
- g) Installation of special systems (CCTV camera, voice paging, etc.)
- h) Tiling work
- i) Plumbing works
- j) Additional finishing works (paneling of internal-gypsum, and external walls-glass)



Head Office Building exterior - 8 September 2020



Head Office Building interior - 8 September 2020

954. As of the end of 2019, amounts totalling \$304.543M were paid to the contractor. This represented approximately eighty-five percent of the contract sum. Included in the sum paid was an amount \$71.365M, which was an advance payment. As at 31 December 2019, only \$36.549M, which represented approximately fifty-one percent of the advance, was recovered. Further, no documentation was presented to verify whether the Advance Payment Guarantee was valid. In the circumstances, it could not be determined whether the Ministry was in a position to levy on a bond, should the contractor default.

955. Further, the unrecovered sum on the advance payment was \$34.816M. This represented approximately sixty-three percent of the balance on the contract (\$55.283M). This situation may create cash-flow constraints for the completion of the works.



956. Valuations were not prepared for seven payments requiring such. These payments amounted to \$233.178M. Instead, summary sheets were attached to the payments. As a result, the specific items paid for could not be determined. Furthermore, the Ministry breached Section 31 (3) of the FMA Act, which stipulated that “No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of budget agency concerned or an official authorised in writing by that Head for the purpose certifies –

- a) *in the case of a payment for the performance of work, the supply of goods or the provision of services –*
  - i. *that the work has been performed, the goods supplied or the services provided, as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing the work, goods or services or, if not specified in the contract or arrangement, that the price is fair and reasonable;*
  - ii. *where, pursuant to a contract or other arrangement, a payment is to be made prior to the completion of the work, supply of the goods or provision of the services, as the case may be, that the payment is in accordance with the contract or arrangement; or*
  - iii. *where...a payment is to be made in advance of verification, that the claim for payment is fair and reasonable; and*
- b) *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment”.*

**Ministry’s Response:** The Head of Budget Agency did not respond to these findings.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take immediate action to activate the applicable stipulations of the contract, including termination of contract and recovery of sums paid. (2019/351)*

957. Further, included in the sum of \$233.178M were amounts totalling \$33.330M, which were paid for ‘variation works’ on the first interim payment, that was made in 2018. Moreover, approvals for the works were not seen. In addition, a breakdown of the works was also not seen. It should also be noted that included in the works, were lump sum payments for four items amounting to \$26.408M, as summarised in the table below. As a result, the measurement and quantification of the ‘variation works’ could not have been done.

Item	Description	Amount \$’000
1.00	Construction of Drivers Office /Transport Officer Office	7,927
2.00	Construction of Bridge	7,793
3.00	Installation of 2 Nr. 450 gals and 4 Nr. 400-gal water tanks on newly constructed concrete base	3,420
1 B	Construction of Consultants Site Office	7,268
Total		26,408

**Ministry’s Response:** The Head of Budget Agency stated that the Ministry regrets such occurrences and will put systems in place to prevent any such recurrences.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the detailed breakdown of the above works for scrutiny. (2019/352)*

958. Based on a review of the Bills of Quantity prepared by the consultant, the forecasted completion cost was \$870.208M. This is an increase of \$513.382M over the contract sum of \$356.826M. This significant price increase is approximately 244% of the original contract sum. The increase was primarily due to the deficient original Bills of Quantities. Moreover, quantities were grossly under-estimated and significantly inadequate for the construction of the building.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that Bills of Quantity accurately reflect the Ministry's undertakings. (2019/353)*

959. Additionally, the Performance Bond was not submitted for examination. As such it could not be determined whether the bond was valid at the time of reporting. In view of this, it could also not be determined whether the Ministry would be in a position to levy on the bond, should the contractor default on the terms of the contract.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the Performance Bond for audit. (2019/354)*

960. Two contracts were awarded by the Ministerial Tender Board (MTB) on 30 December 2019, to the same contractor for works on the same building. The two contracts were awarded in the sums of \$2.949M and \$7.987M, which totalled \$10.936M. It should be noted that the threshold for the Ministry's MTB was \$8M, with works exceeding this value, needing to be adjudicated by the National Procurement and Tender Administration Board (NPTAB).

961. This above awards are an indication of contract splitting, which is a breach of Section 14 of the Procurement Act 2003, More specifically, Section 14 stipulates that "*A procuring entity shall not split or cause to split contracts or divide or cause to divide its procurement into separate contracts where the sole purpose for doing so is to avoid the application of any provision of this Act or any regulation made thereunder*". It should be noted that incidences of splitting contracts were reported on in 2018.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 14 of the Procurement Act. (2019/355)*

962. A contract for the rehabilitation of the Chemistry and Administration Department, Food and Drugs Department was entered into by the Ministry and a contractor before the said contract was awarded by the Ministerial Tender Board. Moreover, the contract was signed on 10 December 2019, in the sum of \$1.565M. However, the Ministerial Tender Board award was dated 11 December 2019. This constitutes a breach of Section 42 of the Procurement Act 2003, which stipulates inter alia, that "*...the procuring entity and the...contractor shall sign the contract within a reasonable period of time 'AFTER' the notice of acceptance...*". It should be mentioned that a similar occurrence was reported on in 2018.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 42 of the Procurement Act. (2019/356)*

### Office Furniture & Equipment

963. An allotment of \$42M was made for the purchase of refrigerators, binding machine, printers, photocopier, filing cabinets, uninterruptible power supply systems, computers, chairs, desks & water dispensers. Amounts totalling \$36.411M were expended, resulting in a shortfall of \$5.589M. The uninterruptible power supply system and computers were not acquired. As such, the Ministry was unable to fully improve its operational efficiency as planned under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/357)

964. Further, three refrigerators valued \$360,000 could not be physically verified; since, its location(s) were yet to be identified by the Ministry.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency submit the relevant information to facilitate the verification of the three refrigerators. (2019/358)

### Equipment - Medical

965. An allotment of \$4.402M was made for the purchase of an analyser, vacuum pump, sterilizer, microscope and analytical balance. Amounts totalling \$1.841M were expended, resulting in a shortfall of \$2.561M. The shortfall represented more than half (approximately 58%) of the allotment. The analyser and vacuum pump were not acquired. As a result, the intended benefit of improved health services would have been affected.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/359)

### Programme 2 – Disease Control

966. The table below provides a summary of expenditure for this programme:

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1216200	MoPH - Buildings	30,000	0	30,000	100
2508900	Office Furniture and Equipment	2,531	1,193	1,338	52.86
2509000	Equipment - Medical	13,379	7,032	6,347	47.44
4402700	HIV/TB/Malaria Programmes	250,000	250,000	0	0
Total		295,910	258,225	37,685	

### Buildings

967. The sum of \$30M was allotted for the construction of an Entomology Laboratory. The entire allocation remained unspent, indicating that the project was not undertaken. As a result, the Ministry was unable to improve its facilities as planned, under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended.* (2019/360)

### Office Furniture and Equipment

968. The Ministry was allotted the sum of \$2.531M for the purchase of chairs, filing cabinets, fans, desks, photocopier, air conditioning unit and computers. Amounts totalling \$1.193M were expended, resulting in a shortfall of \$1.338M. The shortfall was more than half (approximately 53%) of the allotment. The air-conditioning units and computers were not acquired. As such, the Ministry was unable to fully improve its operational efficiency as planned under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended.* (2019/361)

969. A filing cabinet valued \$62,700 could not be physically verified. Moreover, checks at the location provided by the Ministry revealed that the filing cabinet was not received.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit accurate information on the location of the filing cabinet to facilitate a physical inspection.* (2019/362)

### Equipment – Medical

970. The sum of \$13.379M was allotted for the purchase of cycle water bath, laboratory stool, reflowtron plus system, haematology analyser, lamp and surgical couch. Amounts totalling \$7.032M were expended, resulting in a shortfall of \$6.347M. The shortfall was just below half (approximately 47%) of the allotment. As a result, the Ministry was unable to further improve its health services under this programme, as planned.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended.* (2019/363)

971. Further, a reflowtron plus system valued \$2.171M could not be physically verified; since its location was yet to be identified by the Ministry.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the relevant information to facilitate the verification of the reflowtron plus system.* (2019/364)

### HIV/TB/Malaria Programmes

972. The Government of Guyana and Global Fund entered into three Grant Agreements, whereby Global Fund would aid in the response to prevention, treatment and care and support to achieve the goal of 90-90-90 by 2020.

973. The first Grant: №. 1203 - GUY-M-MOPH was provided for the ‘Strengthening of Local Capacity to respond to malaria through Alliances’; whereby, Global Fund agreed to provide funding equivalent to UD\$1.637M. The main goals of this Grant were to reduce the overall malaria burden by at least 40% by 2019, and to facilitate elimination of local *P. falciparum* transmission by 2019 in low endemic regions. The activities under the Grant were to be implemented from 1 January 2017 to 31 December 2019.

974. The second Grant: №.1607 - GUY-H-MOH was entered into for the ‘Strengthening the National Response to HIV/AIDS in Guyana’; whereby, Global Fund agreed to contribute funding equivalent to US\$4.540M. The main goals of this Grant were to: (i) reduce the vulnerability of the most-at-risk people to HIV infection; (ii) provide high quality, user friendly health services; and (iii) strengthen the effectiveness of the referral system for members of the most-at-risk populations. The activities of the Grant were to be implemented from 1 January 2018 to 30 December 2020.

975. The third Grant №. 1755 - GUY-T-MOPH was provided for ‘Enhancing and Strengthening tuberculosis services in key populations across Guyana’. Global Fund agreed to provide funding equivalent to US\$0.499M. The main goals of this project were to: (i) reduce TB related mortality to 7% per 100,000 by 2021, (ii) reduce TB incidence to 55 percent per 100,000 by 2021; (iii) improve case detection of RR-TB/MDR-TB to at least 85% and (iii) reduce TB/HIV related mortality to 3% per 100,000 by 2021. The activities of this Grant were to be implemented from 1 April 2019 to 31 March 2022.

976. The sum of \$250M was allotted under this programme in 2019 for HIV/AIDS, tuberculosis and malaria interventions. The entire sum was expended. According to the Grant Agreements, the projects are subject to separate reporting and audit. The last audited financial statements for the Grants are provided in the table below.

№.	Grant	Last Period of Audit	Date Audit Report Issued
1.	1203 – GUY-M-MOPH	January to December 2019	21 May 2020
2.	1607 – GUY-H-MOPH	January to December 2019	21 May 2020
3.	1755 – GUY-T-MOPH	April to December 2019	14 April 2020

### Programme 3 - Family Health Care Services

977. The table below provides a summary of expenditure for this programme:

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
2508900	Office Furniture and Equipment	5,660	4,585	1,075	18.99
2509000	Equipment - Medical	15,000	8,847	6,153	41.02
4403200	Maternal & Child Health Improvement	380,000	380,000	0	0
4504300	Technical Assistance	20,000	15,250	4,750	23.75
Total		420,660	408,682	11,978	

### Office Furniture and Equipment

978. The Ministry was allotted the sum of \$5.660M for the purchase of photocopier, desks, chairs, filing cabinets, air conditioning units, stoves, water dispensers, refrigerators and computers. Amounts totalling \$4.585M were expended, resulting in a shortfall of \$1.075M. In addition to the items provided for, the Ministry also purchased nine items totalling \$1.916M, which were not provided for under this programme in the National Estimates for capital expenditure. This is a breach of Section 34 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/365)*

### Equipment – Medical

979. The sum of \$15M was allotted for the purchase of dental unit, dental chairs, sterilisers, hemocue machines, aspirators, dopplers, autoclaves, ultrasound scalers, dental compressors, x-ray machine and measuring boards. Amounts totalling \$8.847M were expended, resulting in a shortfall of \$6.153M, which represented approximately forty-one percent of the allotment. The Ministry did not purchase the autoclaves, ultrasound scalers, dental compressors, x-ray machine and measuring boards. As such, the Ministry was unable to fully improve its health services as planned under this programme.

**Ministry's Response:** The Head of Budget Agency acknowledged the finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/366)*

### Maternal and Child Health Improvement

980. On 21 February 2017, the Government of Guyana and the Inter-American Development Bank entered into an agreement whereby the IDB agreed to commit the sum of US\$8M to contribute to the reduction of maternal, prenatal and neonatal deaths in Guyana. According to the Project Agreement, the final disbursement of the resources shall expire five years from the effective date of the Agreement, which will be 20 February 2022.

981. The specific objectives of the project were to: (i) increase access and use of reproductive, maternal, and neonatal health services; (ii) improve the quality of reproductive, maternal, and neonatal health services; and (iii) increase the effectiveness of the maternal and neonatal healthcare network.

982. The sum of \$380M was allotted for: (i) rehabilitation of CC Nicholson Hospital and Lethem Waiting Home; (ii) equipping of maternity waiting wing - Georgetown Public Hospital Corporation; and (iii) institutional strengthening including implementation of a health benefit plan. The entire allocation was expended. This project is subject to separate financial reporting and audit. The last audit report was issued on 21 July 2020, for the year ended 31 December 2019.

983. A key finding in the audit report was that the cumulative expenditure at the end of 2019 was US\$2,400,637.30. This represented only thirty percent of the total project budget, even though approximately sixty percent of the project's life was completed. The delay in the timely execution of activities could result in the project not achieving its stated objectives within the stipulated timeframe. Further, management and other related costs may also increase.

**Ministry's Response:** The Head of Budget Agency acknowledged the findings.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. Monitoring should also be done to avoid undue delays. (2019/367)*

Technical Assistance

984. The sum of \$20M was allocated under this programme for: (i) institutional strengthening of the Ministry of Public Health; (ii) technical studies and learning activities; and (iii) project administration. The sum of \$15.250M was expended, resulting in a shortfall of \$4.750M, which is approximately twenty-four percent of the sum allocated. As a result, the improvement of health services as intended under this programme, may be delayed. Further, up to the time of this report, relevant information and documentation pertaining to this project was not submitted for audit. It should be noted that according to the National Estimates for capital expenditure, the project was to be financed by the Inter-American Development Bank.

**Ministry's Response:** The Head of Budget Agency stated that Technical Cooperation information should be received from the Bank.

**Recommendation:** *The Audit Office recommends that the Head of Budget submit the relevant documents for audit. (2019/368)*

Programme 4 - Regional & Clinical Services

985. This programme was allotted the sum of \$1.795 billion for the year 2019, of which sums totalling \$1.098 billion were expended, resulting in a shortfall of \$697.139M, which is summarised in the table below.

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1216200	MoPH - Buildings	466,339	463,632	2,707	0.58
1216300	Georgetown Public Hospital Corporation	524,595	524,595	0	0
2405600	Land & Water Transport	12,000	11,997	3	0.02
2508900	Office Furniture & Equipment	10,000	6,800	3,200	32.00
2509000	Equipment - Medical	132,000	90,771	41,229	31.23
4402800	Modernisation of Primary Health Care	650,000	0	650,000	100
Total		1,794,934	1,097,795	697,139	

Office Furniture and Equipment

986. The sum of \$10M was allotted for the acquisition of printers, photocopier, air-conditioning units, fans, desks, computers, fax machine, multimeters, clamp meters, oscilloscopes, simulators, spirometers and chairs. Amounts totalling \$6.8M were expended, resulting in a shortfall of \$3.2M, which represented approximately thirty-two percent of the allotment. As a result, the Ministry was unable to improve its operational efficiency as intended under this programme.

**Ministry's Response:** The Head of Budget Agency acknowledged this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/369)*

987. The photocopier, air-conditioning units, fans, desks, computers, multimeters, clamp meters, oscilloscopes, simulators, and spirometers were not acquired. Instead, other items valued \$2.507M were acquired. These included one microwave, six refrigerators, six dining room sets, six televisions, and three electric stoves. However, changes-in-programme were not submitted for audit. As a result, it could not be determined whether the changes were appropriately authorised, in keeping with Section 34 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/370)*

988. Further, two contracts were awarded by the Ministerial Tender Board (MTB) on 15 April 2019, to the same supplier for identical items, quantities and value. The two contracts were awarded in the sums of \$0.824M, which totalled \$1.648M. It should be noted that the threshold for the Ministry's MTB was \$1.5M, with goods exceeding this value, needing to be adjudicated by the National Procurement and Tender Administration Board. This indicated that the contracts were split to avoid adjudication by the NPTAB, which is a breach of Section 14 of the Procurement Act 2003.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry will endeavor to avoid recurrences.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency put measures in place to ensure that there is compliance with the requirements of Section 14 of the Procurement Act 2003. (2019/371)*

#### Equipment – Medical

989. The sum of \$132M was allotted for: (i) provision for medical equipment for Port Kaituma Hospital and Cuban Medical Brigade; and (ii) purchase of dopplers, scales, analysers, height boards, multimeters, clamp meters, ophthalmoscopes and otoscopes. Amounts totalling \$90.771M were expended, resulting in a shortfall of \$41.229M, which represented approximately thirty-one percent of the allotment. The dopplers, scales, analysers, height boards, multimeters, clamp meters, ophthalmoscopes and otoscopes were not acquired. As such, the Ministry was unable to fully improve its health services as planned under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/372)*

990. Items valued \$18.830M were issued to the Regional Health Services (RHS). The RHS claimed that these items were distributed to various Health Centres and other public Medical Institutions. However, documentary evidence was not produced to verify this claim. Further, the locations of these items were not provided for audit. Hence, a physical verification could not be done. Furthermore, we could not determine whether the items were being utilised for the purposes intended.

**Ministry's Response:** The Head of Budget Agency stated that the Regional Health Services will provide the necessary information.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure the necessary information be submitted to facilitate a physical verification of the items. (2019/373)*



Modernisation of the Primary Health Care System: 434 - Regional & Clinical Services

991. On 19 July 2017, a Memorandum of Understanding (MOU) was signed between the Government of Guyana and EXPORT-IMPORT Bank of India (Exim Bank). The Exim Bank of India agreed to provide to the Government of Guyana, an aggregated sum of US\$17.5M, for financing the upgrade of three regional hospitals. The sum of \$650M was budgeted in 2019 for the design, rehabilitation and construction of primary health care facilities at West Demerara, Bartica, and Suddie Regional Hospitals. The entire sum remained unspent.

992. It should be noted that less than one percent (\$0.735M) of the sum budgeted in 2018 (\$310M) was expended in that year. According to a progress report submitted for audit, the design and supervision of the upgrade to the three Regional Hospitals was yet to be initiated; since, the Government of Guyana was awaiting the list of pre-qualified consultants from Exim Bank. It should be noted that the intended benefits of this programme, which included the provision of enhanced healthcare delivery, and improved health facilities, would have been delayed.

**Ministry's Response:** The Head of Budget Agency stated that the Ministry of Finance is working on modalities to resolve this issue.

**Recommendation:** The Audit Office recommends that the Head of Budget follow-up with the Ministry of Finance so that suitable action can be taken in relation to the execution of this project. (2019/374)

Programme 6 - Standards & Technical Services

993. The table below provides a summary of expenditure for this programme:

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
1216200	MoPH - Buildings	1,000	990	10	1.00
2508900	Office Furniture and Equipment	2,875	2,516	359	12.48
2509000	Equipment - Medical	61,000	58,203	2,797	4.58
Total		64,875	61,709	3,166	

Office Furniture and Equipment

994. The sum of \$2.875M was allotted for the purchase of computers, chairs, refrigerators, photocopier, printer, water dispensers, and uninterruptible power supply systems. Amounts totalling \$2.516M were expended. This represented a shortfall of \$359M, which is approximately twelve percent of the allotment. The computers and uninterruptible power supply were not acquired. As such, the Ministry was unable to fully improve its operational efficiency as planned under this programme.

**Ministry's Response:** The Head of Budget Agency acknowledged this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/375)

995. A leather high back executive chair valued \$64,980 could not be physically verified. Moreover, the chair could not be located at the destination as documented in the Ministry's records. As a result, it could not be determined whether these items were properly brought to account, and being utilised as intended.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency submit accurate information to facilitate the verification of the item. (2019/376)

Programme 7 - Disability & Rehabilitation Services

996. The table below provides a summary of expenditure for this programme:

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Shortfall %
2405600	Land & Water Transport	9,000	9,000	0	0
2508900	Office Furniture and Equipment	6,000	5,929	71	1.18
2509000	Equipment - Medical	18,000	10,063	7,937	44.09
Total		33,000	24,992	8,008	

Office Furniture and Equipment

997. The sum of \$6M was allotted for the purchase of photocopier, printers, air conditioning units, beds, refrigerators, chairs, filing cabinets, projector and computers. Amounts totalling \$5.929M. The photocopier, printers, air conditioning units, projector and computers were not acquired. Further, television sets, stabilizers and electronic tablets valued \$0.502M were acquired; however, these items were not provided for under this programme in the National Estimates for capital expenditure. In addition, changes-in-programme were not presented to substantiate the approval for these purchases. As a result, it could not be determined whether the changes were appropriately authorised, in keeping with Section 34 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/377)

998. Further, items valued \$0.460M could not be physically verified. Moreover, the items could not be located at the destinations stated in the Ministry's records. As a result, it could not be determined whether these items were properly brought to account, and being utilised as intended.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency submit accurate information to facilitate the verification of the items. (2019/378)

### Equipment - Medical

999. The sum of \$18M was allotted for the purchase of otoscopes, wave therapy machine, typanometers, beds, stationary bikes, weight bars, dumb bells and ankle weights. Amounts totalling \$10.063M were expended, resulting in a shortfall of \$7.937M, which represented approximately forty-four percent of the allotment. The otoscopes were not acquired. As such, the Ministry was unable to fully improve its health services as planned under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure its activities are executed as planned, so that the benefits can be derived as intended. (2019/379)*

1000. An ice-maker valued \$1.159M was also acquired. However, this item was not provided for under this programme in the National Estimates for capital expenditure. In addition, a change-in-programme was not presented to substantiate the approval for this purchase. As a result, it could not be determined whether the change was appropriately authorised, in keeping with Section 34 of the FMA Act.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 34 of the FMA Act. (2019/380)*

1001. Also, the ice-maker was received since 2019. However, it was not operational at the time of the physical verification in August 2020. Further, a lumbar and cervical traction bed was purchased for \$1.041M. This sum included the cost for installation. However, the bed was not installed. As a result, it was not operational. In the circumstances, the intended benefits of these two items were yet to be realised, thereby, delaying improvements in provision of health services under this programme.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure items acquired are utilised as intended so that the benefits can be derived. (2019/381)*

1002. A massage bed, heavy-duty stationary bikes and a shockwave therapy machine valued \$2.463M could not be physically verified. Moreover, the items could not be located at the locations stated in the Ministry's records. As a result, it could not be determined whether these items were properly brought to account, and being utilised as intended.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit accurate information to facilitate the verification of the items. (2019/382)*

Prior Year Matters

Current Expenditure

Maintenance of Building

1003. An overpayment of \$0.620M made on a contract in 2018 for the supply and installation of external electrical security lights at New Amsterdam School of Nursing was yet to be recovered by the Ministry.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to recover the overpayment. (2019/383)*

Capital Expenditure

1004. The sum of \$2.291M overpaid on two contracts in 2018 were still not recovered by the Ministry. This included the sums of \$1.931M and \$0.360M for rehabilitation works to National Public Health Reference Laboratory (Georgetown Public Hospital), and the construction of temporary wooden bridge and embankment at Food and Drugs Department, Turkeyen, East Coast Demerara.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to recover the overpayments. (2019/384)*

Contract Observations

1005. We still could not determine correctness, accuracy and validity of payments amounting to \$444.685M made in 2017 and 2018, as summarised in the table below. Furthermore, the breakdown of the completed works was not produced for examination. As a result, the specific items paid for could not be established and verified.

Year	Contract	Contract Sum \$'000
2017	Extension of Charles Rosa School of Nursing	20,482
2018	Construction of Mental Health Institute	61,284
2018	Construction of CSU Storage Bond	362,919
Total		444,685

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the breakdown of the completed works for audit. (2019/385)*

1006. Physical verifications were done of the works summarised in the table. However, the final Payment Vouchers or valuations which were presented for audit examination lacked details of the works completed and paid for under the respective contracts. As a result, it could not be ascertained whether the works were in keeping with the requirements of the contracts and whether value was received for the amounts expended.

No.	Description	Contract Sum \$'000	Payment for 2017 \$'000	Total Payment \$'000	Incomplete Works as at 15 August 2018
1	Installation of special systems - completion of Port Kaituma Hospital Building	12,900	323	12,900	CCTV cameras, DVR, clocks and other accessories not installed
2	Completion of Administrative Services Building - Port Kaituma	35,796	895	35,796	Details not provided
3	Mortuary Building and Equipment, Port Kaituma Hospital Complex	14,047	351	14,047	Freezing equipment and shelves not installed; septic tank, concrete drains and paved walkways were incomplete
4	Site Development Works - Port Kaituma Hospital Complex	16,510	413	14,047	Internal roads and roadside drains were incomplete

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency submit the details of the work done to enable audit scrutiny. (2019/386)

1007. Physical verification of the works on 30 August 2017 in relation to the construction of Doctors' Accommodation, Port Kaituma Hospital Complex revealed that actual works measured only \$14.768M or twenty-four percent of the contract sum. However, the amounts totalling \$45M, which is approximately seventy-two percent of the contract sum, were paid to the contractor. The contract was signed in 2016 in the sum of \$58.341M. The Head of Budget Agency indicated that the contract was terminated.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency present for audit, the letter of termination to the contractor, and to recover any amounts overpaid on the contract. (2019/387)

1008. A contract in the sum of \$52.771M was awarded for the construction of a Nurses Hostel at Port Kaituma Hospital Complex to the lowest evaluated bidder. The Engineer's Estimate amounted to \$56.030M. The contract was signed on 9 August 2016, with duration of four months and defects liability period of six months. The start date was noted as fourteen days after the signing of the contract. During 2016, amounts totalling \$36.939M or 70% were paid to the contractor. Physical verification of the works carried out on 30 August 2017, revealed that the works were incomplete and the actual value of works completed at the time of the physical verification was only \$2.686M, a difference of \$34.253M.

1009. In a letter to the contractor, which was dated 4 July 2017, the Ministry highlighted the fact that the contract had expired and the works were approximately 5% completed. The letter also indicated the Ministry's decision to withdraw all services of the company and the contractor was requested to visit the Ministry to finalise payments for work done.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency present for audit verification, all documentation for the terminating of the contract. (2019/388)

Equipment - Medical

1010. An examination of twenty-six Payment Vouchers for 2018 totalling \$174.204M, revealed that medical equipment to the value of \$62.274M were still to be delivered. In addition, 208 items valued at \$50.759M could not be verified as having been received by the Ministry.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency: (i) Take action to have the outstanding items delivered, and submit the evidence for audit; and (ii) Submit information relating to the receipt of the items valued \$50.759M, for audit. (2019/389)*

1011. A contract was awarded in 2018 by National Procurement and Tender Administration Board in the sum of \$5.245M for the supply of two floor model laboratory coded corrosive safe storage cabinets. However, physical verification revealed that two office filing cabinets were delivered instead. The Head of Budget Agency had indicated that this matter was under investigation to verify the items delivered by the supplier. However, based on the outcome of the investigation the appropriate action will be taken.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency submit the results of the investigation. (2019/390)*

1012. Approval was granted by the NPTAB for the award of a contract in the sum of \$10.431M or US\$48,174.66 to an overseas supplier for the procurement of an atomic absorption spectrophotometer. The contract was signed on the 22 December 2017 and the delivery period was specified as 30 to 90 days after the signing of the contract. The full contract sum of \$10.431M was paid to the supplier on 9 January 2018. Audit checks revealed that items totalling \$987,890 were supplied on 26 June 2018. At the time of reporting, the remaining items valued at \$9.443M, were still to be delivered.

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency take action to have the outstanding items delivered, and submit the evidence for audit. (2019/391)*

1013. Approval was granted by the NPTAB for the award of two contracts in the sum of \$5.063M, to an overseas supplier for the supply of three reflowtron plus system-bio chemistry analysers. The contract was signed on the 24 August 2017 and delivery was stated as within 30 days of signing the contract. At the time of reporting, two stale-dated cheques totalling \$5.063M were on hand; whilst, the items were still to be delivered to the Ministry. Similarly, approval was granted by the Ministerial Tender Board in 2017 for the purchase of three cryotherapy machines in the sum of \$802,606. At the time of reporting, the cheque was still on hand; whilst, the items remained undelivered

**Ministry's Response:** The Head of Budget Agency did not respond to this finding.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency put strict measures in place to have contractors fulfill their obligations under the contracts for the year 2017. (2019/392)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1014. The table below shows the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 35 recommendations; 23 were not implemented, 5 were partially implemented and 7 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/260	Breach of Circularised Instructions -		√	
2018/261	Overpayment of salaries			√
2018/262	Outstanding supplies		√	
2018/263	Breach of contractual obligations	√		
2018/264	Outstanding supplies			√
2018/265	Breach of Procurement Act	√		
2018/266	Breach of contractual obligations	√		
2018/267	Overpayment for construction works			√
2018/268	Outstanding Cheque Orders		√	
2018/269	Breach of Section 43, FMA Act			√
2018/270	Regularisation of Linden Hospital Complex			√
2018/271	Poor contract administration			√
2018/272	Poor contract administration			√
2018/273	Breach of FMA Act	√		
2018/274	Breach of Section 14, Procurement Act		√	
2018/275	Breach of Procurement Act		√	
2018/276	Breach of FMA Act			√
2018/277	Overpayment for construction works	√		
2018/278	Overpayment for construction works			√
2018/279	Breach of FMA Act	√		
2018/280	Poor contract administration			√
2018/281	Breach of FMA Act			√
2018/282	Outstanding delivery of items			√
2018/283	Outstanding delivery of items			√
2018/284	Breach of contractual obligations			√
2018/285	Poor contract administration			√
2018/286	Poor contract administration			√
2018/287	Poor contract administration			√
2018/288	Poor contract administration			√
2018/289	Poor contract administration			√
2018/290	Poor contract administration	√		
2018/291	Poor contract administration			√
2018/292	Outstanding delivery of items			√
2018/293	Breach of FMA Act			√
2018/294	Breach of FMA Act			√

AGENCY 49  
MINISTRY OF SOCIAL PROTECTION

Current Year Matters

Current Expenditure

Employment Costs

1015. During the period under review, the sum of \$1.101 billion was budgeted for Employment Costs for 707 persons. An examination of the Appropriation Accounts for the Ministry revealed that the sum of \$1.082 billion was expended for 826 persons. This represents 119 staff more than the budgeted 707 and \$19M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. The table below shows the staffing details at the time of preparation of 2019 National Estimates versus actual staffing according to the payroll as at 31 December 2019.

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	33	34	1
6112	Senior Technical	37	39	2
6113	Other Technical & Craft Skilled	128	145	17
6114	Clerical & Office Support	102	105	3
6115	Semi-Skilled Operatives & Unskilled	170	187	17
6116	Contracted Employees	201	191	(10)
6117	Temporary Employees	36	125	89
Total		707	826	119

**Ministry's Response:** The Head of Budget Agency indicated that although persons were employed in 2019, those employed in the latter part of the year were not paid until 2020 and the funds for this was provided by the Ministry of Finance.

**Recommendation:** The Audit Office recommends that the Ministry ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs is for staff positions that are filled. (2019/393)

1016. Included in the sum of \$1.082 billion expended on Employment Costs are amounts totalling \$407.213M, which were paid to 191 contracted employees for 2019, which represents 38% of the total Employment Costs for the four programmes. The Public Service Commission (PSC) Circular No. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Department and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. However, as at 31 December 2019, there were forty-four contracted employees below the age forty-five who should have been transferred to the Permanent Establishment.

1017. Further, the National Estimates 2019 made provision for thirteen of these established positions namely Technical Officer, Administrative Assistant, Legal Counsel, Systems Analyst, Confidential Secretary, Director of Social Services, Probation and Social Services Officer, Registration and License Officer, Social Services Assistant, Store Clerk, Ward Orderly, Cane Scale Supervisor and Vehicle Driver. Shown in the table below are the salary ranges of the 191 contracted employees receiving basic salaries according to the December 2019 payroll:



Salary Range	№. of Employees	Amount \$'000
Below \$100,000	100	7,453
\$100,001-\$200,000	80	11,199
\$200,001-\$400,000	6	1,935
Above \$400,000	5	2,403
Total	191	22,990

**Ministry's Response:** The Head of Budget Agency indicated that many of those employees did not have the required qualification to be appointed through the PSC to the Permanent/Pensionable Establishment and there were four over forty-five years.

**Recommendation:** The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/394)

1018. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Ministry increase its staff strength by 101 as shown in the table.

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	719	743	24
2018	2019	743	826	83
Total				107

1019. Despite this increase in employment, further analysis of the employment details revealed that the Ministry still had thirty-eight vacancies during the year under review as advertised in the PSC Staff Vacancy Circular №. 1/2019. These vacancies included critical posts such as one Chief Probation and Social Services Officer, one Assistant Chief Probation and Social Services Officer, one Deputy Chief Labour Officer, one Assistant Chief Labour Officer, four Managers for Child Abuse Intake, Family Support Services, Foster Care and Procurement Unit respectively. As a result, these critical vacancies would have an adverse effect on the operations of the Ministry.

**Ministry's Response:** The Head of Budget Agency indicated that these positions were advertised by the PSC and the Ministry is awaiting approval to fill these positions.

**Recommendation:** The Audit Office recommends that the Ministry urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Ministry and in particular, the level of control needed to ensure adequate checks and balances. (2019/395)

#### Shortfall on Expenditure

1020. The sum of \$17.737 billion was budgeted in 2019 to execute the four current programmes of the Ministry of Social Protection. According to the Appropriation Accounts, the sum of \$17.581 billion was expended resulting in an unspent amount of \$156M as at 31 December 2019. Included in the amount of \$156M is a shortfall of \$140.741M which was recorded under Programme 2 - Social Services, Line Items 6343 - Old Age Pension and Social Assistance.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry requests and is allocated funds based on the number of persons on Old Age Pension database plus an estimated projection of the net new pensioners based on previous year's trends. However, the Ministry has limited controls over the number of pensioners who collect their OAP Books and even less control over the number of persons who presents their coupons to be cashed at the Guyana Post Office Corporation. Hence, in years where the number of pensioners who present their coupons to be cashed is less than the budgeted amount for that year, the result is a residual balance. The residual balance under Line Items 6343 represents approximately 1% of the total allocation for the year which is well within the Ministry's margin of error considered during the preparation of the Pension and Social Assistance budget.

1021. The Old Age Imprest Bank Account №. 3191 was established to facilitate the operations of the Old Age Pension (OAP) Scheme and the Public Assistance (PA) Programme. A summary of this account as at 31 December 2019 totalling \$1.450 billion, according to the Cash Book presented for audit is reflected in the table below:

Description	Amount \$'000
Cash at Bank	7,333
Cash in Hand (Cheques)	NIL
Vouchers at Acct. General (2016)	163,550
Vouchers to process	155,957
Vouchers to enter	60,810
Advance outstanding	2,052
Unreconciled difference	115,931
Guyana Post Office Corporation	944,367
<b>Total</b>	<b>1,450,000</b>

1022. According to the Cash Book summary as shown in the table above, the sum of \$944.367M was indebted by Guyana Post Office Corporation (GPOC) to the Ministry. It should be noted, that an examination of the reconciliation statements received from GPOC for the month of December 2019 revealed that the Corporation was indebted to the Ministry in the sum of \$732.684M. As a result, there is a difference of \$211.683M between the records kept at the Ministry and the GPOC statements. Further, included in the total of \$1.450 billion is an unreconciled difference of \$115.931M which is used as a balancing figure in the daily totals for the Imprest.

**Ministry's Response:** The Head of the Budget Agency explained that the difference of \$211.683M is comprised of \$201.361M (coupons for December 2019 received by MoSP in 2020), \$38,000 (amount understated by GPOC as coupons paid in 2017) and \$10.360M (amount overstated by GPOC for years 2014 to 2016).

**Recommendation:** The Audit Office recommends that the Head of Budget Agency: (i) continue to reconcile the Old Age Pension Account with a view of having the unreconciled difference cleared and ascertain GPOC's indebtedness to the Ministry; and (ii) obtain approval for the closure of the account and the opening of a new account to facilitate the payment of the OAP and PA. (2019/396)

#### Maintenance Works

1023. Amounts totalling \$213.192M were allotted for repairs and maintenance works within the Ministry. The sum of \$9.794M was transferred via virements giving a revised allotment of \$222.986M. As at 31 December 2019, amounts totalling \$217.694M were expended under the various Line Items as shown in table below:

Line Items	Description	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	141,641	140,612
6251	Maintenance of Roads	4,000	1,762
6255	Maintenance of Infrastructure	23,166	22,444
6264	Vehicle Spares and Services	30,592	30,152
6282	Equipment Maintenance	23,587	22,724
Total		222,986	217,694

1024. Amounts totalling \$30.152M were expended for vehicle spares and maintenance for the year under review for the Ministry fleet of vehicles. An analysis of vehicle spares and maintenance revealed that eighteen vehicles had exceedingly high maintenance costs that amounted to \$20.138M. The table below gives details of the costs associated with repairs of each vehicle:

№.	Vehicle №.	Description	Amount Expended \$'000	№.	Vehicle №.	Description	Amount Expended \$'000
1	PTT 609	Land Cruiser Prado	2,510	10	PVV 5102	Toyota Noah	964
2	PPP 7267	Toyota Double Cab	1,820	11	PVV 5773	Toyota Mini Bus	876
3	PNN 5101	Toyota Land Cruiser	1,813	12	PVV 5198	Nissan Double Cab	853
4	PPP 7059	Toyota Mini Bus	1,465	13	PSS 1287	Toyota Mini Bus	745
5	PMM 9621	Toyota Mini Bus	1,361	14	PWW 1958	Toyota Mini Bus	670
6	PPP 1978	Toyota Mini Bus	1,227	15	PVV 5121	Toyota Mini Bus	638
7	PPP 6483	Toyota Mini Bus	1,193	16	GJJ 8888	Canter Truck	621
8	PKK 1889	Toyota Land Cruiser	1,154	17	PSS 1370	Toyota Land Cruiser	597
9	PLL 4570	Nissan Double Cab	1,101	18	PRR 2836	Toyota Tundra	530
Total							20,138

**Ministry's Response:** The Head of the Budget Agency explained that some of the above mentioned vehicles are over fifteen years old and when purchased were pre-owned. In addition to regular servicing and the replacement of parts due to 'wear and tear', other parts had to be replaced because of age in order to keep the vehicles in good working condition until they can be phased out of the system. These parts are quite expensive and some were not stocked locally and had to be sourced from overseas. Eight vehicles had parts replaced in addition to regular servicing. Please note that these vehicles are assigned to 'high traffic' and most critical departments and their replacement of 'wear and tear' parts and servicing are done more frequently.

**Recommendation:** The Audit Office recommends that the Ministry monitor closely the maintenance of its fleet of motor vehicles and consider whether it is economical to retain or dispose of these vehicles, since the cost of maintenance are always high. (2019/397)

#### Security Services

1025. Amounts totalling \$166.806M were budgeted for Security Services during the period under review. Allotment transfers totalling \$13.555M were made resulting in a revised budgetary allocation of \$180.361M. According to the Appropriation Account, the sum of \$177.810M was expended for services rendered from three security firms. An examination of the related records revealed that while the sum of \$13.943M was paid to the Commissioner of Police, no contract was entered into between the Commissioner of Police and the Ministry of Social Protection for the period under review.

**Ministry's Response:** The Head of the Budget Agency acknowledged that there was no contract between the Commissioner of Police and the MoSP for the period under review. However, this was corrected in 2020.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency fully comply with the requirement of the Procurement Act. (2019/398)

#### Subsidies and Contributions to Local Organisations

1026. During the period under review, the sum of \$588.388M was allotted for Subsidies and Contributions to Local Organisations. According to the Appropriation Account amounts totalling \$585.446M were expended. The amounts were verified as received by the respective agencies. The agencies are subjected to separate financial reporting and audit.

#### Other Matters

1027. Section 43 of the Fiscal Management and Accountability (FMA) Act states that “*at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund.*” Audit checks carried out in January 2020 revealed that there were 692 cheques totalling \$422.316M printed on 31 December 2019 and 3 January 2020 for expenditure incurred in 2019. At the time of reporting, the Ministry still had on hand fifty-four cheques valued at \$6.552M. These cheques should have been returned and surrendered to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount.

1028. A detailed analysis of the cheques revealed that the MoF cut 9,114 cheques totalling \$18.017 billion for current and capital expenditure incurred by the MoSP. However, 1,631 cheques totalling \$2,202 billion or approximately 12.22% of the total expenditure were cut for December 2019 as shown in the table below:

Month	No. of Cheques Cut	Amount \$'000	Percentage
January	311	1,305,453	7
February	502	1,360,478	8
March	599	1,272,247	7
April	740	1,563,922	9
May	845	1,537,861	9
June	802	1,534,621	8
July	711	1,520,906	8
August	645	1,389,383	8
September	757	1,441,670	8
October	787	1,493,460	8
November	784	1,394,795	8
December	1,631	2,202,458	12
Total	9,114	18,017,254	100

**Ministry's Response:** The Head of the Budget Agency explained that:

- a) The 2019 cheques which were printed on the 31 December 2019 and 3 January 2020 could not have been refunded at the time of the audit in January since there were no instruction from the MoF.
- b) The Cheque Orders for 2019 were issued to the Ministry when they were made available at the beginning of 2020.

- c) It is customary for the payees of the direct payments to uplift their payments when they are available at the beginning of each year.

**Recommendation:** The Audit Office recommends that the Ministry institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/399)

1029. Financial Circular №. 02/2019 dated 29 January 2019 specifies that Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other supporting documents. An examination of the Cheque Order Register revealed that there were fifty-nine Cheque Orders valued at \$9.987M for the year 2019 that remains outstanding at the time of reporting in November 2020. In addition, there were 419 Cheque Orders valued at \$88.419M that took an average of 109 days to clear which is in violation of the Circularised Instructions.

**Ministry's Response:** Cheque Orders were cleared after thirty days because of “due” items to the Ministry. Additionally, the outstanding Cheque Orders for 2019 for which the cheques have not been uplifted from the Ministry will be paid back into revenue.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency renew its efforts to have these Cheque Orders cleared and to ensure that there is strict adherence to the requirement for the clearing of Cheque Orders. (2019/400)

#### Capital Expenditure

1030. The sum of \$475.009M was budgeted for the Ministry to execute its capital programmes in 2019. During the year, there was a Supplementary Provision in the sum of \$30M bringing the total fund available to \$505.009M. According to the Appropriation Accounts, the sum of \$473.936M was expended, resulting in the Ministry not achieving its anticipated level of capital activities for the period under review by \$31.073M. The table below summarises the total funds available as compared with the expenditure for the various Line Items for the year:

Line Items	Description	Total Fund Available \$'000	Expenditure \$'000	Shortfall \$'000
1216400	Buildings	110,774	107,794	2,980
1216400	Land Transport	53,627	51,057	2,570
1903700	Sustainable Livelihood Entrepreneurial Development	250,000	249,997	3
2511000	Furniture and Equipment	45,525	45,088	437
4404800	Technical Assistance - Country Gender Assessment	10,000	0	10,000
4504800	Technical Assistance - IDB	20,000	20,000	0
4404900	Modernisation of Geriatric Facility - IDB	15,083	0	15,083
Total		505,009	473,936	31,073

### Buildings

1031. The sum of \$110.774M was allotted for the: (i) provision for building and fire escape at Palms; (ii) construction of security hut at New Opportunity Corps; (iii) payment of retention; (iv) completion of the Drop-in-Centre at Sophia; and (v) enclosure of building at Whim. As at 31 December 2019, the sum of \$107.794M was expended as shown in the table below:

Description	Expenditure \$'000
Completion of Drop-in-Centre	72,722
Construction of Probation Office Palms	12,640
Construction Fire Escape Palms	8,164
Retention for fence at Drop-in-Centre	3,613
Consultancy	2,895
Enclose Child Care Building - Whim	1,957
Rehabilitation of Security Hut	1,913
2 % Withholding Tax	2,103
Journal Entry Adjustment	1,787
Total	107,794

1032. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Land Transport

1033. Amounts totalling \$51.057M were expended under Programme 492 - Social Services to purchase a SUV, under Programme 493 - Labour Administration to purchase a SUV and under Programme 494 - Child Care Protection Agency to purchase a 32 seater bus and a truck. A physical verification exercise was carried out to determine the receipt, marking and location of the assets purchased. However, the assets were not marked so as to easily identify them as the property of the Government. This is in breach of Section 28 of the Stores Regulations which states “*The Permanent Secretary shall ensure that all Permanent Stores are properly marked to readily identify them as Government property*”.

**Ministry’s Response:** The Head of the Budget Agency explained that vehicles were not marked due to the sensitive nature of the Ministry’s operation and related safety considerations.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Stores Regulations and in instances where the Ministry considers waivers are necessary due to the sensitive nature of the Ministry’s operation, that this is sought from the Finance Secretary. (2019/401)*

### Sustainable Livelihood Entrepreneurial Development

1034. The sum of \$250M was budgeted for Sustainable Livelihood Entrepreneurial Development (SLED) for 2019. According to the Appropriation Accounts, amounts totalling \$249.997M were expended as at 31 December 2019. Included in the amount of \$249.997M are twenty-one Inter/Intra Departmental Warrants (IDWs) totalling \$229.600M that were issued to the Regions as follows:

Ministry/Region	№. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Unspent Amount \$'000
Regional Executive Officer №. 2	2	8,645	8,645	0
Regional Executive Officer №. 3	6	9,858	9,858	0
Regional Executive Officer №. 4	2	6,053	6,053	0
Regional Executive Officer №. 5	3	11,378	10,895	483
Regional Executive Officer №. 9	4	169,555	159,440	10,115
Regional Executive Officer №. 10	4	24,111	24,111	0
Total	21	229,600	219,002	10,598

1035. Audit examination of a sample of beneficiary's files revealed that no application forms were completed despite it being a requirement as stated in the notice inviting applications published in the newspapers. In addition, there was no criteria or checklist seen as utilised for the appraisal and approval of this grant. As a result, it was difficult to ascertain the reason(s) for granting approval to the respective beneficiaries. As such, a Special Audit into the SLED Programme has commenced and a separate report will be issued.

#### Furniture and Equipment

1036. The sum of \$45.525M was allocated for the purchase of generator, server, computers, uninterruptible power supply and telephone system, furniture and equipment for child care secretariat, District Officers' quarters and Drop-in-Centre. According to the Appropriation Accounts, the sum of \$45.088M was expended and properly brought to account in the records of the Ministry.

#### Technical Assistance - Country Gender Assessment

1037. The sum of \$10M was allotted for Technical Assistance - Country Gender Assessment which entails provision for studies to examine gender inequalities in the education system with special emphasis on under-achievement of boys. According to the Appropriation Accounts, this sum was not expended as at 31 December 2019.

**Ministry's Response:** The Head of the Budget Agency explained that no funds were expended since the MoSP was advised by the MoF that no funds were programmed under the CDC Country Assistance programme in 2019 for this activity.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that allocation of funds and execution of projects are timely and the intended benefits of the programme are achieved as planned. (2019/402)*

#### Technical Assistance

1038. On 15 January 2018 the Government of Guyana (GoG) and the Inter-American Development Bank, acting in its capacity as Administrator of the Japan Special Fund entered into an agreement whereby the Inter-Development Bank (IDB) agreed to commit the sum of US\$600,000 while GoG has committed to providing the sum of US\$66,700; as such, the total project sum would be US\$666,700 to strengthen the capacity of the MoSP to effectively deliver social assistance programmes to the vulnerable population within a well-defined social protection policy framework. The project will seek to improve the system to identify and target the population eligible for social assistance, as well as improve the management efficiency of social assistance benefits. According to the Project Agreement, the period of execution of the project shall be thirty months, from the effective date of this agreement. This grant is new and is subject to separate reporting and audit at the end of the project life.

1039. The sum of \$20M was allotted for Technical Assistance (TC) which entails provision for: (i) expenditure review targeting the poor and vulnerable; (ii) alternative payment system based on geographical consideration; and (iii) preparation of social strategy. According to the Appropriation Accounts the full amount was expended.

Modernisation of Geriatric Facility

1040. The sum of \$15.083M was allotted for modernisation of geriatric facility which entails: (i) procurement of equipment and furniture for the Palms Geriatric Facility; and (ii) development of strategic plan and sustainable financing model. As at the 31 December 2019 the entire allotment remained unspent.

**Ministry’s Response:** The Head of the Budget Agency explained that funding was not utilised since the IsDB, thought the Ministry of Finance, did not provide the requisite approval.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects are timely and the intended benefits of the programme are achieved as planned. (2019/403)*

Prior Year Matters

1041. The Ministry is still to recover an overpayment of \$8.330M made in 2018 on the contract for Construction of a fence at New Opportunity Corp Onderneeming.

**Ministry’s Response:** The Head of Budget Agency indicated that the sum overpaid on the fence at New Opportunity Corp is being followed up.

**Recommendation:** *The Audit Office recommends that the Ministry make every effort to recover the overpayments and put proper systems in place to avoid future recurrences. (2019/404)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1042. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 13 recommendations; 2 were not implemented, 3 were partially implemented and 8 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/295	Circularised Instruction	√		
2018/296	Internal Controls	√		
2018/297	Cheque Order & Missing Voucher	√		
2018/298	Cheque Order & Missing Voucher	√		
2018/299	Breach of Procurement Act 2003			√
2018/300	Cheque Order & missing Voucher	√		
2018/301	Breach of FMA Act 2003	√		
2018/302	Breach of FMA Act 2003		√	
2018/303	Cheque Order		√	
2018/304	Shortfall in Expenditure		√	
2018/305	Overpayment of Construction Works	√		
2018/306	Overpayment of Construction Works			√
2018/307	Commission of Project	√		



AGENCY 52  
MINISTRY OF LEGAL AFFAIRS

Current Year Matters

Current Expenditure

Employment Costs

1043. According to the National Estimates 2019, amounts totalling \$274.024M were budgeted for Employment Costs for a staff complement of eighty-five. As at 31 December 2019, the full amount was expended for eighty-seven staff as shown below.

Line Item	Description	National Estimates 2019	Actual 2019	(Increase/ Decrease) 2019
6111	Administrative	24	26	2
6112	Senior Technical	1	1	0
6113	Other Technical and Craft Skilled	2	2	0
6114	Clerical and Office Support	35	36	1
6115	Semi-Skilled Operatives and Unskilled	10	10	0
6116	Contracted Employees	13	11	(2)
6117	Temporary Employees	0	1	1
Total		85	87	2

**Ministry's Response:** The Head of Budget Agency indicated that as a result of the Public Trustee resigning funds were available to hire the additional staff.

**Recommendation:** The Audit Office recommends that the Ministry ensure that persons resigning are replaced promptly and the budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/405)

1044. Public Service Commission Circular №. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity for them to be appointed on the Pensionable Establishment. However, as at 31 December 2019, there was a total of seven contracted employees below the age of forty-five who should have been transferred to the Pensionable Establishment. Further, the National Estimates made provisions for four of the six positions namely Solicitor General, Deputy Solicitor General, Deputy Chief Parliamentary Counsel and Administrative Assistant with salary ranges from 6 to 14. Shown in the table below are the salary ranges of the eleven contracted employees receiving basic salaries according to the December 2019 payroll:

Salary Range	№.of Employees	Amount \$'000
Below \$100,000	1	64
\$100,001 - \$250,000	2	341
\$250,001 - \$400,000	1	250
Above \$400,000	7	7,954
Total	11	8,609

**Ministry's Response:** The Head of Budget Agency and the Solicitor General explained that these persons were retained on contracts due to their specialised skills while some were attached to the Minister's Secretariat.

**Recommendation:** The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/406)

1045. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Ministry increased its staff strength by nineteen as shown in the table below:

Years		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	68	82	14
2018	2019	82	87	5
Total				19

1046. Despite this increase in employment, an examination of the employment records revealed that the Ministry still had six key vacancies during the period under review as advertised in the Public Service Commission Staff Vacancy Circular №. 2/2019. These vacancies included critical posts such as, one Monitoring and Evaluation Officer, one Assistant Solicitor General, one Principal Parliamentary Counsel, one Assistant Chief Parliamentary Counsel, one State Counsel and one System Support Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Ministry.

**Ministry's Response:** The Head of Budget Agency stated that an Assistant Solicitor General was employed on 7 March 2019 via contract with the approval of the Public Service Ministry.

**Recommendation:** The Audit Office recommends that the Ministry review its staffing situation with a view of filling the vacant positions since the level of staffing would have an adverse effect on the operations of the Ministry. (2019/407)

#### Maintenance Works

1047. Amounts totalling \$14.827M were allotted for repairs and maintenance works within the Ministry. Allotment transfers totalling \$1.095M were made which resulted in a revised budgetary allocation of \$15.922M. According to the Appropriation Account amounts totalling \$15.914M were expended as at 31 December 2019 under the relevant Line Items as shown below:

Line Item	Description	Amount Expended \$'000
6242	Maintenance of Building	5,722
6255	Maintenance of Other Infrastructure	360
6264	Vehicle Spares and Services	6,406
6282	Equipment Maintenance	3,426
Total		15,914

1048. The contract for upgrading of main electrical breakers to facilitate a solar photovoltaic (PV) system was awarded by the Ministerial Tender Board in the sum of \$852,180 to the lowest of three bidders. As at 31 December 2019, the full contract sum was paid to the contractor. Audit examination of the Payment Voucher, relating documents and the physical verification revealed the following:

- The certification of the inspection works and the defects liability period were done before the contract was signed (*Contract signed on 29 July 2019 – Certification of inspection works done on 16 June 2019 – defects liability period 15 June – 16 June 2019*).

**Ministry's Response:** The Head of the Budget Agency acknowledged this finding and stated that systems have since been put in place to avoid future recurrence.

**Recommendation:** The Audit Office recommends that the Ministry put systems in place to ensure full compliance with the Procurement Act at all times. (2019/408)

Others

1049. The sum of \$207.210M was budgeted for Others (6284) for the period under review. According to the Appropriation Account, amounts totalling \$199.678M were expended. An audit examination of the records of the Ministry revealed that despite having one Solicitor General, one Deputy Solicitor General, two Assistant Solicitor General and six State Counsels in its employ, amounts totalling \$99.143M were expended on Legal Fees/Retainer Agreements to three Law Firms and seven external Attorneys-At-Law. A special audit is being conducted and a separate report will be issued upon completion.

Capital Expenditure

Shortfall in Expenditure

1050. There were significant shortfalls in expenditure under two capital components, as shown below:

Line Item	Title	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
1501500	Justice Sector Programme	195,000	90,698	104,302	54
1501800	Technical Assistance - State Asset Recovery Agency	10,000	6,639	3,361	34

Justice Sector Programme-1501500

1051. In relation to the Justice Sector Programme, on 21 February 2017, the Government of Guyana (GoG) and the Inter-American Development Bank (IDB) entered into an agreement where the IDB agreed to lend the GoG the sum of US\$8M contribute to the financing and execution of the Support for the Criminal Justice System Program. The general objective of the programme is to contribute to the reduction of high concentrations of prison population in Guyana. The specific objectives of the programme are to reduce the proportion of inmates who are pre-trial detainees and to increase the use of alternative sentencing in the country. The period of execution is five years and six months from the effective date of the agreement. Thus, the activities under the programme will come to an end 20 August 2022. This project is subject to separate financial reporting and audit. The last audit report was issued on 10 August 2020 for the year ended 31 December 2019 and the following were some key findings:

- a) According to the Statement of Budgetary Balances, the sum of US\$1.368M was budgeted for the period under review, of which amounts totalling US\$434,125 or 31.73% of the amount allocated was expended. Further, the programme is in its execution phase for two years and ten months and amounts totalling US\$1.154M or 14.43% of the total programme budget of US\$8M was expended.
- b) A Project Execution Plan for 2019 was not submitted for audit scrutiny. Therefore, it could not be ascertained whether the planned activities were executed and accomplished in accordance with the budgeted timeline of the programme.

- c) A contract was awarded by the National Procurement and Tender Administration Board (NPTAB) on 3 May 2018 in the sum of US\$88,000 for the provision of consultancy services to design and implement a state-owned legal Aid programme in Guyana. The appointment of the evaluation committee by the NPTAB was not submitted for audit review. According to the terms of reference of the contract, deliverables 4.1 states that “*An inception report to be submitted within ten days of signing of the contract,*” however, it should be noted that the inception report was dated 31 August 2018, approximately 109 days from the date of the contract. As at 31 December 2018, the contract period had expired with deliverables such as training material, draft final report and final report not being completed.
- d) An amendment to the contracted period from 17 October 2018 to 30 September 2019, was submitted for audit review; however, it was noted that the amendment does not have the date it was signed by the Permanent Secretary of the Ministry of Legal Affairs and the consultant. Further, evidence of the IDB’s no objection for the extension of the contracted period was not submitted for audit scrutiny. During 2019, the sum of US\$79,200 was paid to the consultant for the execution of the remaining deliverables on the contract, training material, draft final report, and final report. At the time of audit in February 2020, these deliverables were not submitted for audit scrutiny.
- e) Audit scrutiny revealed that the sum of US\$26,232 was paid to the consultant during 2019 for the final report, which was not submitted for audit scrutiny. Neither an amendment to the contracted period by the Ministry nor IDB’s no objection for the extension of the contracted period was submitted for audit scrutiny.

**Ministry’s Response:** The Head of Budget Agency explained that the delay in execution was due mainly to activities needing more consultations and advertisement attracting only one or few responses that did not meet the requirements.

**Recommendation:** *The Audit Office recommends that management execute planned activities in a timely manner in order to meet the objectives and to prevent an overrun of the timeframe of the loan. (2019/409)*

Technical Assistance - State Asset Recovery Agency -1501800

1052. On 29 November 2018 the approval for financing was given by the IDB where the IDB agreed to give the GoG through the State Asset Recovery Agency (SARA) the sum of US\$200,000 to contribute to the (Strengthening the Institutional Capacity of SARA). The general objective of the programme is to provide technical assistance to Strengthen Financial Integrity in Guyana SARA to ensure that its institutional design meets international best practices and to develop the necessary tools to manage the financial resources in an effective, efficient and transparent manner. The disbursement period is thirty months however; the execution period is twenty-four months. Thus, the activities under the programme will come to an end on the 30 June 2020. This was a new project and a separate audit was conducted and the findings are as follows:

- a) The sum of \$10M was provided for the Project Technical Assistance (TC) - SARA. The main challenges that this TC aims to address at SARA included: (i) limited institutional capacity; (ii) limited technical knowledge of its staff; and (iii) limited capacity to collect, analyse and share information. For the year 2019 amounts totalling \$6.639M were expended.

**Ministry’s Response:** The Head of Budget Agency explained that the allocated sum was managed directly by IDB.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely and the intended benefits of the programme are achieved as planned. (2019/410)

Capital Purchases

1053. An amount of \$5.810M and \$6.700M was allocated for the purchase of furniture and equipment for the various departments and a vehicle respectively. As at 31 December 2019, amounts totalling \$5.809M and \$5.700M were expended. Physical verification revealed that all the assets procured were received and properly brought to account in the records of the Ministry.

Prior Year Matters

Current Expenditure

1054. At the time of reporting, amounts totalling \$3.445M representing rent owed by the occupants of the First Federation Building were still outstanding for the years 2010 to 2012 as shown below:

Years	Amount Outstanding \$'000
2010	917
2011	1,161
2012	1,367
Total	3,445

**Ministry's Response:** The Head of Budget Agency explained that despite efforts over the years they were unable to collect the outstanding rent and efforts will be made to have the sum written off.

**Recommendation:** The Audit Office recommends that the Ministry make every effort to conclude this issue. (2019/411)

Follow-up on the Implementation of Prior Year Audit Recommendations.

1055. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/749	Breach of FMA Act 2003	√		
2018/750	Breach of Stores Regulations	√		
2018/752	Budget Preparation		√	
2018/754	Court Matter		√	

AGENCY 53  
GUYANA DEFENCE FORCE

Current Year Matters

Current Expenditure

Employment Costs

1056. Salaries totalling \$34.407M were paid to employees who were on contract. This sum represented less than one percent of the Force's wages and salaries. See summary below:

Chart of Account	Description	Total Paid \$'000	Percentage
6111	Administrative	346,792	7.2
6112	Senior Technical	375,377	7.8
6113	Other Technical & Craft Skilled	600,381	12.4
6114	Clerical and Office Support	1,473,809	30.4
6115	Semi-Skilled Operatives	1,861,739	38.5
6116	Contracted Employees	34,407	0.7
6117	Temporary Employees	144,698	3.0
<b>total</b>		<b>4,837,203</b>	<b>100</b>

1057. The table below provides a summary as per 'salary range' of the employees on contracts.

Salary Range	Nº. of Employees	Amount \$'000
Below \$100,000	2	2,406
\$100,001 - \$250,000	20	29,693
\$250,001 - \$400,000	1	2,308
<b>Total</b>	<b>23</b>	<b>34,407</b>

Goods and Services

Fuel and Lubricants

1058. The sum of \$685.160M was allotted under Line Item 6231 - Fuel and Lubricants. The allocation was increased through allotment transfers totalling \$66.500M, giving a total revised allotment of \$751.660M. The full sum was expended, as summarised in the table below:

Particulars	Amount \$'000
Purchase of Gasoil (diesel)	290,556
Purchase of Motor Gasolene (MOGAS)	256,663
Purchase of Aviation Fuel	99,616
Purchase of Cooking Gas	39,918
Warrants Issued	30,942
Purchase of Lubricants	22,155
Purchase of Fuel for Eteringbang	11,310
Purchase of Kerosene	305
Coast Guard Patrol	100
Refund of Expenses - Imprest	95
<b>Total</b>	<b>751,660</b>

1059. Audit examination and analysis revealed that amounts totalling \$720.523M were paid to six suppliers for the supply of fuel and lubricants. The table below provides a summary of payments to the six suppliers:

№.	Name of Supplier	Amount \$'000
1	Guyana Oil Company	633,764
2	Massy Gas Products	38,512
3	Rubis Guyana	29,053
4	Stephen Edwards	14,423
5	Air Services Limited	4,465
6	Trans Guyana Airways	306
Total		720,523

1060. With the exception of Stephen Edwards, contractual agreements were not provided for audit. As a result, the terms and conditions of service of agreement between the Force and the suppliers could not be determined. Further, it could not be determined whether Section 31 of the FMA Act was breached. Furthermore, Section 31 (3) stipulates that *“No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of budget agency concerned or an official authorised in writing by that Head for the purpose certifies -*

- a) *in the case of a payment for the performance of work, the supply of goods or the provision of services -*
  - i. *that the work has been performed, the goods supplied or the services provided, as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing the work, goods or services or, if not specified in the contract or arrangement, that the price is fair and reasonable;*
  - ii. *where, pursuant to a contract or other arrangement, a payment is to be made prior to the completion of the work, supply of the goods or provision of the services, as the case may be, that the payment is in accordance with the contract or arrangement; or*
  - iii. *where...a payment is to be made in advance of verification, that the claim for payment is fair and reasonable; and*
- b) *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment”.*

**Defence Force’s Response:** The Head of the Budget Agency indicated that all suppliers are single sourced.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force: (i) ensure full compliance with Section 31 of the FMA Act; and (ii) submit the contract agreements for audit. (2019/412)*

1061. Amounts totalling \$633.764M were paid to the Guyana Oil Company Limited (GUYOIL) for the supply of fuel and lubricants. A summary is shown in the table below:

Particulars	Amount \$'000
Purchase of Gasoil (Diesel)	290,556
Purchase of Motor Gasolene (MOGAS)	256,663
Purchase of Aviation Fuel	65,792
Purchase of Lubricants	20,448
Purchase of Kerosene	305
Total	633,764

### Gasolene and Diesel

1062. The sum of \$547.219M was expended for the purchase of gasoil (diesel) and gasolene, of which the sum of \$528.692M was paid for fuel in bulk. Twenty-five Payment Vouchers totalling \$471.738M, which represented approximately eighty-nine percent of the bulk purchases, were submitted for audit. An analysis of the twenty-five Payment Vouchers revealed that the sums of \$238.204M and \$233.534M were expended on the acquisition of gasolene and diesel, respectively. Further, examination of the vouchers revealed invoices attached totalled \$465.693M, giving a difference of \$6.045M. Analysis also revealed that the sum of \$465.693M was expended for the acquisition of approximately 1.161M and 1.137M litres of gasolene and diesel, respectively.

1063. The Force purchased fuel in bulk and retail quantities. As it related to bulk purchases, the Force makes prepayments to GUYOIL. Whenever the need for fuel arises, the Force would make a request to GUYOIL for fuel to be delivered to its locations. These locations were Base Camp Ayanganna, Base Camp Stephenson at Timehri, and Coast Guard Headquarters at Ruimveldt. The fuel would then be delivered to these locations by GUYOIL's tankers. The drivers of the tankers would sign the respective invoices as having uplifted the fuel from GUYOIL, and upon delivery at any of the Force's locations, the rank receiving the fuel would sign the respective invoices as receiving the fuel for the Force.

1064. It was evident on 103 invoices that a vehicle bearing registration number GHH 7538 uplifted 887,800 litres of fuel valued \$181.567M. Audit enquiries revealed that the said vehicle was not owned by the Guyana Defence Force or GUYOIL. In addition, there was no contractual agreement for this vehicle to uplift fuel on behalf of the Force.

1065. Included in the 103 invoices were seventy-five invoices with sums amounting to \$130.861M, purporting that gasolene was uplifted and delivered to the Force. However, the signatures of the driver and the signature of the customer receiving goods appeared to be identical, indicating that the same person may have uplifted the fuel from GUYOIL, as well as received it at the Force's locations. Similarly, for the purchase of diesel, there were twenty-three invoices for sums totalling \$41.487M where the signatures of the driver and the 'customer receiving the goods' appeared to be identical. This is an indication that there was a deviation from the practice mentioned in the preceding paragraphs.

1066. Further, the Coast Guard Headquarters at Ruimveldt has one concrete reservoir with a capacity of 1,000 gallons' in which gasolene is stored. Audit checks revealed that there were twenty-six instances where approximately 2,000 gallons of gasolene were delivered to the Coast Guard Headquarters at Ruimveldt. As can be gleaned, on each of these twenty-six instances, the quantity of fuel delivered was twice the storage capacity of the reservoir.



1067. Even more astounding is that, based on the invoice dates, multiple deliveries of approximately 2,000 gallons of gasoline were delivered on the same day to Coast Guard Headquarters at Ruimveldt. The table below provides a summary of the twenty-six deliveries:

No. of Days	No. of Deliveries Per day	Quantity Per Delivery (Gallons)	Total Fuel Delivered (Gallons)
8	2	2,000	32,000
7	1	2,000	14,000
1	3	2,000	6,000

1068. It should be noted that the gasoline delivered in these twenty-six instances amounted to \$50.112M.

1069. It should be mentioned also that based on the invoice dates, on one day, approximately 1,000 gallons of gasoline were delivered by a tanker registered to GUYOIL. On the said day, a delivery of 2,000 gallons was also made by GHH 7538. This further indicated that gasoline was delivered in excess of the Force's storage capacity at its Coast Guard Headquarters, Ruimveldt.

1070. We were unable to verify whether the fuel was received by the Force. Moreover, it was reported that the Goods Received Book for Camp Ayanganna was misplaced; whilst, the records for Camp Stephenson - Timehri, and Coast Guard - Ruimveldt were not submitted for audit. Stock Ledgers were submitted for Camp Ayanganna. However, the receipts of fuel by the said vehicle was not recorded in these ledgers. Attempts to conduct alternative audit checks proved futile; since, the gate-books in which the ingress and egress of vehicles are recorded were not submitted for audit.

1071. In addition, the Guyana Defence Force uses Receipt Voucher (RV) numbers to facilitate easy tracing of purchases to the Stock Ledgers. The RV numbers are written up in sequential order. These numbers are written on the Payment Vouchers along with a folio number to indicate the page on which the entry can be found. Audit examination revealed that the RV numbers used for gasoline and diesel were not recorded in sequential order. Further, while some invoices had RV numbers, these were not entered in the Stock Ledgers submitted for audit.

1072. It should be noted that up to the time of this report, the matter involving the uplifting and delivery of fuel by GHH 7538 to the Force was under investigation by the Guyana Police Force.

**Defence Force's Response:** The Head of the Budget Agency indicated that these matters are under investigation by the Guyana Police Force and the Military Intelligence Department of the Guyana Defence Force.

1073. There were twenty-one invoices for sums totalling \$19.011M where 95,608 litres of fuel were purchased. However, vehicle numbers were not stated on the invoices. As such, it could not be determined whether the vehicles that uplifted the fuel were on the list of vehicles authorised to do so by the Force. Further, as mentioned above, we were unable to verify whether the fuel was received by the Force. Moreover, as reported above, the Goods Received Book for Camp Ayanganna was misplaced; whilst, the records for Camp Stephenson - Timehri, and Coast Guard - Ruimveldt were not submitted for audit. A summary of the fuel uplifted is provided in the table below:

Type of Fuel	No. of Invoices	Quantity (Litres)	Amount \$'000
Gasolene	9	32,198	6,555
Diesel	12	63,410	12,456
Total	21	95,608	19,011

**Defence Force's Response:** The Head of the Budget Agency indicated that a list has been resubmitted to Guyana Oil Company with the registration numbers for vehicles authorised to collect fuel on behalf of the Guyana Defence Force. No vehicle or personnel outside of this list will be allowed to uplift fuel. Special emphasis will be placed on providing documentation of authorised names in a discernible manner, for example, correct name and regimental number of the rank receiving.

1074. Five invoices with sums totalling \$8.355M had no signature of the customer (GDF) receiving the goods. This is a breach of Section 17 of the Stores Regulations, which stipulates that *“The storekeeper shall also make entries in the Goods Received Book in Form 4 in respect of goods received and shall sign the supplier’s invoice, quoting the Goods Received Note in Form 2 as evidence of receipt of goods”*.

**Defence Force's Response:** The Head of the Budget Agency indicated that the Force recognises that the Regulations and best practice governing the accounting and other systems of the Public Service are sacrosanct and necessary to maintain transparency and accountability. The Force remains committed to the adherence of the Government’s Stores Regulations and all efforts are being made to ensure that systems are put in place to avoid any contradictions to these Regulations.

1075. Three vehicles bearing registration numbers DFB 1489 (Toyota Hilux), GPP 4358 (Mitsubishi Canter) and GXX 3264 (Mitsubishi Canter) uplifted a total 17,310 litres of fuel valued at \$3.449M from the Heathburn Terminal, Berbice. See summary in the table below:

Date	Vehicle No.	Type of Fuel	Quantity (Litres)	Total \$'000
05/08/2019	DFB 1489	Gasolene	2,255	463
		Diesel	1,640	318
06/08/2019	DFB 1489	Gasolene	2,345	480
		Diesel	2,460	477
07/08/2019	GPP 4358	Gasolene	3,075	617
		Diesel	1,845	358
13/08/2019	GXX 3264	Gasolene	1,845	378
		Diesel	1,845	358
Total			17,310	3,449

1076. Motor vehicle DFB 1489 was registered to the Force. However, the vehicle was not listed as authorised to uplift fuel from service stations. It should be noted that based on the vehicle inventory submitted by the Force for audit scrutiny, GPP 4358 and GXX 3264 were not owned by the Force. Further, audit enquiries revealed that GPP 4358 and GXX 3264 were not owned or hired by GUYOIL. As such, it was unclear who provided the necessary authorisation for the fuel to be uplifted by these vehicles.

**Defence Force's Response:** The Head of the Budget Agency indicated that a list has been resubmitted to Guyana Oil Company (GUYOIL) with the registration numbers for vehicles authorised to collect fuel on behalf of the Guyana Defence Force. No vehicle or personnel outside of this list will be allowed to uplift fuel. Special emphasis will be placed on providing documentation of authorised names in a discernible manner, for example, correct name and regimental number of the rank receiving.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force: (i) put systems in place to monitor the purchase and receipts of fuel; (ii) conduct periodic reconciliations of the Force's records at its various locations and stores; (iii) conduct periodic reconciliations with the Force's and suppliers' records; (iv) ensure proper segregation of duties; (v) ensure relevant information is recorded on documents as required; (vi) ensure information is recorded legibly on its documents; (vii) Ensure records are properly maintained and secured; (viii) ensure full compliance with Section 17 of the Stores Regulations; (ix) investigate the issues in relation to fuel uplifted at the Heathburn Terminal, Berbice, and submit the results for scrutiny; and (x) submit the investigative reports for scrutiny, when available. (2019/413)

1077. It was observed that one invoice dated 14 August 2019 totalling \$364,965 for fuel uplifted at Heathburn Terminal was duplicated. This invoice was attached to two Payment Vouchers, one in original form and the other photocopied respectively. As a result, GUYOIL would have been overpaid the said sum of \$364,965.

**Defence Force's Response:** The Head of the Budget Agency indicated that a verification is presently being conducted by the Force to ascertain exactly what might have led to this issue.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force take action to recover the overpayment. (2019/414)

#### Aviation Fuel

1078. The Guyana Defence Force purchased aviation fuel valued \$99.616M from four suppliers. A summary is shown in the table below:

No.	Particulars	Amount \$'000
1	Guyana Oil Company Ltd.	65,792
2	Rubis Gas Inc.	29,052
3	Air Services Ltd.	4,465
4	Trans Guyana Airways	307
Total		99,616

1079. Aviation fuel is supplied directly to the Force's fleet of aircraft. However, records were not maintained to account for the said fuel. As a result, it could not be determined whether proper control was exercised over the utilisation of the said fuel. Further, an examination of eight Payment Vouchers totalling \$50.505M did not have the necessary supporting documents, such as invoices and delivery notes. As a result, it could not be determined whether the Force received full value for the said sum of \$50.505M expended on aviation fuel.

**Defence Force's Response:** The Head of the Budget Agency indicated that Delivery Notes are issued to Air Corps by the suppliers upon receipt of fuel. Records of these delivery notes are maintained by Air Corps. Prior to mid 2019, fuel Cheque Orders were cleared at sub-treasury without delivery notes. Subsequent guidance by sub-treasury required the submission of delivery notes for clearing of future Cheque Orders. To date, Air Corps continues to provide the requisite delivery notes for clearing of Cheque Orders.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force submit the pertinent documentation for the receipt and utilisation of aviation fuel in 2019. (2019/415)

1080. One invoice dated 3 January 2019, in the sum of \$192,836 for the purchase of A1 Jet fuel was paid twice to the supplier. Details are provided in the table below:

Expense Voucher №.	Invoice Number	Invoice Date	Quantity (Litres)	Amount \$	Aircraft Uplifting
53002413	24616	03/01/2019	284	192,836	8R-MAP
53003713	24616	03/01/2019	284	192,836	8R-MAP

**Defence Force’s Response:** The Head of the Budget Agency indicated that a verification is presently being conducted by the Force to ascertain exactly what might have led to this issue.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force take action to recover the overpayment. (2019/416)*

1081. Multiple instances were observed where Local Purchase Orders (LPOs) were prepared after the date of the invoice. This is a breach of Section 14 of the Stores Regulations, which stipulates that “*Upon the selection of the supplier, the Purchase Section of the Ministry shall prepare a preprinted and pre-numbered Purchase Order in Form 9 in quadruplicate*”.

**Defence Force’s Response:** The Head of the Budget Agency indicated that the Force recognises that the Regulations and best practice governing the accounting and other systems of the Public Service are sacrosanct and necessary to maintain transparency and accountability. The Force remains committed to the adherence of the Government’s Stores Regulations and all efforts are being made to ensure that systems are put in place to avoid any contradictions to these Regulations.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force ensure full compliance with Section 14 of the Stores Regulations. (2019/417)*

1082. We could not verify the correctness, accuracy and validity of amounts totalling \$69.447M, due to the non-submission for audit, of seventeen Payment Vouchers. This was despite repeated requests. The said sum represented approximately nine percent of the total expenditure under this Line Item.

**Defence Force’s Response:** The Head of the Budget Agency indicated that when verification was done by the external auditors, sixteen of the vouchers in question were already cleared and returned to Sub-Treasury. Efforts are still being made to clear one outstanding voucher.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force collaborate with the Accountant’s General Department to locate and submit these Payment Vouchers for audit. (2019/418)*

1083. The Guyana Oil Company Limited was indebted to the Force in the sum of \$41.608M. This was due to prepayments made for fuel. It should be noted that the Government operates on the cash basis of accounting. As such, the Appropriation Account of the Force was overstated by the said sum of \$41.608M.

**Defence Force’s Response:** The Head of the Budget Agency indicated that there will be a stricter monitoring of the system by Internal Audit Department on a regular basis to ensure that it is in tandem with the Financial Accountability Act of Guyana.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force comply fully with the accounting system used by Government. (2019/419)*

1084. The Force did not submit for audit, Log Books for forty of the 232 vehicles and equipment that required the maintenance of Log Books. This is a breach of Section 29 of the Stores Regulations 1993, which require that “*Log Books in Form 17 shall be maintained for all motor vehicles, plant, machinery and equipment, except motor vehicles assigned to Ministers of the Government, holders of Constitutional Offices and persons of similar status*”.

1085. In the circumstances, it could not be determined whether all journeys undertaken were authorised and were in the interest of the Force. It should be mentioned that Log Books for forty-two vehicles and equipment were also not presented for the 2018 audit examination.

**Defence Force’s Response:** The Head of the Budget Agency indicated that 34 Log Books were lost/damaged during operations; however, the Force has implemented measures to guard against any recurrence.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force comply fully with the requirements of Section 29 of the Stores Regulations.* (2019/420)

#### Vehicle Spares & Services

1086. The sum of \$391.926M was budgeted under Line Item 6264 - Vehicle Spares and Services. There was an allotment transfer of \$10M, resulting in a revised allotment of \$401.926M. The sum of \$399.121M was expended.

1087. An analysis revealed that amounts totalling \$91.629M were utilised on the maintenance of thirty vehicles. This represented an average maintenance cost of \$3.054M per vehicle. Moreover, maintenance costs amounted to \$46.429M for ten vehicles. This represented an even higher average maintenance cost of \$4.643M per vehicle.

1088. Furthermore, included in the sum of \$46.429M, were amounts totalling \$7.185M, which were expended on the maintenance of one Toyota Hilux Double-Cab. It should be mentioned that this vehicle was acquired by the Force since 2008; that is over eleven years ago. In addition, a Ford Ranger was maintained at a cost of \$5.660M. This is an indication that the vehicles may be uneconomical to maintain.

1089. Further, a Ford F-350 was maintained at a cost of \$6.486M. The said vehicle was acquired since 2010; that is, approximately 10 years ago. Also, a Ford Ranger Double Cab was maintained at a cost of \$5.599M. Based on a list submitted for audit, the Force has since deemed these two vehicles as unserviceable.

**Defence Force’s Response:** The Head of the Budget Agency indicated that among the Force’s Fleet, there are a number of aged vehicles which incur high maintenance cost due to workload and terrain conditions. Efforts are being made to dispose of these inefficient vehicles and acquire newer models.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force assess the maintenance costs of its fleet of vehicles and equipment, with a view to disposing those that are uneconomical to maintain.* (2019/421)

1090. An examination revealed that sixty-five transactions totalling \$15.455M were split to avoid tender board adjudication. This is in contravention to Section 14 of the Procurement Act, which stipulates that “*A procuring entity shall not split or cause to split contracts or divide or cause to divide its procurement into separate contracts where the sole purpose for doing so is to avoid the application of any provision of this Act or any regulations made thereunder*”. The table below provides a summary of the sixty-five transactions.

Name of Contractor	No. of Transactions	Amount \$'000
Brazo Workshop	16	2,474
Latchman Singh Mechanic Shop	46	12,615
Tony Persaud Auto Spares	3	366
Total	65	15,455

**Defence Force's Response:** The Head of the Budget Agency indicated this was an oversight by the Force. Corrective measures were implemented for all future contracts.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force comply fully with the requirements of Section 14 of the Procurement Act. (2019/422)*

1091. The sum of \$583.500M was allotted under Line Item 6265 - Other Transport, Travel and Postage. Allotment transfers from this Line Item totalled \$290.075M, resulting in a revised allotment of \$293.425M. This represented a reduction of the approved allotment by almost half (49.7%).

1092. The Force expended the sum of \$190.486M, which was approximately sixty-five percent of its total revised allotment, resulting in a shortfall of \$102.940M. The shortfall was approximately thirty-five percent of the total revised allotment. Furthermore, approximately sixty-seven percent (\$393.014M) of the approved allotment (\$583.500M) was not expended as budgeted.

**Defence Force's Response:** The Head of the Budget Agency indicated that the recapitalisation of transportation assets coupled with the Force's continued concerted effort to reduce the hiring of transportation, resulted in the GDF realising significant savings.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force plan properly, so as to avoid unnecessary/excess allotment of funds. (2019/423)*

#### Equipment Maintenance

1093. The sum of \$791.370M was allotted for Line Item 6282 - Equipment Maintenance. There was an allotment transfer of \$1M, resulting in a revised allotment of \$792.370M, of which amounts totalling \$791.701M were expended. Audit examination revealed that the sum of \$488.941M was expended for the maintenance of the Force's fleet of aircraft, which represented approximately sixty-two percent of the total expenditure under this Line Item.

1094. A contract for the acquisition of one new engine for a SC7 Sky-van in the sum of US\$260,754.10 (approximately G\$54.472M) was signed before an award was granted by the NPTAB. Moreover, the contract was signed on 29 May 2019; whilst, the award was granted on 26 August 2019. Further, this engine was installed on a Sky-van bearing registration number 8R-GBW, which was acquired at a cost of US\$1.180M from the Force's 2018 capital allocations, but received by the Force in June 2019.

1095. This clearly illustrated that the contract for the supply of the engine for the Sky-van was signed before the Sky-van was actually received by the Force. This is a deviation from the intent of the Procurement Act, which seeks to promote the integrity of and fairness and public confidence in, the procurement process, and achieving transparency in the procedures relating to procurement.

**Defence Force's Response:** The Head of the Budget Agency indicated that a decision was made in May 2019 to purchase a used Honeywell TPE 331 engine to be added to the Force's inventory so as to decrease the amount of aircraft downtime experienced in the past when an engine has to be removed for maintenance.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force comply fully with the requirements of the Procurement Act. (2019/424)*

1096. It should be mentioned that another Sky-van with registration number 8R-GWJ was also acquired at a cost of US\$1.180M from the Force's 2018 capital allocations, but was received by the Force in June 2019. This aircraft last flown on 21 July 2019, that is just one month after it was received by the Force. It was reported that parts from this aircraft were used to maintain the Sky-van bearing registration number 8R-GBW, mentioned in the preceding paragraphs. Furthermore, according to the list of fleet of aircraft submitted for audit in September 2020, this aircraft was deemed unserviceable.

**Defence Force's Response:** The Head of the Budget Agency indicated that at its delivery to GDF, Sky van 8R-GWJ's left engine had forty-five hours remaining before it was due to be sent for Hot Section Inspection. This requirement was known to the GDF prior to the aircraft's delivery. These hours were flown and the aircraft was then hangered for the engine to be removed and to have a 1200 maintenance inspection completed.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force investigate the circumstances leading to the Sky-van with registration number 8R-GWJ being used for only forty-five hours, and subsequently deemed unserviceable. The results of the investigation should be submitted for audit. (2019/425)*

1097. The sum of \$17.442M was expended in July 2019 on the overhauling of the engine for an islander bearing registration number 8R-GKR. It should be noted that this aircraft has not flown since its arrival to Guyana in August 2018. According to the list of fleet of aircraft submitted for audit, this aircraft was deemed unserviceable.

**Defence Force's Response:** The Head of the Budget Agency acknowledged this finding.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force investigate the circumstances leading to the islander bearing registration number 8R-GKR being deemed unserviceable, even though it had not flown since its arrival. The results of the investigation should be submitted for audit. (2019/426)*

#### Accounting for Expenditure

1098. The Force continued to breach Section 43 of the Fiscal Management and Accountability (FMA) Act 2003. This Section requires "any unexpended balance of public moneys out of the Consolidated Fund to be returned and surrendered to the Consolidated Fund at the end of each fiscal year". Audit checks carried out in January 2020 revealed that there were 956 cheques totalling \$1.364 billion on hand in relation to expenditure for 2019. The sum of \$1.364 billion drawn via 956 cheques should have been refunded to the Consolidated Fund. As a result, the Appropriation Accounts were overstated by the said sum. Similarly, the Force's Appropriation Accounts for 2018 were overstated by \$672.041M. As of October 2020, twelve cheques drawn in 2019 for sums amounting to \$44.804M, were still on hand.

**Defence Force’s Response:** The Head of the Budget Agency stated that 930 cheques were paid to the various payees; whilst, fourteen were returned to the Consolidated Fund. The Head added that the Force has since implemented measures to address this issue.

**Recommendation:** *The Audit Office once again recommends that the Administration of the Defence Force adhere strictly to the requirements of Section 43 of the FMA Act. (2019/427)*

1099. It was also observed that seven transactions amounting to \$13.824M were misclassified. This constituted a breach of Section 34 of the FMA Act. More specifically, Section 34 requires that “...the purpose of the expenditure of the money stipulated in a drawing right shall be consistent with the appropriation allotment...”. The table below shows the misclassifications.

Particulars	Amount \$’000	Expenditure Charged Under	Correct Classification
Supply of bullet camera	8,192	6284 - Other	Capital
Supply of diesel	2,635	6282 - Equipment Maintenance	6231 - Fuel & Lubricants
Repairs to generator	1,493	6292 - Dietary	6282 - Equipment Maintenance
Supply of CRB 15W40	707	6264 - Vehicle Spares & Services	6231 - Fuel & Lubricants
Payment for security service	521	6282 - Equipment Maintenance	6281 - Security Services
Aircraft repairs	210	6224 - Print & Non-Print	6282 - Equipment Maintenance
Maintenance of monument	66	6224 - Print & Non-Print	6255 - Maintenance of Other Infrastructure
Total	13,824		

**Defence Force’s Response:** The Head of the Budget Agency indicated that the Force acknowledged the issue. However, the Force would like to carry out additional verification.

**Recommendation:** *The Audit Office once again recommends that the Administration of the Defence Force adhere strictly to the requirements of Section 34 of the FMA Act. (2019/428)*

#### Other Matters

##### Cheque Orders

1100. Audit examination of the Cheque Order Register revealed that 123 Cheque Orders valued at \$684.075M issued during 2019, were still outstanding as at July 2020. As a result, it could not be ascertained whether the Force received full value for all moneys expended. This situation constituted a breach of Financial Circular №. 02/2019 dated 29 January 2019, which requires that “all cheque orders be cleared within thirty days of their issue through the submission of bills/receipts and other documents in support of the payments made.”

**Defence Force’s Response:** The Head of the Budget Agency indicated that there are sixty-six outstanding Cheque Orders totalling \$656.367M. However, the Force is working to correct this issue.

1101. It should be noted that 108 Cheque Orders valued at \$324.099M, and issued during the year 2018 were still outstanding at the time of reporting in November 2019. Audit checks in October 2020, revealed that thirty-six of these Cheque Orders have been cleared, leaving seventy-two Cheque Orders valued \$206.375M still outstanding.



**Defence Force's Response:** The Head of the Budget Agency indicated that a reconciliation of records at GDF's Finance Department and 5SSB confirmed that one hundred and eight outstanding Cheque Orders, ninety-nine have since been cleared. Eight of the outstanding Cheque Orders are for foreign currency transactions and the original receipts issued by the Bank of Guyana were misplaced. Written requests were submitted to the Bank for copies of these receipts and the Force is currently awaiting them. One Cheque Order remain outstanding due to the partial delivery of items by the supplier.

1102. Notwithstanding the Force's response, evidence was not submitted to corroborate its claim.

**Recommendation:** The Audit Office once again recommends that the Administration of the Defence Force: (i) implement measures to ensure Cheque Orders are cleared within the stipulated time-frame; (ii) take action to clear the outstanding Cheque Orders, and submit same for audit. (2019/429)

#### Inter-Departmental Warrants

1103. Sixty-three Inter-Departmental Warrants totalling \$153.924M were issued to Region Nos. 1, 2, 6, 7, 8 and 9 to off-set expenditures on behalf of the Guyana Defence Force. An examination of the related Financial Returns revealed that amounts totalling \$151.255M were expended, resulting in an unexpended balance of \$2.669M.

1104. Further, an examination of the IFMIS revenue report revealed that the sum of \$1.874M was paid into Miscellaneous Revenue, instead of crediting the respective Line Items from which the related Warrants were issued. As a result, the Force's Appropriation Account was overstated by the sum of \$1.874M. It should be noted that Miscellaneous Revenue is reported on by the Ministry of Finance.

**Defence Force's Response:** The Head of the Budget Agency acknowledged this finding.

**Recommendation:** The Audit Office recommends that the Head of the Budget Agency ensure that refunds on Warrants are credited to the respective Line Items from which they were issued, so that the Force's Appropriation Accounts accurately reflects its expenditure. (2019/430)

#### Revenue

1105. Audit examination of the IFMIS revenue report revealed that the Force collected revenue totalling \$81.592M for the year 2019. The table below shows a breakdown of revenue collected by the Force based on an examination and analysis of the transactions:

Line Item	Description	Amount \$'000
5419	Other loans and advances	621
5616	Sundries	79,261
5715	Sale of assets	1,710
Total		81,592

1106. As can be noted in the table above, the sum of \$1.710M was received from the sale of assets. However, receipts were submitted for audit, documentation indicating the authority for the sale, and the process used were not provided. As a result, it could not be determined whether the sale of assets by the Force was done in accordance with the requirements of Sections 42 - Disposal of Serviceable Uneconomical Stores, and/or Section 43 - Disposal of Unserviceable Stores, of the Stores Regulations.

1107. More specifically, Section 42 (1) stipulates that “No serviceable stores shall be disposed of without the authority of the Secretary to the Treasury who shall ensure that such stores are not only surplus to the requirement of the concerned Ministry but are also surplus to the requirements of serviceable stores which are no longer economical to maintain”.

1108. Section 42 (2) stipulates that “All serviceable stores and all stores which are uneconomical to maintain shall be disposed of by public auction. Notice of sale shall be published in the daily newspapers and in the Gazette. A copy of the list of items so disposed of, the person or agency to whom stores have been disposed of and the proceeds from the disposal shall be submitted to the Secretary to the Treasury and the Auditor General along with a copy of the auctioneer’s report”.

1109. Section 43 stipulates that “Except for unserviceable items of a minor nature which may be disposed of on the personal responsibility of the Permanent Secretary with the approval of the Secretary to the Treasury, all unserviceable items shall be disposed of by public auction and the procedure outlined in Regulation 42 shall apply”.

**Defence Force’s Response:** The Head of the Budget Agency stated that relevant records were handed over for inspection and verification.

1110. Notwithstanding the Force’s response, as mentioned above, only the receipts of sale were submitted for audit.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force submit for audit, the outstanding documentation for the sale of assets made in 2019. (2019/431)

#### Stores and Other Public Property

1111. Audit checks on 25 August 2020 at the Medical Corps revealed that the Force continued to breach Section 19 of the Stores Regulations 1993. Moreover, the majority of Bin Cards have not been updated since 2018. This is in contravention of Section 19 of the Stores Regulations, which stipulates that “Upon the receipt of goods the storekeeper shall immediately take steps to bring to account in the Bin Cards in Form 1 the goods received and shall arrange to have them placed in their respective bins, where applicable...”.

**Defence Force’s Response:** The Head of the Budget Agency indicated that presently a number of pharmaceuticals items are to be boarded. After this process is completed the Stock Ledger will be up to date and adequate amount of Bin Cards would be collected from 5SSB for stores personnel to actively update the Bin Cards.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force comply fully with Section 19 of the Stores Regulations. (2019/432)

### Capital Expenditure

1112. The sum of \$1.042 billion was budgeted for the Force to execute its capital programme. Amounts totalling \$1.034 billion were expended. The table below provides a summary:

Line Item	Description	Amount Budgeted \$'000	Amount Expended \$'000	Difference \$'000
531-12001	Buildings	415,500	415,500	0
531-12003	Marine Development	69,000	66,679	2,321
531-24046	Air, Land and Water Transport	300,000	294,409	5,591
531-28001	Pure Water Supply	35,000	34,999	1
531-28002	Agriculture Development	23,000	22,606	394
531-51002	Equipment	80,000	79,984	16
531-51003	National Flagship	120,000	119,995	5
Total		1,042,500	1,034,172	8,328

#### Buildings

1113. The sum of \$415.500M was allotted for: (i) completion of new troops accommodation at Timehri; (ii) construction of building, warehouse and bond - Civil Defence Commission; (iii) provision for fences at Ayanganna and Anna Regina; and (iv) provision for building, armoury and quarters. The full amount was expended, as summarised in the table below:

Description	Amount \$'000
Construction and rehabilitation works	355,996
Purchase of equipment	46,720
Withholding taxes	7,339
Consulting services	5,445
Total	415,500

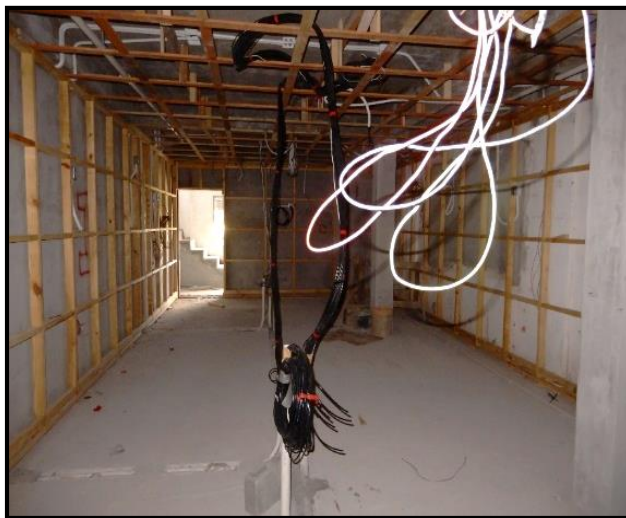
1114. The National Procurement and Tender Administration Board granted an award on 31 May 2019, for the expansion of offices at the Civil Defence Commission Headquarters to the lowest evaluated bidder in the sum of \$69.684M. Eight transactions totalling \$65.865M were processed in 2019 for payment to the contractor. However, only sums totalling \$61.458M were paid, leaving an unpaid sum of \$4.406M. In addition, the sum of \$1.254M was paid over to the Guyana Revenue Authority as withholding tax on the payments.

1115. The commencement date for the works was 20 June 2019, with a duration of six months for completion. Two extensions were granted, with the new completion date being 20 August 2020. However, the basis for the extensions were not stated. As a result, it could not be determined whether the extensions were appropriately justified. Further, it could not be determined whether any liquidated damages should have been applied.

**Defence Force's Response:** The Head of the Budget Agency indicated that the completion of the project was raised in a meeting on 12 June 2020. The contractor raised concerns about challenges to procure items and completion of external works due to COVID-19 restrictions. The contractor also indicated that he cannot commit to a time until the consultant submits all drawings and approvals. After that meeting, a revised work programme was submitted identifying 17 August 2020 as the date of completion for the project. A letter was sent informing the consultant that the CDC has no objections to the request, but the project should not be extended beyond 20 August 2020 followed by handover on 24 August 2020.

1116. A physical verification on 17 September 2020, revealed that the works were incomplete and the work site was inactive. Also, there were no materials or equipment on site. Further, it was discovered that sums amounting to \$25.529M were paid for works which were incomplete in some instances, or had not even commenced in other instances. A summary of the overpayment is shown in the table below:

Item	Description	Amount Overpaid \$
1	<b>BILL №. 2 - PRIME COST AND PROVISIONAL SUMS</b>	
	Electrical and A/C Installation	6,638,300
	Plumbing and Sanitary Installation	2,560,000
2	<b>BILL №. 3 - BUILDING</b>	
	Roofing and Rainwater Goods	10,000
	Carpentry and Joinery	3,560,220
	Metal Works	2,508,500
	Plastering and Other Finishes	6,370,750
	Glazing	37,500
	Painting and Decorating	1,104,300
3	<b>BILL №. 4 - EXTERNAL WORKS</b>	
	Extension of fence to North (Mesh) 270 ft. long x 7 ft. height	439,600
	Concrete Access Bridge 15 ft. long x 11 ft. wide	266,446
4	<b>ADDITIONAL WORKS</b>	
	Data Network	1,629,900
	Fire Alarm System	403,200
<b>Total</b>		<b>25,528,716</b>



Civil Defence Commission Headquarters on 17 September 2020

**Defence Force's Response:** The Head of the Budget Agency indicated that a project report from the consultant is presently being awaited.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force: (i) immediately desist from certifying valuations for works which have not yet been completed; (ii) recover the overpayment of \$25.529M or have the contractor complete works to the value already paid for. (2019/433)

1117. It was further revealed that three payments totalling \$28.745M were processed in 2019. The ensuing three cheques were drawn on 3 January 2020. Two of these cheques valued \$12.379M and \$11.959M were paid in February and June 2020, respectively. The third cheque valued \$4.406M was still on hand. This is a clear indication that payments were prepared for works not done, which is a breach of Section 31 (3) of the FMA Act.

1118. An award was granted by the National Procurement and Tender Administration Board to the lowest responsive bidder in the sum of \$70.906M on 23 August 2019, for the construction of revetment - eastern boundary drain, Base Camp - Ayanganna. The full contract sum was paid, of which the contractor received amounts totalling \$69.484M. The difference of \$1.422M was paid over to GRA as withholding tax on the payments.

1119. An examination of the contract and payment documents revealed that changes were made to the original scope of works without approved variation orders. These changes resulted in the omission of tie rods and the construction of the fence. The funds obtained from these omissions were used instead for installing timber struts and additional wailers to the revetment and construction of a small section of timber revetment along a connecting drain.

**Defence Force's Response:** The Head of the Budget Agency indicated that a change of order was done for the variation of works which was both acknowledged by the Engineer and the contractor. However, the Department failed to seek requisite approval from NPTAB. This will be corrected for future project.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force ensure requisite approvals are obtained before works are undertaken. (2019/434)*

1120. Further, an examination of the breakdown provided for the unauthorised works revealed that the rate for "Supply and apply two (2) coats tar on all timber members surfaces before fixing in position" was incorrectly increased by \$1,000; that is, from \$290 per sq. yd. under the original contract, to \$1,290 per sq. yd. This incorrect increase in the rate resulted in an overpayment of \$120,000 on the payment for the supply and application of two coats of tar on all wailer support members surfaces, which amounted to 120 square metres.

**Defence Force's Response:** The Head of the Budget Agency indicated that rate was mistakenly entered. The contractor has since been written to regarding the overpayment.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force continue to pursue the overpayment. (2019/435)*

Air, Land and Water Transport

1121. The sum of \$300M was allotted for the purchase of vehicles, boats, ATVs, engines and trucks. Amounts totalling \$294.409M were expended, as summarised in the table below:

Description	Amount \$'000
Purchase of five Perimeters (Sky Front) – Drones	172,021
Purchase of five Land Cruisers	68,892
Purchase of two Hilux Pick-Ups	18,636
Purchase of one Toyota Truck	10,739
Purchase of one Forklift	7,243
Training Refund	5,747
Purchase of four Boats	4,614
Purchase of two Motor Cars	3,035
Purchase of one ATV	1,984
Purchase of two Motor Cycles	1,330
Purchase of two Bicycles	125
Withholding Taxes	43
Total	294,409

1122. At the time of reporting in November 2020, three of the drones were physically verified, and properly brought to account. According to a correspondence dated 17 June 2020 addressed to the Force from the supplier, the remaining two drones will remain in California and will be used to train members of the Guyana Defence Force as soon as travel restrictions are relaxed. The correspondence further stated that after the training has been completed, the two systems will be shipped to Guyana.

**Defence Force's Response:** The Head of the Budget Agency acknowledged this finding.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force ensure the two drones are delivered, as required. (2019/436)

Equipment

1123. The sum of \$80M was allotted for the provision of equipment, of which amounts totalling \$79.984M were expended. An examination of six transactions amounting to \$8.510M indicated incidences of contract splitting, which is a breach of Section 14 of the Procurement Act 2003.

1124. As can be seen in the table below, the transactions were just below the NPTAB threshold of \$1.5M for the acquisition of goods:

Description	Amount \$
Purchase of (5) satellite communicators with GPS Navigation	1,487,700
Purchase of (5) satellite communicators with GPS Navigation	1,482,000
Purchase of (1) 4 - Port and (1) Long Range RFID Antennae	1,499,100
Purchase of (1) 4 - Port and (1) Long Range RFID Antennae	1,499,100
Purchase of (4) Thinkpad L-390 Yoga Black Laptops	1,270,948
Purchase of (4) Thinkpad L-390 Yoga Black Laptops	1,270,948
Total	8,509,796

**Defence Force's Response:** The Head of the Budget Agency indicated that this was an oversight by the Force and corrective measures have since been implemented for all future contracts.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force adhere strictly to the requirements of Section 14 of the Procurement Act. (2019/437)*

#### National Flagship - Essequibo

1125. The sum of \$120M was allotted for the provision of propulsion control system. Amounts totalling \$119.995M were expended. This represents an increase of almost 500% in expenditure when compared to 2018. This amount was expended on repairs to the vessel located at Coast Guard Headquarters, Ruimveldt. However, audit checks in September 2020, revealed that the vessel remained unserviceable, and required further works for it to become operational.

**Defence Force's Response:** The Head of the Budget Agency indicated that continuous maintenance works were and is still being conducted on GDF Essequibo 1026. This was as a result of severe mechanical failure of its main engines and auxiliary equipment, which occurred while on operation in 2016.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force assess the extent of its maintenance works to determine the economic feasibility of the vessel. (2019/438)*

#### Other Matters

##### Departmental Tender Board

1126. The Departmental Tender Board (DTB) was appointed in keeping with Section 22 of the Procurement Act. Examination of the DTB Minutes revealed that in all of the forty-five meetings held for the year, only three members were in attendance. However, the Minutes did not account for absentee members. As a result, we could not determine whether the other two members were given notice of meetings and/or if notifications of their absence were submitted.

**Defence Force's Response:** The Head of the Budget Agency indicated that the Force acknowledged this oversight. Minutes would now reflect the attendance status of all members.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force adhere strictly to the requirements of the Procurement Act, which seeks to promote the integrity of, and fairness and public confidence in, the procurement process. (2019/439)*

1127. All Payment Vouchers examined were not stamped with the 'PAID' stamp as evidence that the transactions were completed; thus, preventing duplication of payment. This situation could lead to the perpetration of wrongdoing, without prompt detection.

**Defence Force's Response:** The Head of the Budget Agency indicated that this issue should be dealt with at the Sub-Treasury Department.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force engage the Accountant General to correct this situation. (2019/440)*

## Prior Year Report

### Current Expenditure

#### Employment Costs

1128. The Force recovered the sum of \$24,372 from net salaries amounting to \$407,975 that were overpaid to three employees who were ‘struck-off’ the payroll during 2018, leaving an unrecovered sum of \$383,603. The related deductions of \$159,430 were also yet to be recovered. Similarly, the Force was still to recover net salaries overpaid for the years 2011 to 2013 totalling \$677,000, and the related deductions of \$325,000 for the years 2011 to 2015.

**Defence Force’s Response:** The Head of the Budget Agency indicated that the recovery was from one employee. The legal letters sent to the other two persons were returned to the Force as these persons no longer reside at the last address on record. The Force is exploring other legal actions.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force continue its efforts in pursuing recoveries of the overpayments. (2019/441)*

#### Other Matters

1129. Twenty-four Payment Vouchers processed for sums totalling \$519.362M during 2018, were not presented for audit. Six and eighteen Payment Vouchers processed for sums totalling \$11.377M, and \$507.985M were in relation to current and capital expenditure, respectively. As a result, a determination could not be made as to the propriety of the payments, and whether value was received for the moneys spent.

**Defence Force’s Response:** The Head of the Budget Agency indicated that the sub-treasury is the custodian of six of the eighteen Payment Vouchers for current expenditure and three have been cleared. The three out of the six capital payments have since been cleared and one was a direct payment. Efforts are still being made to locate the outstanding vouchers.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force in collaboration with the Sub-Treasury, take steps to locate and present the outstanding vouchers for audit. (2019/442)*

#### Capital Expenditure

1130. The Force was still to recover the sum of \$9.331M overpaid on a contract for the construction of a timber wharf, approach and floating raft at the Guyana Defence Force Coastal Battalion, New Amsterdam. The contract was awarded in 2017 for the sum of \$52.638M. Total payments received by the contractor was \$32.351M. Physical verification of the works revealed that the contractor was overpaid the sum of \$17.830M, of which \$8.499M was recovered. The Force had taken legal action to recover the remaining overpayment.

**Defence Force’s Response:** The Head of the Budget Agency indicated that the over-payment of \$9.331M was still to be recovered from the contractor. The Head added that the Force was exploring what legal actions can be taken against the contractor to recover the outstanding overpayment.

**Recommendation:** *The Audit Office recommends that the Administration of the Defence Force continue its efforts to recover the outstanding overpayment. (2019/443)*



1131. The Force was still to recover the sum of \$2.187M overpaid on a contract for the construction of a water storage facility at Air Station London, Timehri. The contract was awarded in 2017 for the sum of \$8.992M. The total sum paid to the contractor for works completed was \$8.819M. Physical verification of the works revealed that the contractor was overpaid the sum of \$2.287M, of which the amount of \$100,000 was repaid.

**Defence Force's Response:** The Head of the Budget Agency indicated that the force is exploring what legal action can be taken against the contractor to recover the over-payment.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force continue its efforts to recover the outstanding overpayment. (2019/444)

1132. The Force was still to recover the outstanding sum of \$1.671M that was overpaid on a contract for the completion of kitchen mess hall building at Air Corps, Timehri.

**Defence Force's Response:** The Head of the Budget Agency indicated that the contractor was written to by the Quartermaster General. Also, a truck on site belonging to the contractor was seized by the Guyana Defence Force pending resolution of the matter. The Force is exploring what legal action can be taken against the contractor to recover the over-payment.

**Recommendation:** The Audit Office recommends that the Administration of the Defence Force continue its efforts to recover the outstanding overpayment. (2019/445)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

1133. The table below shows the prior year matters as contained in the Auditor's General 2018 Report and action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 17 recommendations; 6 were not implemented, 4 were partially implemented and 7 were fully implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/312	Overpayment of salaries and deductions		√	
2018/313	Breach of Stores Regulations		√	
2018/314	Breach of Stores Regulations		√	
2018/315	Breach of Stores Regulations	√		
2018/316	Breach of Stores Regulations			√
2018/317	Outstanding Cheque Orders		√	
2018/318	Breach of Section 43, FMA Act 2003			√
2018/319	Outstanding Payment Vouchers			√
2018/320	Breach of Procurement Act	√		
2018/321	Breach of FMA Act 2003	√		
2018/322	Breach of Procurement Act	√		
2018/323	Breach of FMA Act 2003	√		
2018/324	Non-delivery of Asset	√		
2018/325	Assets not in use	√		
2018/326	Overpayment on construction works			√
2018/327	Overpayment on construction works			√
2018/328	Overpayment on construction works			√

AGENCY 54  
MINISTRY OF PUBLIC SECURITY

Current Year Matters

Current Expenditure

Employment Costs

1134. According to the National Estimates 2019, amounts totalling \$2.550 billion were budgeted for Employment Costs for a staff complement of 1,397. As at December 2019, amounts totalling \$2.533 billion were expended for 1,607 staff. This represents 210 staff more than was budgeted for and \$17M under the budgeted expenditure. As such, it would appear that Employment Costs were over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase (Decrease) 2019
6111	Administration	77	72	(5)
6112	Senior Technical	22	23	1
6113	Other Tech. & Craft Skilled	747	800	53
6114	Clerical & Office Support	362	382	20
6115	Semi-Skilled Operatives and Unskilled	24	26	2
6116	Contracted Employees	162	284	122
6117	Temporary Employees	3	20	17
Total		1,397	1,607	210

**Ministry's Response:** The Head of the Budget Agency indicated that the variances were as a result of resignation, retirement, recruitment and transfer of staff.

**Recommendations:** *The Audit Office recommends that the Ministry ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/446)*

1135. As can be seen from the table above, amounts totalling \$505.912M, which represented 24% of the total Employment Costs, were paid to 284 contracted employees during the year.

1136. Public Service Commission (PSC) Circular №. 1/2017 dated 7 February 2017 stated that Permanent Secretaries (PS), Heads of Departments and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. According to the December 2019 payroll, 284 contracted employees were paid salary within the ranges shown in the table below. In addition, 214 of the contracted employees were below the age of forty-five.

Salary Range	№. of Employees	Amount \$'000
Below \$100,000	117	9,749
\$100,001 - \$200,000	134	17,260
\$200,001 - \$400,000	25	6,853
Above \$400,000	8	5,477
Total	284	39,339

**Ministry's Response:** The Head of the Budget Agency explained that the Officers on Contract/Gratuity are those who hold Non-Pensionable position due to the nature of their jobs, and Officers who do not meet the age or academic requirements for appointment on the Pensionable Establishment.

**Recommendations:** *The Audit Office recommends that the Ministry minimise the number of staff being employed on a contractual basis and continue the process of moving eligible employees over to the Pensionable Establishment. (2019/447)*

1137. An examination of a sample of 158 Personal Files relating to resignation, dismissal and new appointment for the year 2019, revealed overpayment of net salaries totalling \$1.207M for seven Officers. It should be noted that net salaries totalling \$714,074 was recovered from five Officers while \$493,264 is still to be recovered. Related deductions amounting to \$125,519 were also overpaid to various deduction agencies. Similarly, overpayment of net salaries totalling \$1.653M and related deductions totalling \$1.395M were still to be recovered for the years 2016 to 2018.

**Ministry's Response:** The Head of the Budget Agency explained that the Ministry is still following up on these issues with a view to recovering the overpayments.

**Recommendation:** *The Audit Office recommends that the Ministry continued its effort to recover the sums overpaid and to ensure systems are put in place to minimise overpayment. (2019/448)*

1138. An examination of the Travelling Allowance Register revealed that thirty-one Officers received travelling allowances for the period January to December 2019. However, Motor Vehicle Insurance were not seen for twenty-four Officers for the entire year, while partial insurance was seen for six Officers. Since the payment of travelling allowance is determined by the type of insurance purchased by Officers i.e. Full Comprehensive or Third Party the Ministry is in breach of Accountant General Circular №. 4/95.

**Ministry's Response:** The Head of the Budget Agency explained that corrective measures will be put in place to ensure that all insurances are submitted before payment of travelling allowances are made.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the requirement of the relevant Circular. (2019/449)*

#### Shortfall in Expenditure

1139. The sum of \$4.771 billion was budgeted for in 2019 to execute five re-current programmes under the Ministry. According to the Appropriation Accounts, the sum of \$4.516 billion was expended leaving an unspent amount of \$255M or approximately 5% of total funds allotted as shown below:

Prog. №.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000	Shortfall %
1	Policy Development and Administration	806,991	794,700	12,291	2
3	Prison Services	2,201,491	2,057,689	143,802	7
4	Police Complaints Authority	21,098	19,875	1,223	6
5	Fire Service	1,421,670	1,326,608	95,062	7
6	Customs Anti-Narcotics Unit	319,705	317,178	2,527	1
Total		4,770,955	4,516,050	254,905	

**Ministry's Response:** The Head of Budget Agency acknowledged the finding and stated that efforts will be made to ensure that the sums allocated are utilised.

**Recommendations:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning and execution of project in a timely manner so as to ensure amounts are expended as budgeted and the intended benefits are achieved as planned. (2019/450)*

Stores and Other Public Property

1140. Audit examination of the Ministry vehicles' listing under three programmes revealed that there were 150 serviceable vehicles that required Log Books of which thirty-three were not presented for audit examination. In the circumstances, it could not be determined whether all journeys undertaken were authorised and were in the interest of the Ministry. A similar situation existed in 2018.

1141. In relation to the Guyana Prison Service (GPS), a list of vehicle and equipment owned and operated by that Department was submitted on 21 August 2020. An examination of the list revealed that there were more Log Books presented than was on the vehicle's listing presented; as such, it could not be determined if it was a comprehensive list.

1142. In addition, Historical Records were not presented for the vehicles controlled by the Guyana Fire Service (GFS). As such, the Ministry is in breach of Section 26 of the Stores Regulations and Finance Secretary Circular №. 3/2011 on the maintenance of Log Books for motor vehicles and the inventory of all plants and machinery.

**Ministry's Response:** The Head of the Budget Agency explained that:

- a) Of the thirty-seven Log Books, four were submitted to the Auditors and the remainder will be submitted.
- b) The GFS is in the process of locating the Historical Records.
- c) The GPS is currently reviewing the list and will be resubmitting same to the Auditors shortly.

**Recommendation:** *The Audit Office recommends that the Ministry comply fully with the Stores Regulations and Circulars. (2019/451)*

Accounting for Stores

1143. Audit verification and examination of the records at the Ministries' Stores revealed that the Ministry continued to breach the Stores Regulations as detailed below:

Stores at Head Office

- a) Both the Bin Cards and Stores Ledger were maintained by the Storekeeper contrary to Section 6 (2) of the Stores Regulations.
- b) A Master Inventory was not maintained.
- c) There was no evidence that physical inspections and reconciliation were done.

**Ministry's Response:** The Head of the Budget Agency acknowledged the findings and indicated that measures will be taken to comply with the Stores Regulations.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the Stores Regulations. (2019/452)*

Guyana Prison Service

1144. The Stores at the Georgetown Prison was not properly maintained. Upon inspection in September 2020, it was observed that the stores were in a disorderly state as shown below.



Guyana Prison Service -Stores

**Ministry's Response:** The Head of Budget Agency explained that the Georgetown Prison Stores is currently under construction and upon completion, it will be organised in accordance with the Stores Regulations.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the Stores Regulations. (2019/453)*

Guyana Fire Service

- a) No Bin Cards were maintained.
- b) The Stores was not kept clean, well ventilated, waterproof and secure and arranged in a manner that makes it easy to access and check.
- c) Unserviceable and serviceable stores were not kept separately and inflammable materials were also not kept apart from other stores.



Guyana Fire Service - Stores

**Ministry’s Response:** The Head of the Budget Agency acknowledged the findings and indicated that measures will be taken to comply with the Stores Regulations.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the Stores Regulations. (2019/454)*

Other Matters

Consolidated Fund – Unexpended Balance

1145. Section 43 of the Fiscal Management and Accountability (FMA) Act states that “*at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund.*” However, an inspection of the Ministry’s safe at year end revealed that there were 481 cheques totalling \$1.041 billion on hand. In addition, 237 cheques totalling \$637.902M were printed early January 2020 for December 2019. At the time of reporting, the Ministry still had twenty cheques on hand totalling at \$20.710M. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts were overstated by the said amount.

1146. Further, a detailed analysis of cheques revealed that Ministry of Finance (MoF) cut 6,354 cheques totalling \$18.277 billion for current and capital expenditure incurred by the Ministry. However, 1,052 cheques totalling \$3.213 billion or approximately 18% of total expenditure were for December 2019 as shown in the table below:

Month	No. of Cheques	Amount \$'000	Percentage
January	285	894,421	5
February	565	1,761,586	10
March	451	1,104,782	6
April	491	1,801,552	10
May	505	1,242,708	7
June	498	1,376,282	7
July	549	1,322,463	7
August	417	1,093,440	6
September	463	1,559,088	8
October	569	1,429,217	8
November	509	1,479,165	8
December	1,052	3,212,669	18
Total	6,354	18,277,373	100

**Ministry's Response:** The Head of Budget Agency explained that of the cheques on hand at that time, a number of these cheques were for the payment of services already rendered.

**Recommendation:** *The Audit Office recommends that the Ministry institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/455)*

#### Cheque Orders

1147. Circularised Instructions require that all Cheque Orders be cleared within thirty days of their issue through the submission of bills/receipts and other documents in support of the payments made. Audit examination of the Cheque Order Register revealed that 133 Cheque Orders valued at \$301.438M issued during the year 2019 were still outstanding as at 20 August 2020. One hundred and eight Cheque Orders totalling \$147.628M relates to current expenditure while twenty-five totalling \$153.810M relates to capital expenditure. As a result, it could not be ascertained whether the Ministry received full value for all moneys expended. Similarly, nineteen Cheque Orders amounting to \$6.283M remained outstanding with respect to the year 2017.

**Ministry's Response:** The Head of Budget Agency explained that every effort will be made to clear all remaining outstanding Cheque Orders.

**Recommendation:** *The Audit Office recommends that the Ministry renew its efforts to have these Cheque Orders cleared and to ensure that there is strict adherence to the requirements for the clearing of Cheque Orders. (2019/456)*

#### Unpresented Payment Vouchers

1148. During the period under review fifty-two Payment Vouchers totalling \$49.664M which relates to current and capital expenditure were not presented for audit examination. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of the payments and whether value was received for the moneys spent.

**Ministry's Response:** The Head of Budget Agency explained that every effort will be made to submit the unpresented Payment Vouchers.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that Payment Vouchers are properly secured and presented for audit examination. (2019/457)*

## Capital Expenditure

### Shortfall in Expenditure

1149. The sum of \$3.868 billion was budgeted for in 2019 to execute the six capital programmes of the Ministry. According to the Appropriation Accounts, the sum of \$3.791 billion was expended resulting in a shortfall of \$77.315M as shown in the table below:

Prog. No.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
1	Policy Development and Administration	633,493	615,473	18,020
2	Police Force	855,000	798,491	56,509
3	Prison Services	1,769,208	1,766,630	2,578
4	Police Complaints Authority	2,500	2,495	5
5	Fire Service	578,130	578,015	115
6	Customs Anti-Narcotics Unit	30,000	29,912	88
Total		3,868,331	3,791,016	77,315

**Ministry's Response:** The Head of Budget Agency explained that the shortfall was attributed to the Ministry being unable to enter payments before the close of the Integrated Financial Management Information System (IFMIS) and, as such, was unable to utilise the remaining allocation due to time constraint.

**Recommendation:** The Audit Office recommends that measures be taken to ensure that activities and project are execute during the earlier part of the year so that the budgeted sums are utilised and the intended benefits are achieved as planned. (2019/458)

### Buildings

1150. The sum of \$1.853 billion was allotted for the: (i) construction of building under Policy Development and Administration; (ii) completion, construction and rehabilitation of police stations, buildings, quarters and payment of retention for buildings under Police Force; (iii) provision for prison and payment of retention under Prison Service; and (iv) completion and construction of fire stations, living quarters, fences and payment of retention under Fire Service. Approval for inclusion of programme was granted for the: (i) tiling of floor at the Juvenile Holding Centre; (ii) rehabilitation of building and electrical works, at Lusignan Prison; (iii) concreting of surface and drain, holding bay at Lusignan Prison, (iv) construction of fence and gate at Georgetown Prison; and (v) construction of fence at Onverwagt Fire Station under Fire Service. According to the Appropriation Accounts, amounts totalling \$1.802 billion were expended during the year as shown in the table below:

Description	Expenditure \$'000
Buildings - Head Office	6,938
Police Station and Buildings - Police	349,065
Buildings - Prisons	1,420,408
Fire Ambulances and Stations - Fire	25,559
Total	1,801,970

1151. Due to the current pandemic (COVID -19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.



### Land and Water Transport

1152. The sum of \$812.631M was budgeted for the purchase of vehicles, trucks, motorcycles, boats, engines, bicycles, buses, ATV's, aircraft rescue and fire fighting vehicle, water tenders and ambulances for Policy Development and Administration, Police Force, Prison Service and Fire Service. Approval for change/inclusion of programme was granted for the: (i) purchase of a vehicle instead of a truck, (ii) purchase of two motorcycles; and (iii) purchase of one fuel tanker and one motorcycle from savings. According to the Appropriation Accounts, amounts totalling \$812.416M were expended.

### Equipment and Furniture

1153. The sum of \$657.700M was budgeted for the procurement of office furniture, equipment, agricultural tools, communication and other equipment for Policy Development and Administration, Police Force, Prison Services, Fire Services, Customs Anti-Narcotics Unit (CANU) and Police Complaints Authority (PCA). According to the Appropriation Accounts, amounts totalling \$649.566M were expended during the year as shown in the table below:

Description	Amount \$'000
Purchase of tools and other equipment - Prison	302,616
Purchase of communication, musical and other equipment - Police	249,426
Purchase of tools, office furniture & communication equipment - Fire	42,918
Purchase of equipment and furniture - Administration	37,984
Retention for building, furniture and equipment for CANU	14,127
Purchase of computers and printer for PCA	2,495
Total	649,566

1154. Audit examinations of 123 Payment Vouchers totalling \$315.864M in respect of equipment and furniture purchased revealed that fifty-six of the Payment Vouchers totalling \$202.616M had no stores documentation. In this circumstance, it could not be determined whether the items purchased were delivered.

**Ministry's Response:** The Head of Budget Agency indicated that the Ministry will comply with the Stores Regulations.

**Recommendation:** *The Audit Office recommends that the Ministry comply fully with the Stores Regulations at all times.* (2019/459)

### Policy Development and Administration

1155. During the physical verification of capital items purchased for the year 2019 at the Ministry of Public Security (MoPS) Secretariat, National Anti-Narcotic Agency, Guyana Forensic Science Laboratory and the Juvenile Holding Centre it was observed that capital items were not marked in such a manner that will render them readily identifiable as Government property. As a result, it could not be ascertained whether capital items physically verified were actually items purchased in 2019.

**Ministry's Response:** The Head of Budget Agency explained that all assets will be marked so as to make them easily identifiable.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the Stores Regulations.* (2019/460)

Guyana Police Force

1156. Amounts totalling \$255M were budgeted for the purchases of arms and ammunition, fingerprint, ballistic, photographic, handwriting, communication, narcotics, intelligence traffic, crime screen, musical equipment and furniture and equipment. According to the Appropriation Accounts amounts totalling \$249.426M were expended as at 31 December 2019. A physical verification of capital purchases valuing \$132.447M, revealed that the items purchases for 2019 could not be verified since they were not marked as property of the Force. As a result, the Ministry is in breach of Section 28 of the Stores Regulations.

**Ministry's Response:** The Head of Budget Agency indicated that all efforts will be made to ensure that outstanding capital items are marked to make them easily identifiable.

**Recommendation:** *The Audit Office recommends that the Ministry comply with the Stores Regulations. (2019/461)*

1157. Included in the sum of \$249.426M were amounts totalling \$39.123M expended on the purchase of capital items for the Force. At the time of reporting, the items were still not received. Similarly, items purchased to the value of \$6.984M were still to be delivered in respect of the year 2017.

**Ministry's Response:** The Head of Budget Agency indicated that all efforts will be made to ensure that outstanding capital items are delivered.

**Recommendation:** *The Audit Office recommends that the Ministry follow-up this matter with the suppliers to have the items delivered promptly. (2019/462)*

Guyana Prison Service

1158. Amounts totalling \$140.076M were expended on the purchase of cables, phones, shredders, fax machines, cartridges, batons, riot shields and others for the GPS. At the time of reporting, the assets were still not received.

**Ministry's Response:** The Head of Budget Agency indicated that all efforts will be made to ensure that outstanding Capital items are delivered.

**Recommendation:** *The Audit Office recommends that the Ministry follow-up this matter with the suppliers to have the items delivered promptly. (2019/463)*

Guyana Fire Service

1159. A physical inspection was carried out at nine Fire Stations (out-stations) and it was revealed that no records were maintained for the receipt of assets. In one instance the Station Officer at an out-station denied receiving items then later went on to point out the chairs and cabinet as seen in the photographs below as being received in 2019.



Chairs and Cabinet

1160. An examination of Payment Vouchers revealed three payments amounting to \$1M were made to three suppliers for the purchase of capital items. The payments were made in March and July 2019. At the time of reporting, the items shown in the table below were not delivered.

Item	Qty.	Amount \$'000
Leg press machine	1	320
Security cameras	8	680
Total		1,000

**Ministry's Response:** The Head of Budget Agency indicated that all efforts will be made to ensure that outstanding capital items are delivered.

**Recommendation:** The Audit Office recommends that the Ministry follow-up this matter with the suppliers to have the items delivered promptly. (2019/464)

Foreign Funded Projects

1161. During the year 2019, the sum of \$545M was budgeted for two Foreign Funded Projects under the Ministry which are subjected to separate financial reporting and audit. According to the Appropriation Accounts, amounts totalling \$527.063M were expended resulting in a shortfall of \$17.937M as shown below:

Funding Agency	Description	Funds Available \$'000	Expenditure \$'000	Under Funds Available \$'000
Inter-American Development Bank (IDB)	Citizen Security Strengthening Programme	525,000	524,989	11
Caribbean Development Bank (CDB)	Technical Assistance - Enhancing Citizen Security - Trafficking in Persons (TIP)	20,000	2,074	17,926
Total		545,000	527,063	17,937

### Prior Year Matters

#### Other Matters

1162. According to information from the MoF, there were five Deposit Fund Accounts in respect of the Ministry. Reconciliations were done for three of the Accounts; however, the two old accounts which are in the name of the previous Ministry (Ministry of Home Affairs) remained unreconciled.

**Ministry's Response:** The Head of Budget Agency explains that the MoF has advised that the two accounts were there since the implementation of the IFMAS 2003; hence, it is not prudent for these accounts to be closed, but to be carried forward each year.

**Recommendation:** *The Audit Office again recommends that the MoPS collaborate with the MoF on how to resolve this matter. (2019/465)*

1163. Overpayments on contracts totalling \$18.675M were still to be recovered for the five projects shown in the table below:

Year	Project	Amount \$'000
2018	Rehabilitation of Police Station, Matthew's Ridge	11,045
2018	Completion of Fire Station, Mabaruma	4,338
2016	Completion of external fence, Aurora Police Station	1,078
2012	Rehabilitation of Police Station, Kamarang	960
2010	Remedial works, Albion Police Station	1,254
Total		18,675

**Ministry's Response:** The Head of Budget Agency explains that the projects in 2010 and 2012 are currently before the Court.

**Recommendation:** *The Audit Office recommends that the Ministry continue to take action to recover the overpayment and put systems in place to prevent recurrences. (2019/466)*

### Special Investigation - 2015

1164. The Audit Office in collaboration with the GPF conducted an investigation at the Ministry into twenty-three transactions amounting to \$22.556M for the year 2015. At the time of reporting, this matter was still engaging the attention of the Court.

Follow-up on the Implementation of Prior Year Audit Recommendations

1165. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 22 recommendations; 8 were not implemented, 13 were partially implemented and 1 was fully implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/329	Breach of Circularised Instructions - Contracted Employees			√
2018/330	Overpayment of Salaries and Deductions		√	
2018/331	Payment of Travelling Allowance without Valid Insurances			√
2018/332	Administrative Issues and Overpayment on Project	√		
2018/333	Breach of Stores Regulations - Log Books		√	
2018/334	Breach of Stores Regulations - Segregation of Duties			√
2018/335	Breach of FMA Act 2003 - Cheques of Hand		√	
2018/336	Shortfall in Capital Expenditure		√	
2018/337	Administrative Issues and Overpayment on Project		√	
2018/338	Overpayment on Project		√	
2018/339	Administrative Issues and Overpayment on Project		√	
2018/340	Administrative Issues		√	
2018/341	Non Delivery of Assets		√	
2018/342	Non Delivery of Assets		√	
2018/343	Overpayment on Construction Works		√	
2018/344	Non Submission of Documents			√
2018/345	Breach of Circularised Instructions - Cheque Orders		√	
2018/346	Non Reconciliation of Deposit Account			√
2018/347	Non Delivery of Assets		√	
2018/348	Non Submission of Documents			√
2018/349	Overpayment on Construction Works			√
2018/350	Overpayment on Construction Works			√

Programme 2 - Guyana Police Force

Current Year Matters

Current Expenditure

Employment Costs

1166. According to the National Estimates 2019, amounts totalling \$8.999 billion was budgeted for Employment Costs for a staff component of 6,261. As at December 2019, amounts totalling \$8.819 billion were expended for 6,738 staff. This represents 477 staff more the budgeted 6,261 and \$180M under the budgeted expenditure. As such, it would appear that Employment Costs were over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase (Decrease) 2019
6111	Administrative	158	181	23
6113	Other Technical and Craft Skilled	578	649	71
6114	Clerical and Other Support	4,946	5,282	336
6115	Semi-Skilled Operatives and Unskilled	568	618	50
6116	Contracted Employees	11	8	(3)
Total		6,261	6,738	477

**Police Force's Response:** The Head of the Budget Agency explained the new staff represented new recruits by the Force.

**Recommendation:** *The Audit Office recommends that the Ministry ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/467)*

1167. For the year under review 224 Officers severed employment with the Guyana Police Force (GPF) for various reasons. An examination of a sample of Personal Files and other related records revealed fifteen instances where Officers were overpaid net salaries totalling \$1.795M. In addition, the related deductions of \$79,648, \$113,547 and \$331,267 were also overpaid to Guyana Revenue Authority (GRA), National Insurance Scheme (NIS) and other deduction agencies respectively. Similarly, for the years 2010 to 2012, 2017 and 2018 the Force is still to recover outstanding amounts totalling \$10.077M, which were over-paid to employees and deduction agencies as shown in the table below.

Year	Net Salaries \$'000	Deductions \$'000	Total \$'000
2018	6,133	1,822	7,955
2017	187	46	233
2012	671	363	1,034
2011	290	67	357
2010	498	0	498
Total	7,779	2,298	10,077

**Ministry's Response:** The Head of the Budget Agency explained that due to the geographical layout of the Forces' operations, they are delays in transmitting information to the Accounting Unit for terminated Officers hence the delay. This would also affect the recovery of the overpayments; however, this is an on-going exercise. The Officers whose employment were terminated and the respective banks were written to requesting refunds, however no responses were received.

**Recommendation:** *The Audit Office recommends that the Ministry continued its effort to recover the sums overpaid and to ensure systems are put in place for pay change directives to be forwarded in a timely manner to the Central Accounting Unit of the Force in order to minimise overpayments. (2019/468)*

#### Stores and Other Public Property

1168. A sample of thirty items were selected from the various sections of the Forces' stores for physical verification against the Stock Ledger and Bin Cards. It was observed that there were seventeen instances where there were variances between the Stock Ledger and physical count since the Bin Cards and Stock Ledger were not updated when items were received or issued. At the time of reporting in November 2020, these records were updated. A similar situation was observed in 2018 where differences were observed between physical count and Stock Ledger balances.

1169. Further, due to the poor maintenance of stores records, the Force is at risk of breaching Stores Regulations Section 8, which states, "*The storekeeper shall be responsible for ensuring that adequate stocks are maintained to meet the day to day requirements of the Ministry. Stock and re-order levels shall be determined after due consultation with the Permanent Secretary and taking into account the pattern of usage. Care shall be exercised to ensure that there is no over-stocking and any resultant incidence of obsolescence.*"

**Police Force's Response:** The Head of Budget Agency explained that this exercise is on-going and efforts are made to have all records updated.

**Recommendation:** *The Audit Office recommends that the Guyana Police Force comply with the Stores Regulations and the MoF Circular where Accounting Officers are reminded that it is their managerial responsibility to ensure that adequate and appropriate controls are in existence to ensure the effective management of the resources at their disposal. (2019/469)*

1170. The Force presented a list detailing thirty-two vehicles that were left at workshops across the country to be repaired for various reasons. It was observed that twelve vehicles were at the workshop in excess of eighteen months; whilst, sixteen were between nine to sixteen months. The remaining four vehicles were proposed to be boarded. A similar situation was observed in 2018 where vehicles were in workshop for more than eighteen months.

1171. Further, amounts totalling \$176.560M were expended on Vehicle Spares and Services to the Force's fleet of vehicles. An analysis carried out on maintenance cost for a sample of 101 vehicles, revealed that thirty-nine vehicles incurred high maintenance cost totalling \$64.640M.

**Police Force's Response:** The Head of the Budget Agency explained that some vehicles which were donated had engine problems and parts were not easily accessible locally hence the reason for some of the delays.

**Recommendations:** *The Audit Office recommends that the GPF monitor closely the maintenance of its fleet of motor vehicles and consider whether it is economical to retain or dispose of these vehicles, since the costs of maintenance are high and parts are not easily accessible. (2019/470)*

### Benefits and Allowance

1172. The sum of \$1.340 billion was expended on Benefits and Allowances. An examination of the amounts expended revealed the following:

- a) One payment was made to a supplier valued \$1.003M for uniform accessories. However, except for a bank draft to an overseas supplier no other supporting documents were seen to substantiate the amount paid. Since description of the items, quantities, amounts and timeline for delivery could not be determined, it was unclear whether the uniform accessories were received and brought to account. As such, the accuracy and propriety of the expenditure could not be verified.
- b) On the 31 December 2019, NPTAB gave approval to award a contract in the sum of \$10.800M for the procurement of services for meals ready to eat for Officers on training for an upcoming event which had commenced on 26 August 2019 and expected to continue until 15 December 2019. The Force paid the supplier the entire sum approved by NPTAB on 3 January 2020. However, the contract agreement was not presented for audit and as noted above the approval from NPTAB was dated after the event was completed. As a result, the completeness, accuracy, validity of the payment could not be ascertained.

**Police Force Response:** The Head of Budget Agency explained that efforts are being made to locate the contract document.

**Recommendation:** *The Audit Office recommends that the GPF comply with the Procurement Act and the Stores Regulations and the MoF Circular where Accounting Officers are reminded that it is their managerial responsibility to ensure that adequate and appropriate controls are in existence to ensure the effective management of the resources at their disposal. (2019/471)*

### Uniform Section

1173. The Force expended sums totalling \$127.796M to purchase raw materials to sew uniforms for staff members. The raw materials were issued to tailors in order to have the uniforms sewn and sums totalling \$154.114M were expended on sewing uniforms. However, an examination of the stores records revealed that neither a Goods Received Book nor Stock Ledgers were maintained to record receipt and issues of completed uniforms. The Storekeeper only kept folders with Delivery Slips for the completed uniforms received. As a result, control mechanisms to ensure proper accountability for uniforms were not in place.

**Police Force's Response:** The Head of Budget Agency explained that updates were done to the records and that this is an on-going exercise.

**UPDATE:** Checks at the stores on 22 October 2020 revealed no updates are being done.

**Recommendation:** *The Audit Office recommends that the GPF put measures in place to comply with the Stores Regulations which would enable them to monitor the delivery of uniforms to ensure value is being received for the amounts expended and ensure that adequate and appropriate controls are in existence to ensure the effective management of the Force resources. (2019/472)*



Expense Voucher No. 54F08868 - \$16.800M - Musketry Competition

1174. Examination of Expense Voucher No. 54F08868 dated 19 December 2019 in the sum of \$16.800M for “Musketry for ranks 2019” revealed that apart from a letter from the Finance Officer to the Deputy Commissioner, asking for approval to pay musketry incentive, no other supporting documents were attached to the Payment Voucher at the time of preparation to validate this expenditure. Further, the payment was not approved by the Permanent Secretary (PS).

1175. According to the correspondence attached to the Payment Voucher, “Musketry” is a yearly event and ranks who participated would usually get an incentive. Notwithstanding the explanation given, preparing the Payment Voucher with just a letter from the Finance Officer is inadequate and a breach of the FMA Act. Since the Musketry competition would have already taken place at the time of preparation of the payment on 10 December 2019. The supporting documentation at the time of the preparation should have had a breakdown of the sum \$16.800M with basic information such the criteria for amounts paid, dates of the competition, venues, names of the ranks who participated, amounts to be paid to each rank and amounts awarded for special prizes.

1176. Several requests for supporting documents were made and after weeks of delays the Musketry list 2019 and several signature sheets were presented on 29 September 2020. Later, on 22 October 2020, twenty-two other signature sheets were presented. The musketry list presented with the names of 479 Officers from forty-five sections who were recipient of the musketry incentives was unsigned, undated, unapproved and unexamined. Examination of the Musketry list and the signature sheets also revealed the following:

- a) The amount of the musketry list totalled \$16.030M; whereas, the Payment Voucher was prepared for \$16.800M, a difference of \$770,000 which meant that the Payment Voucher was processed for an excess amount of \$770,000.
- b) Signature sheets were not presented for all of the names on the musketry list. It was observed that for fifteen divisions totalling \$1.581M, different signatures were seen bracketing the names and it would appear that someone uplifted the cash to pay the Officers in those divisions. However, no signature sheets for those divisions were presented for audit. In the circumstances it could not be determined whether the Officers in those divisions received their payments.
- c) For the remaining Sections, a comparison with the amounts on the musketry list and the Signature Sheets revealed that eighteen Officers collected different amounts than that stated next to their names on the musketry list. Some of the amounts were adjusted upwards and some downwards for these Officers without any evidence of approval and reason for the unauthorised changes.
- d) It was also observed that on a separate signature sheet, thirteen Officers who had already collected amounts were paid additional sums totalling \$510,000 without any approval and justification from the Accounting Officer.
- e) There were no checks and balances for the musketry incentives totalling \$16.800M such as a summary at the end of the paying out exercise showing the amount raised on the cheque and encashed, the amounts paid out to Officers and amounts refunded.

**Police Force’s Response:** The Head of Budget explained that for the outstanding signature sheets, a request will be made to the Heads of Divisions to submit same.

**Recommendation:** The Audit Office recommends that the Force take note of the MoF Circular where Accounting Officers are required to ensure that adequate and appropriate controls are in existence to ensure the effective management of the resources at their disposal. (2019/473)

Other Goods and Services

Examination of contracts for supplies

1177. Four contracts totalling \$123.344M were awarded to the same supplier in December 2019 under several Line Items and the full contract sums were paid to the supplier in January 2020 before any of the items were supplied in breach of the conditions of the contracts. Further, the supplier failed to supply the items within the stipulated time. As at 5 October, items totalling \$36.910M were still outstanding. At a meeting held on the 21 October 2020, it was explained that the supplier had delivered additional items on these contracts and efforts were being made to have the supplier deliver the outstanding supplies. Audit checks on the 22 October 2020 revealed that items totalling \$22.193M were still outstanding as shown below:

No.	Date of contract	Contract Sum \$	Description of contract	Date paid	Supplies outstanding as at 5 October 2020 \$'000	Supplies outstanding as at 22 October 2020 \$'000
1	03-Dec-19	76,557,400	Procurement of office materials and supplies	02-Jan-20	13,508	0
2	03-Dec-19	7,961,500	Procurement of Janitorial and Cleaning Supplies	02-Jan-20	832	832
3	17-Dec-19	25,003,480	Procurement of Electrical materials	06-Jan-20	16,265	15,059
4	27-Dec-19	14,821,260	Procurement of Equipment Maintenance materials	06-Jan-20	6,302	6,302
Total		124,343,640	Outstanding items		36,907	22,193

1178. An examination of the four contracts and the supporting documents revealed the following:

- a) The full contract sums were paid to the supplier in breach of the special conditions of the contract which state that the supplier will be paid 100% of the contract sum in consideration of the delivery of the goods after it is inspected and certified by the relevant agency personnel or fifty percent of advance payment will be paid within seven days of the signing of the contract providing that the supplier submits an advance security to cover same from a recognised financial institution in the form of a Bank Guarantee, Managers Cheque or Insurance Bond. A final payment of fifty percent will be made upon delivery of the goods after inspection of the item and certified by the relevant agency personnel.
- b) No evidence of an advance security or bond was seen to cover the entire contract sums paid to the supplier.
- c) Further, the special conditions of the contract also provide for a performance security of ten percent of the contract price. No evidence of this was seen.

- d) The contracts also provided for liquidated damages at the rate of 0.03 for the untimely execution of order per week. According to the unsigned delivery schedules in the contracts, the supplier should have delivered the items after ninety and sixty days of signing of the contracts. Since the supplier did not adhere to the delivery schedules liquidated damages should have been applied to the contract.
- e) In relation to the contract awarded in the sum of \$7.962M it was observed for those items supplied entries were not made in the Bin Cards or Stock Ledgers contrary to the Stores Regulations.
- f) Considering the foregoing, it is evident that the contracts were poorly managed by the GPF and the MoPS.

**Police Force's Response:** The Head of Budget Agency explained that they are working assiduously to have the contractor deliver all outstanding supplies.

**Recommendations:** *The Audit Office recommends that the Head of the Budget engage the relevant sections of the Police Force to put systems in place to correct the deficiencies highlighted and to strengthen internal control processes in accordance with the Stores Regulations and the FMA Act. (2019/474)*

Other supplies

1179. An examination of Payment Vouchers with supporting documents and stores records on purchases of various items revealed the following:

- a) Four payments totalling \$2.794M were expended on the purchase of gaiters, belts, toilet sets and pipes. However, no evidence was seen that the items were brought to account in the Goods Received Book (GRB) and Stock Ledgers. As a result, it could not be determined whether the items purchased were received and accounted for.
- b) Two payments totalling \$8.627M were expended on the purchase of 252 tyres and twenty batteries. An examination of the Goods Received Book (GRB), Stock Ledgers and Delivery Notes, revealed that 198 tyres totalling \$7.262M were not received as at 20 August 2020 by the Force. However, at the time of reporting, five tyres totalling \$183,383 were still outstanding. In addition, the specifications for sixty-eight of the delivered tyres were different from what was stated in the Bid Documents.

**Police Force Response:** The Head of Budget Agency explained that the gaiters and belts were received and sent directly to another Section of the Force and corrective actions will be taken to avoid recurrence. With regards to the tyres, five remain outstanding as at 22 October 2020.

**Recommendations:** *The Audit Office recommends that the Force: (i) comply with the Stores Regulations where all items purchased are delivered first to the Storekeeper to be recorded in the GRB and Bin Cards; and (ii) comply with all relevant provisions of the FMA Act, the Regulations, Finance Circulars and any other instructions in relation to the proper management of the financial resources of the State. (2019/475)*

Other

1180. Amounts totalling \$155.610M were expended under ‘Other’ for expenses relating mostly to handling and transporting of the deceased by the Force. These payments were made to funeral homes and various divisions of the Police Force as follows:

Description of Payee	Amount \$'000
<i>Payments to Funeral Homes</i>	
Memorial Gardens and Crematorium	49,747
Newburg Funeral Home	19,474
Anthony’s Funeral Home	16,651
Ezekiel Thomas Funeral Service	8,010
Sandy’s Funeral Home	1,882
P. Arokium Funeral Home	2,629
Jacob Anthony Funeral Home	2,914
Other funeral Homes	2,508
<i>Payments to Officer Commanding for various Divisions for death related services</i>	
O/C F Division	36,265
O/C B	7,275
O/C G	4,004
O/C D	1,450
F/O GPF	855
O/C CID	589
Other Payments	1,357
Total	155,610

1181. Included in the payments to Memorial Gardens is an amount of \$42.565M (included \$851,300 withholding tax to GRA) paid on four contracts for services rendered as follows:

Date of contract	Description of works/services as stated in the contract	Contract sum \$'000
19 July 2018	Making Payments	18,775
19 July 2018	Making Payments	16,480
30 July 2018	Making Payments	3,650
30 July 2018	Making Payments	3,660
Total		42,565

1182. As noted above, all of the contracts were dated July 2018. However, no approval was seen to pay unpaid accounts from current funds. A request for Supplementary Provision which was approved for \$48.398M was attached to the Payment Voucher. However, the description for purpose and justification of the Supplementary Provision give no indication that these payments were for prior years and were unpaid. Further, as seen in the table above the description on the contracts provided no information on the services rendered by the funeral home.

1183. An examination of the Payment Vouchers and supporting documentations revealed no evidence that Tender Board Procedures were followed and no approval was seen from any Tender Board for these awards. Also, a petty contract was used for the preparation of these contracts.

1184. Further, there was no request for payment from the funeral home for the outstanding claims and an inspection of the four invoices from the funeral home revealed insufficient details in relation to the storage and handling of the deceased. Two of the invoices for the amounts of \$16.480M and \$18.755M; respectively, were not signed by the Authorising Officer of the funeral home.

1185. Audit checks carried out on the invoices revealed a column “removal date” with dates ranging from 2015 to 2017. It could not be determined what this date represents and how long the remains/ deceased were stored at the funeral home. Further, the invoices had cost associated for transportation, two handling cost, cold storage, post mortem and total cost. Under cold storage, a sum was stated; however, it could not be determined how this sum was arrived at since no rate per days and the number of days were stated on the invoices.

1186. In addition, according to the invoices, the Police Station requesting assistance for storage and other related death services were Bartica, Madhia, Cove and John, Aranka and Eteringbang. However, no extracts or reports were seen from the Death Occurrence Books from these stations to support the information recorded on the invoices. As such, the completeness, accuracy and validity of the amounts of \$42.565M expended for services rendered for storage and handling of the deceased could not be determined.

**Police Force Response:** The Head of Budget Agency explained that request will be made from the Divisional Commanders to send copies of the extract from the Death Occurrence Book.

**Recommendations:** *The Audit Office recommends that the GPF comply with the Procurement Act and Section 10 (3) of the FMA Act where a Head of Budget Agency shall comply with all relevant provisions of this Act, the Regulations, Finance Circulars and any other instructions in relation to the proper management of the financial resources of the state. (2019/476)*

#### Alleged Fraud at the Police Office Finance Division

Cheques totalling \$12.565M prepared in IFMAS and the relevant Payment Vouchers were not found. Matter currently in court

1187. During the period under review, two Officers from the Finance Division of the GPF were interdicted and placed before the Courts for alleged fraud at the Finance Section of the GPF. The matter involved apparent collusion between Officers in the processing of twenty-one payments in the IFMIS without any evidence of the physical Payment Vouchers. Three cheques dated 9 April 2019 amounting to \$12.565M were subsequently drawn for the twenty-one entries. The twenty-one entries totalling \$12.565M were from the Line Item- Local Travelling and Subsistence, with the description “Refund of Amount”. All the Payment Vouchers were made out to O/C F Division. However, the physical Payment Vouchers and supporting documentation were never located. The cheques were not encashed. It must be noted that at the time of audit in November 2020, the Court matter was on-going.

#### Fuel and Lubricants

##### Missing Payment Vouchers but cheque encashed

1188. An examination of the payments made under Line Item 6261 - Fuel - revealed two identical payments for amounts of \$17.081M. One payment was made out to Guyana Oil Company Limited (GUYOIL) and the other, a cheque payment to O/C F Division for purchase of fuel as shown in table below:

Date	PV number	Cheque №.	Amount \$	PAYEE	Description
26/03/2019	54F01073	07-220072	17,080,767	GUYOIL	Purchase of fuel
26/03/2019	54B001073	07-220086	17,080,767	O/C F Division	Purchase of fuel

1189. As shown in the above table, the two Payment Voucher numbers were also similar except one was in the F series and the other was B series with an extra digit. It was observed from the numbering in IFMIS that the B series was only used in December and the numbering did not reach 1073. As such, any Payment Voucher processed in March 2019 should have had the same 54F series and no extra digit.

1190. A request was made for the Expense Voucher Numbering Book to confirm the anomaly on the Payment Vouchers numbers; however, this register for the period January to April 2019 was not located and presented for audit. A request for the Payment Voucher №. 54B001073 was also made and this Voucher was not located and presented for audit.

1191. A copy of the returned cheque was requested from the MoF and this revealed that the amount of \$17.081M was grouped together with five other Payment Vouchers for O/C F Division and one cheque №. (07-220086) totalling \$19.031M was prepared on 27 March 2019, as shown below:

Date	Expense Voucher №.	Amount \$'000	Description	PAYEE
27 March 2019	54F01080	560	Refund of amount expended	O/C F Division
27 March 2019	54B001073	17,081	Refund of amount expended	O/C F Division
27 March 2019	54F01141	200	Refund of amount expended	O/C F Division
27 March 2019	54F01081	350	Refund of amount expended	O/C F Division
27 March 2019	54F01140	470	Refund of amount expended	O/C F Division
27 March 2019	54F01139	370	Refund of amount expended	O/C F Division
Total on cheque		19,031		

1192. Checks at the MoF revealed that the cheque was uplifted on the 27 March 2019 and subsequently encashed. However, a scrutiny of the cheque Dispatch Register revealed that the cheque and the Payment Vouchers were not entered therein. A request was made for the five other Payment Vouchers which were grouped together for the preparation of the above-mentioned cheque and these were also not located and presented for audit either. As such, the completeness, accuracy and validity of the cheque processed for \$19.031M could not be determined.

**Police Force's Response:** The Finance Officer explained that efforts are being made to locate the Payment Vouchers but so far they have been unable to find them.

**Recommendations:** The Audit Office recommends that: (i) this matter be further investigated since the Payment Voucher was processed during a similar time-frame as the allegedly fraudulent Payment Vouchers mentioned above with the same vendor i.e. O/C F Division; and (ii) the Head of the Budget Agency implement appropriate processes and procedures to prevent fraud, embezzlement or misappropriation of public moneys in accordance with Section 11 (1) (a) of the FMA Act. (2019/477)

#### Cheques on Hand

1193. At the time of reporting in November 2020, eight cheques for 2019 totalling \$12.892M have since become stale dated. These cheques should have been refunded to the Consolidated Fund in keeping with the requirements of Section 43 of the FMA Act. Further, the Appropriation Accounts were overstated by the said amount.

**Police Force's Response:** The Head of the Budget Agency explained that four cheques totalling \$12.565M relate to the matter currently engaging the attention of the Court as mentioned above.

**Recommendation:** *The Audit Office recommends that the GPF update the remaining cheques and pay them over to the Consolidated Fund. (2019/478)*

1194. An examination of the Contract Register for Ministerial Tender Board (MTB) awards revealed that it was not properly maintained since pertinent information, such as the description of works/provision of services and Line Item for each contract were not recorded therein. Subsequently, during the course of the audit, the description of the Line Item for the contracts was recorded. However, information pertaining to the description of the contracts was still not recorded; as such, this register remains incomplete.

**Police Force Response:** The Head of the Budget Agency explained that efforts will be made to have the register properly written up.

**Recommendations:** *The Audit Office recommends that the Contract Register be written up with all pertinent information and be kept updated at all times so as to assist the Force in the monitoring of contracts awarded and provide information for decision making. (2019/479)*

#### Utilities

1195. Amounts totalling \$168.556M were expended on Utilities. An examination of the three Utilities Registers revealed that they were not properly written up to reflect pertinent information relating to payments for telephone, electricity and water. As such, the propriety of these payments cannot be determined.

**Police Force's Response:** The Head of Budget Agency explained that due to the volume of the Forces' bills, for all three Utilities, it is time consuming to record the details for each water and electricity meters and telephone lines. These listings are kept in files.

**Recommendations:** *The Audit Office recommends that the Head of Budget Agency and Guyana Police Force engage the Finance Secretary and the Accountant General on the way forward to ensure adequate documentation is kept for proper reconciliation and monitor of all amounts paid for Utilities. (2019/480)*

#### Follow-up on the Implementation of Prior Year Audit Recommendations

1196. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/351	Overpayment of Salaries and Deductions			√
2018/352	Breach of Stores Regulations - Maintenance of Stores Records			√
2018/353	Breach of Stores Regulations - Stock and Reorder Level			√
2018/354	Maintenance of Vehicles			√

AGENCY 71  
REGION 1 – BARIMA/WAINI

Current Year Matters

Employment Costs

1197. According to the National Estimates 2019, amounts totalling \$1.123 billion were budgeted for Employment Costs for a staff complement of 844. As at 31 December 2019, the full sum was expended for 914 staff which is seventy more than the budgeted 844. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administration	55	60	5
6112	Senior Technical	191	195	4
6113	Other Technical and Craft Skilled	132	139	7
6114	Clerical and Office Support	25	27	2
6115	Semi-Skilled Operatives	405	448	43
6116	Contracted Employees	34	29	(5)
6117	Temporary Employees	2	16	14
Total		844	914	70

**Region's Response:** The Head of Budget Agency explained that the additional staff were mainly teachers and funds were provided by the Ministry of Finance (MoF).

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/481)

1198. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff by fifty-nine as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	855	882	27
2018	2019	882	914	32
Total				59

1199. Despite this increase in employment, the Region still had a total of twenty-five vacancies as advertised in Public Service Commission Staff Vacancy Circular №. 1/2019 dated 27 June 2019. Further, these vacancies were not yet filled at the time of reporting. The vacancies included critical posts such as one Regional Health Officer, three Assistant Hospital Administrators, one Education Officer, one Agriculture Officer, six Medexes, one Environment Health Officer, one Mechanic Foreman and one Transport Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

**Region's Response:** The Head of Budget Agency explained that applications were received and recommendation made to fill these vacancies and the Region is awaiting approval from the Public Service Commission.



**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2019/482)*

Office and Field Supplies

1200. Amounts totalling \$740.045M were allocated for Office and Field Supplies. This allocation was revised through virements in the sum of \$7.610M increasing the total budgeted allotment to \$747.655M. As at 31 December 2019, amounts totalling \$716.758M were expended. Included in this amount is the sum of \$92M, which was budgeted for the procurement of drugs and medical supplies under Health Services Programme - Line Item 6221. The Regional Administration expended \$12.999M and issued an Inter-Departmental Warrant (IDW) to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1201. Warrant №. 1 of 2019 was issued on 7 February 2019 for \$79M. A Financial Return was received from MoPH indicating that the full amount was expended. However, the list of drugs required that should accompany the warrant to MoPH was not presented for audit inspection.

1202. Further, although the Regional Administration received drugs and medical supplies, the cost was not stated on the documentation that accompanied the deliveries. However, a cost listing was subsequently presented for audit examination of the items supplied to the Region and revealed the following:

- a) Drugs and medical supplies totalling \$128.279M despite warrant to the value of \$79M sent to MoPH.
- b) There were several items listed for which no unit price nor total value were quoted; and
- c) No signatures or stamp were evident on the listing submitted.

**Region's Response:** The Head of Budget Agency explained that efforts are being made to obtain the costing of drugs from the MoPH in order to reconcile the amount warranted with the value of drugs received.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received with the drugs list submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/483)*

Maintenance Works

1203. Amounts totalling \$466.117M was budgeted for Maintenance Works. The sum of \$700,000 was transferred via virements giving a revised allotment of \$466.817M. As at 31 December 2019, the sum of \$459.744M was expended as follows:

Line Item	Description	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	196,000	195,994
6251	Maintenance of Roads	52,000	52,000
6252	Maintenance of Bridges	22,500	19,746
6253	Maintenance of Drainage & Irrigation	28,500	26,878
6254	Maintenance of Sea & River Defenses	30,000	29,057
6255	Maintenance of Infrastructure	63,400	63,398
6264	Vehicle Spares & Maintenance	57,937	56,738
6282	Equipment Maintenance	16,480	15,933
Total		466,817	459,744

1204. Due to the current pandemic (COVID-19) affecting the country and related measures of rotation of workers and travel restrictions, physical verification for these Projects could not have been undertaken.

#### Other Matters

1205. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003, requires that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. Audit checks revealed that 1,216 cheques totalling \$802.813M were printed on behalf of the Regional Administration for 31 December 2019. An inspection of the Sub-Treasury's safe on 22 January 2020 revealed that there were 1,194 cheques on hand totalling \$791.109M. These cheques should have been refunded to the Consolidated Fund. In addition, the Region's Administrations Appropriation Accounts were overstated by the said sum of \$791.109M.

1206. It should also be noted that no evidence of Payment Vouchers and related documents were seen in respect of 333 cheques totalling \$133.989M. As a result, it could not be determined whether the Region's Administration complied with Section 31 of the FMA Act.

1207. In addition, a detailed analysis of cheques revealed that the MoF cut 3,359 cheques totalling \$3.450 billion for current and capital expenditure incurred by the Regional Administration. However, 1,640 cheques totalling \$1.334 billion or approximately 39% of total expenditure were cut for December 2019 as shown in the table below:

Month	Total Cheques	Amount \$'000	Percentage
January	43	110,798	3
February	82	120,657	3
March	115	127,462	4
April	137	162,140	5
May	181	166,109	5
June	205	209,007	6
July	210	256,889	7
August	142	167,512	5
September	203	270,983	8
October	207	268,351	8
November	194	255,741	7
December	1,640	1,334,306	39
Total	3,359	3,449,955	100

**Region’s Response:** The Head of Budget Agency explained that efforts are being made to pay over all cheques on hand and the Region will ensure full compliance with the FMA Act 2003 and efforts will be made to work with the Sub-Treasury to ensure all Payment Vouchers are attached to cheques.

**Recommendation:** *The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each fiscal year in compliance with the FMA Act 2003 and ensure that before a payment is processed through the IFMIS, there is an approved Payment Voucher. (2019/484)*

Regional Tender Board

1208. An examination of records and documentation for the awarding of contracts by the Regional Tender Board revealed the following:

- a) According to the regulations made under the Procurement Act 2003 - Amendment of Schedule 1 and Schedule 2 to the Principal Regulations, Item 2, “*The threshold foreseen in section 27(1) of the Act for use of the request for quotations method of procurement shall be \$3,000,000*”. It was discovered that the Regional Democratic Council (RDC) breached the aforementioned regulations since the three-quote method of procurement was utilised for ten contracts totalling \$60.567M. These purchases should have been publicly advertised and adjudicated by the Regional Tender Board due to the value exceeding the limit of \$3M. A similar situation occurred in 2018 where procurement was done above the prescribed threshold in four instances totalling \$17.678M.
- b) The Regional Tender Board (Minutes №. 8/19 dated 19 June 2019) evaluated and approved sixteen contractors to be given “small contracts”. The basis of the evaluation and approval for these contractors are unknown since the Evaluation Reports were not presented for audit examination.
- c) Of the sixteen contractors evaluated by the Regional Tender Board, thirteen were awarded sixty-three contracts totalling \$388.372M; whilst, the remaining three were not awarded any contract. The contracts were awarded for both capital and current projects with contract sums ranging from \$800,000 to as high as \$13M in some instances. It was also noted that six contractors who were not evaluated and approved by the Regional Tender Board were awarded fifteen contracts totalling \$79.752M. See summary in table below:

Contractors evaluated and approved by the Regional Tender Board

№.	Name of Contractor	№. of Contracts	Amount \$'000
1	Caribbean Construction Consultancy	13	86,811
2	International Imports & Supplies	12	76,458
3	Bree’s Enterprise	15	76,220
4	Vijay Persaud & Sons Contracting	4	42,118
5	Troy Dainty Construction	6	25,203
6	CB General Contracting Service Inc.	2	18,943
7	Yehweh Conglomerate	2	18,181
8	KP Thomas & Son Inc.	1	12,938
9	New ERA Cleaning & Construction	3	11,500
10	UPS Construction Supplies	1	7,000
11	Telos General Contracting	2	6,000
12	KNV Designs Construction Supplies	1	4,000
13	Aruca Investment	1	3,000
Total		63	388,372

Contractors not evaluated yet approved by the Regional Tender Board

№.	Name of Contractor	№. of Contracts	Amount \$'000
1	Z&H Investment Inc.	5	34,413
2	Mabaruma Town Council	3	15,168
3	North West Investment	3	10,000
4	A&S General Contractor Inc.	2	9,171
5	AAV Ragoobeer General Construction	1	8,000
6	Little Kanaballi	1	3,000
Total		15	79,752

- d) One hundred and fourteen contracts to the value of \$591.948M for both capital and current expenditures were not publicly advertised and as such were procured by means of restricted tendering. The Procurement Act 2003- 25 (2) states that a procuring entity may use a method of procurement other than restrictive tendering proceedings in which case the procuring entity shall include in the records a statement of the grounds and circumstances on which it relied to justify the use of that particular method of procurement. However, no such statement was presented for audit scrutiny.
- e) Further, the Procurement Act 2003- 26 (1) (a) states that when the procurement method of restricted tendering is used, the procuring entity shall invite all suppliers and contractors to submit tenders for whichever category they were qualified. However, audit perusal of the Regional Tender Board minutes revealed that for 102 contracts to the value of \$491.071M, the Regional Tender Board had invited a maximum of three contractors and in some instances less than three, to submit tenders.

**Region's Response:** The Head of Budget Agency indicated that measures have since been taken to ensure the Region comply fully with the Procurement Act.

**Recommendation:** *The Audit Office recommends that the Region: (a) comply fully with the Procurement Act 2003 and in particular section 6(1) in order to identify, prior to the submission of tenders in procurement proceedings, suppliers and contractors that are qualified to participate in such proceedings so as to ensure invitations to bid are extended only to technically and financially qualified bidders and to prevent unqualified bidders from winning the bid as a result of superficial evaluation; and (b) ensure all awards made by the Tender Board are properly evaluated and documented. (2019/485)*

Roll over Contracts

1209. Section 55(1) of the FMA Act 2003 states that an official shall not enter into a multi-year contract or arrangement for the supply of goods or the provision of services to the Government without the prior written authorisation of the Minister. It was noted that the Region sought and obtained multi-year approvals from MoF on 30 and 31 December 2019 for twelve capital contracts totalling \$88.754M. Contracts for these projects were already entered into with the various parties prior to the approval from the MoF. The contractors had also received part payments; as such, the Regional Administration violated the aforementioned regulation.

1210. In addition, the Regional Administration was aware in advance that ten of the twelve contracts submitted for multi-year approval could not have been fully implemented on or before the end of the financial year 2019, due to the date of commencement and the duration period of the contracts. As such, approval from the MoF should have been sought before entering into Contract Agreements with the contractors.

**Region's Response:** The Head of Budget Agency stated that the Region will comply with the FMA Act 2003 and ensure multi-year contracts are budgeted as such.

**Recommendation:** The Audit Office recommends that the Regional Administration comply fully with the FMA Act 2003 at all times. (2019/486)

#### Virements

1211. Audit examination of the Current Appropriation Account revealed that the Regional Administration had transferred via virements amounts totalling \$11.060M from Sub Head 6272 - Electricity Charges to 6265 - Other Transport & Travel for three Programmes as shown below:

Programmes	Line Item moved from	Line Item moved to	Total Virement \$'000
Admin & Finance	6272	6265	2,000
Education	6272	6265	4,060
Health	6272	6265	5,000
Total			11,060

**Region's Response:** The Head of Budget Agency explained that amounts were budgeted with the expectation that Mabaruma Power and Light would have been in operation and charges for electricity would have been incurred by the Region; however, this didn't materialise and there were savings under this Line Item that were transferred and utilised elsewhere.

**Recommendation:** The Audit Office recommends that the Regional Administration make prudent estimates when budgeting for the various Line Items in order to avoid over budgeting. (2019/487)

#### Warrants

1212. The Regional Administration issued two Inter Departmental Warrants (IDW) to the Ministry of the Presidency for the purpose of carrying out Satellite mapping of the Barima/Waini Region №. 1. Warrant Nos. 2/2019 and 7/2019 were issued on 6 June 2019 and 29 November 2019, for \$180M and \$74M, respectively. Financial Returns were received from Ministry of the Presidency (MoTP) indicating that the full amounts were expended.

#### Capital Expenditure

1213. The sum of \$600.800M was budgeted to execute the capital programme of the Regional Administration. According to the Appropriation Accounts the sum of \$554.082M was expended leaving an unspent amount of \$46.718M, representing a shortfall of expenditure under the various Programmes, a summary is shown in the table below:

Programmes	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administrative Finance	56,280	54,123	2,157
2	Public Works	162,700	140,060	22,640
3	Education Delivery	193,270	193,180	90
4	Health Services	168,550	146,719	21,831
5	Agriculture	20,000	20,000	0
Total		600,800	554,082	46,718

**Region's Response:** The Head of Budget Agency explained that the shortfall was as a result of the late award of contracts which affected the completion of projects and the resulting payments.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency ensure proper planning is done so that execution of projects can be timely. (2019/488)

1214. Amounts totalling \$452.300M were budgeted for capital works to be executed by the Regional Administration. According to the Appropriation Accounts, the sum of \$416.100M was expended as at 31 December 2019 through the execution of forty-three contracts as shown in the table below:

Programmes	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Buildings	316,300	285,211	29
Public Works	116,000	110,889	13
Agriculture Development	20,000	20,000	1
Total	452,300	416,100	43

1215. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

#### Purchases

1216. The sum of \$148.500M was allocated for the purchase of ATV's, boats and engines, bus, ambulance, computers, chairs, desks, filing cabinets, washing machine, suite, dining sets, refrigerators, beds, vehicle, wardrobes, stoves, school furniture and equipment such as: smart classrooms, desks, benches, cupboards, tables, racks, fire extinguishers, musical and sport equipment, fans, medical evacuation lights, oxygen gauges, x-ray processors, analysers, defibrillators, microscope, stools, cots, cold storage units, air conditioning units, cardiotocography machines, infants boards, scales, infant warmers and incubators. As at 31 December 2019, the sum of \$137.982M was expended for purchases. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these assets could not have been undertaken.

#### Prior Year Matters

#### Current Expenditure

#### Employment Costs

1217. Amounts totalling \$487,000 remained outstanding as overpaid net salaries to employees with respect to 2015 to 2018. The related deductions totalling \$637,000 paid over to the various agencies were also not recovered. Shown in the table below are the details of the outstanding amounts:

Year	Net Salary Overpaid \$'000	Net Salary Recovered \$'000	Net Salary Outstanding \$'000	Deductions Overpaid \$'000	Net Salary & Deductions Outstanding \$'000
2015	1,135	1,135	0	245	245
2016	80	0	80	37	117
2017	1,141	734	407	70	477
2018	0	0	0	285	285
Total	2,356	1,869	487	637	1,124

**Region's Response:** The Head of Budget Agency indicated that efforts are continuing to recover the amounts overpaid and reminder letters were sent.

**Recommendation:** *The Audit Office recommends that the Regional Administration follow-up this matter with the individuals and relevant agencies with the view of recovering all amounts overpaid. (2019/489)*

Office and Field Supplies

1218. During 2017, the Regional Accounting Unit expended the sum of \$30.170M to purchase drugs and medical supplies. However, the Goods Received Book only reflected items totalling \$21.027M as being received leaving an outstanding amount of \$9.143M. A similar situation occurred in 2016. In addition, in the absence of documentary evidence we were unable to ascertain whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU. Further, an audit examination of forty-four Payment Vouchers and related documents revealed that two of the Suppliers, despite having different addresses and names, bore one company stamp on all of their respective Payment Vouchers presented for audit examination. As a result, it was difficult to ascertain whether these companies were indeed two different companies.

**Region's Response:** The Head of Budget Agency indicated that this matter will be investigated and a report will be provided to the Audit Office.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that: (i) all drugs paid for are received and the Goods Received Book updated promptly; (ii) items needed are not available at the MMU before such items are purchased by the Region; and (iii) the results of the investigation communicated to the Audit Office. (2019/490)*

1219. In 2018, audit examination of a sample of thirty Payment Vouchers revealed that four purchases for drugs and medical supplies totalling \$618,000 were duplicated, in that identical Requisitions to Purchase (RTPs) were raised by two different Officers but with similar date, quantity, unit price and value and the items purchased were received and entered in the Goods Received Book at the Mabaruma Regional Stores and issued to the Mabaruma District Hospital; however, the Stock Ledgers at the Mabaruma District Hospital had items received from only one set of payments made.

**Region's Response:** The Head of Budget Agency indicated that this matter will be investigated and a report will be provided to the Audit Office.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that all purchases are fully accounted for and properly brought to account in the records at the relevant stores. (2019/491)*

1220. In 2018, amounts totalling \$163.673M were expended on Fuel and Lubricants. This amount included the purchase of Fuel and Lubricants for the Mabaruma Power House. It was noted that: (a) the Regional Administration purchased fuel in excess of its storage capacity; (b) the Regional Administration prepared two RTP's on the same day (5 December 2018) for 200 drums of diesoline each for the Mabaruma Power House and paid both on 6 December 2018; and (c) no record was kept at the Power House to reflect the balance of fuel on hand; and (d) the storage of fuel was at the back (outside) of the Power House building with a hose feeding the generator engines inside the building.

**Region's Response:** The Head of Budget Agency indicated that better control was implemented for the purchase and storage of fuel. The fuel tank is now properly secured and is inside the building.

**Recommendation:** The Audit Office recommends that the Regional Administration take steps to ensure that: (i) fuel is purchased within the requisite storage capacity; (ii) implement a fuel book so as to reflect the balance of fuel on hand at the power house at any given time; and (iii) proper security of all containers used to store fuel. (2019/492)

Maintenance Works

1221. An examination and analysis done on Payment Vouchers, Contracts and related Tender Documents for maintenance of buildings during 2018, revealed three instances totalling \$12.492M, where the Contract Documents and Payment Vouchers were prepared and paid to the contractor at a higher price than what the contracts were awarded for by the Regional Tender Board. There was no evidence that these contracts had approved variation, as such, it was unclear on what basis the Regional Administration prepared the contracts in excess of the amounts approved by the Tender Board.

**Region's Response:** The Head of Budget Agency indicated that measures have since been taken to ensure the Region comply fully with the Procurement Act.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that all contracts are prepared with the contract sum being the same as the bid price for which the contracts were awarded at. (2019/493)

1222. The Regional Administration had still not recovered overpayments totalling \$7.664M for the years 2016, 2017 and 2018, as shown in the table below:

Year	Description	Amount Overpaid \$'000
2016	Repairs to Baramita Teacher's Quarters	2,537
"	Repairs to Kariako Primary School	463
"	Repairs to DREO Living Quarters, Mabaruma	385
"	Repairs to St. Anslem's Primary School	398
"	Repairs to Health Post, Baramita	253
"	Repairs to St. Anslem's Teacher's Quarters	273
"	Repairs to Lower Kaituma Primary School	281
"	Repairs to Katchikamo Teacher's Quarters	276
"	Repairs to Kwebana Health Centre, Moruca	190
"	Repairs to fence at the Regional Guest House, Mabaruma	85
2017	Senior Welfare Officer Living Quarters, Moruca	281
"	Repairs to St. Mary's Primary School	514
"	Repairs to Arakaka Teacher's Quarters	450
"	Repairs to Falls Top Primary School	1,033
2018	Repairs to Hosororo Primary School	142
"	Repairs to Port Kaituma Teacher's Quarters	103
Total		7,664

**Region's Response:** The Head of Budget Agency indicated that efforts are continuing to recover the amounts overpaid.

**Recommendation:** The Audit Office once again recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2019/494)



1223. Amounts totalling \$50.996M were expended on vehicle spares, services and repairs to the Regional Administration fleet of vehicles, with ten of the vehicles incurring maintenance costs amounting to \$14.781M. However, Historical Records were not maintained to monitor the individual cost of repairs. In addition, replaced parts removed from vehicles and equipment were not returned to the Region's Stores. As such, we were unable to substantiate the payments made for these repairs based on the bills submitted.

**Region's Response:** The Head of Budget Agency explained that systems have been implemented to maintain Historical Records and vehicle spares, services and repairs will be closely monitored.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure the maintenance of Historical Records in keeping with the Stores Regulations, so that there is proper monitoring of all repair and maintenance works of all vehicles/machinery/equipment and comply with the Stores Regulations which states that all used spare parts shall be returned to the stores. (2019/495)*

#### Other Matters

1224. Cheque Orders are required to be cleared through the submission of bills/receipts and other documents in support of the payments made. The Regional Administration was still to clear 187 Cheque Orders valued at \$402.304M for the period 2015 to 2018. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended. See summary of outstanding Cheque Orders in table below:

Year	No. of Cheque Orders	Amount \$'000
2015	29	26,191
2016	41	57,381
2017	40	119,462
2018	77	199,270
Total	187	402,304

**Region's Response:** The Head of Budget Agency stated that the Region is continuing to clear the outstanding Cheque Orders and some progress has been made.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that all outstanding Cheque Orders are cleared and submit the necessary information to the Audit Office for verification. (2019/496)*

1225. Circularised Instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters had been previously approved, as a condition of service. Audit checks revealed that there are 232 Government Buildings owned and controlled by the Regional Administration of which sixty-two are Government Living Quarters. Of these sixty-two, thirty are occupied by Officers of the Region, twenty-nine are unoccupied and three are abandoned. However, in respect of the thirty living quarters occupied by Officers of the Region, no evidence was seen that rent was being paid by any of the occupants during the year of audit 2018.

**Region's Response:** The Head of Budget Agency stated that the occupation of these living quarters will be examined and corrective action taken to collect outstanding rent.

**Recommendation:** *The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only Officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2019/497)*

Capital Expenditure

1226. A contract for the construction of an X-ray Room/Lab at the Pakera District Hospital was awarded in the sum of \$14.890M in 2018. As at 31 December 2018 payments totalling \$13.401M were made. A physical inspection in May 2019 revealed that the works were incomplete and the site was abandoned. In addition, there was no materials on site.

**Region’s Response:** The Head of Budget Agency indicated that this project has since been completed.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure works are properly supervised and accurately measured and quantified before payments are made to contractors. (2019/498)*

1227. The Regional Administration is still to recover overpayments totalling \$19.889M made on the following projects during the years 2015 to 2018.

Year	Line Item	Description	Amount Overpaid \$'000
2015	Public Works	Impoldering of 320 acres of farmland along the Aruka River	2,512
”	”	Construction of sanitary block at Port Kaituma Primary School	925
2016	Buildings	Construction of Admin Building, Mabaruma Regional Hospital	335
“	“	Construction of Health Post at Warapoka	123
“	Public Works	Construction of DBST road from Kumaka Junction to Bridge №. 3	737
“	“	Construction of Tarmac at Port Kaituma Secondary School	1,642
2017	“	Construction of reinforced concrete bridge on the Hosororo Stretch	401
“	“	Construction of wharf at Kumaka, Mabaruma	1,025
2018	Buildings	Extension of Warapoka Primary School	2,592
“	“	Extension of Sacred Heart Primary School, Maburuma	9,142
“	Public Works	Construction of Reinforced Concrete Bridge at Barabina	455
Total			19,889

**Region’s Response:** The Head of Budget Agency stated that efforts are being made to recover the amounts overpaid.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2019/499)*

Capital Purchases

1228. The sum of \$51.4M was budgeted for Capital Purchases. As at 31 December 2018, the sum of \$50.424M was expended. Audit examination revealed that two Haematology Analyser purchased for the Mabaruma Regional Hospital were faulty and were returned to the supplier on 15 April 2019. However, there was no documentation to show that the equipment was returned to the supplier.

**Region’s Response:** The Head of Budget Agency explained that the equipment were not faulty and that the issue was an electrical one at the Hospital. This has since been fixed and the Analyzers were returned and are working.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure all assets critical to the operations of the Health Sector are received and functioning to ensure the proper operation of the Sector. (2019/500)*

1229. Two 15HP outboard engines and two centrifuges to the value of \$2.176M that were purchased under the Region's Health Programme for the year 2018 were still on hand at the Regional Stores at the time of audit checks on 24 May 2019. There were several other items such as solar panels, refrigerators, gas stoves, sofas, teacher tables and chairs, and wardrobes which were also in the Stores at the time of verification. In addition, items to the value of \$3.818M were still not received by the Region at the time of reporting. As at June 2020, the situation remained the same.

**Region's Response:** The Head of Budget Agency stated that all assets in the Regional Stores have since been sent to their respective location while the outstanding items were received.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations at all times. (2019/501)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

1230. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 30 recommendations; 18 were not implemented, 9 were partially implemented and 3 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/355	Circularised Instructions			√
2018/356	Circularised Instructions			√
2018/357	Overpayment of Salaries		√	
2018/358	IDW Drugs and Medical Supplies			√
2018/359	Breaches of Procurement Act 2003			√
2018/360	Breaches of Stores Regulations		√	
2018/361	Breaches of Stores Regulations		√	
2018/362	Breaches of Procurement Act 2003	√		
2018/363	Overpayment of construction works			√
2018/364	Overpayment of construction works			√
2018/365	Breaches of Procurement Act 2003		√	
2018/366	Breaches of Stores Regulations		√	
2018/367	Breaches of Stores Regulations		√	
2018/368	Breaches of FMA Act 2003			√
2018/369	Breaches of FMA Act 2003			√
2018/370	Cheques Orders			√
2018/371	Circularised Instructions			√
2018/372	Breaches of Procurement Act 2003		√	
2018/373	Shortfall of Capital Expenditure			√
2018/374	Overpayment of construction works			√
2018/375	Breaches of Procurement Act 2003			√
2018/376	Breaches of Procurement Act 2003			√
2018/377	Overpayment of construction works			√
2018/378	Breaches of Stores Regulations	√		
2018/379	Breaches of Stores Regulations	√		
2018/380	Overpayment of Salaries			√
2018/381	Breaches of Stores Regulations		√	
2018/382	Overpayment of construction works			√
2018/383	Missing Payment Vouchers		√	
2018/384	Overpayment of construction works			√

AGENCY 72  
REGION 2 – POMEROON/SUPERNAAM

Current Year Matters

Employment Costs

1231. According to the National Estimates 2019, amounts totalling \$2.005 billion were budgeted for Employment Costs for a staff complement of 1,397. As at 31 December 2019, amounts totalling \$1.999 billion were expended for 1,564 staff, which is 167 more than the budgeted 1,397. As such, it would appear that the Employment Costs was over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	135	160	25
6112	Senior Technical	534	535	1
6113	Other Technical and Craft Skilled	319	381	62
6114	Clerical and Office Support	69	92	23
6115	Semi-Skilled Operatives and Unskilled	264	305	41
6116	Contracted Employees	69	61	(8)
6117	Temporary Employees	7	30	23
Total		1,397	1,564	167

**Region's Response:** The Head of Budget Agency explained that the Regional Administration did not over budget but as the need arise to fill vacancies, most of which are teachers, the Ministry of Finance provides the fund.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/502)*

1232. The Public Service Commission (PSC) Circular No. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Government and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. All employees below the age of forty-five are required to be appointed. However, it was noted that the Regional Administration employed one person on contract who was below the age of forty-five and should have been employed on the Pensionable Establishment.

**Region's Response:** The Head of Budget Agency explained that the one Officer is not qualified to be appointed substantively.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that all employment is in keeping with Circularised Instructions and immediate steps are taken to move employees over to the Pensionable Establishment. (2019/503)*

1233. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff by 276 as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	1,288	1,496	208
2018	2019	1,496	1,564	68
Total				276

1234. However, the Regional Administration still had twenty-five vacancies as advertised in the PSC Staff Vacancy Circular №. 1/2019 dated 27 June 2019. These vacancies included critical posts such as, one Deputy Regional Executive Officer, one Regional Health Officer, one Regional Education Officer, one Senior Health Visitor, one Nutritionist, two Systems Development Officers and one Engineer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

**Region's Response:** The Head of Budget Agency explained that all positions were advertised by the Public Service Commission; however, a Nutritionist, and an Engineer have been appointed. A Deputy Regional Executive Officer has assumed duty effective 11 August 2020.

**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2019/504)*

#### Office and Field Supplies

1235. The entire sum of \$228.705M budgeted for the procurement of drugs and medical supplies under Health Services Programme - Line Item 6221 were expended. Of this sum, amounts totalling \$18.525M were expended directly by the Regional Administration; whilst, an Inter-Departmental Warrant (IDW) for \$210.180M were issued to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1236. The Inter-Departmental Warrant, IDW №. 1/2019 was issued on 21 January 2019. A Financial Return was received indicating that the entire amount was expended. However, a statement of reconciliation was received from the Materials Management Unit (MMU) in August 2020, which reflected the cost of the deliveries as \$98.594M. No mention was made of the balance totalling \$111.580M. As a result, it could not be determined whether the full value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of Budget Agency indicated that a Statement of Reconciliation for drugs and medical supplies along with the cost to the value of \$98.594M was received on 25 August 2020. It was also explained that a letter would be written to the MoPH requesting a list of the remaining drugs with cost attached valuing \$111.580M.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoPH is submitted for audit inspection and this is reconciled with that received from the MMU with respect to quantity and cost. (2019/505)*

#### Fuel and Lubricants

1237. A physical stock count of Fuel and Lubricants conducted on the 31 December 2019 revealed nine instances where the physical stock did not correspond with the Bin Card and Ledger, as detailed below:

Description of Items	Units	Physical	Date	Bin Card Balance	Ledger Balance	Difference	Unit Price	Total Cost
							\$	\$
Gasoline	litres	3,857	3/1/2020	3,941	3,941	(84)	200	(16,800)
Diesel	litres	5,755	31/12/2019	5,585	5,585	170	195	33,150
Nº. 68	pts	664	18/12/2019	584	584	80	394	31,520
Nº. 90	pts	764	17/12/2019	758	758	6	658	3,948
Nº. 50	pts	720	22/11/2019	719	719	1	453	453
SOB	btl	416	30/12/2019	420	420	(4)	1,184	(4,737)
Radiator Coolant	gallon	27	31/10/2019	26	26	1	500	500
Nº. 15/40, 40 & 20/50	pts	5,022	27/12/2019	4,949	4,949	73	534	38,982
Gas Treatment	btl	3	22/10/2019	4	4	(1)		0
Total								87,016

**Region's Response:** The Head of Budget Agency explained that eighty-four litres of gasoline was due to evaporation and spillage. Four bottles SOB and one bottle gas treatment were damaged. Excess was realised due to the method of measurement used (bucket and measuring cup) which may not give accurate measurement at all times. Excess would normally be taken in stock. To eradicate this problem, the Regional Administration would have sought assistance from Guyana Oil Company Limited (GUYOIL) to install a measuring pump for the distribution of diesel (letter dated 8 May 2020).

**Recommendation:** The Audit Office recommends that the Regional Administration put systems in place to ensure that the Stores Regulations are complied with at all times. (2019/506)

#### Log Books

1238. The Regional Administration owns and controls 123 serviceable vehicles/machinery/equipment for which Log Books were required to be maintained for ninety-eight; however, only sixty-eight were submitted for audit examination. Thirty Log Books remained outstanding at the time of reporting in November. See table below:

Type of Vehicle/Equipment	Total Nº. of Serviceable Vehicles/Machinery/ Equipment	Log Books Received	Nº. of Outstanding Log Books
Motor Cycles	20	17	3
Pumps	13	8	5
Generator	6	4	2
Motor Vehicles	24	19	5
Machine and Equipment	24	14	10
Outboard Engines	11	6	5
Total	98	68	30

**Region's Response:** The Head of Budget Agency explained that efforts will be made by the Regional Administration to locate the Log Books and submit same for audit.

**Recommendation:** The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations with respect to the maintenance of Log Books. (2019/507)

1239. Audit scrutiny of the Log Books submitted revealed that they were not written up properly. Information such as authorised signature, odometer reading and fuel usage were missing. As a result, we could not determine whether proper control was exercised over the use of the said vehicles.

**Region's Response:** The Head of Budget Agency explained that the Regional Administration will be conducting training for the drivers/operators in this regard.

**Recommendation:** The Audit Office recommends that the Head of Budget Agency implement measures to prevent recurrences. (2019/508)

Maintenance Works

1240. Amounts totalling \$564.304M were allotted for the repairs and maintenance of buildings, and infrastructure, vehicle spares and equipment maintenance within the Region. During the period under review the Regional Administration increased its expenditure through virements totalling \$44.667M thereby giving a revised allotment of \$608.971M. As at 31 December 2019, amounts totalling \$608.917M were expended under the various Line Items as shown below:

Line Item	Description	Amount Allotted \$'000	Total Virements \$'000	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	136,238	29,788	166,026	165,984
6251	Maintenance of Roads	55,600	28,467	84,067	84,066
6252	Maintenance of Bridges	24,131	0	24,131	24,128
6253	Maintenance of Drainage & Irrigation	201,878	(29,000)	172,878	172,878
6254	Maintenance of Sea and River Defense	18,100	0	18,100	18,100
6255	Maintenance of Other Infrastructure	93,676	1,912	95,588	95,587
6264	Vehicle Spares & Maintenance	23,185	13,500	36,685	36,680
6282	Equipment Maintenance	11,496	0	11,496	11,494
Total		564,304	44,667	608,971	608,917

1241. This represents \$44.667M over the budgeted expenditure, as such, it would appear that the Region under budgeted for 6242-Maintenance of Buildings, 6251-Maintenance of Roads, 6255-Maintenance of Other Infrastructure and 6264-Vehicle Spares and Maintenance and over budgeted for 6253-Drainage & Irrigation.

**Region's Response:** The Head of Budget Agency explained that since the manual trench cleaning was awarded in March savings were realised and moneys were moved to Line Item 6264 -Vehicle Spares and Maintenance since there was critical need for repairs to equipment.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that all amounts budgeted for are in keeping with the Region's requirements and needs. (2019/509)

Stores and Other Public Property

1242. The Regional Administration did not fully adhere to the Stores Regulations for the period under review. A stock count of the Regional Hardware Stores, Public-Hospital Suddie and Oscar Joseph District Hospital Ration Store as well as examination of relevant records revealed the following:

Regional Hardware Store

- a) Of ninety-nine instances, forty-four were found where the physical stock were more than the Bin card and Stock Ledger.
- b) Fifty-five instances were found where the physical stock was less than the Bin Card and Ledgers.

Public Hospital – Suddie

- a) A physical verification of a sample of drugs and medical supplies at the Drugs Bond revealed that the Ledgers were not properly written up and maintained for the period under review.

Oscar Joseph District Hospital

- a) Of a sample of fifty items at the Ration store there were ten instances where the physical stock was more than the Ledger.
- b) Eight instances where the physical stock was less than the Ledger.

**Region's Response:** The Head of Budget Agency explained that: (i) a reconciliation was done where instances of physical stock were more than Bin Card and Ledger; and the stock is now balanced with the Bin Card and Ledger. Further, during the period of physical check at the Regional Hardware store, items were not correctly organised due to water seepage into the store; however, rehabilitation work is completed and stores is now reorganised.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to ensure that the Stores Regulations are complied with at all times. (2019/510)*

Other Matters

1243. Circularised Instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters had been previously approved, as a condition of service. There are sixty-seven living quarters owned by the Regional Administration. Audit examination of the House Rent Register revealed that twenty are occupied by persons for which there was no documentation to substantiate their entitlement to rent free quarters. A similar situation existed in 2018.

**Region's Response:** The Head of Budget Agency explained that: (a) four persons have since vacated; (b) one person who is a medical personnel is entitled; and (c) that the necessary action will be taken in respect of the remaining persons.

**Recommendation:** *The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only Officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2019/511)*



Unserviceable Items

1244. The Regional Administration failed to take action to dispose thirty-one unserviceable machinery/equipment/vehicles that are located at the Operation and Maintenance compound and Lima Storage Yard as summarised in the table below. This is despite a valuation report by the Ministry of Public Infrastructure (MoPI) for these items in 2017. In addition, physical verification at the Operations and Maintenance Compound for these items revealed that, one Lighting Plant included in machines and equipment could not be located. It was disclosed by the supervisor of the mechanical workshop that the said item was sold. However, no documentation for the sale was presented for audit. Further, it was difficult to physically verify the items at the Lima Storage Yard because the entire area was overgrown with vegetation. This also posed a health hazard.

Description	O & M Compound	Lima Storage Yard	Total
Motor Vehicle	6	10	16
Motor Cycle	6	0	6
Machine & Equipment	5	4	9
Total	17	14	31

**Region’s Response:** The Head of Budget Agency indicated that the Lima storage yard was overtaken by bees and efforts will be made to have it cleared and the necessary actions taken to have an inventory of the items and required approval to dispose of same as soon as possible.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure all the items are found, valued and disposed of in keeping with the required procedures. (2019/512)

Cheque Orders

1245. Cheque Orders are required to be cleared within thirty days of their issue through the submission of Bills/Receipts and other supporting documents. An examination of the Cheque Order Register revealed that there were five Cheque Orders valued at \$5.520M in respect of 2019 that remained outstanding at the time of reporting, which represented payments to GUYOIL.

**Region’s Response:** The Head of Budget Agency explained that the five outstanding Cheque Orders are for diesel (fuel and lubricants) which was not utilised because all our drainage canals were clean and had a free flow of water making it unnecessary to activate the drainage pumps. With respect to irrigation, the DAWA pump station did not operate because the water stored in the conservancy was effectively and efficiently managed by the Pomeroon Supenaam Water Management Committee.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that these Cheque Orders are cleared within the stipulated time-frame in keeping with Circularised Instructions. (2019/513)

Cheques on Hand

1246. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. An inspection of the Sub-Treasury’s safe on 2 January 2020 revealed that there were 164 cheques totalling \$47.370M. In addition, on the 6 January 2020, 585 more cheques totalling \$324.652M were printed. However, no evidence of the relevant Payment Vouchers to support these cheques were presented for audit. As a result, we could not determine whether the Administration complied with Section 31 of the FMA Act. Further the Administration Appropriation Accounts were overstated by the sum of \$372.022M.

1247. Further, a detailed analysis of cheques revealed that Ministry of Finance cut 4,655 cheques totalling \$4.942 billion for current and capital expenditure incurred by the Regional Administration. However, 954 cheques totalling \$980M or approximately 19.83% of total expenditure were cut in December 2019 as shown in the table below:

Month	Total Cheques	Amounts \$'000	Percentage
January	32	193,177	3.91
February	156	252,593	5.11
March	244	330,877	6.70
April	262	385,453	7.80
May	397	336,635	6.81
June	527	401,418	8.12
July	556	416,128	8.42
August	340	392,704	7.95
September	324	355,459	7.19
October	318	435,615	8.81
November	545	461,867	9.35
December	954	980,189	19.83
Total	4,655	4,942,115	100

1248. Moreover, an audit examination at the time of reporting revealed that eleven cheques valued at \$378,315 were still on hand. Included in this amount is a Manager's Cheque for \$136,759 in the name of the Regional Executive Officer. It was explained by the Regional Administration that a cheque was drawn to effect a retention payment on a contract. However, this cheque was inadvertently paid to the contractor. As a result, the contractor cashed the cheque. The Sub-Treasury Officers upon realising the error, asked the contractor to refund the amount via a Manager's cheque.

**Region's Response:** The Head of Budget Agency explained the following: (a) nine cheques on hand will be updated and paid over to the payee when a letter of administration is provided, and (b) the Manager's cheque was already paid over to the Consolidated Fund.

**Recommendation:** The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/514)

Economic Fund/Economic Project

1249. The Regional Administration operated three Special Project Accounts held at Republic Bank Limited, namely:

- a) Economic Affairs (Reserve Fund - A/C №. 685-235-4) is an account operated by the Administration for revenues generated through Economic activities such as Kayman Sankar (Rental of State lands), sale of tender, Charity Marketing Centre, Mashramani, Rental of Unifloat, Water Users, Guyana Geology & Mines Commission, rental of stage and rental of sewage truck.
- b) Economic Projects (State House - A/C №. 685-233-9) is an account operated by the Administration for revenues generated from State House, toll fees, Essequibo Night, Flavour of Region №. 2 and Amerindian Pageant.
- c) Westbury – (A/C №. 590-047-7) is an account operated by the Administration for revenues generated from the collection of rates and taxes from land in this community.

1250. Audit examination of the relevant records revealed that amounts from these accounts were used as advances to facilitate activities within the Regional Administration. In addition, perusal of the Cash Book revealed that:

a) There were 247 outstanding advances totalling \$18.335M, as shown in the table below:

Accounts	Balance as at 31/12/ 2019		No. of Outstanding Advances as at 31/12/2019	Value \$'000
	Cash \$'000	Bank \$'000		
<b>Westbury</b>				
- Westbury	736	192	14	1,348
Sub Total	736	192	14	1,348
<b>Economic Project (State House)</b>				
- State House	0	659	9	347
- Toll Fees	0	398	4	960
- Essequibo Nite	280	4,384	37	8,000
- Flavour of Region No. 2	0	49	0	0
- Amerindian Pageant	0	5	0	0
Sub Total	280	5,495	50	9,307
<b>Economic Affairs (Reserve Fund)</b>				
- Kayman Sankar (Rental of State Lands)	0	1,225	109	3,991
- Sale of Tender	0	273	12	596
- Charity Marketing Centre	0	738	12	1,009
- Mash	0	20	5	163
- Rental of Unifloat	0	271	2	104
- Water Users	0	717	1	271
- Guyana Geology and Mines Commission	0	0	0	0
- Rental of Stage	0	298	3	53
- Rental of Sewage Truck	474	2,123	39	1,493
Total	474	5,665	183	7,680
Grand Total	1,490	11,352	247	18,335

b) Three and twenty advances totalling \$194,000 and \$952,960 were outstanding for the years 2019 and 2018 respectively, while 224 advances totalling \$17.188M were for prior periods.

**Region's Response:** The Head of Budget Agency explained that deduction from salaries have commenced for those persons with outstanding advances from 2015 to 2019. However, some persons have since left the job. Nevertheless, the Region is continuing with its efforts to have the outstanding advances cleared and the funds managed in a better manner.

**Recommendation:** *The Audit Office recommends that the Regional Administration put measures in place to ensure that advances are cleared promptly and Officers do not have more than one advance outstanding at a time. Further, the receipts of the Economic Project Fund should only be used for its intended purpose. (2019/515)*

1251. Despite several requests to the Regional Administration, no Evaluation Committee Minutes were submitted for audit examination. As a result, it was difficult to ascertain what and if any recommendations were made to the Regional Tender Board as it relates to the award of contracts.

**Region's Response:** The Regional Administration explained that efforts will be made to have the records located and submitted for audit examination.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure all Evaluation Reports are properly secured and submitted for audit examination. (2019/516)*

1252. The Procurement Regulations states the limit for requesting of quotations is \$3M. However, the Regional Administration breached the regulations when they awarded seven contracts totalling \$63.188M to various suppliers by means of obtaining quotations instead of subjecting these contracts to open tendering as shown below:

Contract No.	Description of Works	Contract Sum \$'000	Total Payments \$'000	No. of Quotes	Basis of Awards
35	Construction of Sanitary Block – Suddie Primary	10,861	10,861	5	Lowest Responsive Bidder
43	Installation of Solar Systems at Health Posts at Bethany, Capoey and St Deny	10,682	9,225	5	Lowest Responsive Bidder
45	Installation of Solar Systems to Health Posts at Akawin, Abrams Creek and Mora	10,662	10,291	5	Lowest Responsive Bidder
65	Rehabilitation of Charity Secondary School (Building No. 4)	10,558	7,171	5	Lowest Responsive Bidder
48	Completion of Onderneeming Health Post	5,425	5,425	5	Lowest Responsive Bidder
49	Rehabilitation of Dartmouth Health Centre	9,061	9,061	5	Lowest Responsive Bidder
73	Rehabilitation of Dredge Creek Health Post	5,939	5,345	4	Lowest Responsive Bidder
Total		63,188	57,379		

**Region's Response:** The Head of Budget Agency indicated that restrictive tendering was used; however, it was not properly documented and, as such, appeared as if the three-quote system was used instead.

**Recommendation:** The Audit Office recommends that the Regional Administration institute measures to ensure full compliance with the Procurement Act. (2019/517)

### Capital Expenditure

#### Buildings

1253. The sum of \$278.100M was budgeted for Buildings. As at 31 December 2019, amounts totalling \$277.969M were expended on twenty-four contracts as summarised in the table below:

Programmes	Amount Allocated \$'000	Amount Expended \$'000	No. of Contracts
Buildings - Administration	13,800	13,781	2
Buildings - Education	175,900	175,851	12
Buildings - Health	88,400	88,337	10
Total	278,100	277,969	24

1254. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for twenty-three of these projects could not have been undertaken.

1255. Included in the sum of \$175.851M under Buildings - Education is an amount of \$65.004M which represents payment for the construction of Abram Zuil Secondary School. The National Procurement and Tender Administration Board advertised the contract for the construction of Abram Zuil Secondary School, Abram Zuil, Essequibo Coast on 5 July 2019 with a closing date of Tuesday 30 July 2019.

1256. A letter of award of contract dated 31 December 2019 was prepared by the Chairman of NPTAB and addressed to the Permanent Secretary Ministry of Communities – RDC Region №. 2 advising that approval for the said contract was awarded to a contractor for the tendered/corrected sum of \$573.227M.

1257. In addition, a payment via Voucher №. 72006789 was prepared along with a cheque by the Regional Administration for the sum of \$65.004M for payment to the contractor. However, the Sub-Treasury subsequently refunded the cheque via GR №. 257365 dated 2020-02-07 on the basis that there was no Voucher submitted to the department for the payment of the said amount. It should be noted that no mobilisation or work for the said project had never started. The Region’s Appropriation Account was also overstated by the sum of \$65.004M.

**Region’s Response:** The Head of Budget Agency explained that in December 2019 the Region received a copy of an award letter from NPTAB and was then given instructions to enter the Voucher into the Integrated Financial Management System (IFMIS). The reversal was made in January 2020 since after analyzing the situation there was no signed contract, advance bond, neither Original Award Letter nor request of payment. The Regional Administration will now Budget for the construction of the Abram Zuil Secondary School in 2021.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that before a payment is processed through IFMIS there is a certified and approved Payment Voucher. (2019/518)*

Miscellaneous Drainage & Irrigation (D&I)

1258. The sum of \$40.280M was budgeted for: (a) payment of retention; (b) construction of culvert at Windsor Castle and sluice at Charity; (c) rehabilitation of bridge at Queenstown; and (d) upgrading of access dam at Devonshire Castle. As at 31 December 2019, amounts totalling \$40.279M were paid to the contractors as shown in the table below. In addition, physical verification conducted revealed that the works were completed.

Description	Amount \$'000	№. of Contracts
Construction of mini sluice	12,671	1
Rehabilitation of bridges	8,867	2
Upgrading of access dams	13,907	2
Construction of box culvert	4,114	1
Payment of retention	720	0
Total	40,279	6

Public Works

1259. The sum of \$104.800M was budgeted for: (a) payment of retention; (b) upgrading of roads at Charity Housing Scheme, Dartmouth, Good Hope, Lima and La Union; (c) construction of bridges at La Union and Lima; and (d) construction of bridges at Riverstown and Landing at Wakapau. As at 31 December 2019, amounts totalling \$104.791M were expended on eighteen contracts as summarised below:

Description	Amount Allocated \$'000	Amount Expended \$'000	No. of Contracts
Bridges	50,000	49,517	11
Roads	54,800	53,474	7
Payment of retention	0	1,800	0
Total	104,800	104,791	18

1260. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Capital Purchases

1261. The sum of \$108.975M was allotted for: (a) provision of computers, table, chairs and photocopier; (b) purchase of laser measuring tools, digital roller, hammer tester, soil compaction tester, slump cone and security system; (c) purchase of sewage truck, (d) purchase of bitumen distributor and plate compactor; (e) purchase of school furniture and equipment for smart classrooms, computers, projectors, radios, CD players, air conditioning units, printers, tables, chairs, stools, screens, desks, benches, cupboards, nursery sets, bookshelves, suite, beds, wardrobes, refrigerator, stoves, music and sports equipment; (f) purchase of tractor and trailer; (g) provision for cardiac bed, cardiac monitor, dental unit, otoscopes, microscope, incubators, ventilator, phlebotomy chairs, chemistry analyser, water bath, trays, hip table, pediatric infusion pumps, portable suction machines, ultrasound machines and heating pads; and (h) purchase of truck. As at 31 December 2019, amounts totalling \$108.964M were expended on the acquisition of the above mentioned items. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification of items reportedly located at the Hospitals could not have been undertaken.

### Prior Year Matters

### Current Expenditure

1262. Net salaries which were overpaid to employees and the related deductions which were overpaid to the various agencies for the years 2015 to 2018, as shown below, remained outstanding:

Year	Net Salary Overpaid \$	Net Salary Recovered \$	Net Salary Outstanding \$	Deductions Overpaid \$	Deductions Recovered \$	Deductions Outstanding \$	Net Salary & Deductions Outstanding \$
2015	101,949	77,211	24,738	40,671	0	40,671	65,409
2016	134,703	44,119	90,584	21,943	0	21,943	112,527
2017	653,366	621,912	31,454	114,117	0	114,117	145,571
2018	154,407	129,226	25,181	20,385	0	20,385	45,566
Total	1,044,425	872,468	171,957	197,116	0	197,116	369,073

**Region's Response:** The Head of Budget Agency explained that reminder letters will be sent to the Officers and the deduction agencies in relation to refunding outstanding sums of moneys.

**Recommendation:** The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are communicated in a timely manner to the Regional Accounting Unit. (2019/519)

1263. The Regional Administration had still not recovered amounts totalling \$3.409M that were overpaid on the following Projects for the years 2016 to 2018.

Year	Description	Amount Overpaid \$'000
2016	Repairs to Teacher's Quarters, Good Hope Annex	114
2017	Repairs to Water Trestle, Karawab Health Center	381
2018	Landfilling Anna Regina Secondary School Compound	420
"	General repairs to Wakapoa Health Centre	110
"	General repairs to Hackney Health Post, Lower Pomerook River	1,179
"	General repairs to Lilydale Primary School Annex, Lower Pomerook River	183
"	General repairs to Bridge Eastern Entrance, Public Hospital, Suddie.	1,022
Total		3,409

**Region's Response:** The Head of Budget Agency explained that reminder letters will be sent to the contractors. In addition, regarding general repairs to Lilydale Primary School Annex, Lower Pomerook River, this project has been revisited and the works are completed.

**Recommendation:** The Audit Office once again recommends that the Regional Administration make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2019/520)

#### Capital Expenditure

1264. The Regional Administration had still not recovered amounts totalling \$3.925M that were overpaid on the following projects for the years 2016 to 2018.

Year	Description	Amount Overpaid \$'000
2017	Extension of Suddie Primary School Annex	767
2018	Construction of Nursery School, Mainstay	524
"	Rehabilitation of Timber Retention, Kabakaburi	433
"	Upgrading Water Filtration System, Public Hospital-Suddie	318
"	Construction of timber retention at Anna Regina West Embankment	794
"	Construction of timber retention at Anna Regina East Embankment	796
"	Construction of timber retention at Charity (Macbull)	293
Total		3,925

**Region's Response:** The Head of Budget Agency explained that reminder letters will be sent to the contractors. In addition, regarding rehabilitation of timber retention at Kabakaburi Health Center, Kabakaburi, Upper Pomerook River, upgrading of Water Filtration System, Public Hospital Suddie, these projects have been revisited and the works are completed.

**Recommendation:** The Audit Office once again recommends that the Regional Administration make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2019/521)

Capital Purchases

1265. Amounts totalling \$66.582M were expended on the acquisition of assets in 2018. An audit examination of all capital purchases revealed that the items were received. However, the following observations were made:

- a) A number of items purchased were still at the Regional Hardware Store, the Department of Education and the Public Hospital-Suddie Store that are still to be put into use. These are:

Items	Quantity
15 HP Engines	3
Ventilating Machine	1
Executive Chair	1
Refrigerators	3
Dry Heat Steriliser	1
Writing Desks	9
Examination Couches	9
Mortuary Freezer	1
FS 280 brush cutters	3
Theatre Bed	1
Lifan GY 150 motor cycle	1
Gas stoves	5

- b) Even though the Regional Administration had given assurance that corrective action would have been taken to comply with the Stores Regulations, especially as it relates to the marking of Permanent Stores and recording on Inventories the situation remained the same; whereby, items purchased were not recorded as Inventories and marked as property of the Region.

**Region's Response:** The Head of Budget Agency explained that most of the items were put into use. However, the remaining items could not have been utilised, since the hospital theatre was under construction and now is currently being utilised for a quarantine area for COVID-19. Nevertheless, the items are marked as the property of the Region.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure all assets purchased are promptly delivered and put into use as required. (2019/522)*



Follow-up on the Implementation of Prior Year Audit Recommendations

1266. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 27 recommendations; 18 were not implemented and 9 were partially implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/385	Circularised Instructions			√
2018/386	Circularised Instructions			√
2018/387	Circularised Instructions			√
2018/388	Overpayment of Salaries		√	
2018/389	IDW Drugs and Medical Supplies			√
2018/390	Breaches of the Stores Regulations		√	
2018/391	Breaches of the Stores Regulations		√	
2018/392	Breaches of the Stores Regulations		√	
2018/393	Circularised Instructions			√
2018/394	Economic Fund / Economic Project		√	
2018/395	Breaches of FMA Act 2003			√
2018/396	Overpayment of Construction Works		√	
2018/397	Overpayment of Construction Works		√	
2018/398	Overpayment of Construction Works			√
2018/399	Overpayment of Construction Works			√
2018/400	Overpayment of Construction Works			√
2018/401	Breaches of FMA Act 2003		√	
2018/402	Overpayment of Construction Works			√
2018/403	Overpayment of Construction Works			√
2018/404	Overpayment of Construction Works			√
2018/405	Overpayment of Construction Works			√
2018/406	Overpayment of Construction Works			√
2018/407	Overpayment of Construction Works			√
2018/408	Breaches of the Stores Regulations		√	
2018/409	Overpayment of Salaries			√
2018/410	Overpayment of Construction Works			√
2018/411	Overpayment of Construction Works			√

AGENCY 73  
REGION 3 – ESSEQUIBO ISLANDS/WEST DEMERARA

Current Year Matters

Current Expenditure

Employment Costs

1267. According to the National Estimates, amounts totalling \$3.149 billion were budgeted for Employment Costs for a staff complement of 1,992. As at 31 December 2019, amounts totalling \$3.147 billion were expended for 2,128 staff. This represents 136 staff more than was budgeted for and \$2M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in the table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administration	614	657	43
6112	Senior Technical	467	448	(19)
6113	Other Technical and Craft Skilled	368	448	80
6114	Clerical and Office Support	84	97	13
6115	Semi-Skilled Operatives and Unskilled	383	411	28
6116	Contracted Employees	75	66	(9)
6117	Temporary Employees	1	1	0
Total		1,992	2,128	136

**Region's Response:** The Head of the Budget Agency indicated that they were able to recruit additional staff and pay them from savings generated from contracted employees who would have been receiving gratuity during the year, either their contracts were expired, employees who are deceased or those who would have resigned.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/523)

1268. An audit examination of sixty-six leavers for 2019, revealed that seven persons were overpaid net salaries amounting to \$904,338; whilst, the related deductions totalling \$129,494 were also overpaid to the various deduction agencies. Similar situations occurred in the years 2015, 2016 and 2018 where net salaries totalling \$1.064M were overpaid to employees and the related deductions amounting to \$36,820 were also overpaid to the various agencies. Shown in the table below is the status of outstanding net salaries and deductions for the years 2015, 2016 and 2018.

Year	Net Salaries Overpaid \$	Salaries Recovered \$	Salaries Outstanding \$	Overpaid Deductions Outstanding \$
2015	665,906	520,008	145,898	16,124
2016	95,334	0	95,334	9,900
2018	303,058	0	303,058	10,796
Total	1,064,298	520,008	544,290	36,820

**Region's Response:** The Head of the Budget Agency indicated that employees were sent reminder/repayment letters and the Region is awaiting the refund of overpayments.

**Recommendation:** *The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are communicated in a timely manner to the Regional Accounting Unit. (2019/524)*

1269. An audit examination of the employment details of eighteen employees revealed that approval was given by the Public Service Commission (PSC) for an employee to proceed on administrative leave effective the 1 June 2017, pending the outcome of an investigation by the Guyana Police Force (GPF). In addition, the approval also stated that the employee should be paid his salary prior to the approval for him to proceed on administrative leave. However, this employee continued to receive his salary up to 30 April 2020. As a result, amounts totalling \$3.589M were overpaid to him; whilst, the related deductions totalling \$592,736 were also overpaid to the various deductions agencies as detailed below:

Years	Amount Overpaid		Total Overpayment \$'000
	Net Salary \$'000	Deductions \$'000	
2017	610	117	728
2018	1,171	188	1,359
2019	1,265	211	1,475
2020	543	77	620
Total	3,589	593	4,182

**Region's Response:** The Head of the Budget Agency indicated that the Regional Administration would have taken steps; hence, the salary has stopped with effect from May 2020. The matter is still being addressed by the GPF. However, the bank was written in relation to recovery of the overpayment in favour of the employee.

**Recommendation:** *The Audit Office recommends that the Regional Administration investigate this matter with the view of recovering the overpayments and ensure that the PSC directives are followed at all times. (2019/525)*

1270. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff by forty-three as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	2,085	2,048	(37)
2018	2019	2,048	2,128	80
Total				43

1271. Despite this increase in employment, the Regional Administration still had seventy-three vacancies during the period under review as advertised in the PSC Staff Vacancy Circular №. 1/2019. These vacancies include critical post such as, one Deputy Regional Executive Officer, one Regional Health Officer, one Administrator and one District Development Officer II. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

**Region's Response:** The Head of the Budget Agency indicated that while awaiting a response from the PSC to fill the positions: (a) the Deputy Regional Executive Officer was filled by way of contract; (b) the Ministry of Health assigned an officer to act as Regional Health Officer; (c) the position of Administrator was corrected to that of Hospital Administrator and an employee was placed to act in the capacity; and (d) in the case of the position of District Development Officer II, an officer of the Region was placed to act in that capacity.

**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2019/526)*

#### Office and Field Supplies

1272. An amount of \$429.700M was budgeted for the procurement of drugs and medical supplies under Health Services Programme - Line Item 6221. According to the Appropriation Account, the entire sum was expended as at 31 December 2019.

1273. Included in the amount spent was a sum of \$299.356M, which was transferred by way of an Inter-Departmental Warrant (IDW) to the Ministry of Public Health (MoPH) to procure drugs and medical supplies on behalf of the Region; while, the sum of \$130.344M was expended by the Region for the purchase of drugs and medical supplies on their own.

1274. The IDW №. 1/2019 was issued to the MoPH in March 2019. Financial Returns were received from the MoPH indicating that the full sum was expended as at December 2019.

1275. In addition, as reported in 2018, a similar situation occurred in 2019 whereby although the Regional Administration received drugs and medical supplies, the cost was not stated on the documentation that accompanied the deliveries. Further, the Regional Administration did not receive a drugs dispatch report from the Materials Management Unit (MMU) for the period January to December 2019. Moreover, it could not be ascertained whether the full value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of the Budget Agency explained that the Region wrote the MoPH requesting the listing of drugs sent to the Region along with the cost so that a reconciliation can be done.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/527)*

#### Maintenance Works

1276. Amounts totalling \$831.001M were budgeted for repairs and maintenance works within the Region. As at 31 December 2019, amounts totalling \$828.003M were expended under the various Line Items as shown in the table below:

Line Item	Description	Amount Allocated \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	259,328	259,164
6251	Maintenance of Roads	56,400	56,074
6252	Maintenance of Bridges	69,422	68,453
6253	Maintenance of Drainage & Irrigation	238,739	238,739
6255	Maintenance of Other Infrastructure	154,861	154,764
6264	Vehicle Spares and Services	26,158	25,052
6282	Equipment Maintenance	26,093	25,757
Total		831,001	828,003

1277. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

1278. Amounts totalling \$25.052M were expended for vehicle spares and maintenance of the Regional Administration's fleet of vehicles/machinery/equipment for the period under review. An analysis of vehicle spares and maintenance revealed that ten vehicles/machinery/equipment had exceedingly high maintenance costs that amounted to \$12.268M. The table below give details of the costs associated with repairs of each vehicles/machinery/equipment:

Vehicle №.	Description	Amount Expended \$'000
PKK 2867	Toyota Hilux Pick up	626
PVV 6532	Toyota Bus	870
GHH 7689	Canter	578
PRR 8927	Toyota Hilux Pick up	566
23865	Mini Excavator	1,695
22619	MF 290 Tractor	772
17160	Caterpillar Grader	3,762
	NR Fibre Glass Boat 75HP	968
	NR Fibre Glass Boat 150HP	1,522
	RC 1700 Slasher	909
Total		12,268

**Region's Response:** The Head of the Budget Agency indicated that major repairs were carried out to equipment for efficiency. The equipment are very old but function when attention is given to general maintenance. Extensive repairs were done to vehicles of the Health Department so as to avoid a fleet of non-functional vehicles since the Health Department would find it difficult to deliver the services without independent transportation at its disposal.

**Recommendation:** The Audit office recommends that the Regional Administration monitor closely the maintenance of its fleet of motor vehicles and determine whether it would be more economical to dispose of vehicles that recorded high maintenance costs. (2019/528)

#### Stores and other Public Property

1279. The Stores Regulations requires Log Books be maintained for all vehicles, plant, machinery and equipment. The Regional Administration owns and controls sixty-one serviceable vehicles, machinery, equipment for which Log Books are required to be maintained. However, only thirty Log Books were presented. As a result, the remaining thirty-one are still outstanding.

**Region's Response:** The Head of the Budget Agency indicated that efforts are being made to locate the Log Books and present them for audit examination.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that Log Books are maintained for all vehicle and equipment and properly written up in accordance with the Stores Regulations at all times. (2019/529)*

#### Other Matters

1280. Circularised Instructions specify that Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other supporting documents. An examination of the Cheque Order Register revealed that there were seven Cheque Orders with an aggregate value of \$8.497M in respect of transactions from the year 2019 that remained outstanding at the time of audit in July 2020. In addition, there were ninety-eight Cheque Orders that took an average of forty-four days to clear after the stipulated thirty days. As such, we were unable to determine whether the Region received the intended benefits of these transactions.

**Region's Response:** The Head of the Budget Agency indicated that the Regional Administration acknowledged the outstanding Cheque Orders. Actions were taken to clear the outstanding Cheque Orders and systems were put in place to avoid a recurrence.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that these Cheque Orders are cleared within the stipulated time-frame in keeping with Circularised Instructions. (2019/530)*

1281. Circularised instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters had been previously approved, as a condition of service. The Regional Administration fail to provide the relevant records to determine whether the occupants of forty-three of the fifty-nine occupied buildings were entitled to rent free quarters or the reason for their non-payment of rent.

**Region's Response:** The Head of the Budget Agency indicated that persons were issued with letters demanding them to pay rent since they were not entitled to rent free quarters.

**Recommendation:** *The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only Officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2019/531)*

1282. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. An audit inspection conducted in January 2020, revealed that 429 cheques totalling \$200.070M were printed on the 6 January 2020 for 31 December 2019. However, sixty-six cheques totalling \$21.986M bore no evidence of the relevant Payment Vouchers and supporting documents to support these cheques at the time. As a result, we could not determine whether the Administration complied with Section 31 of the FMA Act. Further, the Administration's Appropriation Accounts were overstated by the said sum of \$200.070M

1283. In addition, a further inspection of the Sub-Treasury's safe in July 2020, revealed that there were thirty cheques totalling \$14.720M which have since become stale dated. However, at the time of reporting in November 2020 all cheques were updated and paid over to the Consolidated Fund.

1284. Further, a detailed analysis of cheques revealed that the Ministry of Finance cut 4,696 cheques totalling \$6.271 billion for current and capital expenditure incurred by the Regional Administration. However, 584 cheques totalling \$959.605M or approximately 15% of the total expenditure were cut for December 2019 as shown in the table below:

Month	Total Cheques	Amount \$'000	Percentage
January	102	271,831	4
February	306	382,281	6
March	393	435,902	7
April	488	630,451	10
May	443	547,072	9
June	394	481,454	8
July	402	565,628	9
August	448	507,351	8
September	319	521,963	8
October	430	561,784	9
November	387	405,976	7
December	584	959,605	15
Total	4,696	6,271,297	100

**Region's Response:** The Head of the Budget Agency indicated that the cheques were refunded and the Region regret the over statement of the Appropriation Account.

**Recommendation:** *The Audit office recommends that the Regional Administration institutes measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/532)*

1285. The Regional Administration operated a Drainage and Irrigation Board (D&I Board) account №. 969056490288 held at Republic Bank Limited. Rates and Taxes are collected from farmers and deposited into this account. The purpose of this account is to assist with the maintenance of drainage and irrigation works within the drainage & irrigation area of the Region. As at 31 December 2019, a closing balance of \$9.790M was reflected on the Bank Statements. However, examination of the records presented for audit revealed the following discrepancies:

- a) Twelve advances totalling \$2.512M were issued to staff for various purposes that were not in keeping with the purpose of the account.
- b) Salaries and refund for deduction totalling \$1.368M were paid to twelve employees.
- c) Advance forms were not completed with the details of when and how the advances were cleared. As a result, it was difficult to trace the repayment of these advances to the Deposit Slips and Bank Account.
- d) There were two instances totalling \$692,000 where the advance forms were written in the name of one employee; while, the cheques were written in the names of other employees.
- e) Bank Reconciliations were not done for the months of May and December 2019. As a result, the accuracy of the closing bank balance of \$9.790M as at 31 December 2019 reflected in the Bank Statements could not be relied upon.
- f) There was no evidence of the Bank Reconciliations for the year 2019 being certified correct, since; no signatures were evident as prepared by, certified by nor approved by. As a result, reliance cannot be placed upon the balances therein.

**Region's Response:** The Head of the Budget Agency indicated that: (a) Region acknowledged that the account was misused and as such the Regional Administration ceased the issuing of advances from that account immediately and the entire list of outstanding advances were recovered; (b) advances from salaries have ceased immediately; (c) advance forms were corrected to reflect same; and (d) both advances were repaid and such practice has ceased immediately.

**Recommendation:** The Audit Office recommends that the Regional Administration put measures in place to ensure that advances are cleared promptly and that the account is only used for its intended purpose. (2019/533)

### Virements

1286. An examination of the Appropriation Accounts revealed that the Regional Administration had over budgeted for 6133 Benefits and Allowances and 6272 Electricity Charges. The Regional Administration had transferred via virements amounts totalling \$107.142M from Benefits and Allowance to various Employment Costs Line Items and \$23.856M from Electricity Charges to Water Charges as shown below:

Programme	Line Item Moved from	Line Item Moved to	Amount \$'000
Education Delivery	6133	6113 - 6116	107,142
	6272	6273	23,856

**Region's Response:** The Head of the Budget Agency indicated that this issue will be looked at and efforts made to ensure no recurrence.

**Recommendation:** The Audit Office recommends that the Regional Administration make every effort to put systems in place to avoid recurrences. (2019/534)

### Capital Expenditure

#### Buildings

1287. Amounts totalling \$175.350M were budgeted for Buildings. According to the Appropriation Accounts, the sum of \$174.453M were expended as at 31 December 2019 for the execution of forty contracts as summarised in the table below:

Programmes	Total Funds Available \$'000	Expenditure \$'000	No. of Contracts
Buildings – Administration	6,000	6,000	2
Buildings – Education	134,950	134,113	24
Buildings – Health	34,400	34,340	14
Total	175,350	174,453	40

1288. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification were only conducted for three contacts totalling \$78.832M, which were completed and paid for as per specifications.



### Public Works

1289. Amounts totalling \$156M were budgeted for Bridges and Roads. According to the Appropriation Accounts, the sum of \$149.434M were expended as at 31 December 2019 for the execution of fifteen contracts as summarised in the table below:

Description	Total Funds Available \$'000	Expenditure \$'000	No. of Contracts
Bridges	88,000	82,542	9
Roads	68,000	66,892	6
Total	156,000	149,434	15

1290. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these Projects could not have been undertaken.

### Agricultural Development

1291. Amounts totalling \$88M were budgeted for Agricultural Development. According to the Appropriation Accounts, the sum of \$87.811M were expended as at 31 December 2019 for the execution of nine contracts. However, due to the current pandemic (COVID-19) affecting the country and related travel restrictions, physical verification was only conducted for one contract totalling \$11.086M, which was completed and paid for as per specifications.

1292. According to the Appropriation Accounts, the sum of \$93.838M was expended on capital purchases. An examination of these transactions revealed that there were forty-three capital items totalling \$1.825M that were purchased during the year 2019 and were verified as still being on hand at the time of audit, as shown in the table below:

Description	Quantity	Amount \$'000
22000 BTU Ac Unit	3	720
18000 BTU Ac Unit Inverter	1	182
22000 BTU Ac Unit Inverter	1	260
Lasco Fans	1	15
Office Desk 24"x 48" MDF	4	109
Desks and Benches	3	87
Typist Chairs	6	150
Teacher Chairs	16	122
Gents Bicycles	8	180
Total	43	1,825

**Region's Response:** The Head of the Budget Agency indicated that requisitions were made for the items and systems are in place for them to be uplifted from the stores. The remaining items will be requisition for when the need arise. The items were bought for use by the administration and they will be put into use so that the Region benefit from the purchases.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations at all times. (2019/535)*

Prior Year Matters

Office and Field Supplies

1293. The Regional Administration was still unable to resolve the issue of \$4.151M worth of drugs and medical supplies that were purchased in the year 2017 and could not be traced to the Goods Received Book or the Bin Cards. As a result, it could not be determined whether these items were received by the Regional Administration.

**Region’s Response:** The Head of the Budget Agency acknowledged this finding and indicated that the Regional Administration has put system in place to avoid a recurrence.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations at all times. (2019/536)*

1294. Nine Payment Vouchers totalling \$10.470M for the purchase of drugs and medical supplies in the year 2017 were still not located and presented for audit verification. As a result, it could not be determined whether value was received for the sums expended.

**Region’s Response:** The Head of the Budget Agency indicated that the Regional Administration will work with the Sub-Treasury to locate and present these vouchers for audit examination.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration make an effort to locate and present these payments for audit examination. (2019/537)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1295. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 11 recommendations; 5 were not implemented, 4 were partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/412	Circularised Instructions			√
2018/413	Overpayment of Salaries			√
2018/414	Staff Vacancy			√
2018/415	Circularised Instructions	√		
2018/416	IDW Drugs and Medical Supplies			√
2018/417	Breaches of Stores Regulations	√		
2018/418	Breaches of the Stores Regulations		√	
2018/419	Breaches of the Stores Regulations			√
2018/420	Circularised Instructions		√	
2018/421	Breaches of the Stores Regulations		√	
2018/422	Breaches of the Stores Regulations		√	

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Current Year Matters

Current Expenditure

Employment Costs

1296. According to the National Estimates 2019, amounts totalling \$3.631 billion were budgeted for Employment Costs for a staff complement of 2,219. As at 31 December 2019, amounts totalling \$3.629 billion were expended for 2,443. This represents 224 staff more than was budgeted for and \$2M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in the table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	287	327	40
6112	Senior Technical	1,200	1,194	(6)
6113	Other Technical and Craft Skilled	400	566	166
6114	Clerical and Office Support	68	66	(2)
6115	Semi-Skilled Operatives & Unskilled	198	230	32
6116	Contracted Employees	66	58	(8)
6117	Temporary Employees	0	2	2
<b>Total</b>		<b>2,219</b>	<b>2,443</b>	<b>224</b>

**Region's Response:** The Head of Budget Agency indicated that the funds associated with the increase in employment were met from the Ministry of Finance (MoF), Line Item 6141 – Revision of Wages and Salaries.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/538)

1297. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff by 188 as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	2,255	2,285	30
2018	2019	2,285	2,443	158
<b>Total</b>				<b>188</b>

1298. Despite this increase in employment, the Regional Administration still had seventy-two vacancies during the period under review as advertised in the Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019. These vacancies included critical posts such as one Deputy Regional Executive Officer, one Regional Health Officer, one Assistant Regional Executive Officer, one Regional Education Officer, Senior Health Visitor, four Education Officers and one Senior Procurement Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

**Region's Response:** The Head of Budget Agency indicated that the positions of Superintendent of Works and one Engineer were filled. In addition, another Engineer was seconded to the Region from the Ministry of Communities (MoC). Further, the Regional Administration is still awaiting the conclusion of interviews and filling of these critical positions.

**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2019/539)*

1299. There were thirty-five leavers during the year 2019 of which thirty-one were Teachers and four were Public Officers. Audit examination of the relevant Personal Files and Paysheets revealed that eleven persons were overpaid salaries amounting to \$1.365M inclusive of the related deductions totalling \$223,573 overpaid to various deduction agencies. Similarly, amounts totalling \$1.437M remained outstanding as overpaid net salaries to employees with respect to 2015 to 2017. The related deductions totalling \$118,000 paid over to the various agencies were also not recovered. Shown in the table below is a breakdown of the outstanding amounts for the years 2015 to 2017:

Year	Net Salary Overpaid \$'000	Net Salary Recovered \$'000	Net Salary Outstanding \$'000	Deductions Outstanding \$'000
2015	817	426	391	26
2016	684	65	619	48
2017	427	0	427	44
Total	1,928	491	1,437	118

**Region's Response:** The Head of Budget Agency indicated that this was as a result of untimely submission of required documentation from the place of employment to stop the payment of salary. There have been no refunds on the outstanding overpayment of salaries for 2015, 2016 and 2017. Several reminders were sent to the delinquent persons. In 2018, the Regional Administration would have written the Accountant General Department, National Insurance Scheme (NIS) and Guyana Revenue Authority (GRA) enquiring if these persons are still employees of the Public Service but have not received a response.

**Recommendation:** *The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments and ensure that pay change directives are communicated in a timely manner to the Regional Accounting Unit. (2019/540)*

#### Office and Field Supplies

1300. The sum of \$620M was budgeted for the procurement of drugs and medical supplies under Health Services Programme – Line Item 6221. The Regional Administration expended \$129.989M and issued an Inter-Departmental Warrant (IDW) for \$490M to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1301. As stated above, the Regional Administration expended the sum of \$129.989M. This amount was expended via eighty-three Payment Vouchers. As at October 2020, eighty-one Payment Vouchers totalling \$129.548M were presented for audit examination; whilst, the cheques pertaining to the remaining two Payment Vouchers totalling \$441,200 were refunded to the Consolidated Fund on the 22 January 2020 and 19 August 2020 via receipt №. 45913 and 45972 respectively. As a result, of these refunds and no adjustments being made within Integrated Financial Management Information System (IFMIS), the Appropriation Account was understated by the said amount of \$441,200.

1302. The Inter-Departmental Warrant №. 1/2019 was issued on 29 January 2019. A Financial Return was received from the MoPH indicating that the full sum was expended as at 31 December 2019. The Regional Administration continued to receive drugs and medical supplies without the cost being stated on the documentation that accompanied the deliveries. The Regional Administration did not receive a drugs dispatch report from the Materials Management Unit (MMU) for the period January to December 2019. As a result, it could not be determined whether full value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration has not received prices for some items that were received in 2019. As such, an analysis of drugs and medical supplies procured in 2019 to determine if the full value were received is still outstanding.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received by the respective health facilities with the drugs submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/541)*

Fuel and Lubricants

1303. Amounts totalling \$37.942M were allotted for the procurement of Fuel and Lubricants for the year under review. As at 31 December 2019, the sum of \$37.019M was expended. According to the confirmation balances reflected on the Guyana Oil Company (GUYOIL) statement, an amount of \$13.003M was owed to the Regional Administration on Account №. G-R0002-RT; whilst, a balance of \$454,480 was owed to GUYOIL on Account №. G-R0003-RT.

**Region's Response:** The Head of Budget Agency indicated that this situation was due to the Region prepaying on a monthly basis; however, the consumption was not the same as expected as such a credit balance was with GUYOIL at the end of the year. Efforts will be made to clear this balance and utilised the fuel paid for.

**Recommendation:** *The Audit Office recommends that the Regional Administration desist from the practice of prepaying for large quantities of fuel beyond its consumption needs. (2019/542)*

Utility Charges

1304. Amounts totalling \$336.136M were allotted for Utility Charges for the year under review. As at 31 December 2019, amounts totalling \$246.937M were expended, resulting in an over budgeted amount of \$89.199M. In addition, amounts totalling \$89.180M were then transferred to various Line Items via allotment transfers as shown in the table below:

Description	Amount Budgeted 2019 \$'000	Allotment Transfer (Virement) \$'000	Total Funds Available \$'000	Amount Expended 2019 \$'000
Telephone Charges	9,980	1,810	11,790	11,788
Electricity Charges	274,715	(89,180)	185,535	185,518
Water Charges	51,441	(1,810)	49,631	49,631
Total	336,136	(89,180)	246,956	246,937

**Region's Response:** The Head of Budget Agency explain that the balance on the allocation of \$88.7M as at December 2019 was primarily under electricity charges as a result of the following reasons: (a) electricity charges was budgeted for Dr. CC Nicholson Hospital operating on a 24-hour basis; however, this did not occur and the facility still operates on a 12-hour basis; and (b) provision was made for electricity charges for Supply Health Centre and Long Creek Maternity Waiting Home; however, these facilities were not operational during 2019.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Utility Charges is in accordance with its estimated consumption. (2019/543)

### Maintenance Works

1305. According to the Appropriation Accounts, the total funds available for repairs and maintenance of buildings and infrastructure, vehicle spares and equipment maintenance within the Region amounted to \$641.820M. During the year, amounts totalling \$52.500M were transferred to this Account Area via allotment transfers. Thus, increasing the funds available to \$694.320M. As at 31 December 2019, amounts totalling \$694M were expended under the various Line Items as shown below:

Line Item	Description	Amount Budgeted \$'000	Allotment Transfer \$'000	Total Funds Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	188,000	56,760	244,760	244,645
6251	Maintenance of Roads	53,600	0	53,600	53,600
6252	Maintenance of Bridges	35,550	0	35,550	35,528
6253	Maintenance of Drainage & Irrigation	176,000	0	176,000	175,995
6255	Maintenance of Other Infrastructure	160,800	(10,260)	150,540	150,472
6264	Vehicle Spares & Maintenance	17,800	0	17,800	17,723
6282	Equipment Maintenance	10,070	6,000	16,070	16,037
Total		641,820	52,500	694,320	694,000

1306. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Stores and Other Public Property

1307. Amounts totalling \$37.019M were expended for the purchase of Fuel and Lubricants. However, an examination of the Fuel Slips and Log Books presented revealed that twenty-two Log Books were not properly written up to reflect the total amount of fuel received. As a result, we could not determine whether proper control was exercised over the consumption of fuel.

**Region's Response:** The Head of Budget Agency explained that the Regional Administration will ensure all Log Books are properly written up to reflect the total amount of fuel received.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that Log Books are maintained for all vehicle and equipment and are properly written up in accordance with the Stores Regulations at all times. (2019/544)

1308. The National Drainage and Irrigation Authority (NDIA) constructed two pump stations at BV/Triumph and Cane Grove. The Pump Stations were then commissioned to the Regional Democratic Council, who have the sole responsibility for maintenance as well as the daily operational aspects. Audit examination of the Fuel Slips and Payment Vouchers revealed amounts totalling \$814,900 and \$4.581M were expended for maintenance and purchase of fuel respectively. However, no Log Book was presented for the Pump Station at BV/Triumph. In addition, the Fuel Register was not properly written up. As a result, we could not determine if the fuel received and issued was utilised for official purposes. In addition, despite receiving fuel from the Regional Administration, these Pump Stations were not on the official vehicle and equipment listing of the Region.

**Region's Response:** The Head of Budget Agency explained that the Log Book given to the pump station was not being used by the Pump Operator. This has since been corrected and the Log Book is now being used. In addition, the system used to receive fuel by the BV/Triumph Pump Station has since been corrected. A system has now been put in place for the Pump Operator to sign on the Internal Stores Requisitions (ISR) as receiving the quantity of fuel. Further, the non-inclusion of the two pumps on the official list of assets (equipment and machinery) is clearly an oversight by the Regional Administration. This data will be placed on the inventory.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure there are: (a) proper procedures in place for monitoring the utilisation of fuel; and (b) Log Books are maintained for all equipment and properly written up in accordance with the Stores Regulations at all times. (2019/545)*

1309. The Stores Regulations requires the Regional Administration to maintain several forms, registers, books and ledgers to manage items of stores under their control. An examination of the stock keeping control system and records maintained revealed the following:

- a) Historical Records in relation to eleven of the thirty-three files presented were not properly maintained or updated.
- b) No Master Inventory was presented for audit examination and verification. In addition, the Sectional Inventories were also not updated to include the items purchased during the year under review.

**Region's Response:** The Head of Budget Agency explained that the Regional Administration: (a) regrets this and will put systems in place to ensure all files are properly maintained or updated in a timely manner; and (b) continues to function without the Stock Verifier, Field Auditor and Assistant Field Auditor as these positions are critical towards the maintenance of Master and Sectional Inventories. These vacancies were advertised in 2019 by the Public Service Commission and the Region will follow-up on the appointments.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that Historical Records for each vehicle, Master and Sectional Inventories are maintained and updated in accordance with the Stores Regulations. (2019/546)*

### Other Matters

1310. A request was made to the Regional Administration for the submission of Evaluation Reports and Regional Procurement and Tender Administration Board (RPTAB) Minutes for all current and capital contracts awarded by the Regional Tender Board during the year. However, these Evaluation Reports were not presented in relation to sixty-eight maintenance works contracts and eighteen capital contracts totalling \$317.461M and \$87.987M respectively. In addition, the Procurement Act 2003 states that the limit for requesting of quotations is \$3M. However, the Regional Administration was utilising the Request for Quotations (RFQ) method of procurement for projects up to \$4M. As a result, there was no evidence to support and justify the basis of awards for these contracts.

**Region's Response:** The Head of Budget Agency indicated that for capital projects the Request for Quotation form of tender were used for all projects under \$4M; hence, evaluation reports were not necessary. The Procurement Unit is trying to locate the Evaluation Reports for the remaining projects and same will be submitted.

**Recommendation:** *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act 2003 and ensure all Evaluation Reports are submitted for audit inspection. (2019/547)*

1311. Circularised Instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters had been previously approved, as a condition of service. However, despite the Regional Administration owning and controlling several Government Quarters as mentioned in previous reports, no records nor documentation was submitted for audit examination pertaining to the year 2019.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration continues to collaborate with the relevant agencies with the view of identifying occupants of Government Quarters to bring them into compliance. Staff members occupying living quarters are entitled to rent free quarters since their official residence are outside of Region No. 4. There is one other staff member who is not entitled to a rent free living quarter and is paying a rent.

**Recommendation:** *The Audit office recommends that the Regional Administration submit an updated and comprehensive Building Inventory for the year under review for audit examination. (2019/548)*

1312. The MoF Circular No. 2/2019 dated 29 January 2019, amended the clearance of Cheque Orders from sixteen to thirty days of their issuance through the submission of bills/receipts and other documents in support of the payments made. With respect to Cheque Order payments made during 2019, eleven Cheque Orders valuing \$3.622M remained outstanding as at October 2020. As a result, it could not be ascertained whether the Region received full value for all sums expended. In addition, three Cheque Orders valued at \$45,000 remained outstanding for the year 2016.

**Region's Response:** The Head of Budget Agency indicated that: (i) the outstanding Cheque Orders were mainly for grants to schools and efforts will be made to retire these; and (ii) with respect to 2016 Cheque Orders, the Regional Administration has written the MoF in relation to this matter and still awaits guidance from the Finance Secretary on the way forward. The Regional Administration will follow-up on the matter.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that Cheque Orders are cleared within the stipulated time-frame in keeping with Circularised Instructions. (2019/549)*



1313. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003, requires that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. An inspection of the Sub-Treasury's safe on 2 January 2020 revealed that there were 206 cheques on hand totalling \$42.647M of which thirty-three totalling \$9.364M were dated 31 December 2019. Subsequently, on the 7 January 2020, the MoF printed 861 cheques totalling \$414.857M for the Regional Administration for the fiscal year 2019. As a result, the Administration's Appropriation Accounts were overstated by the sum of \$457.504M.

1314. In addition, no evidence of Payment Vouchers and related documents were seen for 240 cheques totalling \$77.506M. As a result, we could not determine whether the Administration complied fully with Section 3 of the FMA Act. Further it was difficult to ascertain if the items were supplied and the works were completed.

1315. Further, a detailed analysis of cheques revealed that MoF cut 8,189 cheques totalling \$7.878 billion for current and capital expenditure incurred by the Regional Administration. However, 1,667 cheques totalling \$1.459 billion or approximately 19% of total expenditure were cut for December 2019 as shown in the table below:

Month	Total Cheques	Amount \$'000	Percentage
January	93	362,141	5
February	472	502,590	6
March	637	598,268	7
April	627	632,621	8
May	552	525,899	7
June	494	560,153	7
July	949	691,141	8
August	655	689,513	9
September	527	636,073	8
October	720	550,947	7
November	796	669,651	9
December	1,667	1,458,800	19
Total	8,189	7,877,797	100

1316. At the time of reporting in November 2020, there were still sixty-two cheques on hand at the Sub-Treasury totalling \$18.263M, which has now become stale dated. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts was overstated by the said amount.

**Region's Response:** The Head of Budget Agency indicated that the stale dated cheques will be updated and disbursed to the relevant payee.

**Recommendation:** The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each fiscal year in compliance with the FMA Act. (2019/550)

1317. The Regional Administration was in breach of Section 30 of the Audit Act 2004 in that during the period under review, a sample of 138 Payment Vouchers totalling \$492.784M relating to current expenditure were requested for audit examination. However, nine vouchers totalling \$29.122M or 6.5% were not presented for audit. Similarly, for capital expenditure of the 114 Payment Vouchers requested totalling \$123.613M, one Payment Voucher valuing \$1.770M was not presented. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of the payments or whether value was received for the moneys spent.

**Region’s Response:** The Head of Budget Agency explained that on completion of payments, all Payment Vouchers and supporting documents are left in the sole custody of the Accountant General/Sub-Treasury Department for safe keeping and efforts will be made to work with the Sub-Treasury to present these Payment Vouchers for examination.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that the Payment Vouchers are found and presented for audit examination. (2019/551)*

1318. Section 22 Chapter 2 of the FMA Act 2003 states that “*The Minister shall include all changes to appropriations made pursuant to subsection (1) up to the end of the tenth month of the current fiscal year in an appropriation amendment Bill; otherwise any changes shall be made in accordance with section 24*”. The Regional Administration failed to adhere to this requirement, since there were thirteen instances of allotment transfers after the end of the tenth month.

**Region’s Response:** The Head of Budget Agency explained that Virements were necessary to ensure the payment of emoluments and the availability of adequate resources for the delivery of services under the five Programmes operated by the Regional Administration.

**Recommendation:** *The Audit Office recommends that the Regional Administration comply with the FMA Act at all times. (2019/552)*

#### Capital Expenditure

1319. The sum of \$601.578M was budgeted for the Regional Administration to execute its capital programme in 2019. According to the Appropriation Accounts the sum of \$601.107M was expended as shown in the table below:

Programmes	Description	Budgeted Amount \$'000	Expenditure \$'000
1	Regional Administration & Finance	7,925	7,922
2	Agricultural Development	48,340	48,340
3	Public Infrastructure	103,128	103,127
4	Education Delivery	287,045	286,578
5	Health Services	155,140	155,140
Total		601,578	601,107

### Buildings

1320. Amounts totalling \$372.185M were budgeted for Buildings. According to the Appropriation Accounts, the sum of \$371.718M was expended on seventy-one contracts as at 31 December 2019, as shown in the table below:

Programmes	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Buildings – Education	257,045	256,578	51
Buildings – Health	115,140	115,140	20
Total	372,185	371,718	71

1321. However, due to the current pandemic (COVID-19) affecting the country and the related travel restrictions, physical verification was only conducted for eight contracts totalling \$90.095M, which were completed and paid for as per specification and schedules.

### Public Works

1322. Amounts totalling \$103.128M were budgeted for Bridges and Roads. According to the Appropriation Accounts, the sum of \$103.127M was expended on thirteen contracts as at 31 December 2019, as shown in the table below:

Description	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Bridges	22,050	22,049	4
Roads	81,078	81,078	9
Total	103,128	103,127	13

1323. However, due to the current pandemic (COVID-19) affecting the country and the related travel restrictions, physical verification was only conducted for one contract valuing \$9.979M, which was completed and paid for as per specification and schedules.

### Agricultural Development

1324. Amounts totalling \$48.340M were budgeted for Agricultural Development. According to the Appropriation Accounts, the full amount was expended on five contracts as at 31 December 2019. However, due to the current pandemic (COVID-19) affecting the country and the related travel restrictions, physical verification was only conducted for two contracts totalling \$18.649M, which were completed and paid for as per specification and schedules.

### Capital Purchases

1325. Amounts totalling \$77.925M were budgeted for the purchase of capital items for the Regional Administration. As at 31 December 2019, amounts totalling \$77.922M were expended. Audit examination of the expenditure and documents pertaining to this Account Area revealed that items valued \$12.521M were not yet put into use. Similarly, items valued \$946,480 that were purchased since 2018 were yet to be utilised. These items were still kept at the Regional Stores at the time of reporting in November 2020 as shown in the table below:

Years	Description of Items	Quantity	Amount \$'000
2018	Whirlpool Washer/Dryer	1	340
	Incubator	1	607
	Sub-total		947
2019	Anaesthetic Machine	1	7,815
	Dental Units	2	4,464
	Filing Cabinets	5	242
	Sub-total		12,521
Total			13,468

**Region's Response:** The Regional Administration explained that the Anaesthetic Machine was purchased for Diamond Diagnostic Centre (DDC). However, the item was left at the Regional Stores due to the fact the DDC was expected to commence major rehabilitation/retrofitting and all of the medical equipment would have had to be removed from the building. The Dental units were procured for Dr. CC Nicholson Hospital. However, some minor retrofitting needs to be done to the facility to accommodate the items.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure full compliance with the Stores Regulations at all times. (2019/553)*

Prior Year Matters

Current Expenditure

1326. The Regional Administration had still not recovered overpayments totalling \$2.211M made for the years 2017 and 2018, as shown in the table below:

Year	Description	Amount Overpaid \$'000	Amount Refunded \$'000	Balance on Refund \$'000
2017	Soesdyke Medex Quarters	1,009	0	1,009
"	Repairs to Strathspey Primary School	543	0	543
"	Emergency Works to Strathavon Primary	778	420	358
2018	Repairs to Cinema, Street Diamond	301	0	301
Total		2,631	420	2,211

**Region's Response:** The Head of Budget Agency explained that: (a) the contractor has executed the works as was instructed for Soesdyke Medex Quarters and a physical verification is still to be done; (b) contractor was written on several occasions is still to refund overpayments for repairs to Strathspey Primary School; (c) a total of \$420,000 was refunded and the contractor was written concerning the outstanding payments for emergency works to Strathavon Primary; and (d) the contractor has since been written to and has agreed to refund the overpayment for repairs to Cinema Street, Diamond.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2019/554)*

1327. A sample of thirty-four contracts were selected for physical inspection; however, six Tender Evaluation Reports were not submitted for the following contracts in respect of the sample chosen. As a result, the propriety and basis of these awards could not be determined.

Item No.	Contract No.	Description of Work	Contract Sum \$'000
1	1823/2018	Ext. of Moblissa Health Post S/dyke	5,265
2	1827/2018	Const. of treatment and observation room at Plaisance H/C	6,650
3	1824/2018	Community Ground enhancement project. Victoria park	6,595
4	1322/2018	Repairs to Factory Road, Paradise	4,940
5	745/2018	Emergency repairs to St Cuthberts H/C	4,707
6	1668/2018	Const. driveway, skirting & rehab of eastern sect of fence at Herstelling H/C	3,219

**Region's Response:** The Head of Budget Agency explained that Evaluation Reports were done for all the tenders above \$3M and the procurement department is currently trying to locate same.

**Recommendation:** *The Audit Office of Guyana once again recommends that the Regional Administration ensure all Evaluation Reports are properly secured and retained so that they can be submitted for audit examination. (2019/555)*

#### Capital Expenditure

1328. The Regional Tender Board awarded the contract for the rehabilitation of Buxton Secondary Science Lab, East Coast Demerara in the sum of \$6.444M to the second lowest substantially responsive of eleven bidders against an Engineer's Estimate of \$8M. As at 31 December 2018, amounts totalling \$5.530M were paid to the contractor. Based on our physical verification of the completed works, measurements and calculations, an overpayment of \$177,000 was discovered.

**Region's Response:** The Head of Budget Agency explained that the contractor has since written and has agreed to refund the overpayment for Rehabilitation of Buxton Secondary Science Lab.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2019/556)*

1329. The National Procurement & Tender Administration Board (NPTAB) awarded the contract for the construction of Supply Health Centre, East Bank Demerara in the sum of \$30.116M to the lowest responsive of nineteen bidders against an Engineer's Estimate of \$32M. As at 31 December 2018, an amount of \$4.427M was paid to the contractor. However, it was observed that the contract was terminated and the Regional Administration is currently trying to recover the advance payment. This matter is currently engaging the Courts.

**Region's Response:** The Head of Budget Agency explained that the contract was terminated and the contractor was asked to refund the advance payment. This has not been done. The MoC legal team was addressing this matter.

**Recommendation:** *The Audit Office recommends that the Regional Administration make every effort to recover the advance payment made to the contractor. (2019/557)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1330. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 17 recommendations; 7 were not implemented, 8 were partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/423	Circularised Instructions		√	
2018/424	Staff Vacancies		√	
2018/425	IDW Drugs and Medical Supplies		√	
2018/426	Overpayment of Construction Works			√
2018/427	Breach of Stores Regulations			√
2018/428	Circularised Instructions			√
2018/429	Breaches of FMA Act 2003		√	
2018/430	Cheque Orders & Missing Vouchers			√
2018/431	Evaluation Reports			√
2018/432	Overpayment of Construction Works	√		
2018/433	Overpayment of Construction Works		√	
2018/434	Overpayment of Construction Works		√	
2018/435	Breach of Stores Regulations		√	
2018/436	Breaches of FMA Act 2003	√		
2018/437	Overpayment of Salaries			√
2018/438	Cheque Orders & Missing Vouchers			√
2018/439	Overpayment of Construction Works		√	

AGENCY 75  
REGION 5 – MAHAICA/BERBICE

Current Year Matters

Current Expenditure

Employment Costs

1331. According to the National Estimates 2019, amounts totalling \$1.728 billion were budgeted for Employment Costs for a staff complement of 1,120. As at 31 December 2019, amounts totalling \$1.725 billion were expended for 1,193. This represents seventy three staff more than the budgeted 1,120 and \$3M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	164	167	3
6112	Senior Technical	424	454	30
6113	Other Technical and Craft Skilled	229	249	20
6114	Clerical and Office Support	60	63	3
6115	Semi-Skilled Operatives and Unskilled	187	216	29
6116	Contracted Employees	42	34	(8)
6117	Temporary Employees	14	10	(4)
Total		1,120	1,193	73

1332. The over budgeting of Employment Costs was further compounded by the fact that amounts of \$64.944M, \$4.233M and \$682,000 were transferred via virements from Line Items 6133, 6131 and 6134 respectively. However, the reduced amount of these Line Items were used to pay employees under Line Items 6111 to 6117. It should be noted that of significance were the virements transferred to 6111 which totalled \$48.219M, while those transferred to 6113 totalled \$12.613M.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration acknowledges the observation. Also, the Ministry of Finance would have inadvertently overstated this Line Item with Whitley Council for teachers. Going forward a proposed list of all teachers entitled for Whitley Council will be generated with the correct salaries so that the Line Item can accurately reflect teachers receiving allowances for the given year.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/558)*

1333. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff strength by fifty one as shown in the table below:

Year		Actual Staff Strength		Difference
From	To			
2017	2018	1142	1132	(10)
2018	2019	1132	1193	61
Total				51

1334. Despite this increase in employment, the Region still had a total of twenty-two vacancies as advertised in the Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019 dated 27 June 2019. However, these vacancies were still not filled at the time of reporting in November 2020. These vacancies included critical posts such as one Engineer, four Staff Nurses/Midwives, Superintendent of Works II and one Pharmacist. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

**Region's Response:** The Head of Budget Agency indicated that the vacancies mentioned were advertised by the PSC and a follow-up with the Commission revealed that applicants were shortlisted and interviews will be arranged as soon as possible.

**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2019/559)*

1335. The PSC Circular №. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Government and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. An audit examination of the payroll for January to December 2019, revealed that amounts totalling \$60.291M were paid to thirty-four contracted employees of which three are eligible to be transferred to the Pensionable Establishment and fourteen were over the pensionable age of fifty five.

**Region's Response:** The Head of Budget Agency indicated that of the three employees that are eligible to be transferred to the Pensionable Establishment, two are unqualified for appointments and will remain on contracts until such time they are qualified. Additionally, for the other employee recommendation will be made to PSC for appointment to the Pensionable Establishment.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure all eligible staff are moved over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/560)*

#### Office and Field Supplies

1336. An amount of \$190M was budgeted for the procurement of drugs and medical supplies under the Health Services Programme - Line Item 6221, amounts totalling \$189.999M were expended. The Regional Administration expended the sum of \$39.999M using its own procurement procedures; whilst, an Inter-Departmental Warrant (IDW) for the sum of \$150M was issued to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1337. The Inter-Departmental Warrant, №. 1/2019 was issued to the Ministry on 28 January 2019. However, the cost was not stated on the documentation that accompanied the warrant sent to the MoPH. As a result, we could not determine the types and quantities of drugs and medical supplies the Regional Administration were seeking to acquire from the warrant issued. A Financial Return was received indicating that the full amount was expended. In addition, the cost was not stated on the documentation that accompanied the deliveries of drugs and medical supplies which were received by the Regional Administration. As a result, it could not be determined whether the full value was received for the sum warranted to the MoPH.



**Region's Response:** The Head of Budget Agency indicated that the MMU computer software was not functioning for several months and the Dispatch Report for drugs and medical supplies for 2019 was unable to be generated by the MMU. As such reconciliation could not be done, nevertheless, the Head of Budget Agency indicated that a request will be made for the MoPH to ensure the documentation sent has the total cost of drugs.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received with the drugs list submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/561)*

1338. An examination of ninety-three Payment Vouchers totalling \$37.468M revealed the following:

- a) Thirty-one instances totalling \$3.829M where the bill date was before the Requisition to Purchase date. This is an indication that standard procedures were not followed.
- b) Twenty-two instances totalling \$22.798M where bills attached to Payment Vouchers were not cancelled with "PAID" stamp. This situation would lead to duplication of payments.
- c) Photocopied bills were attached to two Payment Vouchers totalling \$174,000. As such the authenticity of the bills could not be determined. In addition, we could not determine whether the transactions represented duplicate payments.

**Region's Response:** The Head of Budget Agency indicated that measures will be implemented to ensure this is corrected and does not reoccur.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to ensure compliance with the FMA Act and the Regulations. (2019/562)*

1339. An examination of Expired Drug Registers at the Mahaicony and Fort Wellington Hospitals revealed that the cost of drugs expired was not recorded. In addition, it was noted that sixty-seven items of expired drugs were destroyed during the year.

**Region's Response:** The Head of Budget Agency indicated that all efforts will be made to have the relevant cost for the expired drugs recorded.

**Recommendation:** *The Audit Office recommends that the Regional Administration undertake a survey to determine the realistic needs of pharmaceuticals and other medical supplies at these institutions and ensure the proper storage of drugs and medical supplies in order to reduce losses through expiration or improper storage. (2019/563)*

#### Fuel and Lubricants

1340. The sum of \$43.325M was budgeted for the procurement of Fuel and Lubricants. Amounts totalling \$3.75M were transferred to the Line Item via virements, giving a revised sum of \$47.075M of which the amount of \$47.074M was expended. An examination of Payment Vouchers for fuel and lubricants revealed the following:

- a) Eighteen instances totalling \$253,913 where 1,195 liters of gasoline were purchased for vehicle number PTT 1184 which was not listed on the Region's vehicle inventory. Similarly, during 2018, there were forty-one instances totalling \$475,713 where purchases of fuel were made for twenty-six vehicles not on the Region's inventory.
- b) Thirty-five instances totalling \$282,619 where the bill date was before the date on the Requisition to Purchase.

**Region's Response:** The Head of Budget Agency indicated that assistance was given to the Hugo Chavez Centre with fuel for their vehicle since they were unable to do that at the time and that Programme Managers are asked to complete Cheque Orders for fuel in small quantity.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to ensure that all fuel purchased are only for vehicles owned and operated by the Region and fuel is properly accounted for and utilised in an efficient manner. (2019/564)*

#### Utilities

1341. Amounts totalling \$158.282M were allotted for payment of water, telephone and electricity charges. Amounts totalling \$42.115M was vired from this Account Area resulting in a revised allotment of \$116.167M of which the sum of \$116.163M was expended. As such, it would appear that this Account Area was over budgeted by approximately \$42M.

1342. In addition, audit examination of the records revealed that 128 meters were listed in the Guyana Power and Light Incorporated (GPL) Register at the Accounting Unit; whilst, the GPL Statement Report for billing reflects 123 meters. Further, an authorised list of GPL meters was not submitted for audit although the Regional Administration had indicated since 2017 that a comprehensive exercise was being undertaken with respect to identifying all meters in the Region.

**Region's Response:** The Head of Budget Agency indicated that moneys were vired out from the Line Item due to the GPL un-reconciled balances. In addition, the physical verification of meters in Government premises by the Regional Democratic Council (RDC) and GPL has commenced and is ongoing. Also, the Administration was making payments on the GPL Statement "Total Bill" instead of the "Total Arrears". This action was corrected and no payments were made for the year 2020. In addition, one meter for Mahaicony Technical Institute with an outstanding balance of \$57M was included in the RDC bills which did not fall under the Region.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that all amounts budgeted for are in keeping with the Region's requirements and needs. (2019/565)*

#### Maintenance Works

1343. Amounts totalling \$611.691M were allotted for the repairs and maintenance of buildings, infrastructure and assets within the Region. The sum of \$14.902M was transferred to this Account Area via virements, giving a revised allotment of \$626.593M. As at 31 December 2019, amounts totalling \$626.576M were expended as shown in the table below:

Line Item	Description	Amount Allocated \$'000	Virement Amount \$'000	Revised Amount \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	176,300	600	176,900	176,896
6251	Maintenance of Roads	173,800	450	174,250	174,249
6252	Maintenance of Bridges	34,150	0	34,150	34,149
6253	Maintenance of Drainage & Irrigation	95,000	6,840	101,840	101,836
6254	Maintenance of Sea & River Defenses	12,000	0	12,000	12,000
6255	Maintenance of Other Infrastructure	90,100	2,246	92,346	92,346
6264	Vehicle Spares and Supplies	15,503	1,973	17,476	17,471
6282	Equipment Maintenance	14,838	2,793	17,631	17,629
Total		611,691	14,902	626,593	626,576

1344. An analysis of the \$101.836M expended on Drainage and Irrigation Works revealed that 130 contracts were awarded in this category of which 115 contracts totalling \$11.239M were for manual maintenance of canals. The remaining fifteen contracts totalling \$90.597M or 89% of the expenditure were not publicly advertised and was awarded to one contractor. Further, only three contractors were invited to bid for these jobs. Similarly; in 2018, forty contracts totalling \$90.178M or 85.8% for drainage and irrigation was awarded to the same contractor.

1345. The Procurement Act 2003 Chapter 26(1) states that the procuring entity may engage in procurement by means of restrictive tendering when the goods, construction or services by reason of their complex or specialised nature, are available only from a limited number of contractors, in which case all such suppliers or contractors shall be invited to submit tenders. No documented justifications as required under the Procurement Act for utilising restrictive tendering were presented for audit examination.

**Region's Response:** The Head of Budget Agency indicated that a system had been implemented where only the most efficient contractors in their respective categories were asked to submit bids based on track records and performance. This will ensure that the Administration gets value for money and that public funds are used in the most effective manner.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure all contracts awarded are in keeping with the Procurement Act. (2019/566)

#### Other Matters

1346. Section 43 of the FMA Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury safe on 20 January 2020 revealed that there were 671 cheques totalling \$211.020M dated 7 January 2020. As a result, the Administration's Appropriation Accounts were overstated by the said sum of \$211.020M. In addition, the relevant Payment Vouchers and the supporting documentations to substantiate 289 cheques totalling \$108.960M were not presented for audit inspection. As a result, we could not determine whether Section 31 of the FMA Act was fully complied with.

1347. In addition, a detailed analysis of cheques revealed that MoF cut 4,776 cheques totalling \$3.869 billion for current and capital expenditure incurred by the Regional Administration. However, 1,171 cheques totalling \$776.368M or approximately 20% of the total expenditure were cut in December 2019 as shown in the table below:

Month	Total Cheques Cut	Amount \$'000	Percentage
January	45	160,078	4
February	190	237,231	6
March	236	280,997	7
April	327	402,384	11
May	325	285,630	8
June	277	202,441	5
July	531	321,060	8
August	328	233,849	6
September	265	315,502	8
October	374	346,868	9
November	687	306,106	8
December	1,191	776,368	20
Total	4,776	3,868,514	100

1348. Further, a follow-up check done in October 2020 revealed that forty-eight cheques totalling \$30.858M were still on hand at the Sub-Treasury Department for 2019.

**Region's Response:** The Head of Budget Agency indicated that nine of these cheques totalling \$2.595M are for works which were not completed. Efforts will be made to have the other cheques paid over to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/567)*

1349. The Regional Administration was in breach of Section 30 of the Audit Act 2004, in that during the year a sample of Payment Vouchers relating to current and capital expenditure were requested for audit examination. However, 426 Payment Vouchers totalling \$545.276M were not presented for audit. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of payments or whether value was received for the moneys spent.

**Region's Response:** The Head of the Budget Agency indicated that the Regional Administration will work with the Sub-Treasury to located and present these vouchers for audit examination.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration make an effort to locate and present these payments for audit examination. (2019/568)*

1350. Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills and/or receipts and other supporting documents. An examination of the Cheque Order Register revealed that there twenty Cheque Orders valued at \$10.111M which were still outstanding at the time of reporting in November 2020. Thirteen of the Cheque Orderes totalling \$8.266M were for 2019, while seven totalling \$1.845M were for 2018.

**Region's Response:** The Head of Budget Agency indicated that all efforts will be made to have Cheque Orders cleared in the stipulated time-frame.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that these Cheque Orders are cleared within the stipulated time-frame in keeping with Circularised Instructions. (2019/569)*

1351. The Contract Register maintained by the Regional Administration was not properly and accurately maintained. Audit checks revealed that while the contracts were entered numerically, the contract dates were not stated. In addition, other pertinent information such as Tender Board award number, variation, revised contract sum and dates of commencement and completion were not stated.

**Region's Response:** The Head of Budgeted Agency indicated that all contracts will be in date sequence and properly maintained. Further, a record of procurement proceedings (Contract Files) for each work awarded in the Region will be kept in accordance with the Procurement Act.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure the Contract Register is properly and accurately maintained at all times. (2019/570)

Stores and Other Public Property

1352. Examination of Stores in the Region revealed the following breaches of the Stores Regulations:

RDC Main Stores

- a) There was inadequate storage space for used parts.
- b) The unit of receipt and issues were not stated in the Stock Ledger.
- c) The cost of items was not quoted in the Stock Ledger.
- d) Historical Records were not maintained to enable management to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose vehicles under the Regional Administration.
- e) Master and Sectional Inventories continued to not be updated.
- f) There continued to be differences between the physical count of assets and the inventory balances.
- g) All assets were not marked so as to identify them as property of the Region.

Fort Wellington and Mahaicony Hospitals

- a) No independent record in the form of a Stores Ledger was maintained by the Accounting Department.
- b) In addition, the Stock Ledgers and Bin Cards were not properly maintained during the year. Further, several differences were noted between the physical balance of items and the balance recorded on the records.

**Region's Response:** The Head of Budget Agency indicated that: (i) effort will be made to ensure all stores records are properly maintained; and (ii) Stores Ledgers are now being maintained at the Fort Wellington and Mahaicony Hospitals and corrective action has since been taken where staff is asked to be more vigilant in the execution of their duties at all times.

**Recommendation:** The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations. (2019/571)

### Log Books

1353. The Regional Administration failed to present for audit examination thirty-two of the sixty-three Log Books that were required to be maintained. In addition, an examination of the Log Books presented revealed that they were not properly and accurately maintained. A similar observation was made in the 2018 Audit Report.

**Region's Response:** The Head of Budget Agency indicated that all efforts will be made to locate and present all outstanding Log Books for audit scrutiny and will continue to make all efforts to have training sessions with drivers on how to properly maintain their Log Books.

**Recommendation:** *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations with respect to the maintenance of Log Books. (2019/572)*

### Virements

1354. Section 22 Chapter 2 of the FMA Act 2003 states that “*The Minister shall include all changes to Appropriations up to the end of the tenth month of the current fiscal year in an Appropriation Amendment Bill: otherwise any changes shall be made in accordance with Section 24*”. The Regional Administration failed to adhere to this requirement, since there were twenty-five instances totalling \$109.461M of allotment transfers after the end of the tenth month. Similarly, in 2018 fifty-one instances totalling \$43.303M were noted where transfers were made after the tenth month.

**Region's Response:** The Head of the Budget Agency indicated that this issue will be looked at and efforts made to ensure no recurrence.

**Recommendation:** *The Audit Office recommends that the Regional Administration make every effort to put systems in place to avoid recurrences. (2019/573)*

### Tender Board

1355. Audit examination of contracts for both current and capital expenditures revealed that 185 contracts totalling \$748.003M were not publicly advertised and as such, were procured by means of restrictive tendering. The Procurement Act 2003 Chapter 25 (2) states that the procuring entity may use a method of procurement other than public tendering proceedings in which case the procuring entity shall include in the records a statement of the grounds and circumstances on which it relied to justify the use of that particular method of procurement. However, no such statement was presented for audit scrutiny.

1356. It is further stated in the Procurement Act 2003 Chapter 26 (1) (a) when the procuring method of restricted tendering is used the procuring entity shall invite all suppliers and contractors to submit tenders. However, audit checks reveal that the Regional Procurement and Tender Administration Board (RPTAB) did not invite all its prequalified contractors to submit tenders for which they were qualified. Further, analysis of the RPTAB Minutes revealed that the Tender Board had invited a maximum of four contractors and in some instances less than four, to submit tenders for 109 contracts valued at \$417.023M of the 185 contracts as stated above.

**Region's Response:** The Head of Budget Agency indicated that measures have since been implemented to ensure compliance with the Procurement Act with regard to advertising, receiving bids and awarding contracts.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that the system for awarding contracts is in keeping with the Procurement Act. (2019/574)

### Capital Expenditure

#### Buildings

1357. Amounts totalling \$142.950M were allotted for the extension and rehabilitation of RDC main office at Fort Wellington, rehabilitation of Latchmansingh Primary, and Belladrum, Rosignol, Novar, Mahaicony and Bygeval Secondary Schools, extension of Liberty Hall Nursery, construction of guard huts and sanitary blocks, and construction of tarmacs at Woodley Park and No. 8 Secondary, Woodley Park and Waterloo Nursery Schools, and construction of incinerators at Fort Wellington and Mahaicony Hospitals. As at 31 December 2019 the amount of \$142.766M were expended on forty contracts as shown in the table below:

Programmes	Amount Allotted \$'000	Amount Expended \$'000	No. of Contracts
Buildings - Administration	12,000	11,998	3
Buildings - Education	122,950	122,927	34
Buildings - Health	8,000	7,841	3
Total	142,950	142,766	40

1358. Due to the current Pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been done.

#### Drainage and Irrigation

1359. The sum of \$44M was allotted for the rehabilitation of dams at Onderneeming, Good Faith/Recess and Nos. 28 and 41 Villages. As at 31 December 2019, amounts totalling \$43.968M were expended on four contracts as shown in the table below:

Description	Amount \$'000	No. of Contracts
Rehab of sideline Onderneeming Phase 1&2	20,098	2
Rehab sideline dam, Tempie	8,626	1
Rehab sideline dam, No. 41 Village	7,752	1
Const. sections of Farm to Market Road, Lovely Lass	7,303	1
Supervision and monitoring of works	189	1
Total	43,968	6

1360. Due to the current Pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been done.

Public Works

1361. The sum of \$168.782M was allotted for the construction of bridges at Airy Hall, construction and rehabilitation and upgrading of roads at Union, Ithaca, Bath, Shieldstown, Belladrum, Nos. 8 and 12 Villages, Rosignol, Perth, Cottage, Hometown, Bush Lot and Trafalgar. As at 31 December 2019, amounts totalling \$168.559M were expended on twenty-two contracts as shown in the table below:

Description	Amount \$'000	No. of Contracts
Bridges	4,263	2
Roads	164,296	20
Total	168,559	22

1362. Due to the current Pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been done.

Agricultural Development

1363. The sum of \$15M was allotted for the provision of crops and land utilisation project. The Region's budget submission indicated that this project is expected to foster agricultural development and education within the Region. In addition, the aim is to promote crop rotation techniques, proper land utilisation, processing of products, providing agro supplies to schools and hospitals and providing employment for persons in the Region. According to the National Estimates this project is estimated to cost \$150M with a planned duration from 1 January 2018 to 31 December 2020.

1364. Although this project was budgeted for and allocations were made in 2018, the project started with the utilisation of current budgetary allocations in 2016. In this regard, amounts totalling \$8.341M and \$1.286M were expended from the Current Appropriations during 2016 and 2017, respectively. In addition; during 2018, amounts totalling \$6.571M and \$34.980M were expended from the Current and Capital Appropriations, respectively.

1365. For the period under review, amounts totalling \$14.998M were expended from the Capital Appropriation, while \$24.507M were expended from the Current Appropriations, bringing the total expenditure on the project to \$90.683M as at 31 December 2019. The table below summarises the expenditure utilising the funds from the Capital Appropriations:

Description	Amount \$'000
Construct single flat building at RDC Farm	6,147
Purchase and install solar panel	4,075
Casting RC aprons, electrical & plumbing installation at RDC Piggery	3,141
Construct steel trestle at RDC Farm	570
Supply 2 - 22 cubic freezers	560
Items for Piggery	390
Slasher purchased	115
Total	14,998

1366. The Audit Office sought to physically verify the existence of the items purchased and it was reported that ten batteries with a cost of \$1.006M and two solar panels with a cost of \$80,000 were stolen. It was explained that this matter is engaging the attention of the Guyana Police Force.



1367. A Cash Book was maintained for this venture by the Regional Administration. An examination of the Cash Book revealed that the sum of \$1.782M was received during 2019 from the sale of farm produce and the sum of \$1.617M was expended on fertilisers, seedling and other items. It was noted that the Cash Book was not properly maintained to reflect monthly totals of income and expenditure and there was no evidence of checks being carried out by a supervisory officer.

1368. A Receipts and Payment Cash Book was also maintained by the Farm. An examination of this Cash Book revealed it was not properly written up. Moreover, information contained therein was not easily comprehensible. As such, we could not determine whether all the proceeds from sales were accounted for. In addition, there was no entry of supervisory checks. It should also be noted there was no evidence of reconciliation between the records kept by the Farm and the records maintained by the Administration.

**Region's Response:** The Head of Budget Agency acknowledged the audit findings and explained that the land occupied by the farm was an issue that was addressed by the courts and the Region is awaiting the formal documentation so that action can be taken with respect to this venture.

**Recommendation:** *The Audit Office recommends that the Head of Budget Agency ensure proper planning, monitoring and execution of all economic ventures so that the intended benefits are realised and projects do not fail. (2019/575)*

#### Purchases

1369. The sum of \$65.428M was budgeted for the purchase of furniture, boat and engine and office, medical and school equipment. Amounts totalling \$65.413M were expended. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification of the assets purchased could not have been undertaken.

#### Prior Year Matters

1370. Net salaries totalling \$152,000 which were overpaid to employees and the related deductions of \$142,000 which were overpaid to the various agencies for the year 2015 were still not recovered.

**Region's Response:** The Head of Budget Agency indicated that letters were written to both employees and Agencies to recover the amounts overpaid.

**Recommendation:** *The Audit Office recommends that the Regional Administration follow this issue with the view of recovering the amounts overpaid. (2019/576)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1371. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 25 recommendations; 17 were not implemented, 6 were partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/440	Circularised Instructions			√
2018/441	Circularised Instructions			√
2018/442	Circularised Instructions		√	
2018/443	IDW Drugs and Medical Supplies		√	
2018/444	IDW Drugs and Medical Supplies			√
2018/445	IDW Drugs and Medical Supplies			√
2018/446	Breaches of FMA Act 2003			√
2018/447	Breaches of Stores Regulations			√
2018/448	Circularised Instructions	√		
2018/449	Breaches of FMA Act 2003		√	
2018/450	Circularised Instructions			√
2018/451	Circularised Instructions			√
2018/452	Breaches of Procurement Act 2003			√
2018/453	Breaches of FMA Act 2003		√	
2018/454	Breaches of FMA Act 2003	√		
2018/455	Circularised Instructions			√
2018/456	Circularised Instructions			√
2018/457	Breaches of FMA Act 2003			√
2018/458	Circularised Instructions		√	
2018/459	Breaches of Stores Regulations			√
2018/460	Breaches of Stores Regulations		√	
2018/461	Breaches of Stores Regulations			√
2018/462	Breaches of Procurement Act 2003			√
2018/463	Breaches of FMA Act 2003			√
2018/464	Overpayment of Salaries			√

AGENCY 76  
REGION 6 – EAST BERBICE/CORENTYNE

Current Year Matters

Current Expenditure

Employment Costs

1372. According to the National Estimates 2019, amounts totalling \$3.626 billion were budgeted for Employment Costs for a staff complement of 2,263. As at 31 December 2019, amounts totalling \$3.623 billion were expended for 2,356. This represents ninety-three staff more than the budgeted 2,263 and \$3M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administration	250	301	51
6112	Senior Technical	969	937	(32)
6113	Other Technical and Craft Skilled	450	487	37
6114	Clerical and Office Support	92	97	5
6115	Semi-Skilled Operatives	411	460	49
6116	Contracted Employees	91	74	(17)
6117	Temporary Employees	0	0	0
Total		2,263	2,356	93

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration allocations, were made by the Ministry of Finance (MoF). In addition, persons moving from contractual arrangement to the Pensionable Establishment and resignations and retirement contributed to savings which were utilised for additional staff.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs is for staff positions that are filled. (2019/577)*

1373. As can be noted from the table above, contracted employees decreased by seventeen. Audit checks revealed that this was due to employees being transferred to the Pensionable Establishment. Nevertheless, the Region still has seventy-four contracted employees of which sixty-eight were above the age of forty-five and six were below forty-five. Shown below is salary range of the contracted employees.

Salary Range	Nº. of Employee	Amount \$'000
Below \$100,000	64	4,830
\$100,001 - \$250,000	5	686
\$250,001 - \$400,000	3	997
Above \$400,000	2	863
Total	74	7,376

**Region's Response:** The Head of Budget Agency explained that one of the persons on contract is a Government Scholar, one is a Cuban while the others are not qualified to be appointed on the Pensionable Establishment.

**Recommendation:** The Audit Office recommends that the Regional Administration minimise the number of staff being employed on a contractual basis and take immediate steps to move its eligible employees over to the Pensionable Establishment in keeping with Circularised Instructions. (2019/578)

1374. A further analysis of the employment details revealed that Public Service Commission (PSC) Staff Vacancy Circular 1/2019 dated 27 June 2019, had advertised a total of thirty-eight vacancies. However, no vacancy was filled at the time of reporting. These vacancies included critical posts such as one Deputy Regional Executive Officer, one Assistant Regional Executive Officer, one Senior Department Sister, one Senior Medical Technologist and one Superintendent of Works. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration is awaiting the filling of the vacancies by the PSC.

**Recommendation:** The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2019/579)

1375. An examination of a sample of thirty transactions relating to resignations and dismissals revealed that five Officers were overpaid net salaries totalling \$140,331; whilst, the related deductions totalling \$14,281 were overpaid to the various deduction agencies. A similar situation occurred in the years 2015, 2016 and 2018 as shown in the table below:

Year	Net Salaries Overpaid \$'000	Net Salaries Recovered \$'000	Net Salary Outstanding \$'000	Deductions Overpaid & not recovered \$'000
2015	354	293	61	51
2016	210	0	210	62
2018	171	0	171	14
Total	735	293	442	127

1376. In addition, unpaid net salaries totalling \$377,814 were refunded to the Consolidated Fund for three employees; however, the related deductions of \$98,169 paid to the various agencies were not recovered.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration had written the former employees and various Deduction Agencies with the view of recovering the overpayments.

**Recommendation:** The Audit Office recommends that the Regional Administration follow-up this matter with the relevant Officers and Agencies with the view of recovering all amounts overpaid. (2019/580)

### Office and Field Supplies

1377. Amounts totalling \$1.067 billion were allocated for Office and Field Supplies. This allocation was revised through Virements in the sum of \$40M increasing the total budgeted allotment to \$1.107 billion. In addition, a Contingency Advance warrant in the sum of \$30M was approved which brought the total revised allotment to \$1.137 billion. As at 31 December 2019, amounts totalling \$1.136 billion were expended. Included in this amount is the \$30M from the Contingency Advance expended on fuel for Black Bush Polder and Manarabisi Hydroflo Irrigation Pumps, \$67.190M on drugs and medical supplies by the Regional Administration and \$388.810M issued via three Inter-Departmental Warrants to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1378. Warrant Nos. 1, 2 and 3 of 2019 were issued on 30 January, 25 June and 31 October 2019 for \$273.810M, \$75M and \$40M, respectively. Financial Returns were received from MoPH indicating that the full amounts were expended. However, the lists of drugs required that should accompany the Warrants to the MoPH were not presented for audit inspection. Further, although drugs and medical supplies were received by the Regional Administration, the cost listing for the drugs and medical supplies was not presented. As a result, it could not be determined whether the value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of Budget Agency explained that efforts are being made to obtain the costing of drugs from the MoPH in order to reconcile the amount warranted with the value of drugs received.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received with the drugs list submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/581)*

1379. The amount of \$67.190M expended by Regional Administration was for the procurement of drugs and medical supplies from local suppliers whenever the requisite items are not available from Materials Management Unit (MMU). It was explained that a 'nil' list was prepared and forwarded to the Regional Administration stating that the items required are not available after which the Administration will proceed to procure the needed items. The sum of \$27.845M was expended on the procurement of oxygen from Massy Industries Guyana Limited of which 'nil' lists are not required. However, 'nil' lists were required for the remaining sum of \$39.345M which was utilised to procure drugs and medical supplies locally. However, upon request on the 23 July 2020, no 'nil' lists were presented for audit scrutiny.

**Region's Response:** The Head of Budget Agency indicated that corrective action will be taken to ensure "nil" lists are filed and presented for audit scrutiny.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that the items needed are not available at the MMU before such items are purchased by the Region. (2019/582)*

1380. In addition, audit examination of a sample of Payment Vouchers expended under Line Item 6221 - drugs and medical supplies revealed fourteen instances totalling \$9.710M where the Requisition to Purchase (RTP) form attached to the Payment Vouchers, were prepared after the items were supplied to the Regional Administration and not before as should be. It should be noted that the system for any procurement required that an RTP to be first prepared for the item needed to be procured and then every other document followed after to complete the transaction.

**Region's Response:** The Head of Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future occurrences.

**Recommendation:** The Audit Office recommends that the Regional Administration adhere to the system of procurement by having documentation prepared in sequence. (2019/583)

Maintenance Works

1381. Amounts totalling \$1.041 billion was budgeted for Maintenance Works. The sum of \$239.690M was transferred via virements giving a revised allotment of \$1.280 billion. See summary of expenditure in table below:

Line Item	Description	Budgeted Allocation \$'000	Allotment Transfer-Virement (+/-)	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	259,500	96,373	355,873	355,812
6251	Maintenance of Roads	111,000	0	111,000	111,000
6252	Maintenance of Bridges	68,200	0	68,200	68,200
6253	Maintenance of Drainage & Irrigation	370,000	61,000	431,000	431,000
6255	Maintenance of Infrastructure	132,500	47,181	179,681	179,681
6264	Vehicle Spares & Maintenance	54,500	33,141	87,641	87,585
6282	Equipment Maintenance	45,160	1,995	47,155	47,093
Total		1,040,860	239,690	1,280,550	1,280,371

1382. Amounts totalling \$87.585M were expended on vehicle spares, services and repairs to the Regional Administration fleet of vehicles. For the period under review, fourteen vehicles incurred an average of \$54.299M in maintenance costs, compared with \$18.198M expended on seven vehicles in the year 2018. It was also noted that seven vehicles had excessive maintenance cost in both years as shown below:

Vehicle №.	Description of Vehicle	Amount Expended 2018 \$'000	Amount Expended 2019 \$'000	Total \$'000
PVV 1993	School Bus (60 seater)	0	10,098	10,098
PVV 1992	School Bus (60 seater)	4,473	9,801	14,274
PVV 1991	School Bus (60 seater)	1,345	9,781	11,126
PMM 2967	Pick up (Toyota Vigo)	0	2,949	2,949
PVV 6836	Pick up (Toyota Vigo)	0	2,939	2,939
PTT 5714	Ambulance	2,717	2,747	5,464
PSS 657	Ambulance	2,618	2,690	5,308
PLL 2717	Pick up (Toyota Hilux)	1,437	2,186	3,623
PKK 6310	Pick up (Toyota Vigo)	0	2,115	2,115
TR 20124	Tractor	1,422	2,071	3,493
PVV 7483	Ambulance	0	1,903	1,903
PTT 6113	Ambulance	0	1,736	1,736
PLL 5661	Jeep	2,932	1,665	4,597
PMM 6536	Pick up (Toyota Vigo)	0	1,618	1,618
PTT 2058	Ambulance	1,254	0	1,254
Total		18,198	54,299	72,497

1383. As can be noted from the table above, the sum of \$29.680M was expended for the repairs and maintenance of three buses in 2019, and the sum of \$5.818M expended on two of the said buses in 2018. It was also noted that the cost of repairs and maintenance for one of the buses (PVV 1992) over the period 2017 to 2019 amounted to \$20.117M.

1384. The exorbitant spending on vehicle spares, services and repairs to the Regional Administration fleet of vehicles were highlighted in the Auditor's General annual reports for the years 2017 and 2018. However, the excessive cost of maintenance and repairs continued during 2019.

**Region's Response:** The Head of Budget Agency indicated that: (a) these vehicles are required for the provision of essential services by the Regional Administration to all stakeholders; and (b) the Regional Administration will reassess and monitor closely the maintenance of the stated vehicles.

**Recommendation:** *The Audit Office recommends that the Regional Administration monitor closely the maintenance of its fleet of motor vehicles and consider whether it is economical to retain or dispose of these vehicles, since the cost of maintenance are always high. (2019/584)*

1385. The Regional Administration expended the sums of \$806,970 and \$1.715M via Payment Vouchers Nos. 76000658 and Nos. 76008272 dated 18 February 2019 and 1 October 2019; respectively, for the repairs of motor vehicle No. PSS 657 (Ambulance). Audit perusal of both Payment Vouchers revealed that the contractor on his invoices attached supplied two new turbo charger (YD-25) to the value of \$650,000 each on both Payment Vouchers for the said vehicle. The payments were made merely eight months apart. It is unclear how the first turbo charger would have damaged and needed to be replaced in just eight months after installed, when according to the contractor's invoice a "brand new turbo charger" was supplied. It was also noted that the cost of \$650,000 for a YD-25 turbo charger is considered exorbitant and the Regional Administration should adhere to the Procurement Act 2003, 27(3) which states that the procuring entity shall make its best efforts to check prices on the internet to ensure the reasonableness of quoted prices.

**Region's Response:** The Head of Budget Agency indicated that this matter will be investigated further and corrective action will be taken in the future to ensure compliance with the Procurement Act 27(3) and to avoid future occurrences.

**Recommendation:** *The Audit Office recommends that the Regional Administration adhere to the Procurement Act 2003 and make efforts to check prices to ensure the reasonableness of quoted prices. (2019/585)*

#### Other Matters

1386. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. However, an inspection of the Sub-Treasury safe revealed that there were twelve cheques valued at \$1.992M at the time of reporting. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts were overstated by the said amount.

1387. Further, a detailed analysis of cheques revealed that MoF cut 8,051 cheques totalling \$7.954 billion for current and capital expenditure incurred by the Regional Administration. However, 1,875 cheques totalling \$1.636 billion or approximately 23.29% of total expenditure were cut for December 2019 as shown in the table below.

Months	No. of Cheques Cut	Amount \$'000	Percentage
January	127	366,946	2
February	577	474,680	7
March	603	528,384	8
April	524	585,819	7
May	744	656,079	9
June	640	640,293	8
July	590	689,788	7
August	484	576,393	6
September	593	675,672	7
October	622	578,273	8
November	672	545,341	8
December	1,875	1,636,423	23
Total	8,051	7,954,091	100

1388. Inclusive of the 1,875 cheques drawn in December is 1,075 cheques totalling \$433.469M which were drawn on 7 January 2020. These cheques drawn after the end of the financial year is a clear indication that the Regional Administration had cut and held cheques so as to utilise unspent moneys available at the end of the year.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration had made a request to the MoF for all of the cheques to be refunded to the Consolidated Fund with the exception of cheque number 07-357097 (\$1,512,500) which will be paid over to the contractor.

**Recommendation:** The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each fiscal year in compliance with the FMA Act. (2019/586)

#### Regional Tender Board

#### Procurement Process

1389. The Regional Administration had engaged in prequalification proceedings of contractors for civil works on the 8, 15 and 22 January 2019 via Regional Tender Board (RTB) Minutes Nos. 1/2019, 2/2019 and 3/2019, where 183 contractors were evaluated and prequalified by the RTB.

1390. Audit checks revealed that 430 contracts valued \$889.794M for both capital and current expenditures were procured by means of restricted tendering. Further, audit perusal of the RTB Minutes revealed that for 346 contracts valued \$638.424M, the RTB had invited a maximum of three contractors and in some instances less than three, to submit tenders. It should be noted that the Procurement Act 2003-26 (1) (a) states that when the procurement method of restricted tendering is used, the procuring entity shall invite all suppliers and contractors to submit tenders for which ever category they were qualified.

**Region's Response:** The Head of Budget Agency indicated that corrective action will be taken in the future to ensure compliance with the Procurement Act.

**Recommendation:** The Audit Office recommends that the Region comply fully with the Procurement Act 2003 and in particular section 26 (1) in order to ensure submission of tenders in procurement proceedings from all suppliers and contractors that are qualified to participate in such proceedings. (2019/587)



Virement

1391. Audit examination of the Current Appropriation Accounts showed that amounts totalling \$264.282M were budgeted for Line Item 6272 - Electricity Charges. The Regional Administration had transferred via virements amounts totalling \$103.048M from this Line Item, then retransferred \$21.500M to the said Line Item (Electricity Charges) as shown below:

Programmes	Line Item moved from	Line Item moved to	Total Virements \$'000
Education	6272	6242	42,048
Health	6272	6253	61,000
Health	6255	6272	21,500

1392. It was noted that the Region overpaid electricity charges of \$32.905M in 2018 due to duplication of payments. However, the amounts overpaid (credit balances) were set off against accounts with debit balances during 2019. Nevertheless, due to poor budgeting practices and reconciliations of Guyana Power and Light Incorporated (GPL) Bills, it was noted on the GPL statement report that the Regional Administration owed the Utility Company \$171.429M as at August to September 2020.

**Region's Response:** The Head of Budget Agency acknowledged this finding and indicated that corrective action will be taken to ensure payment is made to the service provider.

**Recommendation:** The Audit Office recommends that the Regional Administration make every effort to put systems in place to avoid recurrences. (2019/588)

Economic Project

1393. The Regional Administration operated a Special Account №. C624823 held at New Building Society for its Economic Project (State House). The main objective is to make a profit since the operation is based on a cost recovery basis and a profit margin is added to all sales. Audit perusal of bank records revealed that the project had a positive balance of \$14.276M as at 1 January 2019 and a closing balance of \$6.766M as at 31 December 2019. This indicated that the project incurred a loss of \$7.510M for the year 2019. It was noted that the Economic had also incurred a loss of \$7.568M in 2018.

**Region's Response:** An Income and Expenditure Ledger is maintained in which income and expenditure is recorded. Expenditure Records (request and receipts) are filed. In addition, please note that the sum of (\$4.124M) remained outstanding to the Economic Fund Accounts for the period under review.

**Recommendation:** The Audit Office recommends that the Regional Administration make every effort to collect all outstanding moneys owed to the project and bank same promptly. (2019/589)

1394. The bank book also reflected total deposits in the sum of \$25.336M and total withdrawals in the sum of \$32.846M for the year 2019. Moneys were withdrawn from the Bank Account to offset expenditures; however, payment records provided for examination amounted to \$29.450M despite the amount withdrawn being reflected as \$32.846M. As such, payment records were not presented to substantiate expenditure of \$3.396M. A similar situation occurred in the year 2018, whereby payment records to the value of \$1.355M were not presented to substantiate expenditure.

**Region's Response:** The Head of Budget Agency indicated that a perusal of the bank book and expenditure records reveal expenditure for sum withdrawn amounted to \$29.450M. Efforts are being made to locate the outstanding expenditure records for the remaining sum of \$3.396M.

**Recommendation:** *The Audit Office recommends that the Regional Administration make every effort to locate and present all outstanding payment records for audit verification. (2019/590)*

### Capital Expenditure

1395. Amounts totalling \$571.063M were budgeted for capital works to be executed by the Regional Administration. According to the Appropriation Accounts, the full sum was expended as at 31 December 2019 through the execution of seventy-two contracts as shown in the table below:

Description	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Buildings	230,551	230,551	33
Drainage & Irrigation	114,300	114,300	13
Public Works	226,212	226,212	26
Total	571,063	571,063	72

1396. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Purchases

1397. Following the approvals from the National Procurement and Tender Administration Board (NPTAB), the Regional Administration procured one Caterpillar D6T angle blade Track-Type Bulldozer and two Toyota double cab 4x4 Pick-ups in the sum of \$82.490M and \$19.802M; respectively, from two suppliers without written Contract Agreements with the suppliers. As such, there were no documentations to give effect to the terms and conditions under which these assets were acquired.

**Region's Response:** The Head of Budget Agency indicated that due to two failed tenders for the bulldozer and pickups, a decision was taken to sole source, since the suppliers were the sole distributors of the specified brands.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that contractual agreements are entered into for the supply of assets that meet the specifications and operational capability as required. (2019/591)*

Prior Year Matters

Current Expenditure

Utility Charges

1398. An audit examination of Payment Vouchers and related documents in respect of Electricity Charges, revealed 158 instances totalling \$32.905M where the Regional Administration had duplicated payments to GPL Inc. during 2018. The duplications were as a result of bills that were previously paid for one period, the full amount paid was included on a next bill sent by GPL Inc. and was subsequently paid by the Administration. As a result of these duplicated payments, the Regional Administration overpaid the service provider GPL Inc. the sum of \$32.905M.

**Recommendation:** *The Audit Office recommends that the Regional Administration make every effort to recover the overpayments and put systems in place to avoid future occurrences. (2019/592)*

Other Matters

Procurement

1399. Audit examination revealed two instances; as noted below, where the contract sum was the same as the Engineer's Estimate. In addition, each item on the contractor's Bill of Quantities was identical to that of the Engineer's Bill of Quantities. The contracts were awarded by the Regional Tender Board at one sitting. It should be noted that the two contracts were awarded to one contractor.

N <sup>o</sup> .	RTB N <sup>o</sup> .	Contract N <sup>o</sup> .	Description	Engineer's Estimate \$'000	Tender Price \$'000	Amount Paid \$'000
1	5/18	57/18	Rehabilitation of Girls Club Street Canefield	9,480	9,480	9,318
2	5/18	58/18	Rehabilitation of Gibraltar School Street	9,997	9,997	9,951
Total				19,477	19,477	19,269

**Region's Response:** The Head of Budget Agency has acknowledged the finding.

**Recommendation:** *The Audit Office recommends that the Regional Administration investigate this issue and provide the results of the investigation to the Audit Office. (2019/593)*

1400. The Regional Administration is still to recover an overpayment of \$2.574M made on the contract for the repairs to Black Bush Polder Main Road, Lesbeholden in 2018.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration had written the contractor with the view of recovering the overpayment.

**Recommendation:** *The Audit Office recommends that the Regional Administration make every effort to recover the overpayment and put proper systems in place to avoid recurrences. (2019/594)*

### Capital Expenditure

1401. The Regional Administration is still to recover overpayments totalling \$3.435M made on four contracts in the years 2016 and 2017 as shown below.

Year	Sub Head	Description	Amount \$'000	Amount Recovered \$'000	Amount Outstanding \$'000
2016	11007	Rehabilitation of №. 52 Cross Street	1,697	612	1,085
	12039	Construction of №. 36 Primary School	1,093	0	1,093
	12040	Construction of an Outpatient Building, New Amsterdam	896	0	896
2017	12039	Construction of №. 36 Primary School, Phase 2	361	0	361
Total			4,047	612	3,435

**Region's Response:** The Head of Budget Agency indicated that in respect to overpayments on contracts for the years 2016 and 2017, the Regional Administration was unable to recover any further payment.

**Recommendation:** The Audit Office recommends that the Regional Administration make every effort to recover the overpayments and put proper systems in place to avoid recurrences. (2019/595)

#### Follow-up on the Implementation of Prior Year Audit Recommendations

1402. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 17 recommendations; 12 were not implemented, 1 was partially implemented and 4 was fully implemented.

Rec. №.	Categories of Finding	Recommendation		
		Fully Implemented	Partially Implemented	Not Implemented
2018/465	Circularised Instructions			√
2018/466	Circularised Instructions			√
2018/467	Overpayment of Salaries			√
2018/468	IDW Drugs and Medical Supplies			√
2018/469	Breaches of Procurement Act 2003			√
2018/470	Overpayment of Utility Charges		√	
2018/471	Overpayment of Construction Works			√
2018/472	Breaches of Procurement Act 2003			√
2018/473	Breaches of Procurement Act 2003			√
2018/474	Breaches of Procurement Act 2003	√		
2018/475	Economic Project – Revenue in Arrears			√
2018/476	Economic Project – Unpresented Payment Vouchers			√
2018/477	Breaches of Procurement Act 2003	√		
2018/478	Breaches of Procurement Act 2003	√		
2018/479	Breaches of Stores Regulations	√		
2018/480	Overpayment of Salaries			√
2018/481	Overpayment of Construction Works			√

AGENCY 77  
REGION 7 – CUYUNI/MAZARUNI

Current Year Matters

Current Expenditure

Employment Costs

1403. According to the National Estimates 2019, amounts totalling \$1.058 billion were budgeted for Employment Costs for a staff complement of 666. As at 31 December 2019, amounts totalling \$1.057 billion were expended for 724 staff which is fifty-eight more than the budgeted 666. As such, it would appear that Employment Costs was over budgeted. See summary of staffing below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	25	38	13
6112	Senior Technical	179	171	(8)
6113	Other Technical and Craft Skilled	216	247	31
6114	Clerical and Office Support	24	26	2
6115	Semi-Skilled Operatives and Unskilled	140	163	23
6116	Contracted Employees	81	78	(3)
6117	Temporary Employees	1	1	0
Total		666	724	58

**Region's Response:** The Head of Budget Agency explained that the Ministry of Finance (MoF) allocated to the Region more than was requested in its budget proposal; as such, they were able to recruit and pay more staff.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that its budget submission and allocations are in keeping with Circularised Instructions and the amount budgeted for Employment Costs is for staff positions that are filled. (2019/596)*

1404. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff by twenty-seven, as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	697	712	15
2018	2019	712	724	12
Total				27

1405. Despite this increase in employment, further analysis of the employment details revealed that the Regional Administration had a total of seven vacancies as advertised in the PSC Staff Vacancy Circular No. 1/2019 dated 27 June 2019. These vacancies included critical posts such as one Medical Superintendent, one District Development Officer II, two District Development Officers I and one Statistical Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

**Region's Response:** The Head of Budget Agency indicated that thirteen persons have since been employed while applications for the others are presently being shortlisted and processed at PSC.

**Recommendation:** *The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of having these positions filled in the shortest time possible since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2019/597)*

1406. The Public Service Commission (PSC) Circular №. 1/2017 dated 7 February 2017 stated that Permanent Secretaries, Heads of Government and Regional Executive Officers are required to submit a list of all Officers on Contract/Gratuity to be appointed on the Pensionable Establishment. All employees below the age of forty-five are required to be appointed. However, it was noted that the Regional Administration employed four persons on contract who were below the age of forty-five and should have been employed on the Permanent Establishment.

**Region's Response:** The Head of Budget Agency explained that two of the four persons are now qualified and have been moved to the Pensionable Establishment while the other two are Dorm Supervisors who are still not fully qualified to be transferred to the Pensionable Establishment.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that all employment is in keeping with Circularised Instructions. (2019/598)*

#### Office and Field Supplies

1407. The sum of \$80M was budgeted for the procurement of drugs and medical supplies under Health Services Programme - Line Item 6221. Amounts totalling \$79.999M were expended. The Regional Administration expended \$19.999M using its own procurement procedures; whilst, an Inter-Departmental Warrant for \$60M was issued to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1408. The Inter-Departmental Warrant №. 2507/2019 was issued on 13 February 2019. A Financial Return was received indicating that the entire amount was expended. However, a Statement of Reconciliation was not received. As a result, it could not be determined whether the full value was received by the Regional Administration for the sums warranted to the MoPH. A similar situation existed in 2018.

**Region's Response:** The Head of Budget Agency explained that efforts are being made to obtain the costing of drugs from the MoPH in order to reconcile the amount warranted with the value of drugs received.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received with the drugs list submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/599)*

Stores and Other Public Property

1409. The Regional Administration did not adhere fully to the Stores Regulations for the period under review. A stock count of the Regional Hardware Stores, and the Bartica Regional Hospital Ration Stores and Pharmacy revealed shortages and excesses when compared with the Bin Cards and Ledgers, while at the Drugs Bond Ledgers were not properly written up and maintained for the period under review.

**Region's Response:** The Head of Budget Agency indicated that the anomalies were noted and that corrective measures have since been implemented.

**Recommendation:** The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2019/600)

Maintenance Works

1410. Amounts totalling \$467.476M were allotted for the repair and maintenance of buildings and infrastructures, vehicle spares and equipment maintenance within the Region. During the period under review, the Regional Administration increased its funds available through virements totalling \$7.110M thereby giving a revised allotment of \$474.586M. As at 31 December 2019 amounts totalling \$473.844M were expended under the various Line Items as shown below:

Line Item	Description	Amount Allotted \$'000	Total Vired \$'000	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	176,400	7,492	183,892	183,493
6251	Maintenance of Roads	65,000	6,350	71,350	71,330
6252	Maintenance of Bridges	30,000	410	30,410	30,409
6253	Maintenance of Drainage & Irrigation	27,000	0	27,000	27,000
6254	Maintenance of Sea and River Defense	13,000	(6,760)	6,240	6,240
6255	Maintenance of Other Infrastructure	106,000	798	106,798	106,728
6264	Vehicle Spares & Maintenance	26,876	0	26,876	26,859
6282	Equipment Maintenance	23,200	(1,180)	22,020	21,785
Total		467,476	7,110	474,586	473,844

1411. Due to current pandemic (COVID-19) affecting the country and related measures of rotation of worker and travel restrictions, physical verification for these projects could not have been undertaken.

Virements - Education Delivery

1412. An amount of \$113.040M was allotted for the payment of Benefits and Allowances of which \$21M was vired from this Line Item resulting in a revised allotment of \$92.040M, while an amount of \$26.500M was budgeted for electricity charges of which \$12.515M was vired from this Line Item resulting in a revised allotment of \$13.985M. As such, it would appear that these Account Areas were over budgeted by these amounts which represents approximately 19% and 47% respectively.

**Region's Response:** The Head of Budget Agency explained that savings were realised from these Line Items and as such were vired to be utilised elsewhere. The savings from Benefits and Allowances were due to resignations and retirements over the period while savings for electricity were as a result of solar power being utilised at schools.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that all amounts budgeted for are in keeping with the Region's requirements and needs. (2019/601)

### Cheque Orders

1413. Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other supporting documents. An examination of the Cheque Order Register revealed that there were forty Cheque Orders valued \$28.387M in respect of 2019 that remains outstanding at the time of reporting for items not supplied.

**Region's Response:** The Head of Budget Agency indicated that all outstanding Cheque Orders have since been cleared.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that Cheque Orders are cleared within the stipulated time-frame in keeping with Circularised Instructions. (2019/602)

### Cheques on Hand

1414. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. An inspection of the Sub-Treasury's safe on the 20 January 2020 revealed that there were 142 cheques totalling at \$111.024M. However, no evidence of the Payment Vouchers and related documents were seen in respect of the cheques cut. As a result, it was difficult to ascertain if the items were delivered and the works completed.

1415. Moreover, at the time of reporting in 2020, there were still three cheques on hand at the Sub-Treasury totalling \$2.657M, which has now become stale dated. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts were overstated by the said amount.

1416. Further, a detailed analysis of cheques revealed that MoF cut 3,134 cheques totalling \$2.883 billion for current and capital expenditure incurred by the Regional Administration. However, 796 cheques totalling \$703.401M or approximately 24% of total expenditure were cut for December 2019 as shown in the table below:

Month	Total Cheques	Amounts \$'000	Percentage
January	64	128,811	5
February	167	137,108	5
March	182	169,525	6
April	295	215,310	7
May	230	221,385	8
June	267	261,797	9
July	189	120,623	4
August	206	255,150	9
September	211	184,131	6
October	260	228,713	8
November	267	257,371	9
December	796	703,401	24
Total	3,134	2,883,325	100



**Region’s Response:** The Head of Budget Agency indicated that all cheques have since been cleared.

**Recommendation:** The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. In addition, measures should be taken to ensure that activities are executed during the earlier part of the year so that the intended benefits are not delayed and payments are not accumulated at year end. (2019/603)

### Capital Expenditure

#### Buildings

1417. Amounts totalling \$260.300M were budgeted under this Account Area for: (a) payment of retention; (b) rehabilitation and extension of living quarters – Bartica; (c) rehabilitation of regional stores – Bartica; (d) provision for consultancy; (e) completion of primary schools at Kamarang and dormitory at Waramadong, (f) construction of special needs building at Bartica; (g) construction of Eteringbang, Imbaimadai and Kako Primary Schools and science laboratory at D.C. Caesar Fox Secondary School; (h) extension and rehabilitation of Phillipai Nursery and Batavia Primary Schools; (i) construction of living quarters at Kamarang, health post at Puruni and doctor’s quarters at Kaikan; and (j) extension of Kamarang District Hospital. As at 31 December 2019, amounts totalling \$259.260M were expended as summarised below. It should be noted that the construction of Special Needs Building at Bartica and construction of science laboratory at D.C. Caesar Fox Secondary School were not done.

Programmes	Amount Allocated \$'000	Amount Expended \$'000	No. of Contracts
Buildings - Administration	25,500	25,493	4
Buildings - Education	160,000	159,336	10
Buildings - Health	74,800	74,431	8
Total	260,300	259,260	22

1418. Due to current pandemic (COVID-19) affecting the country and related measures of rotation of staff and travel restrictions, physical verification for these projects could not have been undertaken.

#### Public Infrastructures

1419. Amount totalling \$91.600M were budgeted for the: (a) rehabilitation of roads from Kako to Waramadong, Kamarang to Waramadong and Bartica; (b) rehabilitation of bridges at Kaburi and Kamarang/Waramadong Villages; and (c) construction of revetment at Byderabo, Bartica. As at 31 December 2019, amounts totalling \$91.467M were expended as shown below:

Description	Amount Allocated \$'000	Amount Expended \$'000	No. of Contracts
Bridges	41,000	40,964	8
Roads	42,600	42,600	4
Sea and River Defence	8,000	7,903	1
Total	91,600	91,467	13

1420. Due to current pandemic (COVID-19) affecting the country and related measures of rotation of staff and travel restrictions, physical verification for these projects could not have been undertaken.

Purchases

1421. Amounts totalling \$95.508M were budgeted for: (a) purchase of vehicles; (b) purchase of beds, dining sets, wardrobes, stoves and suite; (c) purchase of computers, printers, water dispensers, chairs and desks; (d) purchase of filing cabinets; (e) purchase of boats and engines; (f) provision for school furniture and equipment including equipment for smart classrooms, nursery sets, desks, benches, cupboards, beds, sports and musical equipment; (g) provision of water supply system at Batavia Primary School; (h) purchase of ATVs; and (i) provision of solar refrigerators, scales, measuring boards, incubators, lamps, fetal monitors, screens, and examination and delivery beds. As at 31 December 2019, amounts totalling \$95.428M were expended on the acquisition of the above mentioned items. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these assets could not have been undertaken.

Prior Year Matters

Current Expenditure

Regional Hardware Stores

1422. The building which housed the Regional Hardware Stores and all the stores records was destroyed by fire on 2 April 2019. As a result, there were no records to verify items received and issued for 2018. A list of the items destroyed in the fire was submitted by the Regional Administration. Included in the list are a number of capital items in respect of the year under review.

Maintenance Works

1423. The Regional Administration did not recover overpayments totalling \$2.387M made in the years 2017 and 2018, as shown in the table below:

Year	Description	Amount Overpaid \$'000	Amount Refunded \$'000	Balance Outstanding \$'000
2017	Maintenance of Duplex Living Qrt. Mongrippa Hill	1,541	100	1,441
“	Maintenance of Shed in Beach View Nursery	58	0	58
“	Maintenance of Bartica Secondary School	564	0	564
2018	M'tnce to Doctor's accommodation at the Regional Health Office, Barica	324	0	324
Total		2,487	100	2,387

**Region's Response:** The Head of Budget Agency indicated that efforts are continuing to engage the contractors to recover the amounts overpaid.

**Recommendation:** The Audit Office once again recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2019/604)

### Other Matters

1424. Circularised Instructions state that for the occupation of Government Quarters, Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters had been previously approved, as a condition of service. Based on the records presented for audit examination there are 202 buildings controlled by the Regional Administration of which 124 are living quarters. Fourteen of these living quarters are vacant while the remaining 110 are occupied by various persons. Audit checks revealed that only nine persons were paying rent while three were entitled to rent free accommodation. However, no documentation was provided to verify whether the remaining ninety-eight Officers are entitled to rent free accommodation.

**Region's Response:** The Head of Budget Agency indicated that efforts are ongoing to identify persons who are entitled to rent free accommodation and to collect the outstanding rent owing.

**Recommendation:** The Audit Office recommends that the Regional Administration take steps to ensure that: (i) only Officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2019/605)

### Economic Fund/Economic Project

1425. The Regional Administration operated a Special Project Account №. 118022718 held at Citizens Bank for economic affairs (Guest House, Amerindian Hostel, rental of land space and pavilion). Examination of the Receipt Books revealed that the sum of \$9.846M was received as shown in the table below:

Income	Amount \$'000
Guest House	8,471
Amerindian Hostel	925
Rental of land	450
Pavilion	0
Total	9,846

1426. Further, audit checks of the Cash Book revealed the following:

- a) Receipts and payments for the period January to September 2018 were not recorded in the Cash Book.
- b) One advance for \$81,700 issued to an Officer was not cleared as at 31 December 2018.

**Region's Response:** The Head of Budget Agency explained that two persons who maintained the records had resigned and the records could not be located. However, a new person has since been appointed in October and the advances were cleared and the Cash Book written up to date.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that advances are cleared and records are promptly written up for this project. (2019/606)

## Capital Expenditure

### Capital Purchases

1427. The sum of \$60.945M including a Supplementary Allotment for Furniture and Equipment of \$2.001M was budgeted for the purchase of a number of capital items in 2018. As at 31 December 2018, amounts totalling \$60.596M were expended. A physical verification of items valued \$4.856M, could not be conducted due to these items being destroyed in the fire in April 2019, as shown below:

Programmes	Description of item	Quantity	Total Value \$'000
771	4 Drawer Metal Filing Cabinet with lock	1	51
771	Imported office chair without arms-metal	37	295
771	30" Whirlpool Gas Stove	2	210
773	Full Package Yellow (Filter System)	1	3,000
773	Frigidaire 5ft Fridge	7	420
774	Stretchers (aluminum alloy)	12	162
774	X-ray Illuminator	2	64
774	Portable Stretchers	2	27
774	Cardiac Monitor ECG BLD jus 2 Therapeutic	1	215
774	High Back Chair	2	32
774	JYC Multipurpose manual Surgical Operating Table	1	380
Total			4,856

1428. The Regional Administration had still not recovered the amount of \$1.719M overpaid in 2016 on the contract for the construction of living quarters at Mongrippa Hill, Bartica.

**Region's Response:** The Head of Budget Agency indicated that the contactor has repaid \$100,000 so far and efforts are continuing to recover the outstanding amounts overpaid.

**Recommendation:** *The Audit Office once again recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2019/607)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1429. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 17 recommendations; 6 were not implemented, 9 were partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/482	Circularised Instructions		√	
2018/483	Circularised Instructions		√	
2018/484	Overpayment of Salaries			√
2018/485	IDW Drugs and Medical Supplies		√	
2018/486	Store destroyed by Fire			√
2018/487	Breaches of the Stores Regulations			√
2018/488	Breaches of the Stores Regulations		√	
2018/489	Overpayment of construction works			√
2018/490	Breaches of Procurement Act 2003	√		
2018/491	Breaches of Procurement Act 2003	√		
2018/492	Maintenance of Vehicles		√	
2018/493	Breaches of FMA Act 2003		√	
2018/494	Circularised Instructions		√	
2018/495	Economic Fund / Economic Project		√	
2018/496	Capital Purchases			√
2018/497	Overpayment of Construction Works		√	
2018/498	Overpayment of Construction Works			√

AGENCY 78  
REGION 8 – Potaro/Siparuni

Current Year Matters

Current Expenditure

Employment Costs

1430. According to the National Estimates 2019, amounts totalling \$427.769M were budgeted for Employment Costs for a staff complement of 225. As at 31 December 2019, amounts totalling \$425.322M were expended for 391 staff. This represents 166 staff more than the budgeted 225 and \$2.447M under the budgeted expenditure. As such, it would appear that Employment Costs was over budgeted. See summary of staffing in the table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	16	18	2
6112	Senior Technical	52	66	14
6113	Other Technical and Craft Skilled	42	92	50
6114	Clerical and Office Support	7	9	2
6115	Semi-Skilled Operatives & Unskilled	87	150	63
6116	Contracted Employees	21	41	20
6117	Temporary Employees	0	15	15
Total		225	391	166

**Region's Response:** The Head of Budget Agency indicated that the additional funds for the employment of staff were provided by the Ministry of Finance (MoF) via salary warrants.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/608)

1431. An analysis of Employment Costs for the years 2017, 2018 and 2019 revealed that the Regional Administration increased its staff strength by eleven as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	380	339	(41)
2018	2019	339	391	52
Total				11

1432. Despite this increase in employment, the Regional Administration still had seven vacancies during the period under review as advertised in the Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019 dated 27 June 2019. These vacancies included critical posts such as one Agricultural Officer, one Planning Officer and one Overseer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration has written to the Public Service Ministry (PSM) to fill the vacancies.

**Recommendation:** The Audit Office recommends that the Regional Administration urgently review its staffing situation with a view of filling these vacancies since the level of staffing would have an adverse effect on the operations of the Region and in particular, the level of control needed to ensure adequate checks and balances. (2019/609)

Office and Field Supplies

1433. The sum of \$32M was budgeted for the procurement of drugs and medical supplies under Health Services Programme – Line Item 6221. There was an allotment transfer of \$2M, which increased the total revised allotment under this Line Item to \$34M. The Regional Administration expended \$5.717M using its own procurement procedures; whilst, an Inter-Departmental Warrant (IDW) for \$28M was issued to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1434. The Inter-Departmental Warrant, No. 1/2019 was issued on 7 February 2019. A Financial Return was received indicating that the full sum was expended. However, the Regional Administration continued to receive drugs and medical supplies without the cost being stated on the documentation that accompanied the deliveries. A similar situation was observed in 2018. As a result, it could not be determined whether full value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of Budget Agency explained that efforts are being made to obtain the costing of drugs from the MoPH in order to reconcile the amount warranted with the value of drugs received.

**Recommendation:** The Audit Office recommends that the Regional Administration put systems in place to reconcile supplies received with the drugs list submitted, and obtain the cost of the drugs and medical supplies from the MoPH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoPH. (2019/610)

Maintenance Works

1435. Amounts totalling \$425.807M were budgeted for the Regional Administration to execute projects for maintenance works. According to the Appropriation Accounts, the sum of \$405.693M was expended as at 31 December 2019, as shown in the table below:

Line Item	Description	Budgeted Allocation \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	189,738	186,167
6251	Maintenance of Roads	57,580	55,869
6252	Maintenance of Bridges	45,735	45,490
6253	Maintenance of Drainage & Irrigation	24,004	21,803
6254	Maintenance of Sea & River Defence	11,500	10,590
6255	Maintenance of Infrastructure	67,430	60,899
6264	Vehicle Spares & Maintenance	21,970	17,971
6282	Equipment Maintenance	7,850	6,904
Total		425,807	405,693

1436. However, due to the current pandemic (COVID-19) affecting the country and the related travel restrictions, physical verification for the projects could not be conducted; hence, the scope of the audit was limited.

Other Matters

1437. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. Audit checks revealed that 996 cheques totalling \$642.600M were printed on behalf of the Regional Administration for the 31 December 2019. An inspection of the Sub-Treasury’s safe on 20 January 2020 revealed that there were 894 cheques on hand totalling \$546.355M. However, no evidence of Payment Vouchers and related documents were seen in respect of eighty-two cheques totalling \$46.258M. As a result, it was difficult to ascertain if the items were delivered and the works completed.

1438. Moreover, at the time of reporting, there were still 138 cheques on hand at the Sub-Treasury totalling \$76.764M, which has now become stale dated. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts were overstated by the said amount.

1439. Further, a detailed analysis of cheques revealed that MoF cut 2,028 cheques totalling \$1.701 billion for current and capital expenditure incurred by the Regional Administration. However, 1,086 cheques totalling \$818.380M or approximately 48% of total expenditure were cut for December 2019 as shown in the table below:

Months	Nº. of Cheques Cut	Amount \$'000	Percentage
January	0	0	0
February	13	7,199	1
March	57	25,150	2
April	90	170,835	10
May	93	110,060	6
June	113	109,956	6
July	86	86,972	5
August	99	72,703	4
September	129	103,933	6
October	113	65,584	4
November	149	130,054	8
December	1,086	818,380	48
Total	2,028	1,700,826	100

**Region’s Response:** The Head of Budget Agency explained that efforts are being made to pay over all cheques on hand of which forty-four are for the Guyana Revenue Authority (GRA) and the Region will ensure full compliance with the FMA Act.

**Recommendation:** *The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/611)*



Stores and Other Public Property

1440. The Stores Regulations requires the Regional Administration maintain several forms, registers, books and ledgers to manage items of stores under their control. However, an examination of the Main Stores located in the compound of the Regional Democratic Council in Mahdia revealed the following breaches:

- a) Historical records were not maintained to enable management to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose of vehicles. It was noted that amounts totalling \$17.971M were expended on vehicles spares and services for the vehicles, plant and machinery operated and controlled by the Regional Administration.
- b) Stores Ledger was not maintained by the Regional Accounting Unit.
- c) The Storekeeper did not prepare Goods Received Notes. In addition, pre-numbered and pre-printed Purchase Requisitions in quadruplicate were also not prepared.
- d) Sectional and Master Inventories were not maintained.
- e) Although a Gift Register was maintained, there was no evidence to indicate that information relating to all gifts received were forwarded to the Accountant General.
- f) Assets purchased were not marked to readily identify them as property of the Regional Administration.

**Region's Response:** The Head of Budget Agency indicated that corrective action will be taken and that they have commenced the marking of the buildings.

**Recommendation:** *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2019/612)*

1441. Section 22 Chapter 2 of the FMA Act 2003 states that “*The Minister shall include all changes to appropriations made pursuant to subsection (1) up to the end of the tenth month of the current fiscal year in an appropriation amendment Bill; otherwise any changes shall be made in accordance with section 24*”. The Regional Administration failed to adhere to this requirement, since there were seven instances whereby Allotment Transfers were made after the end of the tenth month.

**Region's Response:** The Head of Budget Agency explained that the Virements were necessary to ensure payment under the five Programmes and that systems will be put in place to avoid a recurrence.

**Recommendation:** *The Audit Office recommends that the Regional Administration comply with the FMA Act at all times. (2019/613)*

## Capital Expenditure

### Buildings

1442. The sum of \$145M was budgeted for Buildings. As at 31 December 2019 amounts totalling \$144.285M were expended on thirteen contracts as summarised in the table below:

Programmes	Budgeted Amount \$'000	Expenditure \$'000	N <sup>o</sup> . of Contracts
Buildings – Public Infrastructure	10,000	9,826	1
Buildings – Education	88,000	87,639	8
Buildings – Health	47,000	46,820	4
Total	145,000	144,285	13

1443. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Public Works

1444. The sum of \$137.520M was budgeted for the: (a) construction and rehabilitation of bridges at Konawaruk, Kalibung, Kurukubaru and Elenake; and (b) construction of road from Monkey Mountain to Paramakatoi. According to the Appropriation Accounts, the sum of \$131.218M was expended on seventeen contracts as at 31 December 2019 as shown in the table below:

Description	Amount Allocated \$'000	Amount Expended \$'000	N <sup>o</sup> . of Contracts
Bridges	67,520	61,218	8
Roads	70,000	70,000	9
Total	137,520	131,218	17

1445. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Agricultural Development

1446. Amounts totalling \$17.510M were budgeted for the Regional Administration to execute capital projects and purchase of furniture and equipment for Agricultural Development. According to the Appropriation Accounts, the sum of \$15.101M was expended as at 31 December 2019, for the execution of three projects and the purchase of one Portable Feed Mill, one Rice Huller, two Garwin GPS and one Iridium Extreme Satellite Phone. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

Capital Purchases

1447. Amounts totalling \$94.215M were budgeted for the purchase of capital items such as beds, fans, ATV's, projector, filing cabinets, chairs, desks, computers, uninterruptible power supply systems, stoves, wardrobes, tractor, trailer, boats, engines, school furniture, equipment for smart classroom, benches, swing sets, CD and DVD players, printers, ambulance, biochemistry analyser, hematology analyser, solar refridgerator and dental units for the Regional Administration. As at 31 December 2019, amounts totalling \$92.385M were expended. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these assets could not have been undertaken.

1448. In addition, an audit examination of the cheques on hand as at 27 September 2020, revealed that items totalling \$27.220M or 29% were not received, as shown in the table below:

Cheque Date	Cheque №.	Particulars	Amount \$'000
15-04-2019	07-227718	One portable Feed Mill	235
07-01-2020	07-357986	Capital items for Department of Education	3,073
07-01-2020	07-358070	One new Toyota Land Cruiser	6,950
07-01-2020	07-358102		6,950
07-01-2020	07-358453	Purchase of Solar Power Fridge	3,867
07-01-2020	07-359635	2 ATV's	6,145
Total			27,220

**Region's Response:** The Head of Budget Agency indicated that this matter will be investigated and reported to the Audit Office.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure all assets purchased are promptly delivered to the required locations and put into use. (2019/614)

Prior Year Matters

Current Expenditure

1449. The Regional Administration had still not recover outstanding overpayments of net salaries and deductions which were overpaid to employees and various agencies for the years 2012 to 2015 and 2018, as summarised below:

Year	Net Salary Overpaid \$'000	Deductions Outstanding \$'000
2012	0	56
2013	0	291
2014	245	0
2015	390	15
2018	236	56
Total	871	418

**Region's Response:** The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

**Recommendation:** The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments. (2019/615)

1450. An examination of the Fuel Register revealed that fourteen drums of fuel were issued to Mahdia Power & Light Company Incorporated (MPL); however, details of the transaction were not seen and the reason/s for this transaction could not be determined since MPL Inc. is a separate legal entity from the Regional Democratic Council.

**Region's Response:** The Head of Budget Agency acknowledged the finding and indicated that the matter will be investigated and a report will be submitted to the Audit Office.

**Recommendation:** The Audit Office recommends that the Regional Administration put systems in place to ensure that all fuel for the Region is utilised for the Region and properly accounted for. (2019/616)

#### Maintenance Works

1451. The Regional Tender Board awarded three contracts totalling \$28.113M to three contractors in 2018, as shown in the table below. Audit examination of the Payment Vouchers revealed additional works were done totalling \$1.902M, revising the contract sum to \$30.015M for the three contracts. As at 31 December 2018, sums totalling \$30.013M were paid to the contractors. However, approvals for variation were not presented for audit examination.

No.	Date	Contract No.	Description of works	Contract Sum \$'000	Variation \$'000	Revised Contract Sum \$'000	Amount Paid \$'000
1	18/03/2018	5/2018	Construction of GH timber bridge at 3 Miles, Micobie	13,052	945	13,997	13,997
2	10/09/2018	100/2018	Repairs to Doctor's quarter, Mahdia	1,894	157	2,051	2,051
3	11/09/2018	110/2018	Repairs to Mahdia Dorms	13,167	800	13,967	13,965
	Total			28,113	1,902	30,015	30,013

**Region's Response:** The Head of Budget Agency acknowledged the finding and indicated that there were no approvals for variations by the Regional Administration.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure all variations are properly documented and approved before works are undertaken and Region comply with the Procurement Act. (2019/617)

1452. The Regional Administration was still to recover overpayments totalling \$28.656M made on the following contracts during the years 2015, 2016, 2017 and 2018.

Year	Description	Amount Overpaid \$'000
2015	Rehabilitation to Sand Hills Primary	428
“	Rehabilitation of Paramakatoi Secondary School fence	927
“	Repairs to the Nurses’ Quarters 2A	180
“	Repairs to the bridge revetment at Mahdia	338
2016	Repairs to Kato Guest House	570
“	Repairs to Admin Building, Kato	617
“	Upgrading of Kato Playfield	150
“	Repairs to Revetment, Kawa Creek	1,462
“	Rehab roadways, Chiung Mouth to Kato Phase1&2	3,000
“	Repairs Sanitary Block, Bamboo Creek Primary School	1,875
“	Repairs to revetment at Wrong Turn, Mahdia	888
“	Repairs to Admin Building, Mahdia	200
“	Repairs to Regional Chairman’s Gate & Driveway	149
“	Repairs to “4 Apartment Building, Mahdia”	350
“	Repairs to Mahdia District Hospital Mortuary	156
“	Repairs to Staff Quarter’s, Mahdia	701
“	Repairs to Mahdia Nursery School	320
“	Repairs to floor, Mahdia Secondary School	419
“	Repairs to Campbelltown Nursery School	181
2017	Repairs to bridge at Itabac №. 1	5,391
2018	Construction of two soakways at Kato Secondary School	1,093
“	Repairs to trestle & septic tank at Kurukubaru Health Post	1,552
“	Repairs to Kopinang Primary School	1,596
“	Repairs to trestle & septic tank at Kato Teacher’s Quarters	399
“	Repairs to septic tank and soak way, Mahdia Dorms	1,439
“	Repairs to trestle and septic tank at Kato Teacher’s Quarter’s, Building №. 3	318
“	Repairs to trestle and septic tank at Kato Teacher’s Quarter’s, Building №. 4	318
“	Repairs to Teacher’s Quarters Building №. 3, Kato	2,239
“	Rehabilitation of Roadway – Itabac to Kanapang	900
“	Repairs to Teacher’s Quarters, Building №. 2, Kato	500
Total		28,656

**Region’s Response:** The Head of Budget Agency indicated that the septic tank and soak way, at Mahdia Dorms has since been completed and a revisit is being requested by the Audit Office.

**Recommendation:** The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2019/618)

## Other Matters

1453. Two vouchers totalling \$3.822M were not presented for audit in relation to 2018. Similarly, for the years 2015 and 2016, a total of 830 Payment Vouchers were still not presented for audit. As a result, the scope of the audit was limited and a determination could not be made as to the propriety of the payments or whether value was received for the sums expended.

**Region's Response:** The Head of Budget Agency indicated that efforts will be made to work with the Sub-Treasury to locate and present the Payment Vouchers for audit examination.

**Recommendation:** *The Audit Office recommends that the Regional Administration take all necessary measures to review the controls in relation to the accounting for vouchers and ensure the security and retention of all Payment Vouchers for audit examination. (2019/619)*

1454. Circularised Instructions states that for the occupation of Government Quarters', Public Servants are required to pay rent of 10% and 12% of their salary for unfurnished and furnished accommodation respectively, except where entitlement to rent free Government Quarters' had been previously approved, as a condition of service. There are fifty-one Residential Buildings controlled by the Regional Administration. Officers of the Regional Administration are occupying all of the properties. However, rents are not being paid by any of the occupants. From the documents presented for audit it could not be determined whether persons occupying the living quarters were entitled to rent free quarters as a condition of service. Nevertheless, it was explained that rent was last collected in December 2014.

**Region's Response:** The Head of Budget Agency indicated that nine persons are currently paying rent. Efforts will be made for rent to be collected from the other persons.

**Recommendation:** *The Audit Office recommends that the Regional Administration takes steps to ensure that: (i) only Officers entitled to Government Quarters are accommodated there; and (ii) all outstanding amounts for rent are collected and deposited into the Consolidated Fund. (2019/620)*

1455. The Contract Register maintained by the Regional Accounting Unit was not properly and accurately maintained. It was noted that payments made could not be easily traced, Payment Voucher numbers were seldom recorded, information pertaining to dates of contracts were not entered, contract payments were listed in the Contract Register but could not be found in IFMIS and the contract payments were not updated in a timely manner.

**Region's Response:** The Head of Budget Agency indicated that the Contract Register is now being maintained in the correct format.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure the Contract Register is properly and accurately maintained at all times. (2019/621)*

## Capital Expenditure

### Buildings

1456. The contract duration for the construction of Nurses Hostel, Mahdia, expired since 2018 and the works are still incomplete. It was noted that the contractor was paid \$50,000 for insurance; however, no Insurances were presented. In addition, the sum of \$50,000 was paid for the testing of materials but the results were not presented for verification.

**Region's Response:** The Head of Budget Agency acknowledged this finding and indicated that that efforts will be made to locate the Insurances and testing materials and submit them to the Audit Office for examination.

**Recommendation:** The Audit Office recommends that the Regional Administration locate the documents for the Insurance and testing of materials and submit for audit (2019/622)

Public Works

1457. The Regional Administration was yet to recover mobilisation advances totalling \$12.620M paid on contracts during 2017, which were terminated due to failure to complete the works within the contractual period, as shown below:

Description	Contract Sum \$'000	Amount Paid \$'000
<u>Public Works</u>		
Construction of roadway Phase 2 - Bamboo Creek to Paramakatoi	7,999	3,136
Construction of a heavy duty GH timber bridge at Kawa	24,931	4,737
Construction of heavy duty GH bridge at Yawong	17,800	2,534
<u>Buildings</u>		
Extension of Chenapau Primary School	7,033	1,407
Upgrade of Mahdia Secondary School Dormitory	4,851	485
Construction of Culverts at 7 Miles	3,207	321
Total	65,821	12,620

**Region's Response:** The Head of Budget Agency acknowledged the finding and indicated that systems will be put in place to avoid such recurrences.

**Recommendation:** The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2019/623)

1458. The Regional Administration was still to recover overpayments totalling \$9.791M made on the following contracts during the years 2016, 2017 and 2018:

Year	Description	Amount Overpaid \$'000	Amount Recovered \$'000	Balance \$'000
2016	Construction of Staff Quarters, Kato	1,978	700	1,278
"	Construction of Doctors' Quarters, Kato	1,940	700	1,240
"	Upgrade of Electrical Sys., Paramakatoi Health Centre	120	0	120
2017	Construction of an incinerator at Mahdia District Hospital	210	0	210
2018	Construction of Nurses Hostel, Mahdia	6,409	0	6,409
"	Construction of kitchen, Kato Dormitory	276	0	276
"	Construction of Itabac Primary School	258	0	258
Total		11,191	1,400	9,791

**Region's Response:** The Head of Budget Agency indicated that the construction of Nurses Hostel, Mahdia and construction of kitchen, Kato Dormitory has since been completed and a revisit is being requested by the Audit Office.

**Recommendation:** *The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2019/624)*

### Capital Purchases

1459. Amounts totalling \$63.500M were budgeted for the purchase of capital items in 2017. As at 31 December 2017, amounts totalling \$60.991M were expended. Audit examination of the expenditure and documents in relation to these payments revealed that items purchased totalling \$60.991M were not brought to account in the relevant stores records. Further, physical verification of these items could not be done since the relevant information was not recorded in the relevant registers of the Regional Administration.

**Region's Response:** The Head of Budget Agency acknowledged this finding.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure all items purchased are properly brought to account in the Stores records. (2019/625)*

1460. Further, it should be noted that the Regional Administration attempted to purchase one Nissan ambulance since 2013. The contract for the purchase was approved by National Procurement and Tender Administration Board (NPTAB) for \$10.300M and entered into on 28 August 2013 between the Ministry of Local Government and Regional Development and a local supplier. On 12 September 2013, a cheque for the full contract sum was prepared and held at the Sub-Treasury. The ambulance was received by the Regional Administration and registered on 27 March 2014. The cheque was paid to the supplier on 10 April 2014.

1461. The ambulance was returned to the supplier due to defects and subsequently returned to the Region. The ambulance was not in a working condition and was transferred to the MoPH at the time of audit in July 2017. In addition, the Contract Agreement stated that a Performance Bond equivalent to ten percent of the contract sum be lodged. However, the supplier lodged no Performance Bond.

**Region's Response:** The Head of Budget Agency indicated that the ambulance is still parked in the Hospital compound, not working.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that assets purchased are in working order and can provide services to the Region/Health Sector. (2019/626)*



Follow-up on the Implementation of Prior Year Audit Recommendations

1462. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 43 recommendations; 26 were not implemented, 14 were partially implemented and 3 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/499	Circularised Instructions			√
2018/500	Staff Vacancies		√	
2018/501	Overpayment of Salaries			√
2018/502	Circularised Instructions		√	
2018/503	IDW Drugs and Medical Supplies		√	
2018/504	Expired Drugs		√	
2018/505	Reconciliation & Control of Fuel			√
2018/506	Reconciliation & Control of Fuel			√
2018/507	Breach of Stores Regulations		√	
2018/508	Overpayment of Construction Works			√
2018/509	Overpayment of Construction Works			√
2018/510	Overpayment of Construction Works			√
2018/511	Overpayment of Construction Works			√
2018/512	Overpayment of Construction Works			√
2018/513	Overpayment of Construction Works		√	
2018/514	Overpayment of Construction Works			√
2018/515	Overpayment of Construction Works			√
2018/516	Overpayment of Construction Works			√
2018/517	Overpayment of Construction Works			√
2018/518	Breach of Procurement Act 2003			√
2018/519	Evaluation Reports			√
2018/520	Official Meter Listing			√
2018/521	Breach of Stores Regulations		√	
2018/522	Breach of Stores Regulations		√	
2018/523	Breaches of FMA Act 2003		√	
2018/524	Cheque Orders & Missing Vouchers			√
2018/525	Cheque Orders & Missing Vouchers			√
2018/526	Circularised Instructions			√
2018/527	Contract Register		√	
2018/528	Budget Submissions		√	
2018/529	Overpayment of Construction Works		√	
2018/530	Overpayment of Construction Works			√
2018/531	Overpayment of Construction Works		√	
2018/532	Duplication of Payment	√		
2018/533	Breach of Stores Regulations	√		
2018/534	Breach of Stores Regulations		√	
2018/535	Overpayment of Construction Works			√
2018/536	Overpayment of Construction Works			√
2018/537	Overpayment of Construction Works			√
2018/538	Breach of Stores Regulations			√
2018/539	Others			√
2018/540	Assets			√
2018/541	Others	√		

AGENCY 79  
REGION 9 – UPPER TAKUTU/UPPER ESSEQUIBO

Current year matters

Current Expenditure

Employment Costs

1463. According to the National Estimates 2019, amounts totalling \$1.025 billion were budgeted for Employment Costs within the Region. As 31 December 2019 amounts totalling \$822.347M were expended on wages and salaries under the various Line Items, as shown in the table below:

Line Item	Description	Allotted 2019 \$'000	Actual 2019 \$'000
6111	Administrative	71,239	68,990
6112	Senior Technical	363,957	270,242
6113	Other Tech and Craft Skill	148,568	244,388
6114	Clerical and Office Support	70,632	23,734
6115	Semi-Skilled Operatives & Unskilled	114,981	153,271
6116	Contracted Employees	52970	64,506
6117	Temporary Employees	0	0
Total		822,347	825,131

1464. An examination of the employment details revealed that the Regional Administration still have twelve vacancies during the year under review as advertised in the Public Service Commission Staff (PSC) Vacancy Circular №. 1/2019. These vacancies include critical posts such as, one Hospital Administrator, one Agricultural Officer, one District Development Officer I and one School Welfare Officer. As a result, these critical vacancies would have an adverse effect on the operations of the Regional Administration. Similar situations were reported in the years 2017 and 2018.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration wrote to the Public Service Ministry (PSM) on the 1 October 2020 asking them to fill the above vacancies.

**Recommendation:** *The Audit office recommends that the Regional Administration urgently review its staffing situation with a view of filling the vacancies since the level of staffing would obviously have an adverse effect on the operations of the Regional Administration and in particular, the level of control needed to ensure adequate checks and balances. (2019/627)*

Office and Field Supplies

1465. An amount of \$128.200M was budgeted for the procurement of drugs and medical supplies under the Health Services Programme - Line Item 6221. According to the Appropriation Account, the sum of \$127.982M was expended as at 31 December 2019.

1466. Included in the amount spent were sums totalling \$100M, which were transferred by way of an Inter-Departmental Warrant (IDW) to the Ministry of Public Health (MoPH) to procure drugs and medical supplies on behalf of the Region, while the sum of \$27.982M was expended by the Region to purchase drugs and medical supplies on their own.

1467. The Inter-Departmental Warrant, №. 1/2019 was issued in March 2019. Financial Returns were received from the MoPH indicating that the full sum was expended as at 31 December 2019. However, the Regional Administration did not receive a listing of drugs and medical supplies from the MoPH, as such, it could not be determined whether the full value was received for the sum warranted to the MoPH.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration wrote to the Permanent Secretary of MoPH on 29 September 2020, requesting a detail listing of drugs and medical supplies along with the cost for the year 2019.

**Recommendation:** *The Audit Office recommends that the Regional Administration put systems in place to reconcile the value of the drugs and medical supplies received with the sum warranted to the MoPH. (2019/628)*

#### Other Matters

1468. Section 43 of the Fiscal Management and Accountability (FMA) Act 2003 states that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. Audit checks revealed that 405 cheques totalling \$345.444M were printed on behalf of the Regional Administration for the 31 December 2019. An inspection of the Sub-Treasury's safe on the 21 January 2020 revealed that there were 394 cheques on hand totalling \$275.380M. However, no evidence of Payment Vouchers and related documents were seen in respect of thirty-eight cheques totalling \$1.706M. As a result, we could not determine whether Section 31 of the FMA Act was fully complied with. At the time of audit in October 2020, forty-one cheques totalling \$13.344M remained on hand.

1469. In addition, a detailed analysis of cheques revealed that the Ministry of Finance (MoF) cut 2,588 cheques totalling \$2.603 billion for current and capital expenditure incurred by the Regional Administration. However, 374 cheques totalling \$426.839M or approximately 16% of total expenditure were cut for December 2019 as shown in the table below:

Month	№. of Cheques cut	Amount \$'000	Percentage
January	36	98,152	4
February	83	114,637	4
March	180	155,600	6
April	247	256,598	10
May	220	143,289	6
June	254	287,066	11
July	273	297,616	11
August	158	157,840	6
September	230	194,945	8
October	181	146,688	6
November	352	323,487	12
December	374	426,839	16
Total	2,588	2,602,757	100

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration will update and pay over these cheques to the Consolidated Fund.

**Recommendation:** *The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/629)*

### Cheque Orders

1470. Cheque Orders are required to be cleared within thirty days of their issue through the submission of bills/receipts and other documents in support of the payments made. However, at the time of reporting, there were twenty-three outstanding Cheque Orders totalling \$24.267M in respect of 2019. Similarly, there were twenty-seven Cheque Orders totalling \$8.248M in respect of 2018 and nine totalling \$28,000 for 2017 that remained outstanding.

**Region's Response:** The Head of Budget Agency indicated that the Region will diligently pursue the clearing of these Cheque Orders.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that all outstanding Cheque Orders are cleared and submit the necessary information to the Audit Office for verification. (2019/630)

### Capital Expenditure

1471. Amounts totalling \$358.400M were available for the Regional Administration to execute capital works for the year 2019. According to the Appropriation Accounts, amounts totalling \$355.360M were expended as at 31 December 2019 on forty-one contracts as shown in the table below:

Programmes	Total Funds Available \$'000	Expenditure \$'000	No. of Contracts
Buildings	202,000	199,421	22
Agricultural Development	26,400	26,345	5
Public Infrastructure	130,000	129,594	14
Total	358,400	355,360	41

1472. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

### Capital Purchases

1473. Amounts totalling \$176.400M were allotted under its capital programme for the purchase of vehicles, boat and engine, beds, dining suite, stoves, refrigerators, air conditioning units, chairs, desks, computer, photocopier, printer, water dispenser, filing cabinets, solar pumps, school furniture and equipment, risograph, tables, nursery set, chalkboard, musical and sports equipment, microscopes, phlebotomy chair, electrocardiograms, cardiac monitors, defibrillators, otoscopes, spinal boards, stretchers, nebulisers, portable oxygen concentrators, patient screens and foetal dopplers. According to the Appropriation Accounts, the sum of \$175.591M was expended as at 31 December 2019. However, no Master and Sectional Inventories were maintained as was the case in 2018. Further, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification of these assets could not have been undertaken.

**Region's Response:** The Head of Budget Agency indicated that he wrote the Storekeeper instructing her to start preparing the Master and Sectional Inventories.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure the Stores Regulations with regards to the maintenance of Master and Sectional Inventories is complied with at all times. (2019/631)

Prior Year Matters

Employment Costs

1474. Amounts totalling \$2.715M remained outstanding as overpaid net salaries to employees with respect to 2015 to 2018. The related deductions totalling \$501,000 paid over to the various agencies were also not recovered. Shown in the table below are the details of the outstanding amounts:

Year	Net Salary Overpaid \$'000	Net Salary Recovered \$'000	Net Salary Outstanding \$'000	Deductions Overpaid & Not Recovered \$'000
2015	831	256	575	202
2016	350	101	249	42
2017	1,725	312	1,413	208
2018	478	0	478	49
Total	3,384	669	2,715	501

**Region's Response:** The Head of Budget agency indicated that systems will be put in place to avoid such recurrences.

**Recommendation:** *The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments. (2019/632)*

Fuel and Lubricants

1475. Audit checks carried out on a sample of Payment Vouchers and other related records along with the method of receiving and storing fuel revealed that the method of storage was unsatisfactory. Moreover, fuel was stored in 350 gallons' plastic tanks; however, the suppliers deliver fuel in 45 gallons' drums. As such, buckets are used to transfer the fuel from the drums to the tanks, resulting in spillage.

1476. In addition, the Regional Administration did not have a dipstick to measure to give an accurate amount on hand. Further, fuel was being paid in excess of the storage capacity available at the Regional Stores. Thus, there is always excess fuel or balances remaining at the gas station to be uplifted.

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration has: (a) recently purchased an electric pump to avoid spillage; and (b) a dipstick was purchased to accurately measure the amount of fuel on hand.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure proper records are maintained and controls are in place for the acquisitions and monthly reconciliations of fuel. (2019/633)*

Maintenance Works

1477. The Regional Administration had still not recovered amounts totalling \$7.902M that were overpaid on the following projects in 2018.

Description	Amount Overpaid \$'000
Repairs to Regional Stores Fence, Central Rupununi	698
Repairs to section of road at St. Ignatius, Central Rupununi	3,410
Repairs to Kwatamang Primary School, North Rupununi	160
Repairs to District Hospital, Aishalton, Deep South Rupununi	694
Repairs to Achawib Primary School, Deep South	2,940
Total	7,902

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration has written to the contractors to re-do, complete the works or refund the overpaid sums.

**Recommendation:** The Audit Office recommends that the Regional Administration recover the overpayments and ensure that all works completed are correctly measured and quantified before payments are made to contractors. (2019/634)

Other Matters

1478. Evaluation Reports were not presented for twelve projects totalling \$52.827M that were undertaken in 2018, as detailed below. Similarly, for 2017 Evaluation Reports were not presented for six maintenance projects totalling \$28.415M. These reports were still not located and presented for audit examination.

Work Undertaken	Bids Rec'd	Engineer's Estimate \$'000	Highest Bid \$'000	Lowest Bid \$'000	Awarded Contract Sum \$'000
Completion of Achawib Primary Annex (Bashidrum)	4	6,097	8,378	6,168	6,097
Completion of Tabatinga Nursery School	3	5,789	6,690	6,144	5,789
Construction of RC Culvert at Mountain Point	3	Not Seen	7,991	5,843	5,843
Construction of RC Culvert at Shulinab	3	6,000	6,437	6,124	6,000
Repairs to Living Quarters R №. 25	3	7,232	9,573	7,159	7,159
Repairs to Sand Creek Health Post	3	3,850	5,358	4,120	3,850
Repairs to Government Building R №. 31	3	Not Seen	6,551	5,471	5,471
Repairs to Bridge at Parishara	3	4,624	5,775	4,814	4,624
Repairs to Bridge at Karasabai	4	1,824	2,119	2,028	1,824
Repairs to Parishara Nursery Facilities and Electrical	3	Not Seen	1,231	957	957
Repairs to Electrical at Karasabai	4	1,713	2,275	1,941	1,713
Repairs to Annai Health Post Fence	4	3,500	5,807	3,550	3,500
Total					52,827

**Region's Response:** The Head of Budget Agency indicated that the Regional Administration will try to locate the Evaluation Reports and present them to the Audit Office.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure all Evaluation Committee meetings/recommendations are properly documented and retained for audit scrutiny. (2019/635)

Capital Expenditure

1479. The Regional Administration had still not recovered overpayments totalling \$32.565M that were made on the following contracts for the years 2015 to 2018:

Year	Description	Balance \$'000
2015	Rehabilitation to Agriculture Complex - St. Ignatius R №. 96	402
”	Upgrading to Aishalton Secondary Female Dorms	2,408
”	Upgrading to Aishalton Secondary Male Dorms	2,356
2016	Construction of five Apartment Building at Sand Creek	4,852
“	Upgrading to Karasabai Health Center	749
“	Extension to Sand Creek Health Center	5,407
“	Rehabilitation to Slaughter House at Aishalton	440
“	Construction of Trestle, Well and Install Solar Pump at Meriwau	455
“	Construction of culverts at Kabanawau Bridge Approach	1,571
2017	Construction of Livestock (Sheep) Pen at Hiawa Village	120
“	Construction of Sanitary Block at Bina Hill Institute, Annai	879
2018	Extension of Nappi Primary School	664
“	Upgrading of section of road, Culvert City	12,262
Total		32,565

**Region’s Response:** The Head of Budget Agency indicated that the Regional Administration has written to the contractors to re-do, complete the works or refund the overpaid sums.

**Recommendation:** *The Audit Office recommends that the Regional Administration recover the overpayments and ensure that all works completed are correctly measured and quantified before payments are made to contractors. (2019/636)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1480. The table below summarises the prior year matters as contained in the Auditor’s General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 30 recommendations; 25 were not implemented and 5 were partially implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2018/542	Circularised Instructions			√
2018/543	Overpayment of Salaries			√
2018/544	Staff Vacancy			√
2018/545	Circularised Instructions		√	
2018/546	Circularised Instructions		√	
2018/547	IDW Drugs and Medical Supplies			√
2018/548	Expire Drugs			√
2018/549	Breaches of Stores Regulations			√
2018/550	Overpayment of Contracts			√
2018/551	Overpayment of Contracts			√
2018/552	Breaches of Procurement Act 2003			√
2018/553	Overpayment of Contracts			√
2018/554	Overpayment of Contracts			√
2018/555	Overpayment of Contracts			√
2018/556	Breaches of Procurement Act 2003			√
2018/557	Circularised Instructions			√
2018/558	Breaches of Stores Regulations			√
2018/559	Breaches of the FMA Act 2003			√
2018/560	Outstanding Cheque Orders		√	
2018/561	Breaches of Procurement Act 2003			√
2018/562	Breaches of the FMA Act 2003		√	
2018/563	Breaches of the FMA Act 2003			√
2018/564	Breaches of Procurement Act 2003			√
2018/565	Overpayment of Contracts			√
2018/566	Overpayment of Contracts			√
2018/567	Breaches of Procurement Act 2003			√
2018/568	Breaches of Procurement Act 2003			√
2018/569	Breaches of Procurement Act 2003			√
2018/570	Breaches of the Stores Regulations		√	
2018/571	Overpayment of Contracts			√



AGENCY 80  
REGION 10 – UPPER DEMERARA/BERBICE

Current Year Matters

Current Expenditure

Employment Costs

1481. According to the National Estimates 2019, amounts totalling \$1.854 billion were budgeted for Employment Costs for a staff complement of 1,158. As at 31 December 2019, amounts totalling \$1.852 billion were expended for 1,275 staff. This represents 117 staff more than the budgeted 1,158 and \$2M under the revised budgeted allotment. As such, it would appear that Employment Costs was under budgeted. See summary of staffing in table below:

Line Item	Description	National Estimates 2019	Actual 2019	Increase/ (Decrease) 2019
6111	Administrative	421	431	10
6112	Senior Technical	280	311	31
6113	Other Technical and Craft Skilled	180	217	37
6114	Clerical and Office Support	54	56	2
6115	Semi-Skilled Operatives & Unskilled	158	201	43
6116	Contracted Employees	47	38	(9)
6117	Temporary Employees	18	21	3
Total		1,158	1,275	117

**Region's Response:** The Head of Budget Agency stated that amounts were indeed vired to meet the salary for the additional staff.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure that its budget submission is in keeping with Circularised Instructions and the amount budgeted for Employment Costs are for staff positions that are filled. (2019/637)*

1482. In addition, an analysis of Employment Costs for the years 2017, 2018 and 2019 revealed the Regional administration increased its staff strength by eighty-nine as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2017	2018	1,186	1,163	(23)
2018	2019	1,163	1,275	112
Total				89

1483. Despite this increase in employment, the Regional Administration still had twenty-five vacancies during the period under review as advertised in the Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019. These vacancies included critical posts such as, one Senior Environmental Officer, one Planning Officer and one Civil Engineer. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

**Region's Response:** The Head of Budget Agency explained that an Agriculture Officer has since been employed while the Region is awaiting approval from the PSC to fill the other vacancies.

**Recommendation:** The Audit Office recommends that the Regional Administration urgently review its staffing situation since the level of staffing would obviously have an adverse effect on the operations of the Region and in particular the level of control needed to ensure adequate checks and balances. (2019/638)

Office and Field Supplies

1484. The sum of \$144.2M was budgeted for the procurement of drugs and medical supplies under Health Services Programme – Line Item 6221. The Regional Administration expended \$14.192M using its own procurement procedures; whilst, an Inter-Departmental Warrant (IDW) for \$130M was issued to the Ministry of Public Health (MoPH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1485. The Inter-Departmental Warrant №. 1/2019 was issued on 29 January 2019. A Financial Return was received indicating that the full sum was expended. However, the Regional Administration continued to receive drugs and medical supplies without the cost being stated on the documentation that accompanied the deliveries. As a result, it could not be determined whether full value was received for the sum warranted to the MoPH. A similar situation occurred in 2018.

**Region's Response:** The Head of Budget Agency indicated that a list with a value for drugs and medical supplies was received from the MoPH; however, the amount stated was \$169M which was in excess of the amount warranted to the MoPH. As such, a request was made for a breakdown of the total cost to reconcile with the drugs received by the Region.

**Recommendation:** The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoPH is submitted for audit inspection and this is reconciled with the list received from the Materials Management Unit (MMU) with respect to quantity and cost. (2019/639)

Maintenance Works

1486. According to the Appropriation Accounts, the total funds available for repairs and maintenance of buildings and infrastructure, vehicle spares and equipment maintenance within the Region amounted to \$415.190M. As at 31 December 2019, amounts totalling \$406.926M were expended under the various Line Items as shown below:

Line Item	Description	Amount Budgeted \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	155,500	152,876
6251	Maintenance of Roads	70,000	69,991
6252	Maintenance of Bridges	16,500	16,368
6253	Maintenance of Drainage & Irrigation	40,000	39,990
6254	Maintenance of Sea & River Defenses	10,500	10,293
6255	Maintenance of Other Infrastructure	82,100	76,963
6264	Vehicle Spares & Maintenance	21,400	21,495
6282	Equipment Maintenance	19,190	18,950
Total		415,190	406,926

1487. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification of these projects could not have been undertaken.

#### Other Matters

1488. The Regional Administration was in breach of Section 43 of the Fiscal Management and Accountability Act 2003, which requires that at the end of each fiscal year, any unexpended balance of public moneys issued out of the Consolidated Fund shall be returned and surrendered to the Consolidated Fund. Audit checks conducted on 20 January 2020 revealed that there were 228 cheques on hand totalling \$131.848M. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts were overstated by the said amount.

1489. Further analysis of cheques revealed that the Ministry of Finance (MoF) cut 5,325 cheques totalling \$4.425 billion for current and capital expenditure incurred by the Regional Administration. However, 1,053 cheques totalling \$775.817M or approximately 18% of total expenditure were cut in December 2019 as shown in the table below.

Month	No. of Cheques Cut	Amount \$'000	Percentage
January	160	237,786	5
February	296	221,136	5
March	383	298,111	7
April	437	356,744	8
May	482	293,998	7
June	445	476,992	11
July	476	295,854	7
August	395	263,785	6
September	467	335,897	7
October	440	489,123	11
November	291	379,341	8
December	1053	775,817	18
Total	5,325	4,424,584	100

**Region's Response:** The Head of Budget Agency indicated that there are currently thirteen cheques on hand. These cheques will be updated and refunded to the Consolidated Fund where works were not completed.

**Recommendation:** *The Audit Office recommends that the Regional Administration institute measures to ensure full repayment to the Consolidated Fund of all amounts remaining unpaid at the end of each financial year in compliance with the FMA Act. (2019/640)*

### Capital Expenditure

1490. The sum of \$567.450M was budgeted in 2019 for the Region to execute its capital programme. According to the Appropriation Accounts, amounts totalling \$480.192M were expended. Shown in the table below is the shortfall in capital expenditure for 2019 as per programme:

Programmes	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	112,000	82,134	29,866
2	Public Infrastructure	116,200	114,805	1,395
3	Education Delivery	215,330	168,597	46,733
4	Health Services	101,150	91,940	9,210
5	Agricultural Development	22,770	22,716	54
Total		567,450	480,192	87,258

**Region's Response:** The Head of Budget Agency explained that the shortfall was mainly as a result of the Administrative Building not being completed and approval granted as a multi-year contract, and the non-construction of a nursery and primary school.

**Recommendation:** The Audit Office recommends that measures be taken to ensure that activities and project are execute during the earlier part of the year so that the intended benefits are not delayed. (2019/641)

#### Buildings

1491. Amounts totalling \$353.480M were budgeted for the Regional Administration to execute capital projects for Buildings. According to the Appropriation Accounts, the sum of \$267.850M was expended as at 31 December 2019 on 116 contracts as shown below:

Programmes	Budgeted Amount \$'000	Expenditure \$'000	Nº. of Contracts
Buildings - Administration	102,500	72,654	30
Buildings - Education	197,330	150,600	74
Buildings - Health	53,650	44,596	12
Total	353,480	267,850	116

1492. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

#### Public Works

1493. Amounts totalling \$108.800M were budgeted for the Regional Administration to execute capital projects for Public Works. According to the Appropriation Accounts, the sum of \$107.413M was expended as at 31 December 2019, on seventeen contracts as shown below:

Description	Budgeted Amount \$'000	Expenditure \$'000	N <sup>o</sup> . of Contracts
Bridges	10,800	9,448	1
Roads	69,000	68,988	9
Infrastructural Development	29,000	28,977	7
Total	108,800	107,413	17

1494. Due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

Agricultural Development

1495. Amounts totalling \$22.800M were budgeted for the Regional Administration to execute capital projects for Agricultural Development. According to the Appropriation Accounts, the sum of \$22.700M was expended as at 31 December 2019, on the execution of twenty-one projects. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these projects could not have been undertaken.

Purchases

1496. Amounts totalling \$82.400M were budgeted for the purchase of items for the Regional Administration. As at 31 December 2019 amounts totalling \$82.213M were expended for the purchases of vehicles, boat, engines, ATV's, motorcycles, furniture and equipment. However, due to the current pandemic (COVID-19) affecting the country and the related measures of rotation of workers and travel restrictions, physical verification for these assets could not have been undertaken.

Prior Year Matters

Current Expenditure

Maintenance Works

1497. The Regional Administration had still not recovered amounts totalling \$2.123M overpaid on the following contracts in the years 2017 and 2018:

Year	Works Undertaken	Amount Overpaid \$'000
2017	Regional Democratic Council Office at Ituni	80
"	Ituni Guest House	420
2018	M'tce to Amelia's Ward Primary School	379
"	External works to RDC Office, Ituni	661
"	M'tce to Boat House, Kwakwani	583
Total		2,123

**Region's Response:** The Head of Budget Agency indicated that the contractors were written in order to recover the overpayment. To date \$260,000 was recovered from the overpayment of the Amelia's Ward Primary School. The remaining amounts overpaid will be followed up.

**Recommendation:** The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor Projects in order to avoid such overpayments. (2019/642)

Capital Expenditure

1498. In 2017, the contract for construction of Health Centre & Living Quarters - Wiruni, Berbice River was awarded by the National Procurement Tender Administration Board (NPTAB) in the sum of \$19.684M. Total payments made for works completed were \$9.167M with the contractor receiving an advance payment of \$3.937M representing 20% of the contract sum, followed by three interim payments of \$2.019M, \$1.390M and \$1.822M respectively. However, the works were incomplete and the site was abandoned. The contract was subsequently terminated and it was difficult to ascertain whether or not the advance payment was fully recovered or if a valuation at termination was prepared and all accounts settled.

**Region’s Response:** The Head of Budget Agency indicated that this contract has since been completed by the same contractor and details will be provided so that the works can be physically verified.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure proper monitoring and supervision of all contracts awarded. (2019/643)*

1499. In 2017, the Regional Tender Board (RTB) awarded the contract for construction of staff quarters – Ituni in the sum of \$10.166M to the third lowest of fourteen bidders. The Engineer’s Estimate was \$11.373M. The total payments made for works completed were \$1.525M. Physical verification revealed that the works were incomplete and the site was abandoned. The contract was subsequently terminated; however, no valuation at termination was seen.

**Region’s Response:** The Head of Budget Agency indicated that this contract has since been completed by another contractor and details will be provided so that the works can be physically verified.

**Recommendation:** *The Audit Office recommends that the Regional Administration ensure proper monitoring and supervision of all contracts awarded. (2019/644)*

1500. The Regional Administration is still to recover overpayments totalling \$56.274M made on fourteen contracts in 2017 and 2018 as shown below:

Year	Description	Original Overpayment \$’000	Amount Cleared \$’000	Balance \$’000
2017	Installation of HDPE culvert at West Watooka	6,788	6,161	627
”	Rehabilitation of Church Road, Block 22	96	0	96
”	Rehabilitation of Dageraad Avenue, Mackenzie	195	0	195
”	Upgrading of Drainage System – Potaro Road, Mackenzie	340	0	340
”	Construction of chain link fence at One Mile Primary School, Wismar	727	0	727
”	General rehabilitation to Christiansburg Secondary School at Wismar	385	0	385
”	Construction of water trough at Kwakwani Secondary School	120	0	120
”	Const of Regional Administration Building	39,000	0	39,000
2018	Upgrade drainage system at Dakama Circle	810	0	810
”	Rehab. of REO residence at Fair’s Rust	270	0	270
”	Rehab. of Mackenzie High School	2,625	0	2,625
”	Const. of Amelia’s Ward Health Centre	7,245	0	7,245
”	Construction of Health Post, Mabura	2,873	0	2,873
”	Rehabilitation of Kwakwani Sub-Office	961	0	961
<b>Total</b>		<b>62,435</b>	<b>6,161</b>	<b>56,274</b>

**Region's Response:** The Head of Budget Agency indicated that the contractors were written in order to recover the overpayment. To date \$100,000 was recovered and remedial works were done at McKenzie High School. Revisits are requested for some projects which have since been completed. The remaining amounts overpaid will be followed up.

**Recommendation:** The Audit Office recommends that the Regional Administration recover the amounts overpaid and improve on the efficiency of the systems in place to monitor projects in order to avoid such overpayments. (2019/645)

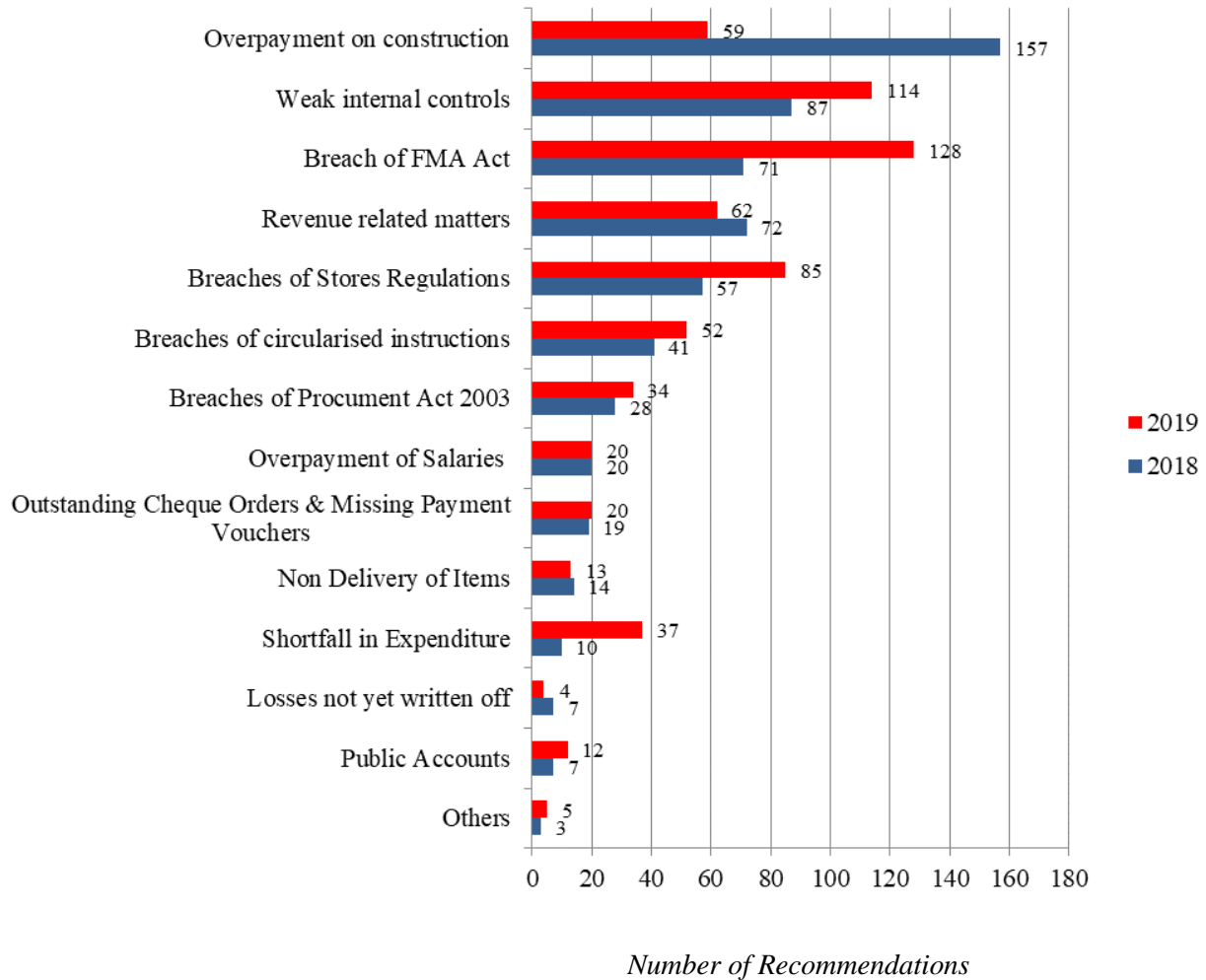
#### Follow-up on the Implementation of Prior Year Audit Recommendations

1501. The table below summarises the prior year matters as contained in the Auditor's General 2018 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 22 recommendations; 18 were not implemented, 3 were partially implemented and 1 was fully implemented.

Rec. №.	Categories of Finding	Recommendation		
		Fully Implemented	Partially Implemented	Not Implemented
2018/572	Circularised Instructions			√
2018/573	Circularised Instructions			√
2018/574	IDW Drugs and Medical Supplies			√
2018/575	Overpayment of Construction Works			√
2018/576	Overpayment of Construction Works			√
2018/577	Overpayment of Construction Works			√
2018/578	Breaches of Stores Regulations		√	
2018/579	Breaches of FMA Act 2003	√		
2018/580	Circularised Instructions		√	
2018/581	Overpayment of Construction Works			√
2018/582	Overpayment of Construction Works			√
2018/583	Overpayment of Construction Works			√
2018/584	Overpayment of Construction Works			√
2018/585	Overpayment of Construction Works			√
2018/586	Overpayment of Construction Works			√
2018/587	Breaches of Stores Regulations		√	
2018/588	Overpayment of Construction Works			√
2018/589	Overpayment of Construction Works			√
2018/590	Overpayment of Construction Works			√
2018/591	Overpayment of Construction Works			√
2018/592	Overpayment of Construction Works			√
2018/593	Overpayment of Construction Works			√

SUMMARY OF RECOMMENDATIONS

1502. The Bar-Graph below illustrates the comparison of my recommendations (2019 - 645 and 2018 - 593) under generalised areas. As can be seen, overpayments on construction works, and breaches of relevant legislations, which include the Fiscal Management and Accountability Act, Stores Regulations and lack of or weak internal controls continued to dominate the findings, and are viewed with grave concern.





### Follow-up on the Implementation of Prior Year Audit Recommendations

1503. Each year, my Office issues recommendations that are designed at improving systems and practices at these entities and improving the Government's governance and accountability mechanisms. Five hundred and ninety-three recommendations were made in my 2018 Audit Report. We reviewed each recommendation to determine what action, if any, was taken by the respective Accounting Officers. At the time of reporting in November 2020, 100 or 17% were fully implemented, 202 or 34% were partially implemented, while 291 or 49% were not implemented.

1504. Overall, I am concerned with the lack of action towards the implementation of these recommendations; since, 83% of the recommendations have not yet been fully implemented. In addition, in many instances, recommendations are repeated each year without appropriate action and as a result, weaknesses and issues that impacted negatively on Government's governance and accountability mechanisms continue to occur. Once again, I encourage the Government, through the Ministry of Finance, the Accountant General's Department and the respective Heads of Budget Agencies to take appropriate actions and put measures in place to address these recommendations.

## OTHER ENTITIES

### SUMMARY OF AUDIT OPINIONS

1505. A total of 103 opinions in relation to audits conducted on other entities were issued during the period 1 September 2019 to 31 August 2020. These include the audits of Public Enterprises, Statutory Bodies, Trade Unions, Foreign Funded Projects, Municipalities, Neighbourhood Democratic Councils and Constitutional Agencies. Of these 103 audits, nineteen years of accounts for fifteen entities were audited by Chartered Accountants in public practice under the contracting out arrangement, in accordance with Part IV of the Audit Act 2004 and at a total cost of \$43.020M. Outlined below is a summary of the audit opinions issued.

Category	Opinions Issued from 1 September 2019 to 31 August 2020		
	In House	Contracted	Total
Public Enterprises	3	11	14
Statutory Bodies	12	8	20
Trade Unions	1	-	1
Foreign Funded Projects	20	-	20
Municipalities	7	-	7
Neighbourhood Democratic Councils	27	-	27
Constitutional Agencies	14	-	14
Total	84	19	103

### AUDIT OF PUBLIC ENTERPRISES

1506. There are thirty-eight Public Enterprises that are required to be audited under the Public Corporations Act 1988. Of the thirty-eight entities, fourteen audits had been finalised in respect of eleven entities bringing three of the thirty-eight Public Enterprises up to date in respect of audits. Of the fourteen audits finalised, eleven audits were executed under the contracting out arrangement while the other three audits were executed in-house. An analysis of the opinions issued in respect of the eleven contracted audits revealed that one was disclaimed, six were qualified and four were unqualified. The three audits executed in-house were unqualified. The details are stated below

Disclaimer Opinion - Contracted Audit

No.	Name of Entity	Year (s) of Audit	Reasons for Disclaimer Opinion
1	MARDS Rice Milling Complex Limited	2015	<p>During the years 2000 to 2007, the Company borrowed three loans from the Government of Guyana which amounted to \$680M. The signed agreements for these loans were not available for audit verification. In addition, interest had not been accrued for and no repayment has been made to date.</p> <p>A receivables ledger was not presented for audit examination for Receivables of \$94.234M.</p> <p>The Company acquired an excavator and bulldozer in 2011 and 2012 for \$44M and 14.5M respectively. However, these assets are controlled by Mahaica Mahaicony Abary Agricultural Development Authority (MMA/ADA) while an amount of \$15.648M was paid for fuel in the current year by MARDS on behalf of MMA/ADA. No evidence of the Board's approval or any terms and conditions attached to the amounts received by MMA/ADA over the years were seen.</p> <p>Taxation payable of \$78.901M represents corporation and capital gains tax payable to the Guyana Revenue Authority. There was an absence of adequate records and reconciliation to support this amount.</p>

Qualified Opinion - Contracted Audits

No.	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Cheddi Jagan International Airport Corporation	2018-2019	Management did not conduct an annual impairment review as required by the International Financial Reporting Standards (IFRSs).
2	National Communications Network Incorporated	2018	Title deeds for property with net book value of \$539.777M were not available and a fixed asset register was not maintained by the Company. Further, the Company only recognised annual depreciation charge on additions to fixed assets.
3	Linden Electricity Company Incorporated	2016-2017	<p>Long term payables comprising of \$151.331M and \$34.064M are owed to the Ministry of Finance and Linmine respectively. These balances have been coming forward since 2003.</p> <p>No returns were filed with Guyana Revenue Authority for the last eight years.</p> <p>Management did not conduct an annual impairment assessment as required by the International Financial Reporting Standards (IFRSs).</p>
4	Guyana Marketing Corporation	2017	Included in receivables of \$88.207M, is an amount of \$86.995M due from the Guyana Sugar Corporation Incorporated and has been outstanding for more than three years for which no provision was made nor was a payment arrangement entered into to liquidate this balance.

Unqualified Opinion - Contracted Audits

No.	Name of Entity	Year (s) of Audit	No. of Opinions
1	Guyana Oil Company Limited	2019	1
2	GUYOIL Aviation Services Incorporated	2019	1
3	Guyana National Printers Limited	2018	1
4	Guyana National Newspapers Limited	2017	1
Total			4

Unqualified Opinion - In-House

No.	Name of Entity	Year (s) of Audit	No. of Opinions
1	Skeldon Energy Incorporated	2017-2018	2
2	Atlantic Hotel Incorporated	2016	1
Total			3

AUDIT OF STATUTORY BODIES

1507. There are fifty-seven Statutory Bodies that are required under relevant Acts of Parliament to be audited. Of the fifty-seven entities, twenty audits had been finalised in respect of fifteen entities bringing two of the fifty-seven Statutory Bodies up to date in respect of audits. Of the twenty audits finalised, eight were executed under the contracting out arrangement and twelve executed in-house. An analysis of the opinions issued in respect of the eight contracted audits revealed that four were disclaimed, three were qualified and one was unqualified. Of the opinions issued for the twelve audits executed in-house, one was qualified and eleven were unqualified. The details are stated below:

Disclaimer Opinion - Contracted Audit

№.	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
1	Guyana Lands and Surveys Commission	2013-2015	<p>Accounts receivable and prepayments included numerous balances which were coming forward from previous years and were not settled. No impairment review was done nor any provision for impairment was made.</p> <p>No supporting documents were provided to verify annual rental.</p> <p>The assets register contained assets not owned by the Commission.</p> <p>No impairment review was done on property, plant and equipment.</p> <p>No impairment review was done on intangible assets.</p> <p>The assets register for intangible assets did not contain all assets owned by the Commission.</p> <p>No appropriate method of valuation was used for maps stock.</p> <p>Accounts payable included balances coming forward from previous years.</p> <p>Grant Assets were not treated in accordance with IAS 20.</p> <p>Details of balances were not provided to verify land rental.</p>

№.	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
2	President's College	2008	<p>A Statement of Cash Flows was not included in the set of financial statements presented for audit examination.</p> <p>A non-current assets register was not maintained.</p> <p>Depreciation was not charged for the year under review and there was no note to this effect in the financial statements.</p> <p>Schedules were not provided for inventory purchased, received and issued.</p> <p>No movement in the amount of \$3.099M shown as receivables and prepayments over the prior year.</p> <p>No schedules were presented to substantiate an amount of \$2.825M for a movement between the first and final draft for payables and accruals.</p> <p>Liabilities of \$10.072M was not recorded in the financial statements.</p> <p>Evidence was gathered for a bank account that was not accounted for in the financial statements.</p> <p>Bank reconciliations were not done.</p> <p>A variance of \$7.410M was observed between the amount shown as cash at bank on the bank statement and the financial statements.</p> <p>A suspense account, amount of \$29.358M was used to balance the financial statement.</p> <p>No schedules were presented to substantiate an amount of \$177.839M that represents income.</p> <p>Examination of the National Estimates and the Auditor General's report for 2008 showed that an amount of \$5.644M, expended by Ministry of Education for rehabilitation works and construction of storage tanks was not included in the financial statements.</p>

Qualified Opinions - Contracted Audit

Nº.	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Guyana Energy Agency	2018	The Agency expended \$751.683M on the installation of energy efficient solar systems. This amount was included in Property, Plant and Equipment but is not likely to derive a future economic benefit.
2	University of Guyana	2015	Adequate information was not provided for non- current assets and cash at bank.
3	Guyana National Bureau of Standards	2015	No supporting documentation was provided for the amount of \$1.192M expended for other services.

Unqualified Opinion - Contracted Audits

Nº.	Name of Entity	Year (s) of Audit	Nº. of Opinions
1	Central Housing and Planning Authority	2018	1
Total			1

Qualified Opinions - In-house

Nº.	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	National Library	2014	No contract was provided for the amount of \$20.567M expended for security services.

Unqualified Opinions – In-house

Nº.	Name of Entity	Year (s) of Audit	Nº. of Opinions
1	Bank of Guyana	2019	1
2	Deposit Insurance Corporation of Guyana	2/4/2019-31/12/2019	1
3	Public Utilities Commission	2018	1
4	Pesticides and Toxic Chemicals Control Board	2018	1
5	Small Business Council	2018	1
6	Deeds and Commercial Registries Authority	2016-2018	3
7	Sugar Industry Labour Welfare Fund Committee	2016-2017	2
8	Guyana Tourism Authority	2003	1
Total			11

SUMMARY OF RECOMMENDATIONS – QUALIFIED OPINION

1508. A number of recommendations to correct weaknesses identified and to improve systems of internal control were made in the various audit reports issued:

- a) The Chart below gives an analysis of 126 audit recommendations made in respect of the seven qualified audit opinions issued for Public Enterprises.

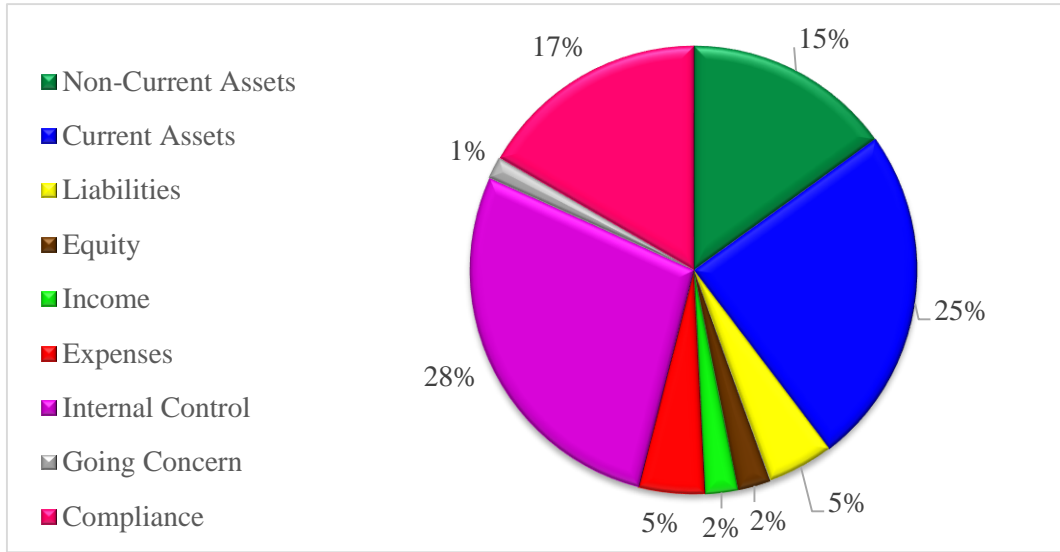


Figure (Source – Audit Reports)

- b) The Chart below gives an analysis of 155 audit recommendations made in respect of the eight qualified audit opinions issued for Statutory Bodies.

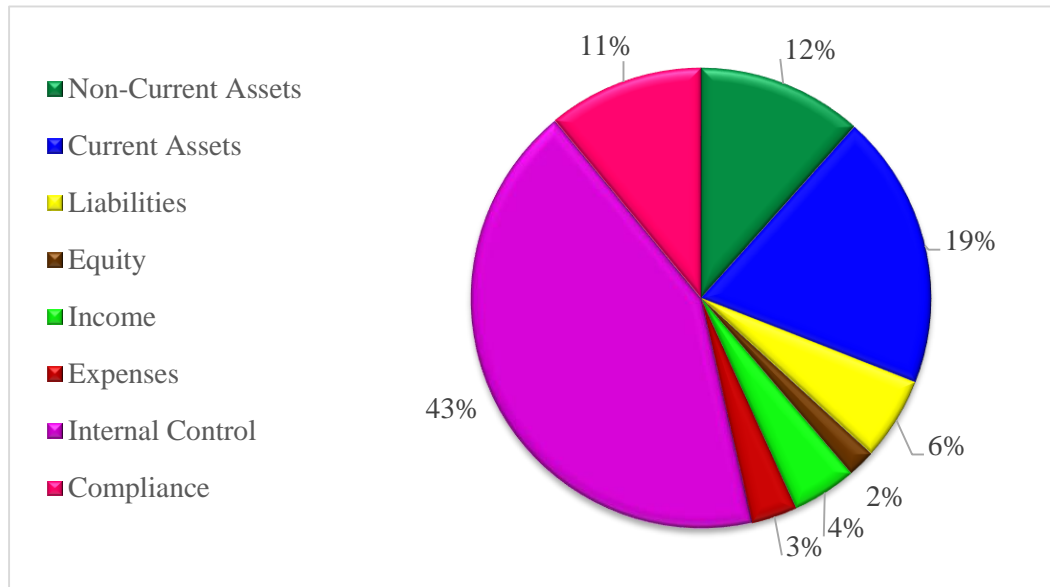


Figure (Source – Audit Reports)



## AUDIT OF TRADE UNIONS

1509. Section 22 of Chapter 98:03 of the Trade Unions Act requires every Treasurer or other Officers to render to the Trustees a just and true account of moneys received and paid, funds remaining and all Bonds and Securities of the Union, which the Trustees are required to submit to the Auditor General for audit within fourteen days of the receipt of the account from the Treasurer. Of the twenty-three Trade Unions that are required to be audited and comply with the requirements of the Trade Unions Act, sixteen were significantly in arrears with statements outstanding for ten or more years. Only the audit for the Guyana Agricultural and General Workers' Union for the year 2018 was finalised and this was unqualified.

## AUDIT OF FOREIGN FUNDED PROJECTS

1510. The Audit Office completed twenty audits of Foreign Funded Projects as shown below within the specified deadline and in accordance with the Funding Agency Guidelines.

Name of Funding Agency	Year(s) of Audit	Type of Opinion	N <sup>o</sup> . of Opinions
Inter-American Development Bank	2017-2019	Unqualified	10
International Development Association	2017-2019	Unqualified	4
CARICOM Development Fund	2019	Unqualified	1
United Nations Development Program	2019	Unqualified	3
Caribbean Development Bank	2019	Unqualified	1
International Fund for Agricultural Development	2019	Unqualified	1
Total			20

## AUDIT OF MUNICIPALITIES

1511. Section 177 of Chapter 28:01 of the Municipal and District Councils Act requires all Treasurer of Councils to make up their accounts yearly to the end of the financial year to which they relate and not later than four months after the end of the year. These account shall be submitted for audit and Treasurers who fail to do are guilty of an offence. Of the ten Municipalities that are required to be audited, seven audits had been finalised in respect of Anna Regina Town Council while the other nine Municipalities have 128 years of audit outstanding. An analysis of the opinions issued revealed that all were qualified. The details are stated below:

N <sup>o</sup> .	Name of Municipality	Year (s) of Audit	Reasons for Qualified Opinion
1	Anna Regina Town Council	2011 - 2017	Documentation to ascertain the value of fixed assets was not provided for audit scrutiny. Receivables schedule was not produced for audit examination.

AUDIT OF NEIGHBOURHOOD DEMOCRATIC COUNCILS

1512. The Local Government Act, Chapter 28:02 requires Neighbourhood Democratic Councils (NDCs) to prepare accounts of receipt and expenditure up to the end of each financial year, which is twelve months ending on 31 December. Of the seventy NDCs, twenty-seven audits had been finalised in respect of four Councils as shown below, while the majority of the NDCs were significantly in arrears in terms of submission of financial statements for auditing. An analysis showed that forty-six of the seventy NDCs did not submit financial statements for the years 2018 and 2019.

No.	Name of Neighbourhood Democratic Council	Year (s) of Audit	Reasons for Qualified Opinion
1	Evergreen/ Paradise	2010 - 2018	Documentation to ascertain the value of fixed assets was not provided for audit scrutiny.  Receivables schedule was not produced for audit examination.  Pertinent records were not properly maintained to verify the closing balances of cash and bank (Best/ Klien Pouderoyen).
2	Good Hope/ Pomona	2010 - 2017	
3	Best/ Klien Pouderoyen	2013 - 2017	
4	Charity/ Urasara	2010 - 2014	

AUDIT OF CONSTITUTIONAL AGENCIES

1513. Section 80 of the Fiscal Management and Accountability (FMA) Act requires all Constitutional Agencies (CA) to prepare and present audited financial statements, audited by the Auditor General. Of the sixteen Constitutional Agencies that are required to be audited under FMA (Amendment) Act 2015, fourteen audits had been finalised in respect of ten CA as shown below, while seven of the sixteen CA did not submit financial statements for the year 2019.

No.	Name of Constitutional Agency	Year (s) of Audit	Type of Opinion	No. of Opinion
1	Judicial Service Commission	2019	Unqualified	1
2	Public Procurement Commission	2018	Unqualified	1
3	Public/Police Service Commission	2018	Unqualified	1
4	Public Service Appellate Tribunal	2018	Unqualified	1
5	Chambers of the Director of Public Prosecutions	2018	Unqualified	1
6	Parliament Office	2018	Unqualified	1
7	Human Rights Commission	2016-2017	Unqualified	2
8	Rights of the Child Commission	2016-2017	Unqualified	2
9	Women & Gender Equality Commission	2016-2017	Unqualified	2
10	Indigenous Peoples' Commission	2016-2017	Unqualified	2
Total				14

## PERFORMANCE AUDIT

1514. Having given the mandate to conduct Performance/Value-for-Money Audit by way of Section 24 of the Audit Act 2004, a Performance Audit Division was set up in 2008 to perform such audits. Audit examinations are carried out to ascertain the extent to which public entities are applying their resources and conduct activities economically, efficiently and effectively and with due regards to ensuring effective internal control. In this regard, the Audit Office completed four performance audits, which were presented and laid before the National Assembly.

1515. The Audit Office is currently conducting performance audits on the areas listed below. These audits are expected to be completed and reported on during 2020 and 2021.

- (i) Follow-up on Review of the Old Age Pension Programme in Guyana.
- (ii) An Assessment of the Management of Drugs and Medical Supplies at the Ministry of Public Health.
- (iii) Management of Medical Waste at Hospitals.
- (iv) Receipt and Distribution of Text Books to Schools.
- (v) A Review of the COVID - 19 Procurement and Rehabilitation Works.
- (vi) An assessment of the COVID -19 Pandemic Assistance Voucher Programme.
- (vii) Review of Council for Technical and Vocational Education and Training (TVET).
- (viii) Preparedness for Marine Oil Spill Response.

## SPECIAL INVESTIGATIONS

1516. Three special investigations were finalised during the period October 2019 to November 2020, as listed below:

- (i) Ministry of Public Health - Drug Bond.
- (ii) Ministry of Social Protection - Sustainable Livelihood Entrepreneurial Development Project.
- (iii) Ministry of Public Infrastructure - Leguan Stelling Rehabilitation.

1517. The following three special investigations were at various stages:

- (i) Mayor and Councillors of the City of Georgetown
  - a. Failure to remit workers National Insurance Scheme (NIS) contributions.
  - b. Failure to remit workers Credit Union contributions due to the Credit Union.
  - c. Failure to remit workers Guyana Revenue Authority Pay as You Earn (P.A.Y.E) deductions from workers.
  - d. Issues surrounding the number of contracts in keeping with financial regulations, transparency, and accountability.
- (ii) Ministry of Legal Affairs - Retainers Agreement.
- (iii) Ministry of the Presidency - Acquisition of Birth Certificates.

## ACKNOWLEDGEMENTS

1518. I wish to record my sincere gratitude to the staff of the Audit Office, many of whom worked beyond the call of duty to help me to execute the audits and to complete this Report. My sincere thanks also go out to Ministry of Finance, Accountant General and Heads of Budget Agencies along with their staff for the level of cooperation shown during the course of the audits and for the explanations provided in relation to my findings.

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**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - REVENUE  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Description	Approved Estimates 2019	Actual Receipts Paid into		Variance 2019	Actual Receipts Paid into
			Consolidated Fund 2019			Consolidated Fund 2018
		\$'000	\$'000	\$'000		\$'000
<u>CURRENT REVENUE</u>						
500	Customs and Trade Taxes	24,889,499	25,114,681	225,182		<b>22,191,266</b>
510	Internal Revenue	99,024,353	104,331,021	5,306,668		<b>88,732,848</b>
520	Stamp Duties	517,546	523,750	6,204		<b>424,703</b>
525	Other Tax Revenues	2,269	157	(2,112)		<b>17</b>
530	Fees and Fines	1,449,590	1,600,150	150,560		<b>1,408,057</b>
541	Interest	1,155,252	814,271	(340,981)		<b>753,297</b>
545	Rents and Royalties	4,604,147	3,957,147	(647,000)		<b>4,311,778</b>
555	Dividends and Transfers	5,300,000	5,700,380	400,380		<b>8,532,282</b>
560	Miscellaneous Receipts	1,710,973	1,996,565	285,592		<b>2,800,240</b>
590	Value Added Taxes	54,333,473	52,675,552	(1,657,921)		<b>48,035,523</b>
594	Excise Taxes	45,204,479	43,799,645	(1,404,834)		<b>39,680,443</b>
597	Miscellaneous Receipts	131,096	72,026	(59,070)		<b>145,909</b>
	<b>SUB TOTAL</b>	<b>238,322,677</b>	<b>240,585,345</b>	<b>2,262,668</b>		<b>217,016,363</b>
<u>CAPITAL REVENUE</u>						
570	Miscellaneous Capital Revenue	988,316	9,553	(978,763)		<b>2,230,757</b>
575	External Grants	10,236,435	10,970,623	734,188		<b>7,573,261</b>
580	External Loans	20,492,879	22,606,583	2,113,704		<b>17,258,028</b>
	<b>SUB TOTAL</b>	<b>31,717,630</b>	<b>33,586,759</b>	<b>1,869,129</b>		<b>27,062,046</b>
	<b>GRAND TOTAL</b>	<b>270,040,307</b>	<b>274,172,104</b>	<b>4,131,797</b>		<b>244,078,409</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

## Explanation of differences between Estimates and out-turn of Revenue due to either

### Current Revenue

Central Government current receipts for 2019 surpassed the budgeted amount by \$2.263 billion. The main contributors were internal revenue, dividends and transfers and customs and trade taxes that exceeded the budgeted amount by \$5.307 billion, \$400M and 225.2M respectively.

The higher collections from the internal revenue category were withholding tax of \$7.201 billion, of which 9.7% were arrears, and public corporation income tax of \$1.122 billion; which together more than offset the less-than projected collections from corporation tax and income tax from self-employed of \$3.4 billion. The higher collections from withholding tax was on account of companies within the oil and gas sector making payments on remittances, as well as the overall increase in the number of companies making payments which were 215 compared to 186 companies in 2018.

Public corporation tax reported larger revenues on account of payments by companies within the petroleum sector. Arrears payment was \$193.7M. Receipts from dividends and transfers to Consolidated Fund increased by \$400.4M mainly on account of higher transferred amount by Deeds and Commercial Registries.

Custom and trade taxes categories grew by \$225.2M reflecting higher revenue collections of import duties of \$369.1M and environmental levy of \$56.8M. This resulted from higher values of imported commodities such as petroleum bitumen and lubricating oils as well as the higher number of importers.

Value Added Taxes (VAT) and Excise Taxes both recorded lower-than expected revenues of \$1.657 billion and \$1.404 billion, respectively. The decrease from VAT was within the domestic supply categories by \$2.156 billion while the decline in from Excise Taxes was mainly due to lower collections from imports on petroleum products by \$1.841 billion. The decline of import VAT receipts were on account of lower values of several categories of commodity such as lubricating oils, petroleum, bitumen, and fuel oil. Revenue received from domestic supplies were due to lower payments made by companies in the area of manufacturing and distribution (wholesale and retail trade), and services. Revenue from rent and royalties were lower-than anticipated by \$679M due to lower production by one of the major gold production companies.

### Capital Revenue

Capital revenue reflected a negative variance of \$8.7 billion (External Loans and Grants only) which was a result of challenges faced in execution ranging from delays in fulfilling conditions precedent to disbursement to poor contractors' performance.

**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - CURRENT EXPENDITURES  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
02	<b>Office of the Prime Minister</b>					
	1	Prime Minister's Secretariat	759,675	747,676	(11,999)	612,104
03	<b>Ministry of Finance</b>					
	1	Policy and Administration	20,344,381	18,726,886	(1,617,495)	14,251,418
	2	Public Financial Management	5,725,297	5,597,679	(127,618)	4,718,710
04	<b>Ministry of Foreign Affairs</b>					
	1	Development of Foreign Policy	2,451,629	1,766,305	(685,324)	1,850,984
	2	Foreign Policy Promotions	3,771,088	3,722,142	(48,946)	3,379,206
	3	Development of Foreign Trade Policy	79,937	59,349	(20,588)	37,388
05	<b>Ministry of the Presidency</b>					
	1	Policy Development and Administration	2,088,288	2,051,674	(36,614)	2,028,738
	2	Defence and National Security	108,426	101,403	(7,023)	268,456
	3	Public Service Management	1,957,558	1,946,577	(10,981)	1,516,958
	5	Citizenship and Immigration Service	748,329	662,354	(85,975)	380,824
	6	Social Cohesion	391,524	374,413	(17,111)	372,975
	7	Environmental Management and Compliance	1,316,886	1,313,755	(3,131)	894,857
	8	Cultural Preservation & Conservation	955,566	982,234	26,668	729,977
	9	Youth	809,192	799,175	(10,017)	743,572
	10	Sport	570,393	540,163	(30,230)	490,498
	11	Petroleum & Energy Management	90,902	94,160	3,258	0
07	<b>Parliament Office</b>					
	1	National Assembly	1,612,771	1,451,559	(161,212)	1,460,949
08	<b>Audit Office of Guyana</b>					
	1	Audit Office of Guyana	854,614	854,614	0	766,357
09	<b>Public and Police Service Commission</b>					
	1	Public and Police Service Commission	134,717	130,497	(4,220)	92,012
10	<b>Teaching Service Commission</b>					
	1	Teaching Service Commission	108,595	95,880	(12,715)	91,076
11	<b>Elections Commission</b>					
	1	Elections Commission	4,893,061	4,239,021	(654,040)	2,739,452
17	<b>Ministry of Indigenous Peoples' Affairs</b>					
	1	Policy Development and Administration	1,115,286	1,108,071	(7,215)	951,990
21	<b>Ministry of Agriculture</b>					
	1	Ministry Administration	868,060	866,414	(1,646)	17,149,108
	2	Agriculture Development & Support Services	8,085,978	8,263,848	177,870	0
	3	Fisheries	182,192	173,533	(8,659)	154,864
	4	Hydrometeorological Services	566,151	555,037	(11,114)	498,689
25	<b>Ministry of Business</b>					
	1	Policy Development and Administration	284,729	271,768	(12,961)	258,947
	2	Business Development, Support and Promotion	741,113	714,320	(26,793)	576,340
	3	Consumer Protection	100,657	103,528	2,871	87,545
	4	Tourism Development and Promotion	395,136	376,754	(18,382)	362,217
26	<b>Ministry of Natural Resources</b>					
	1	Policy Development and Administration	346,751	330,989	(15,762)	294,498
	2	Natural Resource Management	526,520	504,785	(21,735)	318,342
	4	Petroleum Management	0	0	0	142,927
C/F			62,985,402	59,526,563	(3,458,839)	58,221,978



Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		62,985,402	59,526,563	(3,458,839)	58,221,978
32	<b>Ministry of Public Infrastructure</b>					
	1 Policy Development and Administration		4,534,559	4,694,878	160,319	4,007,793
	2 Public Works		4,082,471	4,062,455	(20,016)	3,763,492
	3 Transport		93,258	81,821	(11,437)	86,292
33	<b>Ministry of Public Telecommunication</b>					
	1 Policy Development and Administration		260,158	253,799	(6,359)	210,714
	2 Public Telecommunications		1,847,610	1,847,610	0	1,837,568
	4 Industry Innovations		67,138	71,654	4,516	47,917
40	<b>Ministry of Education</b>					
	1 Policy Development and Administration		1,773,933	1,649,681	(124,252)	1,558,733
	2 Training and Development		2,020,422	1,920,679	(99,743)	1,833,197
	3 Nursery Education		2,196,947	2,126,821	(70,126)	1,871,300
	4 Primary Education		3,690,455	3,066,424	(624,031)	3,078,385
	5 Secondary Education		4,018,231	3,966,771	(51,460)	3,712,471
	6 Post-Secondary/Tertiary Education		4,369,910	4,338,918	(30,992)	4,097,392
42	<b>Ministry of Communities</b>					
	1 Sustainable Communities Management		1,486,756	1,480,179	(6,577)	669,379
	2 Sustainable Communities Development		1,285,443	1,279,151	(6,292)	1,053,873
43	<b>Ministry of Public Health</b>					
	1 Policy Development and Administration		1,734,791	1,691,048	(43,743)	1,504,523
	2 Disease Control		1,967,123	1,944,341	(22,782)	1,818,522
	3 Family Health Care Services		1,247,965	1,244,798	(3,167)	1,064,717
	4 Regional and Clinical Services		15,088,252	15,062,954	(25,298)	14,705,577
	5 Health Sciences Education		653,461	632,565	(20,896)	575,355
	6 Standards and Technical Services		951,355	930,354	(21,001)	770,268
	7 Disability and Rehabilitation Services		408,532	403,758	(4,774)	340,104
49	<b>Ministry of Social Protection</b>					
	1 Policy Development and Administration		352,158	332,442	(19,716)	295,151
	2 Social Services		16,143,565	16,002,824	(140,741)	14,367,399
	3 Labour Administration		635,936	639,334	3,398	556,263
	4 Child Care and Protection		604,934	606,165	1,231	586,456
52	<b>Ministry of Legal Affairs</b>					
	1 Main Office		315,189	322,123	6,934	289,730
	2 Ministry Administration		70,225	72,445	2,220	64,022
	3 Attorney General's Chambers		447,732	440,760	(6,972)	264,927
	4 State Solicitor		28,584	25,872	(2,712)	19,928
53	<b>Guyana Defense Force</b>					
	1 Defence and Security Support		12,977,028	12,861,619	(115,409)	11,504,101
54	<b>Ministry of Public Security</b>					
	1 Policy Development and Administration		806,990	794,700	(12,290)	701,517
	2 Police Force		13,014,872	12,519,388	(495,484)	11,132,611
	3 Prison Service		2,164,491	2,057,689	(106,802)	1,874,802
	4 Police Complaints Authority		21,096	19,875	(1,221)	20,264
	5 Fire Service		1,421,670	1,326,606	(95,064)	1,215,300
	6 Customs Anti Narcotics Unit		319,705	317,176	(2,529)	222,024
55	<b>Supreme Court of Judicature</b>					
	1 Supreme Courts of Judicature		1,850,404	1,850,404	0	1,729,954
56	<b>Public Prosecutions</b>					
	1 Public Prosecutions		216,398	180,894	(35,504)	160,244
57	<b>Office of the Ombudsman</b>					
	1 Ombudsman		73,181	71,982	(1,199)	56,121
	C/F		168,228,330	162,719,520	(5,508,810)	151,890,364

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		168,228,330	162,719,520	(5,508,810)	151,890,364
58	<b>Public Service Appellate Tribunal</b>					
	1 Public Service Appellate Tribunal		62,828	62,828	0	46,884
59	<b>Ethnic Relations Commission</b>					
	1 Ethnic Relations Commission		175,195	200,169	24,974	115,785
60	<b>Judicial Service Commission</b>					
	1 Judicial Service Commission		10,020	10,020	0	9,981
61	<b>Rights Commission</b>					
	1 Rights Commission		145,137	137,395	(7,742)	131,411
62	<b>Public Procurement Commission</b>					
	1 Public Procurement Commission		209,533	209,533	0	169,781
71	<b>Region 1 - Barima/Waini</b>					
	1 Regional Administration & Finance		468,021	445,590	(22,431)	187,297
	2 Public Infrastructure		308,491	302,887	(5,604)	291,591
	3 Education Delivery		1,314,826	1,299,658	(15,168)	1,175,684
	4 Health Services		731,827	723,193	(8,634)	639,105
72	<b>Region 2 - Pomeroon/Supenaam</b>					
	1 Regional Administration & Finance		221,497	220,229	(1,268)	204,173
	2 Agriculture		414,606	412,381	(2,225)	346,721
	3 Public Infrastructure		157,662	159,334	1,672	126,426
	4 Education Delivery		2,314,501	2,190,086	(124,415)	1,933,183
	5 Health Services		939,505	936,280	(3,225)	841,770
73	<b>Region 3 - Essequibo Islands/West Demerara</b>					
	1 Regional Administration & Finance		236,834	237,701	867	206,995
	2 Agriculture		398,227	396,548	(1,679)	360,971
	3 Public Infrastructure		168,756	166,838	(1,918)	127,791
	4 Education Delivery		3,446,309	3,443,776	(2,533)	2,969,859
	5 Health Services		1,495,902	1,494,194	(1,708)	1,269,448
74	<b>Region 4 - Demerara/Mahaica</b>					
	1 Regional Administration & Finance		227,612	228,168	556	216,553
	2 Agriculture		366,632	360,211	(6,421)	353,091
	3 Public Infrastructure		155,536	155,386	(150)	140,517
	4 Education Delivery		4,563,343	4,607,880	44,537	4,043,152
	5 Health Services		1,304,214	1,263,677	(40,537)	1,242,553
75	<b>Region 5 - Mahaica/Berbice</b>					
	1 Regional Administration & Finance		193,889	200,342	6,453	168,329
	2 Agriculture		241,449	249,440	7,991	223,737
	3 Public Infrastructure		213,649	219,011	5,362	178,455
	4 Education Delivery		1,840,746	1,814,698	(26,048)	1,547,113
	5 Health Services		796,801	799,193	2,392	698,910
76	<b>Region 6 - East Berbice/Corentyne</b>					
	1 Regional Administration & Finance		162,583	162,283	(300)	151,458
	2 Agriculture		750,296	874,873	124,577	736,841
	3 Public Infrastructure		320,120	319,769	(351)	269,121
	4 Education Delivery		3,738,141	3,725,919	(12,222)	3,197,450
	5 Health Services		1,950,146	1,863,961	(86,185)	1,682,626
77	<b>Region 7 - Cuyuni/Mazaruni</b>					
	1 Regional Administration & Finance		312,499	312,487	(12)	274,790
	2 Public Infrastructure		184,190	183,567	(623)	163,127
	3 Education Delivery		1,433,917	1,420,334	(13,583)	1,266,658
	4 Health Services		654,608	666,587	11,979	557,345
	C/F		200,858,378	195,195,946	(5,662,432)	180,157,046

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		200,858,378	195,195,946	(5,662,432)	180,157,046
78	<b>Region 8 - Potaro/Siparuni</b>					
	1 Regional Administration & Finance		152,313	150,699	(1,614)	126,793
	2 Public Infrastructure		204,062	191,221	(12,841)	140,744
	3 Education Delivery		995,278	984,697	(10,581)	778,995
	4 Health Services		331,098	317,654	(13,444)	261,054
	5 Agriculture		28,835	25,295	(3,540)	16,626
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>					
	1 Regional Administration & Finance		198,359	194,648	(3,711)	177,177
	2 Agriculture		62,018	61,813	(205)	39,514
	3 Public Infrastructure		204,047	198,876	(5,171)	194,523
	4 Education Delivery		1,231,400	1,231,296	(104)	1,053,638
	5 Health Services		545,625	544,663	(962)	458,995
80	<b>Region 10 - Upper Demerara/Berbice</b>					
	1 Regional Administration & Finance		229,622	228,042	(1,580)	211,192
	2 Public Infrastructure		231,917	233,671	1,754	218,114
	3 Education Delivery		2,222,065	2,220,179	(1,886)	2,011,399
	4 Health Services		629,402	623,151	(6,251)	571,034
	5 Agriculture		28,992	24,913	(4,079)	0
	<b>SUB TOTAL</b>		<b>208,153,411</b>	<b>202,426,764</b>	<b>(5,726,647)</b>	<b>186,416,844</b>
<b>STATUTORY</b>						
03	Ministry of Finance		4,895,100	5,195,043	299,943	4,657,986
05	Ministry of the Presidency		24,063	23,650	(413)	23,650
54	Ministry of Public Security		29,178	37,679	8,501	3,048
90	Public Debt		18,338,702	17,647,894	(690,808)	17,729,929
	<b>SUB TOTAL</b>		<b>23,287,043</b>	<b>22,904,266</b>	<b>(382,777)</b>	<b>22,414,613</b>
	<b>TOTAL PAYMENTS</b>		<b>231,440,454</b>	<b>225,331,030</b>	<b>(6,109,424)</b>	<b>208,831,457</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

## Explanation of differences between Estimates and out-turn of Expenditure

### Current Expenditure

Central Government Expenditure of \$291.593 billion has been expended of budgeted \$300.719 billion, a variation of \$9.125 billion. This outturn represents unspent balance of \$6.109 billion of budgeted \$231,440 million for Current Expenditure and \$3.016 billion of budgeted \$69.278 billion for capital.

Central Government Current Expenditure was \$6.109 billion below the 2019 budget allocation. Total Non-Interest Expenditure amounted to \$207.683 billion, approximately \$5.418 billion below the 2019 budgetary allocation. This outturn was attributed to unspent allocations from several agencies in sub-categories - Employment Cost, other Goods and Services, and Transfer Payments.

Total Employment Cost expended for 2019 was \$68.550 billion which catered for general salaries for Public Servants, new recruits, teachers' uniform allowance, health sector allowances and salary increases. Unspent balances realised under Employment Cost of \$1.600 billion was on account of \$1.287 billion under 6141-other Employment Costs due to an over projection on salary increases and new recruits. In addition, Budget Agencies recorded a savings of \$312.4M on account of staff who retired or resigned during the year; savings were not utilised due to restriction on inter-programme virements after Oct 31st according to section 3.3.6 (2) of Finance Circular No. 1(a)/2019.

Expenditure on other goods and services totalled \$57.908 billion, \$1.935 billion below Budget 2019, on account of underspending by agencies from materials and supplies, rental and maintenance of buildings, transport, travel and storage, and other goods and services purchased inclusive of dietary due to logistical issues in the expansion of the school feeding programme. Transfer payments summed to \$81.224 billion, \$1.883 billion less than the budgeted \$83.107 billion. This is attributable to unspent balances of \$740.9M under contributions to local and international organisations and \$851.7M under Constitutional Agencies. With regards to Constitutional Agencies, under the Guyana Elections Commission house-to-house registration was completed 31 August 2019 instead of 20 October 2019.

Spending within the statutory category was \$382.8M below the \$23.287 billion that was budgeted in 2019. Public Debt payments were \$690.8M lower than anticipated. The lower payment on External Principal resulted from several loans from three major Multilateral Creditors, CDB, IDB and IDA, being repaid and disbursed at the same time, and not according to a fixed amortisation schedule. The simultaneous disbursement and repayment of these loans often results in variances between projected and actual principal repayments, mainly due to differences between projected and actual disbursements. External Interest was lower than budgeted due to higher project disbursement under Public Sector Investment Programme (PSIP). On the other hand, Ministry of Finance recorded \$299.9M above the budgeted amount of \$4.895 billion. This was on account of the Supplemental Fund to accommodate higher than projected gratuity payments to retired Public Servants.

**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - CAPITAL EXPENDITURES  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
02	<b>Office of the Prime Minister</b>					
1	Prime Minister's Secretariat		149,125	145,556	(3,569)	144,727
03	<b>Ministry of Finance</b>					
1	Policy and Administration		4,759,652	3,949,995	(809,657)	4,271,157
2	Public Financial Management		216,949	174,455	(42,494)	130,065
04	<b>Ministry of Foreign Affairs</b>					
1	Development of Foreign Policy		52,912	39,224	(13,688)	162,011
2	Foreign Policy Promotions		482,715	482,400	(315)	266,978
05	<b>Ministry of the Presidency</b>					
1	Policy Development and Administration		451,251	435,234	(16,017)	412,989
2	Defence and National Security		23,000	22,080	(920)	40,399
3	Public Service Management		18,943	18,576	(367)	131,696
5	Citizenship and Immigration Services		802,093	745,406	(56,687)	66,857
6	Social Cohesion		444,601	404,752	(39,849)	3,432
7	Environmental Management & Compliance		263,009	105,178	(157,831)	108,030
8	Cultural Preservation & Conservation		133,672	73,755	(59,917)	134,810
9	Youth		236,997	202,524	(34,473)	294,926
05A	Sport		659,400	654,584	(4,816)	226,043
05B	Energy Generation and Petroleum		333,273	307,357	(25,916)	0
07	<b>Parliament Office</b>					
1	National Assembly		87,500	76,904	(10,596)	55,460
08	<b>Audit Office of Guyana</b>					
1	Audit Office of Guyana		17,395	17,395	0	17,519
09	<b>Public and Police Service Commission</b>					
1	Public and Police Service Commission		11,600	11,600	0	2,995
10	<b>Teaching Service Commission</b>					
1	Teaching Service Commission		500	495	(5)	9,469
11	<b>Elections Commission</b>					
1	Elections Commission		478,000	586,543	108,543	148,060
17	<b>Ministry of Indigenous Peoples' Affairs</b>					
1	Policy Development and Administration		815,348	801,694	(13,654)	1,161,091
21	<b>Ministry of Agriculture</b>					
1	Ministry Administration		1,077,653	338,937	(738,716)	2,173,231
2	Crops and Livestock Support Services		3,423,146	2,851,395	(571,751)	1,398,068
3	Fisheries		63,160	8,317	(54,843)	55,448
4	Hydrometeorological Services		50,890	45,634	(5,256)	20,722
25	<b>Ministry of Business</b>					
1	Policy Development and Administration		112,500	69,341	(43,159)	38,635
2	Business Development, Support and Promotion		1,014,475	632,926	(381,549)	749,607
3	Consumer Protection		5,500	5,495	(5)	0
4	Tourism Development & Promotion		3,550	3,536	(14)	500
26	<b>Ministry of Natural Resources</b>					
1	Policy Development & Administration		437,000	437,000	0	371,901
2	Natural Resource Management		135,972	105,614	(30,358)	0
C/F			16,761,781	13,753,902	(3,007,879)	12,596,826

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		16,761,781	13,753,902	(3,007,879)	12,596,826
32	<b>Ministry of Public Infrastructure</b>					
	1 Policy Development and Administration		5,619,800	4,520,335	(1,099,465)	2,558,464
	2 Public Works		17,823,889	18,601,208	777,319	15,235,417
	3 Transport		2,768,343	2,101,569	(666,774)	5,869,009
33	<b>Ministry of Public Telecommunications</b>					
	1 Policy Development and Administration		68,500	68,498	(2)	5,603
	2 Public Telecommunications		2,184,895	2,183,755	(1,140)	2,447,443
	4 Industry Innovations		9,500	9,257	(243)	1,437
40	<b>Ministry of Education</b>					
	1 Policy Development and Administration		390,400	354,251	(36,149)	155,717
	2 Training and Development		153,334	129,741	(23,593)	118,626
	3 Nursery Education		70,500	68,216	(2,284)	108,609
	4 Primary Education		138,375	123,576	(14,799)	66,113
	5 Secondary Education		1,400,335	1,211,514	(188,821)	871,939
	6 Post Secondary/Tertiary Education		1,641,900	807,562	(834,338)	326,738
42	<b>Ministry of Communities</b>					
	1 Sustainable Communities Management		622,000	621,704	(296)	1,030,052
	2 Sustainable Communities Development		4,927,500	8,160,967	3,233,467	3,238,771
43	<b>Ministry of Public Health</b>					
	1 Policy Development and Administration		495,302	461,425	(33,877)	193,640
	2 Disease Control		295,910	258,226	(37,684)	333,780
	3 Family Health Care Services		420,660	408,682	(11,978)	177,176
	4 Regional & Clinical Services		1,794,934	1,097,794	(697,140)	1,003,904
	5 Health Sciences Education		67,000	58,424	(8,576)	33,443
	6 Standards & Technical Services		64,875	61,708	(3,167)	60,408
	7 Disability and Rehabilitation Services		33,000	24,992	(8,008)	27,847
49	<b>Ministry of Social Protection</b>					
	1 Policy Development and Administration		296,525	286,387	(10,138)	127,111
	2 Social Services		75,083	57,115	(17,968)	132,701
	3 Labour Administration		23,302	22,186	(1,116)	3,636
	4 Child Care and Protection		80,099	108,249	28,150	159,334
52	<b>Ministry of Legal Affairs</b>					
	1 Main Office		206,810	99,147	(107,663)	143,570
	2 Ministry Administration		900	899	(1)	718
	3 Attorney General's Chambers		9,100	8,100	(1,000)	3,997
	4 State Solicitor		700	700	0	494
53	<b>Guyana Defense Force</b>					
	1 Defence & Security Support		1,042,500	1,034,171	(8,329)	1,023,863
54	<b>Ministry of Public Security</b>					
	1 Policy and Development and Administration		633,493	615,474	(18,019)	545,641
	2 Police Force		855,000	798,491	(56,509)	593,693
	3 Prison Service		1,769,208	1,766,630	(2,578)	1,209,796
	4 Police Complaints Authority		2,500	2,495	(5)	683
	5 Fire Service		578,130	578,014	(116)	346,922
	6 Customs Anti Narcotics Unit		30,000	29,912	(88)	9,997
55	<b>Supreme Court of Judicature</b>					
	1 Supreme Courts of Judicature		458,478	458,478	0	310,376
56	<b>Public Prosecutions</b>					
	1 Public Prosecutions		3,426	3,424	(2)	11,811
57	<b>Office of the Ombudsman</b>					
	1 Ombudsman		1,042	1,042	0	1,669
	C/F		63,819,029	60,958,220	(2,860,809)	51,086,974

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		63,819,029	60,958,220	(2,860,809)	51,086,974
58	<b>Public Service Appellate Tribunal</b>					
1	Public Service Appellate Tribunal		0	0	0	2,915
59	<b>Ethnic Relations Commission</b>					
1	Ethnic Relations Commission		19,613	18,625	(988)	0
61	<b>Rights Commission of Guyana</b>					
1	Rights Commission of Guyana		12,755	12,193	(562)	1,012
62	<b>Public Procurement Commission</b>					
1	Public Procurement Commission		9,400	9,400	0	7,880
71	<b>Region 1 - Barima/Waini</b>					
1	Regional Administration & Finance		56,280	54,123	(2,157)	12,177
2	Public Infrastructure		162,700	140,060	(22,640)	94,088
3	Education Delivery		193,270	193,181	(89)	103,814
4	Health Services		168,550	146,719	(21,831)	98,947
5	Agriculture		20,000	20,000	0	0
72	<b>Region 2 - Pomeroon/Supenaam</b>					
1	Regional Administration & Finance		16,300	16,278	(22)	45,968
2	Agriculture		40,980	40,980	0	39,649
3	Public Infrastructure		113,120	113,116	(4)	68,214
4	Education Delivery		211,400	211,351	(49)	116,219
5	Health Services		150,355	150,280	(75)	112,619
73	<b>Region 3 - Essequibo Islands/West Demerara</b>					
1	Regional Administration & Finance		18,000	17,962	(38)	11,496
2	Agriculture		88,000	87,811	(189)	108,958
3	Public Infrastructure		156,000	149,434	(6,566)	118,929
4	Education Delivery		177,710	176,822	(888)	149,870
5	Health Services		117,260	117,067	(193)	74,471
74	<b>Region 4 - Demerara/Mahaica</b>					
1	Regional Administration & Finance		7,925	7,922	(3)	17,634
2	Agriculture		48,340	48,340	0	45,800
3	Public Infrastructure		103,128	103,127	(1)	90,000
4	Education Delivery		287,045	286,578	(467)	259,407
5	Health Services		155,140	155,140	0	99,056
75	<b>Region 5 - Mahaica/Berbice</b>					
1	Regional Administration & Finance		15,378	15,375	(3)	2,197
2	Agriculture		59,000	58,967	(33)	59,570
3	Public Infrastructure		168,782	168,559	(223)	155,172
4	Education Delivery		145,200	145,164	(36)	144,941
5	Health Services		47,800	47,640	(160)	52,424
76	<b>Region 6 - East Berbice/Corentyne</b>					
1	Regional Administration & Finance		15,940	15,940	0	13,560
2	Agriculture		221,288	221,288	0	117,149
3	Public Infrastructure		226,212	226,212	0	141,400
4	Education Delivery		116,600	116,599	(1)	109,509
5	Health Services		164,951	164,951	0	162,500
77	<b>Region 7 - Cuyuni/Mazaruni</b>					
1	Regional Administration & Finance		38,778	38,715	(63)	14,474
2	Public Infrastructure		92,100	91,964	(136)	52,516
3	Education Delivery		207,700	207,015	(685)	114,266
4	Health Services		108,830	108,461	(369)	57,736
5	Agriculture		1,200	1,200	0	0
C/F			67,782,059	64,862,779	(2,919,280)	53,963,511

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2019	Actual Expenditure 2019	Over (Under) Approved Allotment 2019	Actual Expenditure 2018
			\$'000	\$'000	\$'000	\$'000
	B/F		67,782,059	64,862,779	(2,919,280)	53,963,511
78	<b>Region 8 - Potaro/Siparuni</b>					
	1 Regional Administration & Finance		7,950	7,721	(229)	1,584
	2 Public Infrastructure		147,520	146,576	(944)	99,311
	3 Education Delivery		130,765	129,894	(871)	67,318
	4 Health Services		90,500	89,227	(1,273)	46,034
	5 Agriculture		17,510	15,101	(2,409)	0
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>					
	1 Regional Administration & Finance		58,200	57,420	(780)	48,012
	2 Agriculture		26,400	26,345	(55)	43,039
	3 Public Infrastructure		189,400	188,977	(423)	139,437
	4 Education Delivery		151,400	150,740	(660)	109,436
	5 Health Services		109,400	107,469	(1,931)	104,625
80	<b>Region 10 - Upper Demerara/Berbice</b>					
	1 Regional Administration & Finance		112,000	82,134	(29,866)	67,360
	2 Public Infrastructure		116,200	114,805	(1,395)	99,441
	3 Education Delivery		215,330	168,597	(46,733)	153,790
	4 Health Services		101,150	91,941	(9,209)	76,512
	5 Agriculture		22,770	22,716	(54)	0
	<b>TOTAL PAYMENTS</b>		<b>69,278,554</b>	<b>66,262,442</b>	<b>(3,016,112)</b>	<b>55,019,410</b>

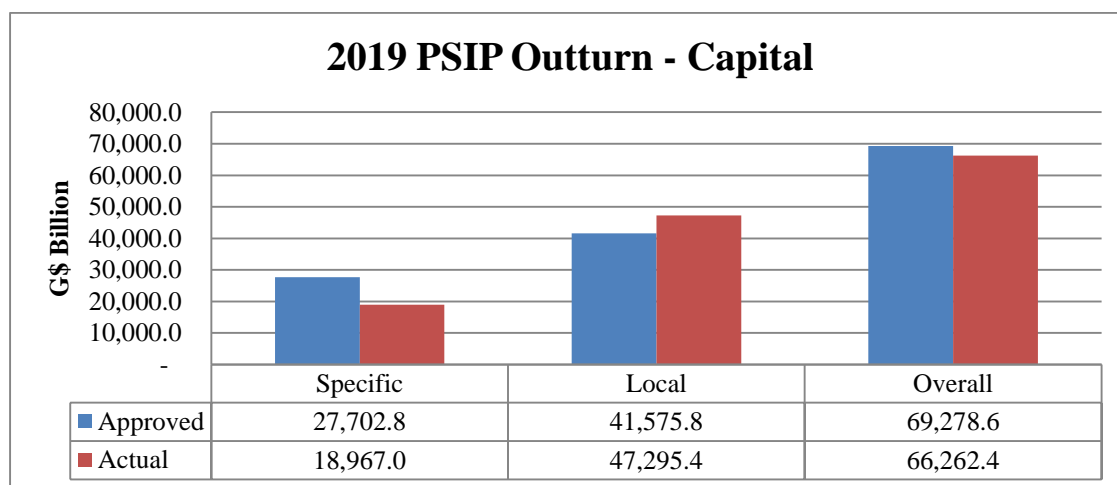
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**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT**  
**CAPITAL EXPENDITURE**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

	2018 Actual	2019 Budget	2019 Latest Estimates	2019 LE vs Budget	2019 LE vs 2018 Actual
	G\$ '000			%	
Loan	17,249.432	20,492.879	13,045.989	63.7%	-24.4%
Grant	4,891.780	7,209.890	5,921.043	82.1%	21.0%
<b>Foreign</b>	<b>22,141.211</b>	<b>27,702.769</b>	<b>18,967.032</b>	<b>68.5%</b>	<b>-14.3%</b>
Local	32,878.196	41,575.785	47,295.408	113.8%	43.9%
<b>Total</b>	<b>55,019.407</b>	<b>69,278.554</b>	<b>66,262.439</b>	<b>95.6%</b>	<b>20.4%</b>



Capital Expenditure was anticipated to be \$69.3 billion but recorded an outturn of \$66.3 billion, or 95.6% of budget. This performance was 20.4% higher than that of 2018, aided by continued strong performance of the local Public Sector Investment Programme which recorded a 43.9% increase over 2018 or an additional injection of \$14.4 billion of Public Sector Projects/Programmes into the economy during 2019. Although implementation challenges continue to face the foreign portfolio, \$4.9 billion in inflows could not have been recorded in 2019 since some projects like the National Broadband and East Coast Demerara Road Widening exceeded their Budgetary Allocation and no opportunity existed for Supplementary Appropriations to be sought in the face of the no confidence motion and subsequent events. Like previous years, through rigorous monitoring, savings were identified and reprogrammed to critical sectors/areas including housing development, sea and river defence works, roads and water sector improvements.

While the overall performance was reasonable given the challenges, major areas of shortfall on the donor-financed PSIP are highlighted in table below:

Line Item	Description	Agency	Projects	Approved	Actual	Variance	Reasons
				G\$ Million			
<b>LOAN</b>							
5811	CDB	40-MoE	Skills Development and Employ ability Project	600	60.452	(539.548)	Upgrading of PIC/PIDs- Bids prices exceeded engineers estimates resulted in re-scoping of interventions
5814	IDB	32-MoPI	Road Network & Expansion Project	1,800.000	1,202.802	(597.198)	Project significantly slow due to issues with environmental safeguards which resulted in suspension of disbursement
5818	INDIA	43-MoPH	Modernisation of Primary Health Care System	650	0	(650)	Designs for hospitals at West Demerara, Bartica and Suddie still to be finalised
		32-MoPI	East Bank-East Coast Dem Road Linkage	2,184.000	83.223	(2,100.777)	Preliminary cost estimate is approximately 4 times the available financing; decision pending
<b>GRANT</b>							
5768	Japan	32-MoPI	Renewable Energy Improvement-Power Project	1,000.000	565.134	(434.866)	Delays in shipping equipment under project

**STATEMENT OF RECEIPTS AND PAYMENTS  
OF THE CONSOLIDATED FUND (CURRENT) FOR THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

**RECEIPTS**

Reporting Object Group	Description	Approved	Actual Receipts Paid into Consolidated	Variance	Actual Receipts Paid into Consolidated
		Estimates 2019	Fund 2019	2019	Fund 2018
		\$'000	\$'000	\$'000	\$'000
500	Customs and Trade Taxes	24,889,499	25,114,681	225,182	22,191,266
510	Internal Revenue	99,024,353	104,331,021	5,306,668	88,732,848
520	Stamp Duties	517,546	523,750	6,204	424,703
525	Other Tax Revenues	2,269	157	(2,112)	17
530	Fees and Fines	1,449,590	1,600,150	150,560	1,408,057
541	Interest	1,155,252	814,271	(340,981)	753,297
545	Rents and Royalties	4,604,147	3,957,147	(647,000)	4,311,778
555	Dividends and Transfers	5,300,000	5,700,380	400,380	8,532,282
560	Miscellaneous Receipts	1,710,973	1,996,565	285,592	2,800,240
590	Value Added Taxes	54,333,473	52,675,552	(1,657,921)	48,035,523
594	Excise Tax	45,204,479	43,799,645	(1,404,834)	39,680,443
597	Miscellaneous	131,096	72,026	(59,070)	145,909
<b>SUB TOTAL</b>		<b>238,322,677</b>	<b>240,585,345</b>	<b>2,262,668</b>	<b>217,016,363</b>
<b>OTHER RECEIPTS</b>					
	Treasury Bills		78,438,279		80,647,746
	<b>TOTAL RECEIPTS</b>		<b>319,023,624</b>		<b>297,664,109</b>

**PAYMENTS**

Agency No.	Description	Revised	Outstanding	Total Funds	Drawing Rights	Actual	Actual
		Allotment 2019	Contingency Fund Advances 2019	Available 2019	(Allotment 2) 2019	Expenditure 2019	Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT</b>							
02	<b>Office of the Prime Minister</b>						
	1 Prime Minister's Secretariat	759,675	0	759,675	757,571	747,676	612,104
03	<b>Ministry of Finance</b>						
	1 Policy and Administration	21,144,671	0	21,144,671	19,866,762	18,726,886	14,251,418
	2 Public Financial Management	5,725,007	0	5,725,007	5,694,713	5,597,679	4,718,710
04	<b>Ministry of Foreign Affairs</b>						
	1 Development of Foreign Policy	2,473,073	0	2,473,073	2,473,073	1,766,305	1,850,984
	2 Foreign Policy Promotion	3,764,298	0	3,764,298	3,730,532	3,722,142	3,379,206
	3 Development of Foreign Trade Policy	65,284	0	65,284	65,284	59,349	37,388
05	<b>Ministry of Presidency</b>						
	1 Policy Development and Administration	2,062,844	0	2,062,844	2,061,471	2,051,674	2,028,738
	2 Defence and National Security	108,426	0	108,426	108,209	101,403	268,456
	3 Public Service Management	1,957,558	0	1,957,558	1,957,558	1,946,577	1,516,958
	5 Citizenship and Immigration Services	748,329	0	748,329	729,494	662,354	380,824
	6 Social Cohesion	379,558	0	379,558	379,557	374,413	372,975
	7 Environmental Management & Compliance	1,325,086	0	1,325,086	1,325,086	1,313,755	894,857
	8 Cultural Preservation & Conservation	991,690	0	991,690	991,690	982,234	729,977
	9 Youth	809,264	0	809,264	809,264	799,175	743,572
	05A Sport	546,163	0	546,163	546,163	540,163	490,498
	05B Petroleum & Energy Management	108,146		108,146	107,763	94,160	
07	<b>Parliament Office</b>						
	1 National Assembly	1,612,771	0	1,612,771	1,612,771	1,451,559	1,460,949
08	<b>Audit Office of Guyana</b>						
	1 Audit Office of Guyana	854,614	0	854,614	854,614	854,614	766,357
09	<b>Public Police Service Commission</b>						
	1 Public Police Service Commission	134,717	0	134,717	134,717	130,497	92,012
	C/F	45,571,174	0	45,571,174	44,206,292	41,922,615	34,595,983

Agency №.	Description	Revised Allotment 2019	Outstanding Contingency Fund Advances 2019	Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	45,571,174	0	45,571,174	44,206,292	41,922,615	34,595,983
10	<b>Teaching Service Commission</b>						
	1 Teaching Service Commission	108,595	0	108,595	108,595	95,880	91,076
11	<b>Elections Commission</b>						
	1 Elections Commission	8,193,061	0	8,193,061	8,193,061	4,239,021	2,739,452
17	<b>Ministry of Indigenous Peoples' Affairs</b>						
	1 Policy Development and Administration	1,115,286	0	1,115,286	1,115,286	1,108,071	951,990
21	<b>Ministry of Agriculture</b>						
	1 Ministry Administration	868,060	0	868,060	867,914	866,414	17,149,108
	2 Agriculture Development & Support Services	8,085,978	179,370	8,265,348	8,265,348	8,263,848	
	3 Fisheries Division	182,192	0	182,192	182,192	173,533	154,864
	4 Hydrometeorological Services	566,151	0	566,151	566,151	555,037	498,689
25	<b>Ministry of Business</b>						
	1 Policy Development and Administration	282,685	0	282,685	282,685	271,768	258,947
	2 Business Development, Support & Promotion	736,837	0	736,837	736,837	714,320	576,340
	3 Consumer Protection	106,978	0	106,978	106,978	103,528	87,545
	4 Tourism Development & Promotion	395,136	0	395,136	395,136	376,754	362,217
26	<b>Ministry of Natural Resources</b>						
	1 Policy Development and Administration	347,851	0	347,851	346,851	330,989	294,498
	2 Natural Resource Management	525,420	0	525,420	525,395	504,785	318,342
	4 Petroleum Management	0	0	0	0	0	142,927
32	<b>Ministry of Public Infrastructure</b>						
	1 Policy Development and Administration	4,695,931	0	4,695,931	4,695,931	4,694,878	4,007,793
	2 Public Works	4,071,599	0	4,071,599	4,071,599	4,062,455	3,763,492
	3 Transport	89,758	0	89,758	89,758	81,821	86,292
33	<b>Ministry of Public Telecommunication</b>						
	1 Policy Development and Administration	255,557	0	255,557	255,556	253,799	210,714
	2 Public Telecommunications	1,847,610	0	1,847,610	1,847,610	1,847,610	1,837,568
	4 Industry Innovations	71,739	0	71,739	71,739	71,654	47,917
40	<b>Ministry of Education</b>						
	1 Policy Development and Administration	1,747,948	0	1,747,948	1,747,948	1,649,681	1,558,733
	2 Training and Development	2,009,541	0	2,009,541	2,009,541	1,920,679	1,833,197
	3 Nursery Education	2,196,947	0	2,196,947	2,196,947	2,126,821	1,871,300
	4 Primary Education	3,701,336	0	3,701,336	3,701,336	3,066,424	3,078,385
	5 Secondary Education	4,044,216	0	4,044,216	4,044,216	3,966,771	3,712,471
	6 Post Secondary/Tertiary Education	4,369,910	0	4,369,910	4,361,463	4,338,918	4,097,392
42	<b>Ministry of Communities</b>						
	1 Sustainable Communities Management	1,486,756	0	1,486,756	1,486,756	1,480,179	669,379
	2 Sustainable Communities Development	1,285,443	0	1,285,443	1,285,314	1,279,151	1,053,873
43	<b>Ministry of Public Health</b>						
	1 Policy Development and Administration	1,734,791	0	1,734,791	1,738,991	1,691,048	1,504,523
	2 Disease Control	1,967,123	0	1,967,123	1,966,623	1,944,341	1,818,522
	3 Family Health Care Services	1,241,965	13,875	1,255,840	1,254,840	1,244,798	1,064,717
	4 Regional & Clinical Services	15,088,252	0	15,088,252	15,088,159	15,062,954	14,705,577
	5 Health Science Education	659,461	0	659,461	655,911	632,565	575,355
	6 Standards and Technical Services	951,355	0	951,355	951,347	930,354	770,268
	7 Disability and Rehabilitation Services	408,532	0	408,532	408,532	403,758	340,104
49	<b>Ministry Of Social Protection</b>						
	1 Policy Development and Administration	352,983	0	352,983	335,233	332,442	295,151
	2 Social Services	16,177,886	0	16,177,886	16,177,886	16,002,824	14,367,399
	3 Labour Administration	643,629	0	643,629	643,629	639,334	556,263
	4 Child Care Protection	611,669	0	611,669	611,669	606,165	586,456
	C/F	138,797,341	193,245	138,990,586	137,597,255	129,857,987	122,634,819

Agency No.	Description	Revised Allotment 2019	Outstanding Contingency Fund Advances 2019	Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	138,797,341	193,245	138,990,586	137,597,255	129,857,987	122,634,819
52	<b>Ministry of Legal Affairs</b>						
	1 Main Office	322,329	0	322,329	322,329	322,123	289,730
	2 Ministry Administration	72,508	0	72,508	72,508	72,445	64,022
	3 Attorney General's Chambers	440,845	0	440,845	440,845	440,760	264,927
	4 State Solicitor	26,048	0	26,048	25,935	25,872	19,928
53	<b>Guyana Defense Force</b>						
	1 Defence and Security Support	12,977,028	0	12,977,028	12,977,028	12,861,619	11,504,101
54	<b>Ministry of Public Security</b>						
	1 Policy Development and Administration	806,990	0	806,990	806,990	794,700	701,517
	2 Police Force	13,026,270	0	13,026,270	12,853,172	12,519,388	11,132,611
	3 Prison Service	2,201,491	0	2,201,491	2,200,726	2,057,689	1,874,802
	4 Police Complaints Authority	21,096	0	21,096	21,082	19,875	20,264
	5 Fire Service	1,421,670	0	1,421,670	1,421,670	1,326,606	1,215,300
	6 Customs Anti Narcotics Unit	319,705	0	319,705	319,705	317,176	222,024
55	<b>Supreme Court of Judicature</b>						
	1 Supreme Courts of Judicature	1,850,404	0	1,850,404	1,850,404	1,850,404	1,729,954
56	<b>Public Prosecutions</b>						
	1 Public Prosecutions	216,398	0	216,398	216,398	180,894	160,244
57	<b>Office of the Ombudsman</b>						
	1 Ombudsman	73,181	0	73,181	73,181	71,982	56,121
58	<b>Public Service Appellate Tribunal</b>						
	1 Public Service Appellate Tribunal	62,828	0	62,828	62,828	62,828	46,884
59	<b>Ethnic Relations Commission</b>						
	1 Ethnic Relations Commission	200,195	0	200,195	200,195	200,169	115,785
60	<b>Judicial Service Commission</b>						
	1 Judicial Service Commission	10,020	0	10,020	10,020	10,020	9,981
61	<b>Rights Commission of Guyana</b>						
	1 Rights Commission of Guyana	145,137	0	145,137	145,137	137,395	131,411
62	<b>Public Procurement Commission</b>						
	1 Public Procurement Commission	209,533	0	209,533	209,533	209,533	169,781
71	<b>Region 1 - Barima/Waini</b>						
	1 Regional Administration & Finance	468,021	0	468,021	468,021	445,590	187,297
	2 Public Infrastructure	308,491	0	308,491	308,491	302,887	291,591
	3 Education Delivery	1,314,826	0	1,314,826	1,314,826	1,299,658	1,175,684
	4 Health Services	731,827	0	731,827	731,827	723,193	639,105
72	<b>Region 2 - Pomerook/Supenaam</b>						
	1 Regional Administration & Finance	221,497	0	221,497	221,497	220,229	204,173
	2 Agriculture	412,775	0	412,775	412,775	412,381	346,721
	3 Public Infrastructure	159,493	0	159,493	159,493	159,334	126,426
	4 Education Delivery	2,314,501	0	2,314,501	2,309,159	2,190,086	1,933,183
	5 Health Services	939,505	0	939,505	939,505	936,280	841,770
73	<b>Region 3 - Essequibo Islands/West Demerara</b>						
	1 Regional Administration & Finance	239,234	0	239,234	238,988	237,701	206,995
	2 Agriculture	398,266	0	398,266	398,266	396,548	360,971
	3 Public Infrastructure	168,117	0	168,117	168,015	166,838	127,791
	4 Education Delivery	3,444,509	0	3,444,509	3,444,460	3,443,776	2,969,859
	5 Health Services	1,495,902	0	1,495,902	1,495,902	1,494,194	1,269,448
74	<b>Region 4 - Demerara/Mahaica</b>						
	1 Regional Administration & Finance	228,213	0	228,213	228,213	228,168	216,553
	2 Agriculture	360,219	0	360,219	360,219	360,211	353,091
	3 Public Infrastructure	155,449	0	155,449	155,449	155,386	140,517
	4 Education Delivery	4,609,242	0	4,609,242	4,609,242	4,607,880	4,043,152
	5 Health Services	1,264,214	0	1,264,214	1,264,214	1,263,677	1,242,553
	C/F	192,435,318	193,245	192,628,563	191,055,503	182,383,482	169,041,086

Agency No.	Description	Revised Allotment 2019	Outstanding Contingency Fund Advances 2019	Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	192,435,318	193,245	192,628,563	191,055,503	182,383,482	169,041,086
75	<b>Region 5 - Mahaica/Berbice</b>						
	1 Regional Administration & Finance	201,151	0	201,151	200,662	200,342	168,329
	2 Agriculture	249,796	0	249,796	249,449	249,440	223,737
	3 Public Infrastructure	219,058	0	219,058	219,038	219,011	178,455
	4 Education Delivery	1,815,478	0	1,815,478	1,815,478	1,814,698	1,547,113
	5 Health Services	801,051	0	801,051	799,440	799,193	698,910
76	<b>Region 6 - East Berbice/Corentyne</b>						
	1 Regional Administration & Finance	162,583	0	162,583	162,583	162,283	151,458
	2 Agriculture	845,296	30,000	875,296	875,296	874,873	736,841
	3 Public Infrastructure	320,120	0	320,120	320,120	319,769	269,121
	4 Education Delivery	3,728,141	0	3,728,141	3,728,141	3,725,919	3,197,450
	5 Health Services	1,865,146	0	1,865,146	1,865,146	1,863,961	1,682,626
77	<b>Region 7 - Cuyuni/Mazaruni</b>						
	1 Regional Administration & Finance	312,499	0	312,499	312,499	312,487	274,790
	2 Public Infrastructure	184,190	0	184,190	183,595	183,567	163,127
	3 Education Delivery	1,420,917	0	1,420,917	1,420,917	1,420,334	1,266,658
	4 Health Services	667,608	0	667,608	667,602	666,587	557,345
78	<b>Region 8 - Potaro/Siparuni</b>						
	1 Regional Administration & Finance	152,313	0	152,313	151,978	150,699	126,793
	2 Public Infrastructure	204,062	0	204,062	202,246	191,221	140,744
	3 Education Delivery	995,278	0	995,278	995,256	984,697	778,995
	4 Health Services	331,098	0	331,098	331,098	317,654	261,054
	5 Agriculture	28,835	0	28,835	28,835	25,295	16,626
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>						
	1 Regional Administration & Finance	198,987	0	198,987	198,987	194,648	177,177
	2 Agriculture	62,018	0	62,018	62,018	61,813	39,514
	3 Public Infrastructure	201,582	0	201,582	201,582	198,876	194,523
	4 Education Delivery	1,233,400	0	1,233,400	1,233,400	1,231,296	1,053,638
	5 Health Services	545,463	0	545,463	545,463	544,663	458,995
80	<b>Region 10 - Upper Demerara/Berbice</b>						
	1 Regional Administration & Finance	229,622	0	229,622	229,622	228,042	211,192
	2 Public Infrastructure	235,464	0	235,464	234,869	233,671	218,114
	3 Education Delivery	2,225,065	0	2,225,065	2,224,448	2,220,179	2,011,399
	4 Health Services	626,402	0	626,402	626,402	623,151	571,034
	5 Agriculture	25,446	0	25,446	25,446	24,913	
	<b>SUB TOTAL</b>	<b>212,523,387</b>	<b>223,245</b>	<b>212,746,632</b>	<b>211,167,119</b>	<b>202,426,764</b>	<b>186,416,844</b>
	<b>STATUTORY</b>						
03	Ministry of Finance	5,195,100	0	5,195,100	5,195,100	5,195,043	4,657,986
05	Ministry of Presidency	24,063	0	24,063	23,650	23,650	23,650
54	Ministry of Public Security	37,679	0	37,679	37,679	37,679	3,048
90	Public Debt	18,338,702	0	18,338,702	18,338,702	17,647,894	17,729,929
	<b>SUB TOTAL</b>	<b>23,595,544</b>	<b>0</b>	<b>23,595,544</b>	<b>23,595,131</b>	<b>22,904,266</b>	<b>22,414,613</b>
	<b>OTHER EXPENDITURE</b>						
	Treasury Bills					78,703,726	88,353,458
	<b>TOTAL PAYMENTS</b>					<b>304,034,756</b>	<b>297,184,915</b>
	<b>SURPLUS (DEFICIT)</b>					<b>14,988,868</b>	<b>479,194</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF RECEIPTS AND PAYMENTS  
OF THE CONSOLIDATED FUND (CAPITAL) OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

**RECEIPTS**

Reporting Object Group	Description	Approved	Actual Receipts Paid into Consolidated	Variance	Actual Receipts Paid into Consolidated
		Estimates 2019	Fund 2019	2019	Fund 2018
		\$'000	\$'000	\$'000	\$'000
570	Miscellaneous Capital Revenue	988,316	9,553	(978,763)	2,230,757
575	External Grants	10,236,435	10,970,623	734,188	7,573,261
580	External Loans	20,492,879	22,606,583	2,113,704	17,258,028
<b>TOTAL RECEIPTS</b>		<b>31,717,630</b>	<b>33,586,759</b>	<b>1,869,129</b>	<b>27,062,046</b>

**PAYMENTS**

Agency No.	Description	Revised	Outstanding Contingency Fund Advances	Total Funds	Drawing Rights	Actual	Actual
		Allotment 2019	2019	Available 2019	(Allotment 2) 2019	Expenditure 2019	Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
02	<b>Office of the Prime Minister</b>						
1	Prime Minister's Secretariat	149,125	0	149,125	149,125	145,556	144,727
03	<b>Ministry of Finance</b>						
1	Policy and Administration	4,759,652	0	4,759,652	3,950,484	3,949,995	4,271,157
2	Public Financial Management	216,949	0	216,949	175,366	174,455	130,065
04	<b>Ministry of Foreign Affairs</b>						
1	Development of Foreign Policy	52,912	0	52,912	39,428	39,224	162,011
2	Foreign Policy Promotions	482,715	0	482,715	482,400	482,400	266,978
05	<b>Ministry of Presidency</b>						
1	Policy Development and Administration	451,251	0	451,251	438,767	435,234	412,989
2	Defence and National Security	23,000	0	23,000	23,000	22,080	40,399
3	Public Service Management	18,943	0	18,943	18,943	18,576	131,696
5	Citizenship and Immigration Services	802,093	0	802,093	748,683	745,406	66,857
6	Social Cohesion	448,901	0	448,901	407,337	404,752	3,432
7	Enviro Management & Compliance	263,009	0	263,009	105,179	105,178	108,030
8	Cultural Preservation & Conservation	133,672	0	133,672	84,499	73,755	134,810
9	Youth	236,997	0	236,997	235,300	202,524	294,926
05A	Sport	659,400	0	659,400	659,400	654,584	226,043
05B	Petroleum and Energy Management	333,273		333,273	308,656	307,357	0
07	<b>Parliament Office</b>						
1	National Assembly	87,500	0	87,500	83,000	76,904	55,460
08	<b>Audit office of Guyana</b>						
1	Audit Office of Guyana	17,395	0	17,395	17,395	17,395	17,519
09	<b>Public and Police Service Commission</b>						
1	Public and Police Service Commission	11,600	0	11,600	11,600	11,600	2,995
10	<b>Teaching Service Commission</b>						
1	Teaching Service Commission	500	0	500	500	495	9,469
11	<b>Elections Commission</b>						
1	Elections Commission	660,344	0	660,344	660,344	586,543	148,060
17	<b>Ministry of Indigenous People's Affairs</b>						
1	Policy Development and Administration	815,348	0	815,348	815,346	801,694	1,161,091
C/F		10,624,579	0	10,624,579	9,414,752	9,255,707	7,788,714

Agency №.	Description	Outstanding Contingency		Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		Revised Allotment 2019	Fund Advances 2019				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	10,624,579	0	10,624,579	9,414,752	9,255,707	7,788,714
21	<b>Ministry of Agriculture</b>						
	1 Ministry Administration	1,077,653	0	1,077,653	338,938	338,937	2,173,231
	2 Crops and Livestock Support Services	3,423,146	0	3,423,146	2,851,396	2,851,395	1,398,068
	3 Fisheries	63,160	0	63,160	8,317	8,317	55,448
	4 Hydrometeorological Services	50,890	0	50,890	49,946	45,634	20,722
25	<b>Ministry of Business</b>						
	1 Policy Development and Administration	112,500	0	112,500	69,377	69,341	38,635
	2 Business Development, Support and Promotion	1,014,475	0	1,014,475	632,926	632,926	749,607
	3 Consumer Protection	5,500	0	5,500	5,495	5,495	0
	4 Tourism Development & Promotion	3,550	0	3,550	3,536	3,536	500
26	<b>Ministry of Natural Resources</b>						
	1 Policy Development & Administration	437,000	0	437,000	437,000	437,000	371,901
	2 Natural Resource Management	135,972	0	135,972	135,972	105,614	0
32	<b>Ministry of Public Infrastructure</b>						
	1 Policy Development and Administration	5,619,800	40,000	5,659,800	4,520,335	4,520,335	2,558,464
	2 Public Works	19,705,482	1,710,000	21,415,482	18,621,115	18,601,208	15,235,417
	3 Transport	2,768,343	0	2,768,343	2,158,382	2,101,569	5,869,009
33	<b>Ministry of Public Telecommunication</b>						
	1 Policy Development & Administration	68,500	0	68,500	68,500	68,498	5,603
	2 Public Telecommunication	2,184,895	0	2,184,895	2,184,895	2,183,755	2,447,443
	4 Industry Innovations	9,500	0	9,500	9,499	9,257	1,437
40	<b>Ministry of Education</b>						
	1 Policy Development and Administration	390,400	0	390,400	357,998	354,251	155,717
	2 Training and Development	153,334	0	153,334	138,126	129,741	118,626
	3 Nursery Education	70,500	0	70,500	70,481	68,216	108,609
	4 Primary Education	138,375	0	138,375	123,621	123,576	66,113
	5 Secondary Education	1,400,335	0	1,400,335	1,249,342	1,211,514	871,939
	6 Post-Secondary/Tertiary Education	1,641,900	0	1,641,900	886,800	807,562	326,738
42	<b>Ministry of Communities</b>						
	1 Sustainable Communities Management	622,000	0	622,000	622,000	621,704	1,030,052
	2 Sustainable Communities Development	6,421,500	2,176,998	8,598,498	8,167,616	8,160,967	3,238,771
43	<b>Ministry of Public Health</b>						
	1 Policy Development and Administration	495,302	0	495,302	486,678	461,425	193,640
	2 Disease Control	295,910	0	295,910	289,610	258,226	333,780
	3 Family Health Care Services	420,660	0	420,660	409,789	408,682	177,176
	4 Regional & Clinical Services	1,794,934	0	1,794,934	1,101,647	1,097,794	1,003,904
	5 Health Sciences Education	67,000	0	67,000	67,000	58,424	33,443
	6 Standards and Technical Services	64,875	0	64,875	61,858	61,708	60,408
	7 Disability and Rehabilitation Services	33,000	0	33,000	28,223	24,992	27,847
49	<b>Ministry of Social Protection</b>						
	1 Policy Development and Administration	296,525	0	296,525	286,525	286,387	127,111
	2 Social Services	75,083	0	75,083	59,999	57,115	132,701
	3 Labour Administration	23,302	0	23,302	23,302	22,186	3,636
	4 Child Care and Protection	110,099	0	110,099	110,099	108,249	159,334
52	<b>Ministry of Legal Affairs</b>						
	1 Main Office	206,810	0	206,810	99,147	99,147	143,570
	2 Ministry Administration	900	0	900	900	899	718
	3 Attorney General's Chambers	9,100	0	9,100	8,814	8,100	3,997
	4 State Solicitor	700	0	700	700	700	494
53	<b>Guyana Defense Force</b>						
	1 Defence and Security Support	1,042,500	0	1,042,500	1,042,500	1,034,171	1,023,863
	C/F	63,079,989	3,926,998	67,006,987	57,203,156	56,704,260	48,056,386



Agency №.	Description	Outstanding Contingency		Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		Revised Allotment 2019	Fund Advances 2019				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	63,079,989	3,926,998	67,006,987	57,203,156	56,704,260	48,056,386
54	<b>Ministry of Public security</b>						
	1 Policy Development and Administration	633,493	0	633,493	615,557	615,474	545,641
	2 Police Force	855,000	0	855,000	854,999	798,491	593,693
	3 Prison Service	1,769,208	0	1,769,208	1,769,208	1,766,630	1,209,796
	4 Police Complaints Authority	2,500	0	2,500	2,495	2,495	683
	5 Fire Service	578,130	0	578,130	578,089	578,014	346,922
	6 Custom Anti Narcotics Unit	30,000	0	30,000	30,000	29,912	9,997
55	<b>Supreme Court</b>						
	1 Supreme Court of Judicature	458,478	0	458,478	458,478	458,478	310,376
56	<b>Public Prosecutions</b>						
	1 Public Prosecutions	3,426	0	3,426	3,426	3,424	11,811
57	<b>Office of the Ombudsman</b>						
	1	1,042	0	1,042	1,042	1,042	1,669
58	<b>Public Service Appellate Tribunal</b>						
	1 Public Service Appellate Tribunal	0	0	0	0	0	2,915
59	<b>Ethnic Relations Commission</b>						
	1 Ethnic Relations Commission	19,613	0	19,613	19,613	18,625	0
61	<b>Rights Commission of Guyana</b>						
	1 Rights Commission of Guyana	12,755	0	12,755	12,223	12,193	1,012
62	<b>Public Procurement Commission</b>						
	1 Public Procurement Commission	9,400	0	9,400	9,400	9,400	7,880
71	<b>Region 1 Barima/Waini</b>						
	1 Regional Administration and Finance	56,280	0	56,280	56,263	54,123	12,177
	2 Public Infrastructure	162,700	0	162,700	145,564	140,060	94,088
	3 Education Delivery	193,270	0	193,270	193,203	193,181	103,814
	4 Health Services	168,550	0	168,550	153,557	146,719	98,947
	5 Agriculture	20,000	0	20,000	20,000	20,000	0
72	<b>Region 2 - Pomeroon/Supenaam</b>						
	1 Regional Administration & Finance	16,300	0	16,300	16,282	16,278	45,968
	2 Agriculture	40,980	0	40,980	40,980	40,980	39,649
	3 Public Infrastructure	113,120	0	113,120	113,119	113,116	68,214
	4 Education Delivery	211,400	0	211,400	211,400	211,351	116,219
	5 Health Services	150,355	0	150,355	150,355	150,280	112,619
73	<b>Region 3 - Essequibo Islands/West Demerara</b>						
	1 Regional Administration & Finance	18,000	0	18,000	17,964	17,962	11,496
	2 Agriculture	88,000	0	88,000	88,000	87,811	108,958
	3 Public Infrastructure	156,000	0	156,000	150,542	149,434	118,929
	4 Education Delivery	177,710	0	177,710	177,659	176,822	149,870
	5 Health Services	117,260	0	117,260	117,250	117,067	74,471
74	<b>Region 4 - Demerara/Mahaica</b>						
	1 Regional Administration & Finance	7,925	0	7,925	7,925	7,922	17,634
	2 Agriculture	48,340	0	48,340	48,340	48,340	45,800
	3 Public Infrastructure	103,128	0	103,128	103,127	103,127	90,000
	4 Education Delivery	287,045	0	287,045	287,045	286,578	259,407
	5 Health Services	155,140	0	155,140	155,140	155,140	99,056
75	<b>Region 5 - Mahaica/Berbice</b>						
	1 Regional Administration & Finance	15,378	0	15,378	15,375	15,375	2,197
	2 Agriculture	59,000	0	59,000	58,999	58,967	59,570
	3 Public Infrastructure	168,782	0	168,782	168,692	168,559	155,172
	4 Education Delivery	145,200	0	145,200	145,186	145,164	144,941
	5 Health Services	47,800	0	47,800	47,760	47,640	52,424
	C/F	70,180,697	3,926,998	74,107,695	64,247,413	63,670,434	53,180,401

Agency №.	Description	Outstanding Contingency		Total Funds Available 2019	Drawing Rights (Allotment 2) 2019	Actual Expenditure 2019	Actual Expenditure 2018
		Revised Allotment 2019	Fund Advances 2019				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	70,180,697	3,926,998	74,107,695	64,247,413	63,670,434	53,180,401
76	<b>Region 6 - East Berbice/Corentyne</b>						
	1 Regional Administration & Finance	15,940	0	15,940	15,940	15,940	13,560
	2 Agriculture	221,288	0	221,288	221,288	221,288	117,149
	3 Public Infrastructure	226,212	0	226,212	226,212	226,212	141,400
	4 Education Delivery	116,600	0	116,600	116,600	116,599	109,509
	5 Health Services	164,951	0	164,951	164,951	164,951	162,500
77	<b>Region 7 - Cuyuni/Mazaruni</b>						
	1 Regional Administration & Finance	38,778	0	38,778	38,722	38,715	14,474
	2 Public Infrastructure	92,100	0	92,100	91,966	91,964	52,516
	3 Education Delivery	207,700	0	207,700	207,679	207,015	114,266
	4 Health Services	108,830	0	108,830	108,654	108,461	57,736
	5 Agriculture	1,200	0	1,200	1,200	1,200	0
78	<b>Region 8 - Potaro/Siparuni</b>						
	1 Regional Administration & Finance	7,950	0	7,950	7,938	7,721	1,584
	2 Public Infrastructure	147,520	0	147,520	146,755	146,576	99,311
	3 Education Delivery	130,765	0	130,765	130,238	129,894	67,318
	4 Health Services	90,500	0	90,500	90,207	89,227	46,034
	5 Agriculture	17,510	0	17,510	17,476	15,101	0
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>						
	1 Regional Administration & Finance	58,200	0	58,200	58,200	57,420	48,012
	2 Agriculture	26,400	0	26,400	26,400	26,345	43,039
	3 Public Infrastructure	189,400	0	189,400	189,382	188,977	139,437
	4 Education Delivery	151,400	0	151,400	151,400	150,740	109,436
	5 Health Services	109,400	0	109,400	109,400	107,469	104,625
80	<b>Region 10 - Upper Demerara/Berbice</b>						
	1 Regional Administration & Finance	112,000	0	112,000	93,069	82,134	67,360
	2 Public Infrastructure	116,200	0	116,200	114,828	114,805	99,441
	3 Education Delivery	215,330	0	215,330	173,277	168,597	153,790
	4 Health Services	101,150	0	101,150	99,197	91,941	76,512
	5 Agriculture	22,770	0	22,770	22,770	22,716	0
	<b>SUB TOTAL</b>	<b>72,870,791</b>	<b>3,926,998</b>	<b>76,797,789</b>	<b>66,871,162</b>	<b>66,262,442</b>	<b>55,019,410</b>
	<b>SURPLUS (DEFICIT)</b>					<b>(32,675,683)</b>	<b>(27,957,364)</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURES FROM THE CONSOLIDATED FUND  
AS COMPARED WITH THE TOTAL FUNDS AVAILABLE FOR EXPENDITURE (CURRENT) OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Agency No.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
02	<b>Office of the Prime Minister</b>						
1	Prime Minister's Secretariat	759,675	759,675	759,675	747,676	(11,999)	<b>612,104</b>
03	<b>Ministry of Finance</b>						
1	Policy and Administration	20,344,381	21,144,671	21,144,671	18,726,886	(2,417,785)	<b>14,251,418</b>
2	Public Financial Management	5,725,297	5,725,007	5,725,007	5,597,679	(127,328)	<b>4,718,710</b>
04	<b>Ministry of Foreign Affairs</b>						
1	Development of Foreign Policy	2,451,629	2,473,073	2,473,073	1,766,305	(706,768)	<b>1,850,984</b>
2	Foreign Policy Promotions	3,771,088	3,764,298	3,764,298	3,722,142	(42,156)	<b>3,379,206</b>
3	Development of Foreign Trade Policy	79,937	65,284	65,284	59,349	(5,935)	<b>37,388</b>
05	<b>Ministry of Presidency</b>						
1	Policy Development and Administration	2,088,288	2,062,844	2,062,844	2,051,674	(11,170)	<b>2,028,738</b>
2	Defence and National Security	108,426	108,426	108,426	101,403	(7,023)	<b>268,456</b>
3	Public Service Management	1,957,558	1,957,558	1,957,558	1,946,577	(10,981)	<b>1,516,958</b>
5	Citizenship & Immigration Service	748,329	748,329	748,329	662,354	(85,975)	<b>380,824</b>
6	Social Cohesion	391,524	379,558	379,558	374,413	(5,145)	<b>372,975</b>
7	Environmental Management & Compliance	1,316,886	1,325,086	1,325,086	1,313,755	(11,331)	<b>894,857</b>
8	Cultural Preservation & Conservation	955,566	991,690	991,690	982,234	(9,456)	<b>729,977</b>
9	Youth	809,192	809,264	809,264	799,175	(10,089)	<b>743,572</b>
05A	Sport	570,393	546,163	546,163	540,163	(6,000)	<b>490,498</b>
05B	Petroleum and Energy Management	90,902	108,146	108,146	94,160	(13,986)	<b>0</b>
07	<b>Parliament Office</b>						
1	National Assembly	1,612,771	1,612,771	1,612,771	1,451,559	(161,212)	<b>1,460,949</b>
08	<b>Audit Office of Guyana</b>						
1	Audit office of Guyana	854,614	854,614	854,614	854,614	0	<b>766,357</b>
09	<b>Public and Police Service Commission</b>						
1	Public and Police Service Commission	134,717	134,717	134,717	130,497	(4,220)	<b>92,012</b>
10	<b>Teaching Service Commission</b>						
1	Teaching Service Commission	108,595	108,595	108,595	95,880	(12,715)	<b>91,076</b>
11	<b>Elections Commission</b>						
1	Elections Commission	4,893,061	8,193,061	8,193,061	4,239,021	(3,954,040)	<b>2,739,452</b>
17	<b>Ministry of Indigenous People's Affairs</b>						
1	Policy Development and Administration	1,115,286	1,115,286	1,115,286	1,108,071	(7,215)	<b>951,990</b>
21	<b>Ministry of Agriculture</b>						
1	Ministry Administration	868,060	868,060	868,060	866,414	(1,646)	<b>17,149,108</b>
2	Business Develop., Support and Promotion	8,085,978	8,085,978	8,265,348	8,263,848	(1,500)	<b>0</b>
3	Fisheries	182,192	182,192	182,192	173,533	(8,659)	<b>154,864</b>
4	Hydrometeorological Services	566,151	566,151	566,151	555,037	(11,114)	<b>498,689</b>
25	<b>Ministry of Business</b>						
1	Policy Development and Administration	284,729	282,685	282,685	271,768	(10,917)	<b>258,947</b>
2	Business Develop., Support and Promotion	741,113	736,837	736,837	714,320	(22,517)	<b>576,340</b>
3	Consumer Protection	100,657	106,978	106,978	103,528	(3,450)	<b>87,545</b>
4	Tourism Development & Promotion	395,136	395,136	395,136	376,754	(18,382)	<b>362,217</b>
26	<b>Ministry of Natural Resources</b>						
1	Policy Development and Administration	346,751	347,851	347,851	330,989	(16,862)	<b>294,498</b>
2	Natural Resource Management	526,520	525,420	525,420	504,785	(20,635)	<b>318,342</b>
4	Petroleum Management	0	0	0	0	0	<b>142,927</b>
C/F		62,985,402	67,085,404	67,264,774	59,526,563	(7,738,211)	<b>58,221,978</b>

Agency No.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	62,985,402	67,085,404	67,264,774	59,526,563	(7,738,211)	58,221,978
<b>32</b>	<b>Ministry of Public Infrastructure</b>						
1	Policy Development and Administration	4,534,559	4,695,931	4,695,931	4,694,878	(1,053)	4,007,793
2	Public Works	4,082,471	4,071,599	4,071,599	4,062,455	(9,144)	3,763,492
3	Transport	93,258	89,758	89,758	81,821	(7,937)	86,292
<b>33</b>	<b>Ministry of Public Telecommunications</b>						
1	Policy Development and Administration	260,158	255,557	255,557	253,799	(1,758)	210,714
2	Public Telecommunications	1,847,610	1,847,610	1,847,610	1,847,610	0	1,837,568
4	Industry Innovations	67,138	71,739	71,739	71,654	(85)	47,917
<b>40</b>	<b>Ministry of Education</b>						
1	Policy Development and Administration	1,773,933	1,747,948	1,747,948	1,649,681	(98,267)	1,558,733
2	Training and Development	2,020,422	2,009,541	2,009,541	1,920,679	(88,862)	1,833,197
3	Nursery Education	2,196,947	2,196,947	2,196,947	2,126,821	(70,126)	1,871,300
4	Primary Education	3,690,455	3,701,336	3,701,336	3,066,424	(634,912)	3,078,385
5	Secondary Education	4,018,231	4,044,216	4,044,216	3,966,771	(77,445)	3,712,471
6	Post- Secondary/ Tertiary Education	4,369,910	4,369,910	4,369,910	4,338,918	(30,992)	4,097,392
<b>42</b>	<b>Ministry of Communities</b>						
1	Sustainable Communities Management	1,486,756	1,486,756	1,486,756	1,480,179	(6,577)	669,379
2	Sustainable Communities Development	1,285,443	1,285,443	1,285,443	1,279,151	(6,292)	1,053,873
<b>43</b>	<b>Ministry of Public Health</b>						
1	Policy Development and Administration	1,734,791	1,734,791	1,734,791	1,691,048	(43,743)	1,504,523
2	Disease Control	1,967,123	1,967,123	1,967,123	1,944,341	(22,782)	1,818,522
3	Family Health Care Services	1,247,965	1,241,965	1,255,840	1,244,798	(11,042)	1,064,717
4	Regional & Clinical Services	15,088,252	15,088,252	15,088,252	15,062,954	(25,298)	14,705,577
5	Health Sciences Education	653,461	659,461	659,461	632,565	(26,896)	575,355
6	Standards and Technical Services	951,355	951,355	951,355	930,354	(21,001)	770,268
7	Disability & Rehabilitation Services	408,532	408,532	408,532	403,758	(4,774)	340,104
<b>49</b>	<b>Ministry of Social Protection</b>						
1	Policy Development and Administration	352,158	352,983	352,983	332,442	(20,541)	295,151
2	Social Services	16,143,565	16,177,886	16,177,886	16,002,824	(175,062)	14,367,399
3	Labour Administration	635,936	643,629	643,629	639,334	(4,295)	556,263
4	Child Care and Protection	604,934	611,669	611,669	606,165	(5,504)	586,456
<b>52</b>	<b>Ministry of Legal Affairs</b>						
1	Main Office	315,189	322,329	322,329	322,123	(206)	289,730
2	Ministry Administration	70,225	72,508	72,508	72,445	(63)	64,022
3	Attorney General's Chambers	447,732	440,845	440,845	440,760	(85)	264,927
4	State Solicitor	28,584	26,048	26,048	25,872	(176)	19,928
<b>53</b>	<b>Guyana Defense Force</b>						
1	Defence and Security Support	12,977,028	12,977,028	12,977,028	12,861,619	(115,409)	11,504,101
<b>54</b>	<b>Ministry of Public Security</b>						
1	Policy Development and Administration	806,990	806,990	806,990	794,700	(12,290)	701,517
2	Police Force	13,014,872	13,026,270	13,026,270	12,519,388	(506,882)	11,132,611
3	Prison Service	2,164,491	2,201,491	2,201,491	2,057,689	(143,802)	1,874,802
4	Police Complaint Authority	21,096	21,096	21,096	19,875	(1,221)	20,264
5	Fire Service	1,421,670	1,421,670	1,421,670	1,326,606	(95,064)	1,215,300
6	Customs Anti Narcotics Unit	319,705	319,705	319,705	317,176	(2,529)	222,024
<b>55</b>	<b>Supreme Court of Judicature</b>						
1	Supreme Courts of Judicature	1,850,404	1,850,404	1,850,404	1,850,404	0	1,729,954
<b>56</b>	<b>Public Prosecutions</b>						
1	Public Prosecutions	216,398	216,398	216,398	180,894	(35,504)	160,244
<b>57</b>	<b>Office of the Ombudsman</b>						
1	Ombudsman	73,181	73,181	73,181	71,982	(1,199)	56,121
C/F		168,228,330	172,573,304	172,766,549	162,719,520	(10,047,029)	151,890,364

Agency No.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	168,228,330	172,573,304	172,766,549	162,719,520	(10,047,029)	151,890,364
58	<b>Public Service Appellate Tribunal</b>						
	1 Public Service Appellate Tribunal	62,828	62,828	62,828	62,828	0	46,884
59	<b>Ethnic Relations Commission</b>						
	1 Ethnic Relations Commission	175,195	200,195	200,195	200,169	(26)	115,785
60	<b>Judicial Service Commission</b>						
	1 Judicial Service Commission	10,020	10,020	10,020	10,020	0	9,981
61	<b>Rights Commission of Guyana</b>						
	1 Rights Commission of Guyana	145,137	145,137	145,137	137,395	(7,742)	131,411
62	<b>Public Procurement Commission</b>						
	1 Public Procurement Commission	209,533	209,533	209,533	209,533	0	169,781
71	<b>Region 1 - Barima/Waini</b>						
	1 Regional Administration & Finance	468,021	468,021	468,021	445,590	(22,431)	187,297
	2 Public Infrastructure	308,491	308,491	308,491	302,887	(5,604)	291,591
	3 Education Delivery	1,314,826	1,314,826	1,314,826	1,299,658	(15,168)	1,175,684
	4 Health Services	731,827	731,827	731,827	723,193	(8,634)	639,105
72	<b>Region 2 - Pomeroon/Supenaam</b>						
	1 Regional Administration & Finance	221,497	221,497	221,497	220,229	(1,268)	204,173
	2 Agriculture	414,606	412,775	412,775	412,381	(394)	346,721
	3 Public Infrastructure	157,662	159,493	159,493	159,334	(159)	126,426
	4 Education Delivery	2,314,501	2,314,501	2,314,501	2,190,086	(124,415)	1,933,183
	5 Health Services	939,505	939,505	939,505	936,280	(3,225)	841,770
73	<b>Region 3 - Essequibo Islands/West Demerara</b>						
	1 Regional Administration & Finance	236,834	239,234	239,234	237,701	(1,533)	206,995
	2 Agriculture	398,227	398,266	398,266	396,548	(1,718)	360,971
	3 Public Infrastructure	168,756	168,117	168,117	166,838	(1,279)	127,791
	4 Education Delivery	3,446,309	3,444,509	3,444,509	3,443,776	(733)	2,969,859
	5 Health Services	1,495,902	1,495,902	1,495,902	1,494,194	(1,708)	1,269,448
74	<b>Region 4 - Demerara/Mahaica</b>						
	1 Regional Administration & Finance	227,612	228,213	228,213	228,168	(45)	216,553
	2 Agriculture	366,632	360,219	360,219	360,211	(8)	353,091
	3 Public Infrastructure	155,536	155,449	155,449	155,386	(63)	140,517
	4 Education Delivery	4,563,343	4,609,242	4,609,242	4,607,880	(1,362)	4,043,152
	5 Health Services	1,304,214	1,264,214	1,264,214	1,263,677	(537)	1,242,553
75	<b>Region 5 - Mahaica/Berbice</b>						
	1 Regional Administration & Finance	193,889	201,151	201,151	200,342	(809)	168,329
	2 Agriculture	241,449	249,796	249,796	249,440	(356)	223,737
	3 Public Infrastructure	213,649	219,058	219,058	219,011	(47)	178,455
	4 Education Delivery	1,840,746	1,815,478	1,815,478	1,814,698	(780)	1,547,113
	5 Health Services	796,801	801,051	801,051	799,193	(1,858)	698,910
76	<b>Region 6 - East Berbice/Corentyne</b>						
	1 Regional Administration & Finance	162,583	162,583	162,583	162,283	(300)	151,458
	2 Agriculture	750,296	845,296	875,296	874,873	(423)	736,841
	3 Public Infrastructure	320,120	320,120	320,120	319,769	(351)	269,121
	4 Education Delivery	3,738,141	3,728,141	3,728,141	3,725,919	(2,222)	3,197,450
	5 Health Services	1,950,146	1,865,146	1,865,146	1,863,961	(1,185)	1,682,626
77	<b>Region 7 - Cuyuni/Mazaruni</b>						
	1 Regional Administration & Finance	312,499	312,499	312,499	312,487	(12)	274,790
	2 Public Infrastructure	184,190	184,190	184,190	183,567	(623)	163,127
	3 Education Delivery	1,433,917	1,420,917	1,420,917	1,420,334	(583)	1,266,658
	4 Health Services	654,608	667,608	667,608	666,587	(1,021)	557,345
	C/F	200,858,378	205,228,352	205,451,597	195,195,946	(10,255,651)	180,157,046

Agency No.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	200,858,378	205,228,352	205,451,597	195,195,946	(10,255,651)	<b>180,157,046</b>
78	<b>Region 8 - Potaro/Siparuni</b>						
	1 Regional Administration & Finance	152,313	152,313	152,313	150,699	(1,614)	<b>126,793</b>
	2 Public Infrastructure	204,062	204,062	204,062	191,221	(12,841)	<b>140,744</b>
	3 Education Delivery	995,278	995,278	995,278	984,697	(10,581)	<b>778,995</b>
	4 Health Services	331,098	331,098	331,098	317,654	(13,444)	<b>261,054</b>
	5 Agriculture	28,835	28,835	28,835	25,295	(3,540)	<b>16,626</b>
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>						
	1 Regional Administration & Finance	198,359	198,987	198,987	194,648	(4,339)	<b>177,177</b>
	2 Agriculture	62,018	62,018	62,018	61,813	(205)	<b>39,514</b>
	3 Public Infrastructure	204,047	201,582	201,582	198,876	(2,706)	<b>194,523</b>
	4 Education Delivery	1,231,400	1,233,400	1,233,400	1,231,296	(2,104)	<b>1,053,638</b>
	5 Health Services	545,625	545,463	545,463	544,663	(800)	<b>458,995</b>
80	<b>Region 10 - Upper Demerara/Berbice</b>						
	1 Regional Administration & Finance	229,622	229,622	229,622	228,042	(1,580)	<b>211,192</b>
	2 Public Infrastructure	231,917	235,464	235,464	233,671	(1,793)	<b>218,114</b>
	3 Education Delivery	2,222,065	2,225,065	2,225,065	2,220,179	(4,886)	<b>2,011,399</b>
	4 Health Services	629,402	626,402	626,402	623,151	(3,251)	<b>571,034</b>
	5 Agriculture	28,992	25,446	25,446	24,913	(533)	<b>0</b>
	<b>SUB TOTAL</b>	<b>208,153,411</b>	<b>212,523,387</b>	<b>212,746,632</b>	<b>202,426,764</b>	<b>(10,319,868)</b>	<b>186,416,844</b>
<b>STATUTORY</b>							
03	Ministry of Finance	4,895,100	5,195,100	5,195,100	5,195,043	(57)	<b>4,657,986</b>
05	Ministry of Presidency	24,063	24,063	24,063	23,650	(413)	<b>23,650</b>
54	Ministry of Public Security	29,178	37,679	37,679	37,679	0	<b>3,048</b>
90	Public Debt	18,338,702	18,338,702	18,338,702	17,647,894	(690,808)	<b>17,729,929</b>
	<b>SUB TOTAL</b>	<b>23,287,043</b>	<b>23,595,544</b>	<b>23,595,544</b>	<b>22,904,266</b>	<b>(691,278)</b>	<b>22,414,613</b>
	<b>TOTAL PAYMENTS</b>	<b>231,440,454</b>	<b>236,118,931</b>	<b>236,342,176</b>	<b>225,331,030</b>	<b>(11,011,146)</b>	<b>208,831,457</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURES FROM THE CONSOLIDATED FUND  
AS COMPARED WITH THE TOTAL FUNDS AVAILABLE FOR EXPENDITURE (CAPITAL) OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Agency No.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
02	<b>Office of the Prime Minister</b>						
1	Prime Minister's Secretariat	149,125	149,125	149,125	145,556	(3,569)	<b>144,727</b>
03	<b>Ministry of Finance</b>						
1	Policy and Administration	4,759,652	4,759,652	4,759,652	3,949,995	(809,657)	<b>4,271,157</b>
2	Public Financial Management	216,949	216,949	216,949	174,455	(42,494)	<b>130,065</b>
04	<b>Ministry of Foreign Affairs</b>						
1	Development of Foreign Policy	52,912	52,912	52,912	39,224	(13,688)	<b>162,011</b>
2	Foreign Policy Promotions	482,715	482,715	482,715	482,400	(315)	<b>266,978</b>
05	<b>Ministry of Presidency</b>						
1	Policy Development and Administration	451,251	451,251	451,251	435,234	(16,017)	<b>412,989</b>
2	Defence and National Security	23,000	23,000	23,000	22,080	(920)	<b>40,399</b>
3	Public Service Management	18,943	18,943	18,943	18,576	(367)	<b>131,696</b>
5	Citizenship & Immigration Service	802,093	802,093	802,093	745,406	(56,687)	<b>66,857</b>
6	Social Cohesion	444,601	448,901	448,901	404,752	(44,149)	<b>3,432</b>
7	Enviro Management & Compliance	263,009	263,009	263,009	105,178	(157,831)	<b>108,030</b>
8	Cultural Preservation & Conservation	133,672	133,672	133,672	73,755	(59,917)	<b>134,810</b>
9	Youth	236,997	236,997	236,997	202,524	(34,473)	<b>294,926</b>
05A	Sport	659,400	659,400	659,400	654,584	(4,816)	<b>226,043</b>
05B	Petroleum and Energy Management	333,273	333,273	333,273	307,357	(25,916)	
07	<b>Parliament Office</b>						
1	National Assembly	87,500	87,500	87,500	76,904	(10,596)	<b>55,460</b>
08	<b>Audit Office of Guyana</b>						
1	Audit office of Guyana	17,395	17,395	17,395	17,395	0	<b>17,519</b>
09	<b>Public and Police Service Commission</b>						
1	Public and Police Service Commission	11,600	11,600	11,600	11,600	0	<b>2,995</b>
10	<b>Teaching Service Commission</b>						
1	Teaching Service Commission	500	500	500	495	(5)	<b>9,469</b>
11	<b>Elections Commission</b>						
1	Elections Commission	478,000	660,344	660,344	586,543	(73,801)	<b>148,060</b>
17	<b>Ministry of Indigenous Peoples' Affairs</b>						
1	Policy Development and Administration	815,348	815,348	815,348	801,694	(13,654)	<b>1,161,091</b>
21	<b>Ministry of Agriculture</b>						
1	Ministry Administration	1,077,653	1,077,653	1,077,653	338,937	(738,716)	<b>2,173,231</b>
2	Agriculture Development and Support Service	3,423,146	3,423,146	3,423,146	2,851,395	(571,751)	<b>1,398,068</b>
3	Fisheries	63,160	63,160	63,160	8,317	(54,843)	<b>55,448</b>
4	Hydrometeorological Services	50,890	50,890	50,890	45,634	(5,256)	<b>20,722</b>
25	<b>Ministry of Business</b>						
1	Policy Development and Administration	112,500	112,500	112,500	69,341	(43,159)	<b>38,635</b>
2	Business Development, Support and Promotion	1,014,475	1,014,475	1,014,475	632,926	(381,549)	<b>749,607</b>
3	Consumer Protection	5,500	5,500	5,500	5,495	(5)	<b>0</b>
4	Tourism Development & Promotion	3,550	3,550	3,550	3,536	(14)	<b>500</b>
26	<b>Ministry of Natural Resources</b>						
1	Policy Development & Administration	437,000	437,000	437,000	437,000	0	<b>371,901</b>
2	Natural Resource Management	135,972	135,972	135,972	105,614	(30,358)	
C/F		<b>16,761,781</b>	<b>16,948,425</b>	<b>16,948,425</b>	<b>13,753,902</b>	<b>(3,194,523)</b>	<b>12,596,826</b>

Agency №.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	16,761,781	16,948,425	16,948,425	13,753,902	(3,194,523)	12,596,826
<b>32</b>	<b>Ministry of Public Infrastructure</b>						
	1 Policy Development and Administration	5,619,800	5,619,800	5,659,800	4,520,335	(1,139,465)	2,558,464
	2 Public Works	17,823,889	19,705,482	21,415,482	18,601,208	(2,814,274)	15,235,417
	3 Transport	2,768,343	2,768,343	2,768,343	2,101,569	(666,774)	5,869,009
<b>33</b>	<b>Ministry of Public Telecommunication</b>						
	1 Policy Development and Administration	68,500	68,500	68,500	68,498	(2)	5,603
	2 Public Telecommunication	2,184,895	2,184,895	2,184,895	2,183,755	(1,140)	2,447,443
	4 Industry Innovations	9,500	9,500	9,500	9,257	(243)	1,437
<b>40</b>	<b>Ministry of Education</b>						
	1 Policy Development and Administration	390,400	390,400	390,400	354,251	(36,149)	155,717
	2 Training and Development	153,334	153,334	153,334	129,741	(23,593)	118,626
	3 Nursery Education	70,500	70,500	70,500	68,216	(2,284)	108,609
	4 Primary Education	138,375	138,375	138,375	123,576	(14,799)	66,113
	5 Secondary Education	1,400,335	1,400,335	1,400,335	1,211,514	(188,821)	871,939
	6 Post- Secondary/ Tertiary Education	1,641,900	1,641,900	1,641,900	807,562	(834,338)	326,738
<b>42</b>	<b>Ministry of Communities</b>						
	1 Sustainable Communities Management	622,000	622,000	622,000	621,704	(296)	1,030,052
	2 Sustainable Communities Development	4,927,500	6,421,500	8,598,498	8,160,967	(437,531)	3,238,771
<b>43</b>	<b>Ministry of Public Health</b>						
	1 Policy Development and Administration	495,302	495,302	495,302	461,425	(33,877)	193,640
	2 Disease Control	295,910	295,910	295,910	258,226	(37,684)	333,780
	3 Family Health Care Services	420,660	420,660	420,660	408,682	(11,978)	177,176
	4 Regional & Clinical Services	1,794,934	1,794,934	1,794,934	1,097,794	(697,140)	1,003,904
	5 Health Sciences Education	67,000	67,000	67,000	58,424	(8,576)	33,443
	6 Standards and Technical Services	64,875	64,875	64,875	61,708	(3,167)	60,408
	7 Disability & Rehabilitation Services	33,000	33,000	33,000	24,992	(8,008)	27,847
<b>49</b>	<b>Ministry of Social Protection</b>						
	1 Policy Development and Administration	296,525	296,525	296,525	286,387	(10,138)	127,111
	2 Social Services	75,083	75,083	75,083	57,115	(17,968)	132,701
	3 Labour Administration	23,302	23,302	23,302	22,186	(1,116)	3,636
	4 Child Care and Protection	80,099	110,099	110,099	108,249	(1,850)	159,334
<b>52</b>	<b>Ministry of Legal Affairs</b>						
	1 Main Office	206,810	206,810	206,810	99,147	(107,663)	143,570
	2 Ministry Administration	900	900	900	899	(1)	718
	3 Attorney General's Chambers	9,100	9,100	9,100	8,100	(1,000)	3,997
	4 State Solicitor	700	700	700	700	0	494
<b>53</b>	<b>Guyana Defense Force</b>						
	1 Defence and Security Support	1,042,500	1,042,500	1,042,500	1,034,171	(8,329)	1,023,863
<b>54</b>	<b>Ministry of Public Security</b>						
	1 Policy Development and Administration	633,493	633,493	633,493	615,474	(18,019)	545,641
	2 Police Force	855,000	855,000	855,000	798,491	(56,509)	593,693
	3 Prison Service	1,769,208	1,769,208	1,769,208	1,766,630	(2,578)	1,209,796
	4 Police Complaint Authority	2,500	2,500	2,500	2,495	(5)	683
	5 Fire Service	578,130	578,130	578,130	578,014	(116)	346,922
	6 Customs Anti Narcotics Unit	30,000	30,000	30,000	29,912	(88)	9,997
<b>55</b>	<b>Supreme Court of Judicature</b>						
	1 Supreme Courts of Judicature	458,478	458,478	458,478	458,478	0	310,376
<b>56</b>	<b>Public Prosecutions</b>						
	1 Public Prosecutions	3,426	3,426	3,426	3,424	(2)	11,811
<b>57</b>	<b>Office of the Ombudsman</b>						
	1 Ombudsman	1,042	1,042	1,042	1,042	0	1,669
	C/F	63,819,029	67,411,266	71,338,264	60,958,220	(10,380,044)	51,086,974



Agency №.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	63,819,029	67,411,266	71,338,264	60,958,220	(10,380,044)	51,086,974
58	<b>Public Service Appellate Tribunal</b>						
	1 Public Service Appellate Tribunal	0	0	0	0	0	2,915
59	<b>Ethnic Relations Commission</b>						
	1 Ethnic Relations Commission	19,613	19,613	19,613	18,625	(988)	0
60	<b>Judicial Service Commission</b>	0	0	0	0		
61	<b>Rights Commission of Guyana</b>						
	1 Rights Commission of Guyana	12,755	12,755	12,755	12,193	(562)	1,012
62	<b>Public Procurement Commission</b>						
	1 Public Procurement Commission	9,400	9,400	9,400	9,400	0	7,880
71	<b>Region 1 - Barima/Waini</b>						
	1 Regional Administration & Finance	56,280	56,280	56,280	54,123	(2,157)	12,177
	2 Public Infrastructure	162,700	162,700	162,700	140,060	(22,640)	94,088
	3 Education Delivery	193,270	193,270	193,270	193,181	(89)	103,814
	4 Health Services	168,550	168,550	168,550	146,719	(21,831)	98,947
	5 Agriculture	20,000	20,000	20,000	20,000	0	
72	<b>Region 2 - Pomeroon/Supenaam</b>						
	1 Regional Administration & Finance	16,300	16,300	16,300	16,278	(22)	45,968
	2 Agriculture	40,980	40,980	40,980	40,980	0	39,649
	3 Public Infrastructure	113,120	113,120	113,120	113,116	(4)	68,214
	4 Education Delivery	211,400	211,400	211,400	211,351	(49)	116,219
	5 Health Services	150,355	150,355	150,355	150,280	(75)	112,619
73	<b>Region 3 - Essequibo Islands/West Demerara</b>						
	1 Regional Administration & Finance	18,000	18,000	18,000	17,962	(38)	11,496
	2 Agriculture	88,000	88,000	88,000	87,811	(189)	108,958
	3 Public Infrastructure	156,000	156,000	156,000	149,434	(6,566)	118,929
	4 Education Delivery	177,710	177,710	177,710	176,822	(888)	149,870
	5 Health Services	117,260	117,260	117,260	117,067	(193)	74,471
74	<b>Region 4 - Demerara/Mahaica</b>						
	1 Regional Administration & Finance	7,925	7,925	7,925	7,922	(3)	17,634
	2 Agriculture	48,340	48,340	48,340	48,340	0	45,800
	3 Public Infrastructure	103,128	103,128	103,128	103,127	(1)	90,000
	4 Education Delivery	287,045	287,045	287,045	286,578	(467)	259,407
	5 Health Services	155,140	155,140	155,140	155,140	0	99,056
75	<b>Region 5 - Mahaica/Berbice</b>						
	1 Regional Administration & Finance	15,378	15,378	15,378	15,375	(3)	2,197
	2 Agriculture	59,000	59,000	59,000	58,967	(33)	59,570
	3 Public Infrastructure	168,782	168,782	168,782	168,559	(223)	155,172
	4 Education Delivery	145,200	145,200	145,200	145,164	(36)	144,941
	5 Health Services	47,800	47,800	47,800	47,640	(160)	52,424
76	<b>Region 6 - East Berbice/Corentyne</b>						
	1 Regional Administration & Finance	15,940	15,940	15,940	15,940	0	13,560
	2 Agriculture	221,288	221,288	221,288	221,288	0	117,149
	3 Public Infrastructure	226,212	226,212	226,212	226,212	0	141,400
	4 Education Delivery	116,600	116,600	116,600	116,599	(1)	109,509
	5 Health Services	164,951	164,951	164,951	164,951	0	162,500
77	<b>Region 7 - Cuyuni/Mazaruni</b>						
	1 Regional Administration & Finance	38,778	38,778	38,778	38,715	(63)	14,474
	2 Public Infrastructure	92,100	92,100	92,100	91,964	(136)	52,516
	3 Education Delivery	207,700	207,700	207,700	207,015	(685)	114,266
	4 Health Services	108,830	108,830	108,830	108,461	(369)	57,736
	5 Agriculture	1,200	1,200	1,200	1,200	0	
C/F		67,782,059	71,374,296	75,301,294	64,862,779	(10,438,515)	53,963,511

Agency №.	Description	Approved Allotment (Allotment 1) 2019	Revised Allotment 2019	Total Funds Available 2019	Actual Expenditure 2019	Under Total Funds Available 2019	Actual Expenditure 2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	67,782,059	71,374,296	75,301,294	64,862,779	(10,438,515)	53,963,511
78	<b>Region 8 - Potaro/Siparuni</b>						
	1 Regional Administration & Finance	7,950	7,950	7,950	7,721	(229)	1,584
	2 Public Infrastructure	147,520	147,520	147,520	146,576	(944)	99,311
	3 Education Delivery	130,765	130,765	130,765	129,894	(871)	67,318
	4 Health Services	90,500	90,500	90,500	89,227	(1,273)	46,034
	5 Agriculture	17,510	17,510	17,510	15,101	(2,409)	0
79	<b>Region 9 - Upper Takatu/Upper Essequibo</b>						
	1 Regional Administration & Finance	58,200	58,200	58,200	57,420	(780)	48,012
	2 Agriculture	26,400	26,400	26,400	26,345	(55)	43,039
	3 Public Infrastructure	189,400	189,400	189,400	188,977	(423)	139,437
	4 Education Delivery	151,400	151,400	151,400	150,740	(660)	109,436
	5 Health Services	109,400	109,400	109,400	107,469	(1,931)	104,625
80	<b>Region 10 - Upper Demerara/Berbice</b>						
	1 Regional Administration & Finance	112,000	112,000	112,000	82,134	(29,866)	67,360
	2 Public Works	116,200	116,200	116,200	114,805	(1,395)	99,441
	3 Education Delivery	215,330	215,330	215,330	168,597	(46,733)	153,790
	4 Health Services	101,150	101,150	101,150	91,941	(9,209)	76,512
	5 Agriculture	22,770	22,770	22,770	22,716	(54)	
	<b>TOTAL</b>	<b>69,278,554</b>	<b>72,870,791</b>	<b>76,797,789</b>	<b>66,262,442</b>	<b>(10,535,347)</b>	<b>55,019,410</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF EXPENDITURE IN RESPECT  
OF THOSE SERVICES WHICH BY LAW ARE  
DIRECTLY CHARGED UPON THE CONSOLIDATED FUND  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Agency №.	Description	Wages & Salaries 2019	Employment Overhead Expenses 2019	Total Expenditure 2019	Total Expenditure 2018
		\$'000	\$'000	\$'000	\$'000
05	Ministry of Presidency	20,550	3,100	23,650	<b>23,650</b>
54	Ministry of Public Security	30,197	7,481	37,678	<b>3,048</b>
	Sub-total	<u>50,747</u>	<u>10,581</u>	<u>61,328</u>	<u><b>26,698</b></u>
03	Ministry of Finance				
	Pension and Gratuities	4,951,443	0	4,951,443	<b>4,475,987</b>
	Payments to Dependent's Pension Fund	243,600	0	243,600	<b>181,999</b>
	Sub-total	<u>5,195,043</u>	<u>0</u>	<u>5,195,043</u>	<u><b>4,657,986</b></u>
90	Public Debt				
	Internal Principal	279,944	0	279,944	<b>279,944</b>
	Internal Interest	1,031,816	0	1,031,816	<b>1,332,587</b>
	External Principal	11,497,526	0	11,497,526	<b>11,556,215</b>
	External Interest	4,838,608	0	4,838,608	<b>4,561,182</b>
	Sub-total	<u>17,647,894</u>	<u>0</u>	<u>17,647,894</u>	<u><b>17,729,928</b></u>
	GRAND TOTAL			<u>22,904,265</u>	<u><b>22,414,612</b></u>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF RECEIPTS AND PAYMENTS OF THE CONTINGENCIES FUND  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Notes		2019
4		\$'000

RECEIPTS (Replenishment)

NIL

Total Receipts 0

PAYMENTS (Drawing Rights)

Warrant No.	Date of Warrant	Ministry/Department/Region	Amount \$'000
1	7/29/2019	Ministry of Public Infrastructure	460,000
2	10/10/2019	Ministry of Public Infrastructure	1,250,000
3	11/20/2019	Ministry of Communities	2,176,998
4	11/22/2019	Ministry of Public Health	13,875
5	12/2/2019	Ministry of Public Infrastructure	40,000
6	12/2/2019	Region #6	30,000
7	12/30/2019	Ministry of Agriculture	179,370
<b>Total Payments</b>			<b>4,150,242</b>

Summary 2019

\$'000

Uncleared advances for 2018 0

**Add:** Payments(Drawing Rights) Authorised in 2019 4,150,242

**Less:** Replishments Authorised in 2018 0

**Less:** Replenishments 0

Balance Outstanding as at 31/12/2019 **4,150,242**

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**FINANCIAL REPORT OF THE DEPOSIT FUND  
FOR THE FISCAL YEAR ENDING 31 DECEMBER 2019**

Type of Deposit	Amount 2019	Amount 2018
	\$'000	\$'000
Dependents Pension Fund	1,931,023	1,575,177
Sugar Industry Welfare Committee	50,691	50,691
Sugar Industry Welfare Labour Fund	743,773	848,287
Sugar Industry Rehabilitation Fund	74,833	76,709
Sugar Industry Price Stabilization Fund	14,924	14,924
Miscellaneous	34,089	1,639,422
<b>Total</b>	<b>2,849,333</b>	<b>4,205,210</b>

Type of Advances	Amount 2019	Amount 2018
	\$'000	\$'000
Personal	23,059	22,488
Gratuity	1,312,358	1,243,004
Auto Advance	105,843	109,345
Guyana Gold Board	8,650,148	8,650,148
Imprest & Cash on Hand	1,568,665	1,530,278
Deposit Fund Advance Warrants	208,410	208,410
Crown Agents	411,798	409,040
Statutory and Other Bodies	1,554,456	1,554,456
<b>Total</b>	<b>13,834,738</b>	<b>13,727,169</b>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**SCHEDULE OF ISSUANCE OF LOANS AND EXTINGUISHMENT OF ALL LOANS  
MADE FROM THE CONSOLIDATED FUND  
AS AT 31 DECEMBER 2019**

Description		Amount of Loan	Amount Outstanding as at 01/01/2019	Loan Made During 2019	Total (2) + (3) = (4)	Principal Repaid During 2019	Interest Repaid During 2019	Amount Written off During 2019	Total (5) + (6) + (7) = (8)	Balance Outstanding (4) - (5) - (7) = (9)
		1	2	3	4	5	6	7	8	9
PUBLIC CORPORATIONS AND BONDS		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1	Guyana National Printers Ltd.	100,000	100,000	0	100,000	0	10,000	0	10,000	100,000
2	Ogle Airport Inc.	402,251	333,007	0	333,007	33,301	0	0	33,301	299,706
TOTAL		502,251	433,007	0	433,007	33,301	10,000	0	43,301	399,706

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF CURRENT ASSETS AND LIABILITIES OF THE GOVERNMENT OF GUYANA  
AS AT 31 DECEMBER 2019**

	Notes	2019 \$'000		2018 \$'000
<b>CURRENT ASSETS</b>				
<u>Central Government Bank Balances</u>				
<u>Consolidated Fund</u>				
New 407 Account		(77,511,949)		<b>(80,033,813)</b>
Old 400 Account		(46,776,183)	(124,288,132)	<b>(46,776,183)</b> <b>(126,809,996)</b>
LIS 11 Bank Account		0		0
WSG Bank A/c -Loan		0		0
WSG Bank A/c - TC841		0		0
WSG Bank A/c -TC 842		0		0
SMDR ATN/OC-1409-GY		0		0
2000 Series	3	7,244,654		<b>17,594,412</b>
Deposits Fund		0		0
General Account		0		0
Non-sub Accounting Ministries/Departments ( <i>Account # 3001</i> )		0		0
Other Ministries/Departments		30,833,316		<b>21,517,927</b>
Monetary Sterilisation Account	1.7	1,879,684		<b>21,558,128</b>
Redemption of T-Bills ( <i>Account # 404</i> )		(3)		<b>(3)</b>
Total Current Assets		<u>(84,330,481)</u>		<u>(66,139,531)</u>
 <b>CURRENT LIABILITIES</b>				
Treasury Bills				
91 Days & K Series	1.7	993,480		<b>993,480</b>
180 & 360 Days	1.7	2,091,454		<b>21,875,782</b>
G Series	1.8	67,527,016		<b>42,408,285</b>
F Series	1.8	370,946	70,982,896	<b>5,970,795</b> <b>71,248,342</b>
Interest (Outstanding)				
 Other Liabilities				
Dependents Pension Fund		1,931,023		<b>1,575,177</b>
Sugar Industry Welfare Committee		50,691		<b>50,691</b>
Sugar Industry Welfare Labour Fund		743,773		<b>848,287</b>
Sugar Industry Rehabilitation Fund		74,833		<b>76,709</b>
Sugar Industry Price Stabilization Fund		14,924		<b>14,924</b>
Miscellaneous		34,089	2,849,333	<b>1,639,422</b> <b>4,205,209</b>
Total Current Liabilities		<u>73,832,228</u>		<u>75,453,551</u>
<b>NET CURRENT LIABILITIES</b>		<u>158,162,709</u>		<u>141,593,082</u>

MS. J. CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

## Notes to and Forming Part of the Financial Statements

### **Note 1 Summary of Significant Accounting Policies**

#### **1.1 Basis of Preparation**

The Financial Statements have been prepared in accordance with Guyana's generally accepted accounting standards and principles. The modified Cash Basis of Accounting Convention is followed for determining when a financial transaction is recorded in the Government's records. This means, only when cash is paid or received is a transaction recorded.

The notes to the Financial Statements form an integral part to understanding the statements and must be read in conjunction with the statements.

The Accounting Policies have been applied consistently throughout the period.

#### **1.2 Reporting Entity**

The Financial Statements are for the Government of Guyana. The Consolidated Financial Statements comprise the accounts of Ministries and Departments of the Government. They do not include Statutory Bodies and Wholly-owned subsidiaries.

The Consolidated Financial Statements only include those entities that perform their accounting through the Integrated Financial Management and Accounting System (IFMIS). Various Ministries implement Projects that are funded directly by donors either via Loans or Grants and accounted for separately, however, their gross transactions are recorded in the Government's Accounts via "*dummy transactions*". This would mean an actual timing difference between actual transaction and when captured in the IFMIS.

#### **1.3 Cash**

Cash means notes and coins held and any deposits held at call with a Bank or Financial Institution. Cash is recognised at its nominal amount. Interest is credited to revenue as it is received or to expense when it is deducted from the Bank Account.

#### **1.4 Loans/Advances Receivable**

Loans are recognised at the amounts lent. Provision is made for bad Loans when collection of the Loan or part thereof is judged to be less rather than more likely. Interest, if charged, is credited to revenue as it is received. This is a slight variation from the Cash Basis of Accounting.

#### **1.5 Refunds of Previous Year Expenditures**

Expenditures refunded to the Consolidated Fund from previous years are recorded as revenue receipts in the current year and not as reductions of current year's expenditures. The banking effect also is what can be called a contra entry.

#### **1.6 Capital Revenue**

Capital Revenue comprises mainly of Loan, Grant and Debt Relief proceeds. Loan proceeds are not recorded as a Liability on the Balance Sheet but as capital revenue on the Statement of Receipts and Payments. The Statement of Receipts and Disbursements (capital) for the Ministry of Finance includes amounts for budget support that were not paid into the Consolidated Fund Bank Account as at 31 December 2019 but were received in the respective 2000 Series Bank Accounts (refer to note 3).



### **1.7 Monetary Sterilisation Account**

The purpose of the Monetary Sterilisation Account is to remove excess liquidity from the financial system. The vehicle for performing this is that Government issued 182 and 365 day Treasury Bills. The cost to the Government is the interest charge on the redeemed T-bills as they come due. This is a statutory cost charged to internal interest expense. The Monetary Sterilisation Liability should be exactly offset by the Monetary Sterilisation Bank Account, creating a fully funded Liability.

The Monetary Sterilisation Account deficit of \$69.103B is the difference between the outstanding Liability (\$70.983B) and Cash held for purpose of retiring the Liability (\$1.880B). The difference of \$69.103B relates to unpaid discounts to the Bank of Guyana by the Government of Guyana.

The repayment of outstanding interest on Treasury Bills gives a net amount of \$529.4M with \$317.7M remaining balance for 2018 and \$211.8M for the year 2019.

### **1.8 Treasury Bills - G and F Series**

The Government of Guyana issued Treasury Bills for the purpose of Fiscal Policy. The G-Series matures in 364 days and the F Series matures in 82 days. Due to prudence both Series are deposited and repaid from the Consolidated Fund Bank Account aimed to reduce the overdraft.

### **1.9 Reporting Currency**

The reporting currency is Guyana Dollar (GY\$)

### **2.0 Authorisation Date**

The Financial Statements were authorised for issue on 30 April 2020 by Mr. Winston Jordan, Minister of Finance.

### **3.0 2000 Series Bank Accounts**

The 2000 series are a combination various Project, Grant, Debt Relief and Balance of Payment Accounts. These accounts do not form part of the Consolidated Bank Account Number 01610000407, however, they are Government funds. Please see Appendix 1 attached.

### **4.0 Statement of Receipts and Payments of the Contingencies Fund**

The sum of \$4.150 billion Contingency Fund Advance Warrants were issued during the period January to December 2019.

## APPENDIX 1

2000 Series Bank Accounts

ACC'T #	Description	2019	2018	Net Change
200810	Personal Investment Account	2,548,237	2,548,237	0
200830	Government of Guyana Project Account	0	0	0
200840	EEC Food Aid	0	0	0
200850	EEC Special Account	0	0	0
200860	Structural Adjustment	0	0	0
200870	Debenture Sinking Fund	0	0	0
200890	Chinese Commodity	0	0	0
200900	Accountant General RMBY Loan	0	0	0
200920	AG-GEC/WARTSILA Agreement	0	0	0
200940	Deposits - Guy Cooperative Agri. Dev. Bank	0	0	0
200950	Agricultural Sector Loan	0	0	0
200960	DIA	254,411,181	254,411,181	0
200990	Long Creek Settlement CIDA Project	0	0	0
201000	UK Programme Aid: GEA	0	0	0
201010	UK Programme Aid:Rice	0	0	0
201040	CDB/Gov't of Guy ERP Grant	0	0	0
201050	Ministry of Agriculture Rehabilitation Project	0	0	0
201080	Main Road Rehab Sub-Account 980	0	0	0
201090	SIMAP Pahse 2 Sub-Account	0	0	0
201100	Remedial Maintenance Project-Geo Sewerage	0	0	0
201110	Infrastructural Dev Fund Account	0	0	0
201130	Ministry of Finance/Financial Sector reform Programme	0	0	0
201160	Ministry of Finance-Agri Sector Prog 965-SF/GY	0	0	0
201180	Japanese-Non Project Grant Aid Deposit	0	0	0
201230	Japanese Agricultural Grant	0	0	0
201280	Guyana/USA Economy Support Grant	0	0	0
201300	030 Stale Dated Cheques	7,253,622	7,253,622	0
201340	CARICOM Headquarters Buildings Project	0	0	0
	<b>TOTAL INACTIVE TO BE TRANSFERRED TO 407</b>	<b>264,213,040</b>	<b>264,213,040</b>	<b>0</b>
	<b>OLD ACCOUNTS</b>			
200880	Accountant General	2,491,736,995	3,793,961,923	(1,302,224,928)
200970	HIA	3,098,089	3,098,089	0
200980	IDB - Technical Coop Small Projects Swiss Fund	5,362,896	4,448,444	914,452
	<b>New Accounts for 2004</b>			
201380	GOG/IDB Fiscal & Financial Management Programme	1,601,236,251	1,601,236,251	0
	<b>New Accounts for 2005</b>			
201400	GOG/IBRD Global Fund-National Initiative to Accelerat Access	156,906,139	120,703,463	36,202,676
201410	GOG/IBRD Global Fund-National Initiative to Accelerat Access	0	0	0
201420	GOG/IBRD Global Fund for Tuberculosis	0	0	0
	<b>New Accounts for 2006</b>			
201440	Multilateral Debt Relief	464,217,348	464,217,348	0
201450	Japanese Non-Project Grant Aid	21,909,609	66,023,589	(44,113,980)
	<b>New Accounts for 2008</b>			
201490	Official Power Sector 1938	1,042,500,000	1,042,500,000	0
201500	Japanese Non-Project Grant Aid Year 21	185,723,514	185,723,514	0
201510	Official READ M of A Lo # 742 Gr # 8015			0
201520	Official Global Fund/MOH Mal/Reg 9	5,808,339	85,045,640	(79,237,301)
	<b>New Accounts for 2010</b>			
201590	Off Global Fund / MOH TB	8,056,148	28,883,449	(20,827,301)

ACC'T #	Description	2019	2018	Net Change
<b>New Accounts for 2012</b>				
201600	LCDS Institutional Strengthen	0	0	0
201610	Off-GFC LCDS Proj US Acct			0
<b>New Accounts for 2013</b>				
201620	Off-SBB LCDS US	325,260	325,260	0
<b>New Accounts for 2014</b>				
201630	Off-UAWARP MOA GUYLO#0001	0	0	0
201640	Off-SMDR ATM/OC-14039-GY	0	0	0
201650	CARICOM MULTILATERAL CLEARING FACILITY WRITE OFF	0	0	0
201660	Off- SEPG-GRT/FM-13897-GY	225,250,538	93,518,849	131,731,689
201680	OFF- IDB/GOG IMPL. SEC. STRAT	0	0	0
<b>New Accounts for 2015</b>				
201681	OFF-GUY FOR TNC UNEP US\$	14,790,333	1,148,668	13,641,665
201682	OFF-GUY LCDS OUTREACH US\$	0	0	0
201684	OFF-AOG PEU 14809	0	0	0
201685	OFF- PPM FMS ATN/OC 14815-GY	15,565,680	25,952,206	(10,386,526)
201686	OFF-EARLY CHILDHOOD EDUCATION	0	0	0
201970	JAPANESE NON-PROJECT GRANT AID YEAR 2013	0	0	189,344,523
<b>New Accounts for 2016</b>				
201390	BUDGETARY SUPPORT	0	9,118,340,552	(9,118,340,552)
201683	OFF IDB/GOG CIT. SEC. STRENGTHEN	422,043,246	329,091,129	92,952,117
201687	OFF - NAC GUYANA	0	0	0
201688	OFF - STRENGTHENING OF CTVET	0	0	0
201689	OFFICIAL CCRPMOAG AC#132408	0	68,619,794	(68,619,794)
201690	OFFICIAL USD HINTERLAND PROG	47,252,443	21	47,252,422
<b>New Accounts for 2017</b>				
201670	JAPANESE NON-PROJECT GRANT AID YEAR 2013	189,344,523	178,511,189	10,833,334
201691	OFFICIAL GUY NUR UNEP-US\$	20,850	1,042,500	(1,021,650)
201692	OFFICIAL ATN/OC-15448-GY ESCG	3,476,356	34,638,522	(31,162,166)
201693	OFFICIAL ATN/OC-15448-GY -FFMP USD	17,727,788	22,167,268	(4,439,480)
<b>New Accounts for 2018</b>				
201694	OFFICIAL ATN/OC-15978-GY -SNAMPGP	30,858,000	41,700,000	(10,842,000)
201696	GUY CDB/OCC GRSNT-US\$	6,384,991	767,530	5,617,461
201698	OFFICIAL PSMOSP-INST. STRENGTH TO GUY SSFETY NET USD	8,163,647	18,533,982	(10,370,335)
<b>New Accounts for 2019</b>				
201651	Off GOG CDBTIP USD	625,500	0	625,500
201672	OFF-PROJRCT UNIT ACCOUNT	5,801,513	0	5,801,513
201697	OFFICIAL CAPITAL BUILDING FOR LOCAL GOVT TRFORM	6,255,000	0	6,255,000
<b>TOTAL ACTIVE</b>		<b>6,980,440,996</b>	<b>17,330,199,180</b>	<b>(10,160,413,661)</b>
<b>TOTAL (ACTIVE &amp; INACTIVE)</b>		<b>7,244,654,036</b>	<b>17,594,412,220</b>	<b>(10,349,758,184)</b>

**STATEMENT OF GOVERNMENT GUARANTEES  
AS AT 31 DECEMBER 2019**

Name of Government Agency	Lending Agency	Outstanding Liability as at 31 December 2019
		G\$'000
National Industrial and Commercial Investment Limited (NICIL) - Issuance of Bonds to finance the Guyana Sugar Corporation		15,840,000
Bank of Guyana (Contribution to the Deposit Insurance Fund)		500,000
Guyana Transport Services Ltd	Bank of India	52,929
Guyana Telecommunications Corporation	ITT World comm.Inc	191,807
		<u>16,584,736</u>

MS. JENNIFER CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF CONTINGENT LIABILITIES  
AS AT 31 DECEMBER 2019**

Name of Government Agency	Lending Agency	Outstanding Liability as at 31 December 2019
		G\$'000
National Industrial and Commercial Investment Limited (NICIL) - Issuance of Bonds to finance the Guyana Sugar Corporation		15,840,000
Bank of Guyana (Contribution to the Deposit Insurance Fund)		500,000
Guyana Transport Services Ltd	Bank of India	52,929
Guyana Telecommunications Corporation	ITT World Comm.Inc	191,807
		<u>16,584,736</u>

MS. JENNIFER CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON D. JORDAN  
MINISTER OF FINANCE

**STATEMENT OF PUBLIC DEBT  
AS AT 31 DECEMBER 2019**

**SUMMARY SHEET**

DESCRIPTION	EXTERNAL	INTERNAL	TOTAL
	G\$'000	G\$'000	G\$'000
UNFUNDED	268,358,150	44,481,211	312,839,360
FUNDED	0	3,898,537	3,898,537
<b>SUB TOTAL</b>	<u>268,358,150</u>	<u>48,379,747</u>	<u>316,737,897</u>
SHORT-TERM Treasury Bills (91 days & K Series)	0	997,300	997,300
MEDIUM-TERM Treasury Bills (182 & 365 days)	0	70,719,300	70,719,300
<b>GRAND TOTAL</b>	<u><u>268,358,150</u></u>	<u><u>120,096,347</u></u>	<u><u>388,454,497</u></u>

MS. JENNIFER CHAPMAN  
ACCOUNTANT GENERAL

HON. WINSTON. D. JORDAN  
MINISTER OF FINANCE

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	NOTES	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2019	AMOUNT DIS- BURSED IN 2019	DEBT SERVICE COST DUE & PAYABLE IN		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELL- 9	CLOSING BALANCE AS AT 31.12.19 10 10=(4+5+6b-7a- 7b)-9	GUYANA DOLLAR EQ- UIVALENT 31.12.19 11	TERMS AND CONDITIONS OF LOAN
						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
<b>INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)</b>			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
Secondary Schools Reform Project Credit No. 2879-0 GUA		SDR	2,081	1,457	0	83	10	83	10	93	0	1,374	397,094	The borrower shall repay the principal amount, the credit in semi-annual installments payable after 1 October 2006 and ending 1 April, 2036.
Water Supply and Technical Assistance Credit No. 2559-0 GUA		SDR	2,606	1,255	0	84	8	84	8	92	0	1,171	338,447	Repayments commence on 1/6/2004 in 60 semi-annual install.and ends 1/12/2033. Int. rate each install. and including int. payable on 1/12/2013 shall be 1% of principal and 2% on bal. outstanding.
Public Sector Technical Assistant Project Credit No. 3726 - GY		SDR	3,600	2,129	0	48	15	48	15	64	0	2,080	601,286	This loan shall be repaid in semi annual installments commencing 15 June 2013 ending 15 December 2042.
Improving Teachers Education Project 4803-GY		SDR	2,800	2,785	0	0	21	0	21	21	0	2,785	804,937	The borrower shall repay the principal amount, the credit in semi-annual installments payable on 1 June 2015 and ending 1 June, 2030.
University of Guyana Science & Technology Support Project 4969- GY		SDR	6,200	6,200	0	0	46	0	46	46	0	6,200	1,791,932	The borrower shall repay the principal amount, the credit in semi-annual installments payable on 1 December 2021 and ending 1 June 2031.
Secondary Education Improvement Project - 5473 - GY		SDR	6,500	4,100	2,381	107	97	107	97	204	0	6,374	1,842,094	Repayment commencing June 1, 2019 to and including December 1, 2028 at 1.65% of Principal amount of credit and commencing June 1, 2029 to and including December 1, 2038. at 3.35% of Principal amount of credit.
Flood Risk Management Project - 5474 - GY		SDR	7,700	7,700	0	127	153	127	153	280	0	7,573	2,188,710	Repayment commencing December 1, 2019 to and including June 1, 2029 at 1.65% of Principal amount of credit and commencing December 1, 2029 to and including June 1, 2039. at 3.35% of Principal amount of credit.
Additional financing for University of Guyana Science and Technology Support Project-5753		SDR	2,700	2,699	0	0	54	0	54	54	0	2,699	780,187	Repayment commencing June 1, 2021 to and including December 1, 2030 at 1.65% of Principal amount of credit and commencing June 1, 2031 to and including December 1, 2040. at 3.35% of Principal amount of credit.
Guyana Payments System Project 5966-GY		SDR	4,500	449	145	0	10	0	10	10	0	594	171,593	Repayment commencing on June 1, 2022 to and including December 1, 2031 at 1.65% of the principal amount of credit and commencing on June 1, 2032 to and including December 1, 2041 at 3.35% of Principal amount of credit.
Guyana Education Sector Improvement Project 6009-GY		SDR	9,900	1,077	1,839	0	33	0	33	33	0	2,917	842,944	Repayment commencing on June 1, 2022 to and including December 1, 2031 at 1.65% of the principal amount of credit and commencing on June 1, 2032 to and including December 1, 2041 at 3.35% of Principal amount of credit.
First Programmatic Financial and Fiscal Stability Development Policy Credit 6286-GY		SDR	24,400	24,400	0	0	166	0	166	166	0	24,400	7,052,121	This loan shall be paid on each February and August commencing August 15th 2028 to and including February 15th 2038 at 1% and commencing August 15th 2038 to and including February 15 2058 at 2%
Guyana Oil and Gas Capacity Building Project V2160		USD	1,600	672	0	0	0	0	0	0	672	0	0	In no event shall the first payment date be set earlier than 60 days following the date of such notice. The Recipient shall pay a service charge on the aggregate balance at the rate of 3/4 of 1% per annum payable in arrears in each payment date.
C/F													16,811,346	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	NOTES	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2019	AMOUNT DIS- BURSED IN 2019	DEBT SERVICE COST DUE & PAYABLE IN		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELL- 9	CLOSING BALANCE AS AT 31.12.19	GUYANA DOLLAR EQ- UIVALENT 31.12.19	TERMS AND CONDITIONS OF LOAN
						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8				
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												16,811,346		
Guyana Petroleum Resources Governance and Management Project No. 6382 - GY		SDR	14,300	0	1,834	0	4	0	4	4	0	1,834	530,131	This loan shall be paid on each May 15 and November 15 commencing on May 15, 2029 to and including November 15, 2038 at 1%, and commencing on May 15 to and including November 15 2058 at 2%.
<b>Caribbean Development Bank (CDB)</b>														
Caribbean Court of Justice 01/SFR-OR-GUY (OCR)		USD	4,400	2,365	0	220	110	220	110	330	0	2,145	447,233	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2009, ending 1 July, 2029.
Caribbean Court of Justice 01/SFR-OR-GUY (SFR)		USD	4,400	2,365	0	220	46	220	46	266	0	2,145	447,233	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2009, ending 1 July, 2029.
Third Road Project 2/SFR-OR-GUY (OCR)		USD	9,102	3,707	0	511	169	511	169	680	0	3,196	666,346	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
Third Road Project 2/SFR-OR-GUY (SFR)		USD	10,000	7,500	0	500	146	500	146	646	0	7,000	1,459,500	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October, 2033.
Skeldon Sugar Modernisation 3/SFR-OR-GUY (OCR)		USD XEU	14,321	6,335	0	845	289	845	289	1,134	0	5,490	1,144,705	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
Skeldon Sugar Modernisation 3/SFR-OR-GUY (SFR)		USD XEU	14,035	10,449	0	697	204	697	204	900	0	9,753	2,033,419	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October 2033.
Reconstruction of Sea Defences (2nd Loan) 4/SFR-OR-GUY (OCR)		USD	3,684	1,734	0	217	79	217	79	296	0	1,517	316,284	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2010, ending 1 October 2026.
Reconstruction of Sea Defences (2nd Loan) 4/SFR-OR-GUY (SFR)		USD	3,249	2,599	0	162	51	162	51	213	0	2,437	508,118	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2015, ending 1 October 2034.
Community Services Enhancement Project 5/SFR-OR-GUY (OCR)		USD	3,580	2,001	0	211	92	211	92	303	0	1,790	373,215	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2011, ending 1 April 2028.
Community Services Enhancement Project 5/SFR-OR-GUY (SFR)		USD	9,453	8,390	0	473	164	473	164	637	0	7,917	1,650,683	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2016, ending 1 July 2036.
Community Roads Improvement Programme 6/SFR-OR-GUY (OCR)		USD	4,015	3,227	0	227	151	227	151	378	0	3,000	625,408	This loan shall be repaid in 68 equal quarterly repayments beginning 1 April, 2016, ending 1 October 2033.
Community Roads Improvement Programme 6/SFR-OR-GUY (SFR)		USD	12,277	12,270	0	0	245	0	245	245	0	12,270	2,558,372	This loan shall be repaid in 80 equal quarterly repayments beginning 1 April, 2021, ending 1 January 2041.
CDB Debt Service to EEC Wisco 6/SFR-R		XEU	600	90	0	22	1	22	1	23	0	68	15,869	Annuity base repayment semi annually beginning 1 January, 1994.
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (OCR)	*_1	USD	9,200	8,694	116	540	401	540	401	942	0	8,269	1,724,179	This loan shall be repaid in 68 equal quarterly installments beginning 1 April, 2019.
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (SFR)	*_1	USD	25,000	23,838	1,126	0	470	0	470	470	0	24,963	5,204,837	This loan shall be repaid in 80 equal quarterly repayments beginning 1 April, 2023.
Economic Recovery Programme 7/SFR-GUY		USD	42,000	16,450	0	1,400	319	1,400	319	1,719	0	15,050	3,137,925	This loan shall be repaid in 120 equal quarterly repayments beginning 30 September, 2000, ending 1 July 2030.
Sea Defence West Coast Berbice 8/SFR-GUY		USD XEU	7,180	3,854	0	241	75	241	75	316	0	3,613	753,253	This loan shall be repaid in 120 equal quarterly repayments beginning 31 December, 2004, ending 1 October 2034.
Sea and River Defence Resilience Project - 8 SFR-OR-GUY - OCR	*_1	USD	2,900	743	854	40	67	40	67	107	0	1,558	324,740	This loan shall be repaid in 68 equal or approximately equal and consecutive quarterly installments on each due date commencing on the first due date after the expiry of five years following the date of this loan agreement or on such later due date as the Bank may specify in writing.
C/F												40,732,796		



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						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	40,732,796	
B/F														
Sea and River Defence Resilience Project - 8 SFR-OR-GUY - SFR	*_/1	USD	22,100	6,363	5,978	0	137	0	137	137	0	12,341	2,573,185	This loan shall be repaid in 80 equal or approximately equal and consecutive quarterly installments on each due date commencing on the first due date after the expiry of ten years following the date of this loan agreement or on such later due date as the Bank may specify in writing.
Drainage and Irrigation 9/SFR-GUY		USD	5,026	3,979	0	168	78	168	78	246	0	3,812	794,736	This loan shall be repaid in 120 equal quarterly repayments beginning 1 October, 2012, ending 1 July 2042.
Second Road Project 10/SFR-GUY		USD	10,702	6,689	0	357	131	357	131	488	0	6,332	1,320,280	This loan shall be repaid in 120 equal quarterly repayments beginning 30 September, 2007, ending 1 July 2037.
Water Rehabilitation Project 11/SFR-GUY		USD	8,801	5,354	0	293	105	293	105	398	0	5,061	1,055,214	This loan shall be repaid in 120 equal quarterly repayments beginning 31 March 2007, ending 1 January 2037.
Poor Rural Community Support Services 13/SFR-GUY		USD	5,100	3,315	0	255	64	255	64	319	0	3,060	638,010	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2012, ending 1 October 2031.
Natural Disaster Management 17/SFR-GUY		USD	500	206	0	29	4	29	4	33	0	176	36,794	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2009, ending 1 October 2025.
Enhancement of Tech., Voc., Edu. Training Prog (TVET) 18/SFR-GUY		USD	7,500	7,423	0	0	148	0	148	148	0	7,423	1,547,778	This loan shall be repaid in 80 equal quarterly repayments beginning 1 July, 2020, ending 1 April 2040.
Skills Development and Employability Project 19/SFR-GUY	*_/1	USD	11,700	29	391	0	8	0	8	8	0	420	87,553	This loan shall be repaid in eighty (80) equal or approximately equal and consecutive quarterly installment on each due date, commencing on the first due date after the expiry of ten (10) years following the date of this Loan Agreement, and interest rate at (2%) per annum on the amount of principal withdrawn.
Water Sector Enhancement Project		USD	1,265	0	0	0	0	0	0	0	0	0	0	The loan shall be repaid in thirty six (36) equal installments on each due date commencing on the first due date after the expiry of three years following the date of this agreement or on such later due date as the bank may specify in writing.
Transport Sector Enhancement Project		USD	4,367	0	253	0	0	0	0	0	0	253	52,798	The loan shall be repaid in thirty two (32) equal installments on each due date commencing on the first due date after the expiry of two years following the date of this agreement or on such later due date as the bank may specify in writing.
<b>CARICOM DEVELOPMENT FUND- (CDF)</b>														
Upgrade Weather Access Roads- Region #3, Parika and Ruby & Upgrade Fair- Weather Access Dams - Kuru Kuru to Laluni, Region 4 and Onvergwagt Loan No. GUY/L0001		USD	6,224	5,195	0	365	152	365	152	517	0	4,830	1,006,972	This loan amounts to US\$7,317,996 comprising of two components. The first component shall be repaid in quarterly installments at an annual interest rate of 3.0% per annum. First repayment 30 March, 2015 and ending 30 December, 2030. The second component amounting to US\$2,657,789 is considered as a grant and shall not be repaid.
For the Consultancy, Non Consultancy Services and Works for Rural Agricultural Infrastructure Development Regions 4 and 5 Loan No.GUYL0002		USD	6,625	5,963	0	239	177	239	177	416	0	5,724	1,193,362	This loan amounts to US\$10,432,263 comprising of two components. The first component shall be repaid in 60 equal or approximately equal and consecutive quarterly installments at an annual interest rate of 3% per annum. The second component amounting to US\$3,807,263 is considered as a grant and shall not be repaid.
C/F													51,039,477	

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						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8				
1		2	3	4	5	6	7	8	9	10	11	10=(4+5+6b-7a-7b)-9		
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F													51,039,477	
<b>INTER-AMERICAN DEVELOPMENT BANK (IDB)</b>														
Food Crop Production Marketing Programme - Loan No. 583/SF - GY		USD	1,600	80	0	53	1	53	1	55	0	27	5,560	Principal repayable in 60 semi-annual installments from 6-7-90 to 6-1-2020. Interest is calculated at 1% per annum on the outstanding bal. of the loan until 6-1-90 and thereafter 20% per annum and payable on 6-1 and 6-7 each year w.e.f 6-7-80. A credit commission commitment fee is also charged.
Main Road Rehabilitation - Transportation Loan No. 999/SF-GY		USD	41,000	8,343	0	428	165	428	165	592	0	7,915	1,650,265	This loan shall be completely repaid by the Borrower by means of 60 semi-annual, equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 18 March 2008 and 2% per annum thereafter.
Urban Development Programme Loan No. 1021/SF-GY		USD	20,000	4,840	0	236	96	236	96	332	0	4,604	959,933	Loan to be repaid in 60 equal semi-annual installments beginning 13 September 2009 and ending 13 September 2039.
Transportation - Loan No. 1042- 1/SF-GY		USD	20,200	8,380	0	390	166	390	166	555	0	7,990	1,665,907	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 4 February 2010 and 2% per annum thereafter.
Transportation - Loan No. 1042- 2 /SF-GY		USD	9,800	1,330	0	62	26	62	26	88	0	1,268	264,333	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 4 February 2010 and 2% per annum thereafter.
Low Income Settlement Programme Loan No. 1044/SF-GY		USD	27,000	6,981	0	325	138	325	138	463	0	6,656	1,387,768	This loan shall be completely repaid in 60 semi-annual installments. The first shall be paid on 2010-12-14.
Georgetown Sewerage and Water Rehabilitation Loan No. 1047/SF-GY		USD	27,000	9,382	0	436	185	436	185	622	0	8,946	1,865,205	60 Semi annual equal installments commencing 2010-12-14 and to be concluded 2040-06-14. Disbursements shall expire 5 years from the effective date of contract.
Environmental Protection Loan No. 1052/SF-GY		USD	900	268	0	12	5	12	5	18	0	256	53,318	The loan shall be completely repaid by the Borrower by means of 60 semi-annual equal installments. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 24 May 2010 and 2% per annum thereafter.
Social Impact Amelioration Prog Simap111- Loan No.1085		USD	20,000	10,622	0	452	210	452	210	662	0	10,170	2,120,541	The first installment shall be paid on 15th July 2012 & interest shall be paid semi-annually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15.
Mahaica- Rosignol Road Rehabilitation Project Loan No.1094		USD	40,000	9,207	0	392	182	392	182	574	0	8,815	1,838,005	The first installment shall be paid on 15th July 2012 & interest shall be paid semi-annually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15 this loan had a part cancellation in 2008.
Unserved Areas Electrification Prog Loan No.1103		USD	34,400	15,260	0	636	302	636	302	938	0	14,624	3,049,075	This loan shall be repaid semi-annual consecutive equal installments. The first installment shall be paid on 3 March 2013 & last installment 3 September 2042.
Basic Education Access Management Support Loan No. 1107		USD	33,500	19,876	0	828	393	828	393	1,221	0	19,048	3,971,550	This loan shall be completely repaid in 60 semi-annual, consecutive equal installments w.e.f 2013-01-25 to 2042-07-25
Basic Nutrition Programme Loan No. 1120 SF-GY		USD	5,000	3,562	0	145	70	145	70	216	0	3,417	712,441	This loan shall be repaid in 60 semi-annual installments. The first payment on 19 November 2013 and last on 19 May 2043. Disbursement shall expire 4 years from the effective date of contract.
C/F													70,583,379	

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						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												70,583,379		
Social Statistics and Policy Analysis Program Loan No.1516/SF-GY		USD	3,450	2,351	0	92	47	92	47	139	0	2,259	471,015	The first installment shall be paid on 24th September 2014 and interest shall be paid semi-annually at 1% until March 24 2014 and 2% thereafter. Loan to be closed 2044/03/24.
Health Sector Programme Loan No.1548/SF-GY		USD	23,000	20,317	0	767	402	767	402	1,168	0	19,550	4,076,175	The loan shall be completely repaid by the borrower by means of semi-annual consecutive , and insofar as possible equal installments no later than May 27,2045.
Fiscal & Financial Management Prog Loan No. 1550/SF-GY		USD	15,000	4,432	0	170	88	170	88	258	0	4,262	888,558	Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 30/7/2044 and 2% per annum thereafter.
Fiscal & Financial Management Prog Loan No. 1551/SF-GY		USD	13,000	10,304	0	396	204	396	204	600	0	9,908	2,065,737	Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 30/7/2044 and 2% per annum thereafter.
New Amsterdam Road Project Loan No.1554/SF-GY		USD	37,300	32,827	0	1,239	650	1,239	650	1,889	0	31,588	6,586,185	Loan shall be repaid semiannual, consecutive equal installments. The first installment on 6 Dec. 2015 and last installment 6 June 2045.
Agriculture Support Services Prog Loan No. 1558/SF-GY		USD	22,500	14,656	0	564	290	564	290	854	0	14,093	2,938,305	This loan shall be repaid semi-annual consecutive and in so far possible equal installments. The first installment shall be paid on the 24 March 2015 and the last 24 March 2044. The first interest shall be made on 24 March 2005.
Public Management Modernisation Program Loan No.1604/SF-GY		USD	5,000	2,665	0	101	53	101	53	154	0	2,564	534,694	The loan shall be repaid semi-annual, consecutive and equal installments. The first installment 15 Dec.2015 and last installment 15 June 2045.
Georgetown Solid Waste Mng. Prog. Loan No. 1730/SF- GY		USD	18,070	14,428	0	506	286	506	286	792	0	13,922	2,902,691	The borrower shall repay this loan in 60 semi-annual installments commencing on the 22 August 2017 ending 22 February 2047 and Int. at 1% per annum for first 10 years 2007 and 2% thereafter beginning 22 April 2017.
Georgetown Solid Waste Mng. Prog. Loan No. 1731/SF- GY		USD	2,500	0	0	0	0	0	0	0	0	0	0	This loan shall be completely repaid by the Borrower by means of semi-annual, equal installments during a period equivalent to the remaining validity period of the Guarantee. The loan shall be completely repaid by the Borrower by means of two semi-annual, consecutive equal installments.The first shall be paid on 22-08-17 and the last no later than 22-02-18. Interest shall be paid semi-annually on the outstanding daily balance of the loan at the rate of 1% per annum until 22 February 2017 and 2% per annum thereafter.
Prog. For Modernisation of Justice Admin. Loan No. 1745/SF- GY		USD	15,000	14,250	0	500	282	500	282	782	0	13,750	2,866,875	Loan shall be repaid semi-annual, consecutive equal installments. The first installment on 6 Jun. 2017 and last installment 6 June 2057.
Prog. For Modernisation of Justice Admin. Loan No. 1746/SF- GY		USD	10,000	9,494	0	333	188	333	188	521	0	9,161	1,910,110	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 20 September 2017 and last installment 20 March 2047.
Support For Competitiveness Loan No. 1750/SF- GY		USD	18,000	17,100	0	600	339	600	339	939	0	16,500	3,440,250	Loan shall be repaid in 60 semi-annual installments commencing on 20 September 2017 ending 20 March 2047 and Int. at 1% per annum for first 10 years and 2% thereafter beginning 20 September 2017.
Support For Competitiveness Loan No. 1751/SF- GY		USD	8,650	7,072	0	248	140	248	140	388	0	6,824	1,422,738	Loan shall be repaid in 60 semi-annual installments commencing on 20 September 2017 ending 20 March 2047 and Int. at 1% per annum for first 10 years and 2% thereafter beginning 20 September 2017.
C/F													100,686,713	

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						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												100,686,713		
Citizen Security Programme Loan No. 1752/SF- GY		USD	19,800	18,810	0	660	372	660	372	1,032	0	18,150	3,784,266	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 31 July 2018 and last installment 31 January 2047. and int at 1% per annum until the 31 January 2018 and 2% thereafter.
Transport Infrastructure Rehab. Prog. Loan No. 1803/SF- GY		USD	27,000	23,374	0	806	463	806	463	1,269	0	22,568	4,705,467	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on 11 January 2018 and last installment 11 July 2047. and int at 1% per annum until the 11 January 2018 and 2% thereafter.
Agricultural Export Diversification Programme Loan No 1929/BL - GY (FSO)		USD	10,450	10,448	0	0	26	0	26	26	0	10,448	2,178,444	This loan shall be repaid in a 1 shot payment on 6 April 2048 and Int. is 0.25% per annum.
Agricultural Export Diversification Programme Loan No 1929/BL - GY (OCR)		USD	10,450	8,338	0	428	388	428	388	815	0	7,911	1,649,348	This loan shall be repaid by consecutive and equal installments. The 1st installment due 6 yrs from the date of this contract and the last 30 yrs from the said date.
Power Sector Support Programme Loan No 1938/ BL - GY (FSO)		USD	6,000	6,000	0	0	15	0	15	15	0	6,000	1,251,000	This loan shall be repaid in a 1 shot payment on 6 April 2048 and Int. is 0.25% per annum.
Power Sector Support Programme Loan No 1938/ BL - GY (OCR)		USD	6,000	4,776	0	245	205	245	205	450	0	4,531	944,633	This loan shall be repaid in semi-annual consecutive and equal installments. The 1st installment beginning 6 April 2014 ending 6 April 2038.
Financial Sector Reform Prog. 2091/ BL - GY Fixed (OCR)		USD	2,500	2,041	0	102	109	102	109	211	0	1,939	404,235	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 12 December 2014 and ending 12 December 2038. Int is 5.54% per annum.
Financial Sector Reform Prog. 2091/ BL - GY Fixed (FSO)		USD	2,500	2,500	0	0	6	0	6	6	0	2,500	521,250	This loan shall be repaid in a 1 shot payment on 12 December 2048 and Int. is 0.25% per annum.
Urban Development of Housing Prog. 2102 / BL - GY (FSO)		USD	13,950	13,918	0	0	35	0	35	35	0	13,918	2,901,993	This loan shall be repaid in a 1 shot payment on 17 April 2048 and Int. is 0.25% per annum.
Urban Development of Housing Prog. 2102 / BL - GY (OCR)		USD	13,950	11,646	0	568	434	568	434	1,002	0	11,078	2,309,820	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 17 April 2015 and ending 17 April 2049. Int is 4.66% per annum.
Transportation Rehab Project 2215 / BL-GY (FSO)		USD	12,400	12,351	0	0	31	0	31	31	0	12,351	2,575,142	This loan shall be repaid in a 1 shot payment on 21 March 2050 and Int. is 0.25% per annum.
Transportation Rehab Project 2215 / BL-GY (OCR)		USD	12,400	10,850	0	509	378	509	378	887	0	10,341	2,156,028	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 21 March 2016 and ending 21 March 2040.
Capital Markets Prog. 2235 / BL - GY (OCR)		USD	2,500	2,143	0	102	94	102	94	196	0	2,041	425,510	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 23 November 2015 and ending 23 November 2039. Int is 4.28% per annum.
Capital Markets Prog. 2235 / BL - GY (FSO)		USD	2,500	2,500	0	0	6	0	6	6	0	2,500	521,250	This loan shall be repaid in a 1 shot payment on 23 November 2049 and Int. is 0.25% per annum.
Health Sector Reform Prog. 2270 / BL-GY (OCR)		USD	2,500	2,058	271	99	73	99	73	173	0	2,230	464,895	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 23 February 2016 and ending 17 February 2040. Int is 4.66% per annum.
Health Sector Reform Prog. 2270 / BL-GY (FSO)		USD	2,500	2,217	271	0	6	0	6	6	0	2,488	518,746	This loan shall be repaid in a 1 shot payment on 17 February 2050 and Int. is 0.25% per annum.
C/F												127,998,740		

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						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												127,998,740		
Water and Sanitation Rehab. Proj. 2326 / BL- GY (OCR)		USD	1,000	898	0	41	30	41	30	70	0	857	178,714	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 26 July 2016 and ending 26 July 2040. Int is 4.66% per annum.
Water and Sanitation Rehab. Proj. 2326 / BL- GY (FSO)		USD	1,000	1,000	0	0	3	0	3	3	0	1,000	208,500	This loan shall be repaid in a 1 shot payment on 26 July 2050 and Int. is 0.25% per annum.
Water and Sanitation Rehab. Proj. 2428 / BL- GY (OCR)		USD	4,750	4,215	0	192	179	192	179	371	0	4,023	838,885	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 8 December 2016 and ending 8 December 2040.
Water and Sanitation Rehab. Proj. 2428 / BL- GY (FSO)		USD	4,750	4,695	0	0	12	0	12	12	0	4,695	978,937	This loan shall be repaid in a 1 shot payment on 8 December 2050 and Int. is 0.25% per annum.
Private Sector Development Prog. 2441 / BL - GY (OCR)		USD	2,500	2,245	0	102	115	102	115	217	0	2,143	446,786	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 9 November 2016 and ending 9 November 2040. Int is 4.99% per annum.
Private Sector Development Prog. 2441 / BL - GY (FSO)		USD	2,500	2,500	0	0	6	0	6	6	0	2,500	521,250	This loan shall be repaid in a 1 shot payment on 9 November, 2050 and Int. is 0.25% per annum.
Transportation Rehab. Proj. 2454 / BL- GY (OCR)		USD	10,000	8,981	0	408	355	408	355	763	0	8,572	1,787,337	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 8 December 2016 and ending 8 December 2040.
Transportation Rehab. Proj. 2454 / BL- GY (FSO)		USD	10,000	9,996	0	0	25	0	25	25	0	9,996	2,084,104	This loan shall be repaid in a 1 shot payment on 8 December 2050 and Int. is 0.25% per annum.
Linden Water Supply Rehabilitation Prog 2535 BL-GY (FSO)		USD	6,000	6,000	0	0	15	0	15	15	0	6,000	1,251,000	This loan shall be repaid in a 1 shot payment on 13 July 2051. and Int. is 0.25% per annum.
Linden Water Supply Rehabilitation Prog 2535 BL-GY (OCR)		USD	6,000	5,633	0	245	215	245	215	460	0	5,388	1,123,347	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 13 July 2017 and ending 13 July 2041.
New Energy Programme 2567 BL-GY (OCR)		USD	2,500	2,369	0	103	93	103	93	196	0	2,266	472,434	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning 23 September 2017 and ending 23 September 2041. Int is 4.66% per annum.
New Energy Programme 2567 BL-GY (FSO)		USD	2,500	2,500	0	0	6	0	6	6	0	2,500	521,250	This loan shall be repaid in a 1 shot payment on 23 September 2051 and Int. is 0.25% per annum.
Road Network Upgrade & Expansion Prog 2741 BL-GY (OCR)		USD	33,100	5,789	4,533	297	359	297	359	657	0	10,024	2,090,056	Repayment begins 72 months from the date of contract and ends no later than 30 years on the same date.
Road Network Upgrade & Expansion Prog 2741 BL-GY (FSO)		USD	33,100	5,789	4,533	0	16	0	16	16	0	10,322	2,152,082	This loan shall be repaid in a one shot payment on 15 March 2053.
Environment Sector Strengthening Prog 3106 BL-GY (OCR)		USD	8,460	8,460	0	173	398	173	398	571	0	8,287	1,727,912	The first installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Environment Sector Strengthening Prog 3106 BL-GY (FSO)		USD	8,460	8,460	0	0	21	0	21	21	0	8,460	1,763,910	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
C/F													146,145,245	

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			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												146,145,245		
Power Utility Upgrade Program - 3238 OC- GY		USD	22,500	16,615	2,450	0	652	0	652	652	0	19,065	3,975,019	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Power Utility Upgrade Program - 3239 BL- GY (OCR)		USD	7,571	0	2,750	0	38	0	38	38	0	2,750	573,375	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Power Utility Upgrade Program - 3239 BL- GY (FSO)		USD	7,571	0	2,750	0	0	0	0	0	0	2,750	573,375	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Water Supply and Sanitation Infrastructure Improvement Program - 3242 OC- GY		USD	7,500	7,500	0	0	279	0	279	279	0	7,500	1,563,750	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Water Supply and Sanitation Infrastructure Improvement Program - 3243 BL- GY (OCR)		USD	4,669	1,319	2,295	0	70	0	70	70	0	3,614	753,533	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Water Supply and Sanitation Infrastructure Improvement Program - 3243 BL- GY (FSO)		USD	4,669	1,319	2,295	0	4	0	4	4	0	3,614	753,533	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Citizen Security Strengthening Prog.- 3369/BL GY-(OCR)		USD	7,500	4,019	1,825	0	157	0	157	157	0	5,844	1,218,502	The first repayment installment shall be paid 72 months from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Citizen Security Strengthening Prog - 3369/BL GY-(FSO)		USD	7,500	4,019	1,825	0	9	0	9	9	0	5,844	1,218,502	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Environment and Natural Disaster 3422-BL/GY (OCR)		USD	8,580	8,580	0	0	293	0	293	293	0	8,580	1,788,930	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Environment and Natural Disaster 3422-BL/GY (FSO)		USD	8,580	8,580	0	0	21	0	21	21	0	8,580	1,788,930	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Support to Improve Maternal and Child Health No.3779/ BL-GY (OCR)		USD	4,000	584	1,234	0	43	0	43	43	0	1,818	379,025	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Support to Improve Maternal and Child Health No.3779/ BL-GY (FSO)		USD	4,000	584	1,234	0	2	0	2	2	0	1,818	379,025	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Sustainable Agricultural Development Program No.3798/BL-GY (OCR)		USD	7,500	928	0	0	61	0	61	61	0	928	193,428	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Sustainable Agricultural Development Program No.3798/BL-GY (FSO)		USD	7,500	928	0	0	2	0	2	2	0	928	193,428	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program No. 3824/BL-GY (OCR)		USD	4,500	708	415	0	43	0	43	43	0	1,123	234,244	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
C/F													161,731,845	

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						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
<b>B/F</b>												161,731,845		
Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion Program No. 3824/BL-GY (FSO)		USD	4,500	708	415	0	2	0	2	2	0	1,123	234,244	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Support for the Criminal Justice System No. 3876/BL-GY (OCR)		USD	4,000	579	361	0	36	0	36	36	0	940	195,956	The first repayment installment shall be paid 6 years from the date of signature of this contract and the last installment shall be paid no later than 30 years from the same date.
Support for the Criminal Justice System No. 3876/BL-GY (FSO)		USD	4,000	579	361	0	1	0	1	1	0	940	195,956	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Strengthening the Energy Sector 4698/BL-GY (Regular OC)	No.	USD	5,820	2,910	2,910	0	103	0	103	103	0	5,820	1,213,470	This loan shall be repaid by the borrower in semi annual equal installment, the first installment shall be due from the borrower on the expiration date of 66 months period following the effective date of this contract and the last installment shall be paid no later than the final amortization date.
Strengthening the Energy Sector No. 4698/BL-GY (Concession OC)		USD	5,820	2,910	2,910	0	7	0	7	7	0	5,820	1,213,470	This loan shall be repaid in one single installment at the latest 40 years from the date of the signature of this contract.
Establishing an Electronic Single Window for Trade- 4659/BL-GY (Regular OC)		USD	3,000	0	110	0	10	0	10	10	0	110	22,935	This loan shall be repaid by the borrower in semiannual consecutive equal installment . The first installment shall be due from the borrower on the expiry date of 78 months
Establishing an Electronic Single Window for Trade- 4659/BL-GY (Concessional OC)		USD	3,000	0	110	0	0	0	0	0	0	110	22,935	This loan shall be repaid by the borrower in semi annual consecutive equal installments . The first installment shall be due from the borrower on the expiry date of 66 months
Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)- 4676/BL-GY (Regular OC)		USD	10,580	0	208	0	5	0	5	5	0	208	43,342	This loan shall be repaid by the borrower in semi annual consecutive equal installment .
Energy Matrix Diversification and Institutional Strengthening of the Department of Energy (EMISDE)- 4676/BL-GY (Concessional OC)		USD	10,580	0	208	0	0	0	0	0	0	208	43,342	This loan shall be repaid by the borrower in one single installment at the latest 40 years from the date of the signature of tis contract.
<b>INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT</b>														
CAD/Guyana Poor Rural Communities Support Services Project 436 - GY		SDR	7,300	3,977	0	221	29	221	29	250	0	3,756	1,085,495	Principal payment shall be made semi-annually on 1 April and 1 October commencing 1/4/2007 and ending 1/10/2036.
OPEC Fund for International Development 1058 H		USD	7,500	4,500	0	375	44	375	44	419	0	4,125	860,063	Repayment of 40 equal and consecutive semi-annual installments. Commencing 2011-01-15 and ending 2030-07-15.
GUYMINE'S Liabilities to Government Bonds - Ruston Bucyrus plc	*_/5	GBP	21	22	0	0	0	0	0	0	0	22	6,170	The Bond no.3/1994 to Ruston Bucyrus plc for GBP21,273.94 date of maturity 17 May 2006.
PL 480 for 1999		USD	7,000	529	0	48	13	48	13	61	0	481	100,358	26 Annual Principal repayments commencing 2004-12-30 and ending 2029-12-30.
Rehabilitation of the Bauxite Industry Sysmin - 3663/Gua/P		XEU	10,496	5,065	0	417	50	417	50	467	0	4,648	1,087,817	Principal repayment in 51 semi-annual installments beginning 1 March 2005, ending 1 March 2030.
<b>C/F</b>												168,057,397		

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						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
<b>B/F</b>												168,057,397		
Financing Project (READ) IFAD742-GY		SDR	1,850	1,788	0	62	13	62	13	75	0	1,726	498,958	This loan shall be repaid in 60 semi-annual payments beginning June 15, 2018, ending December 15, 2047.
OPEC Fund for International Development 716pg		USD	15,188	7,290	0	608	71	608	71	679	0	6,683	1,393,364	Principal repayment shall be made semi-annually commencing 2006/02/16, ending 2030/08/16.
Rescheduling of Guyana Debt/ Trinidad & Tobago.		USD	55,979	4,309	0	4,309	69	4,309	69	4,378	0	0	0	Principal repayment shall be made semi-annually on 23/5 and 23/11 beginning 23/05/2006 and ending 23/05/2019
Hinterland Environmentally Sustainable Agriculture Development Project		USD	7,960	800	117	0	16	0	16	16	0	917	191,230	This loan shall be repaid in 50 semi-annual payments, with a grace period of 5 years at a Fixed Interest Rate of 1.25% pa.
<b>Non- Paris Club Creditors</b>														
Yugoslavia Credit Agreement		USD	1,175	1,381	0	0	24	0	0	0	0	1,405	292,856	Repayment of this loan shall be made semi-annually on 6 principal repayments of the loan shall be paid 21/6 and 21/12. Yearly beginning 83/12/21.
United Arab Emirates Economic Co-operation		UAE	19,840	29,916	0	0	476	0	0	0	0	30,392	1,725,129	The principal repayment of loan amount paid 4/3 yearly beginning 4-3-78. Interest is paid on 4/3 yearly beginning 4/3/78 and ending 4/3/87.
Argentina		USD	6,783	15,557	0	0	339	0	0	0	0	15,896	3,314,344	Repayable 1996 to 1998 at 7.5%.
Kuwait	*_4	KWD	3,000	24,247	0	0	832	0	0	0	0	0	0	Principal of USD8,000,000 is to be repaid in equal annual installments over 4yrs commenced on 15 May,2019
		USD	26,854	77,593	0	2,000	0	2,000	0	2,000	50,739	24,854	5,181,973	Interest outstanding is USD67,652,340.90 .25% would be treated in part of a debt swap arrangement and the balance would be repaid in cash over 5yrs with interest rate of 1% per annum as of 15 May,2024.
Libya		USD	10,000	44,028	0	0	876	0	0	0	0	44,904	9,362,394	Repayable 1981 to 1993 at varying interest rates.
Italy Procurement of Equipment for the rehab. maint. and construct. of drainage and irrigation facilities in Mahaica.		XEU	3,305	2,445	0	175	24	175	24	199	0	2,271	531,429	36 semi-annual installments beginning April 23, 2015, ending October 23 2032.
<b>Export Import Bank of China</b>														
The design and supply of the co-generation plant under the Skeldon Sugar Modernisation Project		YUAN	270,000	111,968	0	17,226	2,168	17,226	2,168	19,394	0	94,742	2,835,847	31 equal semi-annual installments commencing 21 March 2010, ending on 21 March 2025.
Guyana Power and Light Infrastructure Development Project		YUAN	270,000	191,944	0	15,995	3,810	15,995	3,810	19,806	0	175,948	5,266,550	31 equal semi-annual installments commencing 21 September 2015, ending on 29 June 2030.
Supply and Implementation Service Contract for Guyana E-Government Project		YUAN	215,000	186,490	0	13,814	3,686	13,814	3,686	17,500	0	172,676	5,168,608	31 equal semi-annual installments commencing 21 March 2017, ending on 21 September 2032.
CJIA Loan Extension Project		YUAN	825,000	780,110	0	53,206	15,080	53,206	15,080	68,285	0	726,904	21,757,966	31 equal semi-annual installments commencing 21 March 2018, ending on 17 December 2032.
East Coast Demerara Road Improvement Project		YUAN	313,839	116,614	123,658	0	3,356	0	3,356	3,356	0	240,272	7,191,907	31 equal semi-annual installments principal, 5 years grace period and Fixed interest rate at 2% per annum.
Guyana National Broadband Project		YUAN	249,044	74,713	138,096	0	2,032	0	2,032	2,032	0	212,810	6,369,897	The rate of interest applicable to the loan shall be 2% per annum. The maturity period for the facility shall be 240 months, among which the grace period shall be 60 months and the repayment period shall be 180 months.
<b>C/F</b>													239,139,848	



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						a	b	a	b					
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
<b>B/F</b>												239,139,848		
<b>Exim Bank of India</b>														
Construction of Cricket Stadium		USD	19,000	7,611	0	1,265	129	1,265	129	1,394	0	6,346	1,323,141	30 equal semi-annual installments commencing 14.01.2010 & ending 14.07.2024. Interest rate 1.75 %.
Construction of Traffic Lights		USD	2,100	1,121	0	140	19	140	19	159	0	981	204,564	Repayment of 30 installments to be paid 2 times each year on 14 January and 14 July commencing 2012-01-14 and ending 2026-07-14
Acquisition and Installation of Irrigation Pumps		USD	2,991	2,141	0	195	37	195	37	232	0	1,946	405,793	30 equal semi-annual installments commencing 14 January 2015, ending on 14 July 2029.
Multi Speciality Hospital Project		USD	4,285	4,000	0	286	70	286	70	355	0	3,714	774,379	30 equal semi-annual installments commencing 14 January 2018, ending July 14 2032.
Procurement of an Ocean Ferry		USD	10,000	0	0	0	0	0	0	0	0	0	0	The principal amount shall be repaid in semi-annual substantially equal installments commencing on the 14th January, 2022 and ending on the 14th July, 2036.
East Bank East Coast Road Linkage Project		USD	50,000	727	396	0	14	0	14	14	0	1,123	234,052	The principal amount shall be repaid in semi-annual equal substantially equal installments commencing on the 14th January, 2021 and ending on the 14th January, 2036.
High Capacity Fixed and Mobile Drainage Pumps and Associated Structures		USD	4,000	0	360	0	38	0	38	38	0	360	75,102	40 equal semi-annual installments commencing July 19th 2022, ending on July 19th, 2032. Fixed Interest Rate at 1.75%
Hospital Upgrade		USD	17,500	0	0	0	0	0	0	0	0	0	0	40 equal semi-annual installments commencing July 19th 2022, ending on July 19th, 2032. Fixed Interest Rate at 1.75%
Atlantic Hotel Inc.		USD	17,307	16,585	0	768	1,033	768	1,033	1,801	0	15,816	3,297,665	Fixed at issue at a spread of 450 basis points above current US Treasury Five (5) years (current effective 6.28% per annum). Interest payable semi-annually in areas calculated on an annual 365 days basis, commencing 6 months after issue date. Principal and interest installments to be paid via 30 semi-annual payments.
<b>Islamic Development Bank</b>														
Power Utility Upgrade Program		USD	20,000	0	0	0	0	0	0	0	0	0	0	The interest rate shall be repaid in 10 years USD mid-swap. The first repayment date will commence 6 months after the end of gestation period and the maturity period ending September 19, 2038
<b>VENEZUELA</b>														
PetroCaribe Agreement-7th shipment 2014		USD	3,199	2,127	0	92	21	92	21	113	0	2,036	424,422	Repayment of 23 installments to be paid once each year commencing 2017-02-13 & ending 2039-02-13.
PetroCaribe Agreement-8th shipment 2014		USD	2,479	2,331	0	100	23	100	23	124	0	2,230	465,048	Repayment of 23 installments to be paid once each year commencing 2017-02-26 & ending 2039-02-26.
PetroCaribe Agreement-9th shipment 2014		USD	2,337	2,198	0	95	22	95	22	117	0	2,103	438,502	Repayment of 23 installments to be paid once each year commencing 2017-03-09 & ending 2039-03-09.
PetroCaribe Agreement-10th shipment 2014		USD	2,311	2,173	0	93	22	93	22	115	0	2,079	433,546	Repayment of 23 installments to be paid once each year commencing 2017-03-11 & ending 2039-03-11.
PetroCaribe Agreement-11th shipment 2014		USD	2,118	1,992	0	86	20	86	20	106	0	1,906	397,423	Repayment of 23 installments to be paid once each year commencing 2017-03-15 & ending 2039-03-15.
<b>C/F</b>													247,613,485	

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			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F												247,613,485		
PetroCaribe Agreement-12th shipment 2014		USD	2,494	2,346	0	101	23	101	23	124	0	2,245	468,024	Repayment of 23 installments to be paid once each year commencing 2017-03-23 & ending 2039-03-23.
PetroCaribe Agreement-13th shipment 2014		USD	2,077	1,954	0	84	20	84	20	104	0	1,869	389,784	Repayment of 23 installments to be paid once each year commencing 2017-03-24 & ending 2039-03-24.
PetroCaribe Agreement-14th shipment 2014		USD	2,743	2,579	0	111	26	111	26	137	0	2,468	514,607	Repayment of 23 installments to be paid once each year commencing 2017-04-04 & ending 2039-04-04.
PetroCaribe Agreement-15th shipment 2014		USD	2,527	2,376	0	102	24	102	24	126	0	2,274	474,078	Repayment of 23 installments to be paid once each year commencing 2017-04-10 & ending 2039-04-10.
PetroCaribe Agreement-16th shipment 2014		USD	3,238	3,045	0	131	30	131	30	161	0	2,914	607,625	Repayment of 23 installments to be paid once each year commencing 2017-04-13 & ending 2039-04-13.
PetroCaribe Agreement-17th shipment 2014		USD	2,452	2,306	0	99	23	99	23	122	0	2,206	460,055	Repayment of 23 installments to be paid once each year commencing 2017-04-30 & ending 2039-04-30.
PetroCaribe Agreement-18th shipment 2014		USD	2,461	2,315	0	100	23	100	23	123	0	2,215	461,843	Repayment of 23 installments to be paid once each year commencing 2017-05-02 & ending 2039-05-02.
PetroCaribe Agreement-19th shipment 2014		USD	1,837	1,727	0	74	17	74	17	92	0	1,653	344,664	Repayment of 23 installments to be paid once each year commencing 2017-05-14 & ending 2039-05-14.
PetroCaribe Agreement-20th shipment 2014		USD	2,142	2,014	0	87	20	87	20	107	0	1,928	401,944	Repayment of 23 installments to be paid once each year commencing 2017-05-16 & ending 2039-05-16.
PetroCaribe Agreement-21st shipment 2014		USD	2,535	2,384	0	103	24	103	24	126	0	2,281	475,628	Repayment of 23 installments to be paid once each year commencing 2017-06-01 & ending 2039-06-01.
PetroCaribe Agreement-22nd shipment 2014		USD	2,233	2,099	0	90	21	90	21	111	0	2,009	418,888	Repayment of 23 installments to be paid once each year commencing 2017-06-03 & ending 2039-06-03.
PetroCaribe Agreement-23rd shipment 2014		USD	2,298	2,161	0	93	22	93	22	115	0	2,068	431,166	Repayment of 23 installments to be paid once each year commencing 2017-06-13 & ending 2039-06-13.
PetroCaribe Agreement-24th shipment 2014		USD	2,928	2,753	0	118	28	118	28	146	0	2,635	549,337	Repayment of 23 installments to be paid once each year commencing 2017-06-17 & ending 2039-06-17.
PetroCaribe Agreement-25th shipment 2014		USD	2,217	2,084	0	90	21	90	21	111	0	1,995	415,889	Repayment of 23 installments to be paid once each year commencing 2017-06-27 & ending 2039-06-27.
PetroCaribe Agreement-26th shipment 2014		USD	1,786	1,679	0	72	17	72	17	89	0	1,607	335,074	Repayment of 23 installments to be paid once each year commencing 2017-07-02 & ending 2039-07-02.
PetroCaribe Agreement-27th shipment 2014		USD	2,756	2,592	0	112	26	112	26	137	0	2,480	517,176	Repayment of 23 installments to be paid once each year commencing 2017-07-09 & ending 2039-07-09.
PetroCaribe Agreement-28th shipment 2014		USD	2,208	2,076	0	89	21	89	21	110	0	1,987	414,199	Repayment of 23 installments to be paid once each year commencing 2017-07-15 & ending 2039-07-15.
PetroCaribe Agreement-29th shipment 2014		USD	2,538	2,387	0	103	24	103	24	127	0	2,284	476,210	Repayment of 23 installments to be paid once each year commencing 2017-07-30 & ending 2039-07-30.
PetroCaribe Agreement-30th shipment 2014		USD	2,294	2,158	0	93	22	93	22	114	0	2,065	430,489	Repayment of 23 installments to be paid once each year commencing 2017-07-31 & ending 2039-07-31.
C/F												256,200,164		

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	NOTES	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2019	AMOUNT DIS- BURSED IN 2019	DEBT SERVICE COST DUE & PAYABLE IN		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELL- 9	CLOSING BALANCE AS AT 31.12.19 10 10=(4+5+6b-7a- 7b)-9	GUYANA DOLLAR EQ- UIVALENT 31.12.19 11	TERMS AND CONDITIONS OF LOAN
						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8				
						a	b	a	b	8=7a+7b				
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000		
B/F													256,200,164	
PetroCaribe Agreement-31st shipment 2014		USD	2,364	2,223	0	96	22	96	22	118	0	2,127	443,568	Repayment of 23 installments to be paid once each year commencing 2017-08-04 & ending 2039-08-04
PetroCaribe Agreement-32nd shipment 2014		USD	2,320	2,182	0	94	22	94	22	116	0	2,088	435,325	Repayment of 23 installments to be paid once each year commencing 2017-08-14 & ending 2039-08-14.
PetroCaribe Agreement-33rd shipment 2014		USD	2,101	1,976	0	85	20	85	20	105	0	1,891	394,279	Repayment of 23 installments to be paid once each year commencing 2017-08-26 & ending 2039-08-26.
PetroCaribe Agreement-34th shipment 2014		USD	2,976	2,798	0	120	28	120	28	148	0	2,678	558,309	Repayment of 23 installments to be paid once each year commencing 2017-08-28 & ending 2039-08-28.
PetroCaribe Agreement-35th shipment 2014		USD	2,513	2,363	0	102	24	102	24	125	0	2,261	471,475	Repayment of 23 installments to be paid once each year commencing 2017-09-10 & ending 2039-09-10.
PetroCaribe Agreement-36th shipment 2014		USD	1,922	1,807	0	78	18	78	18	96	0	1,730	360,604	Repayment of 23 installments to be paid once each year commencing 2017-09-14 & ending 2039-09-14.
PetroCaribe Agreement-37th shipment 2014		USD	2,174	2,045	0	88	20	88	20	108	0	1,957	407,994	Repayment of 23 installments to be paid once each year commencing 2017-09-18 & ending 2039-09-18.
PetroCaribe Agreement-38th shipment 2014		USD	1,926	1,812	0	78	18	78	18	96	0	1,734	361,464	Repayment of 23 installments to be paid once each year commencing 2017-09-26 & ending 2039-09-26.
PetroCaribe Agreement-39th shipment 2014		USD	2,228	2,095	0	90	21	90	21	111	0	2,005	418,076	Repayment of 23 installments to be paid once each year commencing 2017-09-27 & ending 2039-09-27.
PetroCaribe Agreement-40th shipment 2014		USD	1,322	1,243	0	53	12	53	12	66	0	1,190	248,034	Repayment of 23 installments to be paid once each year commencing 2017-10-10 & ending 2039-10-10.
PetroCaribe Agreement-41st shipment 2014		USD	1,918	1,804	0	78	18	78	18	96	0	1,726	359,873	Repayment of 23 installments to be paid once each year commencing 2017-10-12 & ending 2039-10-12.
PetroCaribe Agreement-42nd shipment 2014		USD	932	876	0	38	9	38	9	46	0	838	174,823	Repayment of 23 installments to be paid once each year commencing 2017-10-18 & ending 2039-10-18.
PetroCaribe Agreement-43rd shipment 2014		USD	1,428	1,342	0	58	13	58	13	71	0	1,285	267,847	Repayment of 23 installments to be paid once each year commencing 2017-10-25 & ending 2039-10-25.
PetroCaribe Agreement-44th shipment 2014		USD	2,418	2,274	0	98	23	98	23	121	0	2,176	453,664	Repayment of 23 installments to be paid once each year commencing 2017-10-29 & ending 2039-10-29.
PetroCaribe Agreement-45th shipment 2014		USD	1,098	1,032	0	44	10	44	10	55	0	988	205,936	Repayment of 23 installments to be paid once each year commencing 2017-11-13 & ending 2039-11-13.
PetroCaribe Agreement-46th shipment 2014		USD	1,388	1,305	0	56	13	56	13	69	0	1,249	260,464	Repayment of 23 installments to be paid once each year commencing 2017-11-15 & ending 2039-11-15.
PetroCaribe Agreement-47th shipment 2014		USD	1,251	1,176	0	51	12	51	12	62	0	1,126	234,738	Repayment of 23 installments to be paid once each year commencing 2017-11-20 & ending 2039-11-20.
PetroCaribe Agreement-48th shipment 2014		USD	1,189	1,118	0	48	11	48	11	59	0	1,070	223,085	Repayment of 23 installments to be paid once each year commencing 2017-11-24 & ending 2039-11-24.
PetroCaribe Agreement-49th shipment 2014		USD	1,012	952	0	41	10	41	10	50	0	911	189,926	Repayment of 23 installments to be paid once each year commencing 2017-11-25 & ending 2039-11-25.
C/F													262,669,647	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	NOTES	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2019	AMOUNT DIS- BURSED IN 2019	DEBT SERVICE COST DUE & PAYABLE IN		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELL- 9	CLOSING BALANCE AS AT 31.12.19	GUYANA DOLLAR EQ- UIVALENT 31.12.19	TERMS AND CONDITIONS OF LOAN
						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8				
1		2	3	4	5	6	7	8	9	10	11			
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	
B/F													262,669,647	
PetroCaribe Agreement-50th shipment 2014		USD	826	777	0	33	8	33	8	41	0	743	155,014	Repayment of 23 installments to be paid once each year commencing 2017-12-08 & ending 2039-12-08.
PetroCaribe Agreement-51st shipment 2014		USD	928	873	0	38	9	38	9	46	0	835	174,178	Repayment of 23 installments to be paid once each year commencing 2017-12-08 & ending 2039-12-08.
PetroCaribe Agreement-52nd shipment 2014		USD	866	815	0	35	8	35	8	43	0	779	162,513	Repayment of 23 installments to be paid once each year commencing 2017-12-28 & ending 2039-12-28.
PetroCaribe Agreement-53rd shipment 2014		USD	913	858	0	37	9	37	9	46	0	821	171,233	Repayment of 23 installments to be paid once each year commencing 2017-12-28 & ending 2039-12-28.
<b>2015 shipments</b>														
PetroCaribe Agreement-1st shipment 2015	*_2	USD	713	699	0	29	7	29	7	36	0	670	139,658	Repayment of 1% interest per annum until January 12 2040 commencing on January 12 2018.
PetroCaribe Agreement-2nd shipment 2015	*_2	USD	832	816	0	34	8	34	8	42	0	782	163,138	Repayment of 1% interest per annum until January 17 2040 commencing on January 17 2018.
PetroCaribe Agreement-3rd shipment 2015	*_2	USD	638	625	0	26	6	26	6	32	0	599	124,857	Repayment of 1% interest per annum until January 19 2040 commencing on January 19 2018.
PetroCaribe Agreement-4th shipment 2015	*_2	USD	675	662	0	27	7	27	7	34	0	635	132,374	Repayment of 1% interest per annum until January 24 2040 commencing on January 24 2018.
PetroCaribe Agreement-5th shipment 2015	*_2	USD	844	828	0	34	8	34	8	42	0	794	165,527	Repayment of 1% interest per annum until January 30 2040 commencing on January 30 2018.
PetroCaribe Agreement-6th shipment 2015	*_2	USD	1,035	1,015	0	41	10	41	10	52	0	973	202,883	Repayment of 1% interest per annum until February 8 2040 commencing on February 8 2018.
PetroCaribe Agreement-7th shipment 2015	*_2	USD	472	463	0	19	5	19	5	24	0	444	92,562	Repayment of 1% interest per annum until February 13 2040 commencing on February 13 2018.
PetroCaribe Agreement-8th shipment 2015	*_2	USD	1,130	1,108	0	45	11	45	11	56	0	1,063	221,532	Repayment of 1% interest per annum until February 20 2040 commencing on February 20 2018.
PetroCaribe Agreement-9th shipment 2015	*_2	USD	1,076	1,055	0	43	11	43	11	54	0	1,012	210,939	Repayment of 1% interest per annum until February 26 2040 commencing on February 26 2018.
PetroCaribe Agreement-10th shipment 2015	*_2	USD	574	563	0	23	6	23	6	29	0	540	112,606	Repayment of 1% interest per annum until March 12 2040 commencing on March 12 2018.
PetroCaribe Agreement-11th shipment 2015	*_2	USD	902	884	0	36	9	36	9	45	0	848	176,784	Repayment of 1% interest per annum until March 14 2040 commencing on March 14 2018.
PetroCaribe Agreement-12th shipment 2015	*_2	USD	912	894	0	36	9	36	9	45	0	858	178,857	Repayment of 1% interest per annum until March 24 2040 commencing on March 24 2018.
PetroCaribe Agreement-13th shipment 2015	*_2	USD	323	317	0	13	3	13	3	16	0	304	63,356	Repayment of 1% interest per annum until March 26 2040 commencing on March 26 2018.
PetroCaribe Agreement-14th shipment 2015	*_2	USD	963	945	0	39	9	39	9	48	0	906	188,899	Repayment of 1% interest per annum until April 11 2040 commencing on April 11 2018.
PetroCaribe Agreement-15th shipment 2015	*_2	USD	929	911	0	37	9	37	9	46	0	873	182,085	Repayment of 1% interest per annum until April 21 2040 commencing on April 21 2018.
C/F													265,688,643	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	NOTES	LOAN CURR- ENCY	REVISED/ ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2019	AMOUNT DIS- BURSED IN 2019	DEBT SERVICE COST DUE & PAYABLE IN		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELL- 9	CLOSING BALANCE AS AT 31.12.19 10 10=(4+5+6b-7a- 7b)-9	GUYANA DOLLAR EQ- UIVALENT 31.12.19 11	TERMS AND CONDITIONS OF LOAN
						PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT 8 8=7a+7b				
			'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	265,688,643	
B/F														
PetroCaribe Agreement-16th shipment 2015	*_/2	USD	1,328	1,302	0	53	13	53	13	66	0	1,249	260,455	Repayment of 1% interest per annum until April 23 2040 commencing on April 23 2018.
PetroCaribe Agreement-17th shipment 2015	*_/2	USD	1,347	1,321	0	54	13	54	13	67	0	1,267	264,120	Repayment of 1% interest per annum until April 26 2040 commencing on April 26 2018.
PetroCaribe Agreement-18th shipment 2015	*_/2	USD	1,320	1,294	0	53	13	53	13	66	0	1,241	258,839	Repayment of 1% interest per annum until May 15 2040 commencing on May 15 2018.
PetroCaribe Agreement-19th shipment 2015	*_/2	USD	903	885	0	36	9	36	9	45	0	849	176,998	Repayment of 1% interest per annum until May 15 2040 commencing on May 15 2018.
PetroCaribe Agreement-20th shipment 2015	*_/2	USD	1,307	1,282	0	52	13	52	13	65	0	1,229	256,281	Repayment of 1% interest per annum until May 19 2040 commencing on May 19 2018.
PetroCaribe Agreement-21st shipment 2015	*_/2	USD	1,248	1,224	0	50	12	50	12	62	0	1,174	244,707	Repayment of 1% interest per annum until May 27 2040 commencing on May 27 2018.
PetroCaribe Agreement-22nd shipment 2015	*_/2	USD	1,211	1,187	0	49	12	49	12	60	0	1,139	237,385	Repayment of 1% interest per annum until June 2 2040 commencing on June 2 2018.
PetroCaribe Agreement-23rd shipment 2015	*_/2	USD	578	567	0	23	6	23	6	29	0	544	113,361	Repayment of 1% interest per annum until June 6 2040 commencing on June 6 2018.
PetroCaribe Agreement-24th shipment 2015	*_/2	USD	1,548	1,517	0	62	15	62	15	77	0	1,455	303,452	Repayment of 1% interest per annum until June 17 2040 commencing on June 17 2018.
PetroCaribe Agreement-25th shipment 2015	*_/2	USD	578	567	0	23	6	23	6	29	0	544	113,399	Repayment of 1% interest per annum until June 21 2040 commencing on June 21 2018.
PetroCaribe Agreement-26th shipment 2015	*_/2	USD	1,396	1,368	0	56	14	56	14	70	0	1,312	273,623	Repayment of 1% interest per annum until June 25 2040 commencing on June 25 2018.
PetroCaribe Agreement-27th shipment 2015	*_/2	USD	851	835	0	34	8	34	8	42	0	800	166,887	Repayment of 1% interest per annum until July 4 2040 commencing on July 4 2018.
<b>GRAND TOTAL</b>													268,358,150	

**\* Notes to the Accounts**

\*\_/1 It is to be noted that the amounts reflected under Actual Debt Service for loans - Fourth Road Project W.C.D. Road Improvement -CDB 7/SFR-OR-GUY(OCR), Fourth Road Project W.C.D. Road Improvement -CDB 7/SFR-OR-GUY(SFR), Sea & River Defence Resilience Project -CDB 8/SFR-OR-GUY(OCR), Sea & River Defence Resilience Project - 8/SFR OR GUY (SFR) ,Skills Development and Employability- 19 /SFR-GUY includes the amounts financed from the Loan Resources

**Table below reflects the Actual Payments made from Public Debt Section and Recorded in Files and the difference from Loan Resources**

Name of Creditor	Loan Identification	CURRENCY	Recorded in Public Debt Register ( Debit Advice )	Paid from Loan Resources	Total Payment
			\$'000		
<b>CDB</b>	Fourth Road Project W.C.D. Road Improvement - 7/SFR-OR-GUY (OCR)	<b>USD</b>	286	116	401
<b>CDB</b>	Fourth Road Project W.C.D. Road Improvement - 7/SFR-OR-GUY (SFR)	<b>USD</b>	256	214	470
<b>CDB</b>	Sea & River Defence Resilience Project - 8/SFR OR GUY OCR	<b>USD</b>	21	46	67
<b>CDB</b>	Sea & River Defence Resilience Project - 8/SFR OR GUY SFR	<b>USD</b>	2	134	137
<b>CDB</b>	Skills Development and Employability- 19/SFR-GUY	<b>USD</b>	6	2	8

\*\_/2 In 2015 the Seventh (7th) Oil Debt Compensation agreement between Guyana and Venezuela has not been concluded. This Agreement specifies that in 2015, the white rice and Paddy shipped to Venezuela from Guyana to compensate Guyana's Oil Debt to Venezuela. Oil Shipment under the PetroCaribe Agreement from Shipment thirty three (33) of 2013 to shipment twenty Seven (27) of 2015 are included in the Seventh Oil Debt Compensation Agreement. The 2015 Sales Contract for Oil Shipment one (1) of 2015 to Shipment twenty seven (27) of 2015 under the PetroCaribe Agreement is to be concluded between the Government of Guyana and Venezuela in the near future. The Promissory Notes were prepared reflecting the shipments made in 2013 to 2015 through the sales contract. Since the oil shipments were made to Guyana, the terms and conditions outlined in the promissory notes are Enforceable and Valid.

\*\_/3 Proposed Guyana Oil and Gas Capacity Building Project Advance No. V2160 is being fully cancelled.

\*\_/4 The Kuwait Investment Authority ,State of Kuwait and the Government of the Co-operative Republic of Guyana signed a Bilateral Debt Settlement Agreement on 18th March,2019 ,This loan is now being reported in United States Dollars.

\*\_/5 The Guymine Debt (Ruston Bucyrus) incurred interest in arrears of GBP\$ 1,063.70 that is included in the outstanding balance on the bond.

**ANALYSIS OF PUBLIC DEBT  
BY CURRENCIES AS AT 31 DECEMBER 2019**

№.	Description	Rate at 31.12.2019	№. Of Units of Currency Outstanding \$'000	G\$'000 Equivalent
1	UNITED STATES DOLLARS (US\$)	208.50000	947,122	197,475,035
2	YUAN RENMINBIS (CNY)	29.93238	1,623,351	48,590,771
3	POUND STERLING (GBP)	276.19552	22	6,170
4	SPECIAL DRAWING RIGHTS (SDR)	289.02135	65,483	18,925,930
5	EUROPEAN CURRENCY UNITS (XEU)	234.03300	6,987	1,635,116
6	UAE DIRHAMS (AED)	56.76250	30,392	1,725,129
7	KUWAITI DINARS (KWD)	687.43818	0	0
<b>GRAND TOTAL</b>				<b>268,358,150</b>

**STATEMENT OF PUBLIC DEBT  
EQUATED ANNUITY DEBENTURES 2019**

Description 1	2	Date of First Installment 3	Date of Final Installment 4	Due Date of Installment 5	Amount of Loan 31.12.2018 6	Loan Made in 2018 7	Amount of Loan 31.12.2019 (8)=(6)+(7)	Amount Repaid at 31.12.2018 9	Amount Repaid in 2019 10	Amount Repaid as at 31.12.2019 (11)=(9)+(10)	Amount Outstanding at 31.12.2018 (12)=(6)- (9)	Amount Outstanding at 31.12.2019 (13)=(8)-(11)
					\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Government of Guyana debenture to National Paint Co. (1997)	Loan Act 11 of 73	30-11-91	31-05-97	31-5 & 30-11	3,485	0	3,485	1,405	0	1,405	2,080	2,080
<b>Total</b>					<b>3,485</b>	<b>0</b>	<b>3,485</b>	<b>1,405</b>	<b>0</b>	<b>1,405</b>	<b>2,080</b>	<b>2,080</b>

**STATEMENT OF PUBLIC DEBT  
NON-INTEREST BEARING DEBENTURE 2019**

Description (1)	Amount of Loan (2)	Loan made in 2019 (3)	Amount of Loan at 31.12.2019 (4)=(2)+(3)	Amount Repaid at 31.12.2018 (5)	Amount of Repaid in 2019 (6)	Amount Repaid at 31.12.2019 (7)=(5)+(6)	Outstanding 31.12.2018 (8)=(2)-(5)	Outstanding 31.12.2019 (9)=(4)-(7)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Non Interest Bearing Debenture</u></b>								
ID 31/12/00 (93 rd Issue) Non Interest Bearing Debenture	4,892,539	0	4,892,539	0	0	0	4,892,539	4,892,539
ID 31/12/01 (94th Issue) Non Interest Bearing Debenture	14,851,975	0	14,851,975	0	0	0	14,851,975	14,851,975
ID 31/12/02 (95th Issue) Non Interest Bearing Debenture	2,566,705	0	2,566,705	0	0	0	2,566,705	2,566,705
ID 31/12/04 (97th Issue) Non Interest Bearing Debenture	2,578,508	0	2,578,508	0	0	0	2,578,508	2,578,508
ID 31/12/06 (99th Issue) Non Interest Bearing Debenture	4,091,091	0	4,091,091	0	0	0	4,091,091	4,091,091
ID 31/12/07 (100th Issue) Non Interest Bearing Debenture	7,151,884	0	7,151,884	0	0	0	7,151,884	7,151,884
ID 31/12/12 (105th Issue) Non Interest Bearing Debenture	416,666	0	416,666	0	0	0	416,666	416,666
ID 31/12/13 (106th Issue) Non Interest Bearing Debenture	1,602,715	0	1,602,715	0	0	0	1,602,715	1,602,715
ID 31/12/14 (107th Issue) Non Interest Bearing Debenture	30,862	0	30,862	0	0	0	30,862	30,862
ID 31/12/15 (108th Issue) Non Interest Bearing Debenture	104,437	0	104,437	0	0	0	104,437	104,437
ID 31/12/16 (109th Issue) Non Interest Bearing Debenture	21,402	0	21,402	0	0	0	21,402	21,402
ID 31/12/17 (110th Issue) Non Interest Bearing Debenture	169,519	0	169,519	0	0	0	169,519	169,519
ID 31/12/18 (111th Issue) Non Interest Bearing Debenture	14,671	0	14,671	0	0	0	14,671	14,671
ID 31/12/19 (112th Issue)	0	1,623,142	1,623,142	0	0	0	0	1,623,142
<b>Total</b>	<b>38,492,973</b>	<b>1,623,142</b>	<b>40,116,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,492,973</b>	<b>40,116,115</b>



**STATEMENT OF PUBLIC DEBT**  
**VARIABLE INTEREST RATES DEBENTURES 2019**

Description 1	Authority 2	Date of First Installment 3	Amount of Loan 4	Loan made in 2019 5	Amount of Loan 31.12.2019 (6)=(4)+(5)	Amount Repaid at 31.12.2018 7	Amount Repaid in 2019 8	Amount Repaid as at 31.12.2019 (9)=(7)+(8)	Amount Outstanding at 31.12.2018 (10)=(4)-(7)	Amount Outstanding at 31.12.2019 (11)=(6)-(9)
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Variable Interest Rate Fixed Date Debentures 1st series 1995	5/1991	On Demand	2,835,122	0	2,835,122	0	0	0	2,835,122	2,835,122
Variable Interest Rate Fixed Date on demand Debenture 1st series 1996	5/1991	On Demand	927,449	0	927,449	0	0	0	927,449	927,449
Variable Interest Rate Debenture 3rd Series 1997	5/1991	On Demand	135,966	0	135,966	0	0	0	135,966	135,966
<b>Total</b>			<b>3,898,537</b>	<b>0</b>	<b>3,898,537</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,898,537</b>	<b>3,898,537</b>

**STATEMENT OF PUBLIC DEBT  
INTERNAL LOANS 2019- UNFUNDED**

Description 1	Currency Loan 2	Date of Final Installment 3	Original Amount of Loan 4	Amount of Loan 31.12.2018 5	Loan Made in 2019 6	Amount of Loan 31.12.2019 7=(5)+(6)	Amount Repaid at 31.12.2018 8	Amount Repaid in 2019 9	Amount of Loan Repaid as at 31.12.2019 10=(8)+(9)	Amount Outstanding at 31.12.18 11=(5)-(8)	Amount Outstanding at 31.12.2019 12=(7)-(10)	Guyana Equivalent Dollar 13
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Caricom Headquarters Building Project with NIS - 25yrs (US \$4M)	USD	12/1/2025	4,000	4,000	0	4,000	2,809	170	2,979	1,191	1,021	212,936
<b>Total</b>			4,000	4,000	0	4,000	2,809	170	2,979	1,191	1,021	212,936

**STATEMENT OF PUBLIC DEBT  
Non-Negotiable Debentures Serial Number 01/2016 National Insurance Scheme (NIS)**

Description 1	Currency Bond 2	Date of Final Installment 3	Original Amount of Bond 4	Amount of Bond 31.12.2018 5	Bond Made in 2019 6	Amount of Bond 31.12.2019 7=(5)+(6)	Amount Repaid at 31.12.2018 8	Amount Repaid in 2019 9	Amount of Bond Repaid as at 31.12.2019 10=(8)+(9)	Amount Outstanding at 31.12.18 11=(5)-(8)	Amount Outstanding at 31.12.2019 12=(7)-(10)	Guyana Equivalent Dollar 13
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NIS Debentures 03/2016	GUY	12/1/2036	4,882,446	4,882,446	0	4,882,446	488,245	244,122	732,367	4,394,202	4,150,079	4,150,079
<b>Total</b>			4,882,446	0	0	4,882,446	488,245	244,122	732,367	4,394,202	4,150,079	4,150,079
<b>TOTAL INTERNAL UNFUNDED PRINCIPAL</b>												<b>4,363,015</b>

**STATEMENT OF PUBLIC DEBT  
TREASURY BILLS OUTSTANDING FOR 2019**

Date of Issue	Issue №.	Description	Subscribed Amount G\$'000	Face Value G\$'000
		<b><u>91 Days</u></b> Nil		
<b>Sub-Total</b>			-	-
		<b><u>K Series</u></b>		
11/8/2019	<b>K178</b>	Treasury Bill issued in 2019	549,338	551,450
12/13/2019	<b>K179</b>	Treasury Bill issued in 2019	444,142	445,850
<b>Sub-Total</b>			<b>993,480</b>	<b>997,300</b>
<b>GRAND TOTAL</b>	<b>91 Days</b>		<b>993,480</b>	<b>997,300</b>
		<b><u>182-364 Days</u></b>		
		<b><u>A-Series</u></b>		
11/22/2019	<b>A277</b>	Treasury Bill#A 277	350,835	352,400
		<b><u>F-Series</u></b>		
<b>182 Days</b>				
13/12/2019	<b>F3</b>	Treasury Bill# F3	370,946	372,600
<b>Sub-Total</b>			<b>721,781</b>	<b>725,000</b>

**STATEMENT OF PUBLIC DEBT  
TREASURY BILLS OUTSTANDING FOR 2019 Con't**

Date of Issue	Issue №.	Description	Subscribed Amount G\$'000	Face Value G\$'000
<b>SUBTOTAL B/F</b>			<b>721,781</b>	<b>725,000</b>
<b>364 Days</b>		<b><u>B-Series</u></b>		
2/1/2019	<b>B479</b>	Treasury Bill# B 479	1,146,300	1,160,000
4/12/2019	<b>B480</b>	Treasury Bill# B 480	594,318	600,000
			<b>1,740,618</b>	<b>1,760,000</b>
<b>364 Days</b>		<b><u>G-Series</u></b>		
18/01/2019	<b>G11</b>	Treasury Bill# G11	3,457,339	3,500,000
25/01/2019	<b>G12</b>	Treasury Bill# G12	6,917,330	7,000,000
22/02/2019	<b>G13</b>	Treasury Bill# G13	6,918,655	7,000,000
3/8/2019	<b>G14</b>	Treasury Bill# G14	4,952,650	5,000,000
31/05/2019	<b>G15</b>	Treasury Bill# G15	841,951	850,000
26/07/2019	<b>G16</b>	Treasury Bill# G16	4,160,765	4,200,000
02/08/2019	<b>G17</b>	Treasury Bill# G17	4,954,530	5,000,000
09/08/2019	<b>G18</b>	Treasury Bill# G18	3,961,570	4,000,000
06/09/2019	<b>G19</b>	Treasury Bill# G19	6,927,008	7,000,000
13/09/2019	<b>G20</b>	Treasury Bill# G20	4,948,811	5,000,000
18/10/2019	<b>G21</b>	Treasury Bill# G21	4,949,460	5,000,000
15/11/2019	<b>G22</b>	Treasury Bill# G22	6,929,610	7,000,000
06/12/2019	<b>G23</b>	Treasury Bill# G23	4,422,340	4,467,100
13/12/2019	<b>G24</b>	Treasury Bill# G24	2,969,975	3,000,000
20/12/2019	<b>G25</b>	Treasury Bill# G25	215,024	217,200
			<b>67,527,016</b>	<b>68,234,300</b>
<b>SUB-TOTAL</b>			<b>69,267,634</b>	<b>69,994,300</b>
<b>GRAND TOTAL</b>	<b>182-364</b>		<b>69,989,415</b>	<b>70,719,300</b>
<b>GRAND TOTAL</b>			<b>70,982,896</b>	<b>71,716,600</b>

**AUDIT OFFICE OF GUYANA  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates 2019	Collected 2019	into Consolidated Fund 2019	Estimates 2019	into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5325	Auditor General- Audit Fees	17,175	13,761	13,761	(3,414)	<b>11,309</b>
			<u>17,175</u>	<u>13,761</u>	<u>13,761</u>	<u>(3,414)</u>	<u><b>11,309</b></u>

MS. A.BADLEY  
HEAD OF BUDGET AGENCY

**PARLIAMENT OFFICE  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates 2019	Collected 2019	into Consolidated Fund 2019	Estimates 2019	into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5324	Parliament- Sale of Official Publications	1,900	1,457	1,457	(443)	<b>1,142</b>
			<u>1,900</u>	<u>1,457</u>	<u>1,457</u>	<u>(443)</u>	<u><b>1,142</b></u>

MR. S. ISSACS  
HEAD OF BUDGET AGENCY

**SUPREME COURT  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
					2019		Fund
					2019		2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5326	Supreme Court- Fees, Fines and Seizures	275,530	229,793	229,793	(45,737)	255,556
	5327	Supreme Court- State Costs Recovered	2,900	1,059	1,059	(1,841)	1,527
			<b>278,430</b>	<b>230,852</b>	<b>230,852</b>	<b>(47,578)</b>	<b>257,083</b>

MS. S. LOVELL  
HEAD OF BUDGET AGENCY

**ATTORNEY GENERAL  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
					2019		Fund
					2019		2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5328	Attorney General- Sale of Law Books	2,300	437	437	(1,863)	1,159
	5345	Civil Recovery	0	8,419	8,419	8,419	0
			<b>2,300</b>	<b>8,856</b>	<b>8,856</b>	<b>6,556</b>	<b>1,159</b>

MS. J. NESTOR-BURROWES  
HEAD OF BUDGET AGENCY

**OFFICIAL RECEIVER  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
					2019		Fund
							2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5329	Official Receiver- Public Trustee	2,500	2,119	2,119	(381)	627
			<u>2,500</u>	<u>2,119</u>	<u>2,119</u>	<u>(381)</u>	<u>627</u>

MS. J. NESTOR-BURROWES  
HEAD OF BUDGET AGENCY

**DEEDS REGISTRY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
					2019		Fund
							2018
			\$'000	\$'000	\$'000	\$'000	\$'000
520		Stamp Duties					
	5214	Powers of Attorney	5,600	3,138	3,138	(2,462)	2,814
	5216	Deed Poll	22	34	34	12	19
			<u>5,622</u>	<u>3,172</u>	<u>3,172</u>	<u>(2,450)</u>	<u>2,833</u>

MS. A. LATCHMAN  
HEAD OF BUDGET AGENCY

**MINISTRY OF FOREIGN AFFAIRS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
					Fund		Fund
					2019		2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5333	Foreign Affairs- Consular Services	27,500	82,199	82,199	54,699	36,459
	5334	Foreign Affairs- Citizen Registration	510	231	231	(279)	253
	5335	Foreign Affairs- Registration of Births	2,500	3,026	3,026	526	4,187
	5336	Foreign Affairs- Other	5,000	4,346	4,346	(654)	4,328
	5337	Foreign Affairs- Affidavit Fees	3,600	1,933	1,933	(1,667)	2,466
			<b>39,110</b>	<b>91,735</b>	<b>91,735</b>	<b>52,625</b>	<b>47,693</b>

MS. C. PHOENIX  
HEAD OF BUDGET AGENCY

**MINISTRY OF PUBLIC SECURITY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
					Fund		Fund
					2019		2018
520		Stamp Duties	\$'000	\$'000	\$'000	\$'000	\$'000
	5211	Marriage Licenses	24,305	18,587	18,587	(5,718)	18,087
530		Fee and Fines					
	5338	Police	779,316	840,973	840,973	61,657	773,805
	5340	Fire Protection	541	312	312	(229)	381
	5343	Registration of Premises	22	2	2	(20)	3
560		Miscellaneous					
	5614	Prisons	1,260	3,777	3,777	2,517	2,147
	5623	Licences Miscellaneous -Other	0	271,502	271,502	271,502	0
			<b>805,444</b>	<b>1,135,153</b>	<b>1,135,153</b>	<b>329,709</b>	<b>794,423</b>

MS. D. McCALMON  
HEAD OF BUDGET AGENCY



**MINISTRY OF AGRICULTURE  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates 2019	Collected 2019	into Consolidated Fund 2019	Estimates 2019	into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5311	Agriculture - Fishing Licences	70,000	88,724	88,724	18,724	77,337
	5312	Agriculture - Other Agriculture	595	958	958	363	409
			<u>70,595</u>	<u>89,682</u>	<u>89,682</u>	<u>19,087</u>	<u>77,746</u>

MS. D. NEDD  
HEAD OF BUDGET AGENCY

**MINISTRY OF PUBLIC HEALTH  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates 2019	Collected 2019	into Consolidated Fund 2019	Estimates 2019	into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5318	Health- Pharmacy and Poison Boards	14,500	19,116	19,116	4,616	9,871
	5319	Health- National Blood and Transfusion Service	6,420	4,350	4,350	(2,070)	7,437
	5322	Health- Other	4,775	2,991	2,991	(1,784)	3,543
	5323	Health- Mahaica Farm	40	61	61	21	34
			<u>25,735</u>	<u>26,518</u>	<u>26,518</u>	<u>783</u>	<u>20,885</u>

MS. C. ADAMS  
HEAD OF BUDGET AGENCY

**MINISTRY OF EDUCATION  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
			\$'000	\$'000	\$'000	\$'000	Fund
					2019		2018
530		Fees and Fines					
	5316	Education- Overseas Examination, Local Expense:	9,200	7,651	7,651	(1,549)	<b>8,843</b>
	5317	Education- (Other)	902	442	442	(460)	<b>572</b>
			<u>10,102</u>	<u>8,093</u>	<u>8,093</u>	<u>(2,009)</u>	<u><b>9,415</b></u>

MR. A. KING  
HEAD OF BUDGET AGENCY

**MINISTRY OF THE PRESIDENCY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	Consolidated	Estimates	into
			2019	2019	Fund	2019	Consolidated
			\$'000	\$'000	\$'000	\$'000	Fund
					2019		2018
530		Fee and Fines					
	5341	Citizen Registration Fees	120,000	197,496	197,496	77,496	<b>125,728</b>
	5342	Registration of Births	35,000	52,058	52,058	17,058	<b>35,252</b>
			<u>155,000</u>	<u>249,554</u>	<u>249,554</u>	<u>94,554</u>	<u><b>160,980</b></u>

MS. A. MOORE  
HEAD OF BUDGET AGENCY

**MINISTRY OF BUSINESS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved Estimates 2019	Amount Collected 2019	Amount Paid into Consolidated Fund 2019	(Under) Over Estimates 2019	Amount Paid into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
545		Rents and Royalties					
	5461	Fines	0	41,400	41,400	41,400	0
			0	41,400	41,400	41,400	0

MS. K. VANSLUYTMAN-CORBIN  
HEAD OF BUDGET AGENCY

**MINISTRY OF PUBLIC INFRASTRUCTURE  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved Estimates 2019	Amount Collected 2019	Amount Paid into Consolidated Fund 2019	(Under) Over Estimates 2019	Amount Paid into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
530		Fees and Fines					
	5315	Works- Electrical Inspectors	66,864	36,234	36,234	(30,630)	45,829
545		Rents and Royalties					
	5467	Works	6,508	2,940	2,940	(3,568)	3,689
560		Miscellaneous Receipts					
	5613	Timehri- Miscellaneous Revenues	6	1	1	(5)	16
			73,378	39,175	39,175	(34,203)	49,534

MR. K. JORDAN  
HEAD OF BUDGET AGENCY

**MINISTRY OF FINANCE**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS- CURRENT**  
**OF THE GOVERNMENT OF GUYANA**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates 2019	Collected 2019	into Consolidated Fund 2019	Estimates 2019	into Consolidated Fund 2018
			\$'000	\$'000	\$'000	\$'000	\$'000
520		Stamp Duties					
	5212	Cheques	1,837	1,750	1,750	(87)	<b>1,825</b>
	5217	Revenue Stamps	485,782	500,242	500,242	14,460	<b>401,958</b>
525		Other Tax Revenue					
		Agriculture Industry					
	5272	Auction Duty	2,269	157	157	(2,112)	<b>17</b>
541		Interest					
	5419	Other Loans and Advances	155,252	1,771	1,771	(153,481)	<b>3,297</b>
	5413	Loans to Public Corporations	1,000,000	812,500	812,500	(187,500)	<b>750,000</b>
545		Rents and Royalties					
	5463	Royalties	4,568,221	3,889,697	3,889,697	(678,524)	<b>4,276,843</b>
555		Dividends and Transfers					
	5561	Dividends from Non-Financial Institutions	900,000	919,402	919,402	19,402	<b>1,200,000</b>
	5564	Bank Of Guyana Profits	2,100,000	1,880,978	1,880,978	(219,022)	<b>3,332,282</b>
	5565	Special Transfers from Statutory and Non Statutory Bodies	2,300,000	2,900,000	2,900,000	600,000	<b>4,000,000</b>
560		Miscellaneous					
	5616	Sundries	1,084,634	1,661,260	1,661,260	576,626	<b>2,446,717</b>
	5617	Pensions Contributions of Seconded Officers	0	730	730	730	<b>554</b>
	5619	Pensions Contributors of Legislators	25,073	26,795	26,795	1,722	<b>24,806</b>
	5621	Lottery Receipts	600,000	32,500	32,500	(567,500)	<b>326,000</b>
			<b>13,223,068</b>	<b>12,627,782</b>	<b>12,627,782</b>	<b>(595,286)</b>	<b>16,764,299</b>

MR. D. BROWNE  
HEAD OF BUDGET AGENCY

**GUYANA REVENUE AUTHORITY - CUSTOMS AND TRADE ADMINISTRATION**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**OF THE GOVERNMENT OF GUYANA**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
			\$'000	\$'000	Fund	\$'000	Fund
					2019		2018
							\$'000
500		Customs and Trade Taxes					
	5011	Import Duties	21,771,266	22,140,397	22,140,397	369,131	<b>19,320,643</b>
	5021	Export Duties	37,423	29,112	29,112	(8,311)	<b>32,824</b>
	5031	Stamp Duties	31,958	40,787	40,787	8,829	<b>29,329</b>
		Consumption Taxes on Domestic Goods					
	5051	Alcoholic Beverages	0	0	0	0	0
		Consumption Taxes on Services					
	5063	Betting Shops	126,994	59,619	59,619	(67,375)	<b>119,054</b>
		Other Custom and Trade Taxes					
	5072	Environmental Levy	2,122,216	2,179,008	2,179,008	56,792	<b>1,978,609</b>
	5079	Miscellaneous and Other Taxes	329,912	312,652	312,652	(17,260)	<b>287,184</b>
		Customs Fees, Fines and Licenses					
	5081	Overtime Fees	269,487	200,890	200,890	(68,597)	<b>222,938</b>
	5082	Departmental Fines	155,020	113,947	113,947	(41,073)	<b>157,236</b>
	5083	Warehouse Rent and Charges	20,759	12,893	12,893	(7,866)	<b>19,752</b>
	5084	Liquor Licence	24,464	25,375	25,375	911	<b>23,698</b>
			<b>24,889,499</b>	<b>25,114,680</b>	<b>25,114,680</b>	<b>225,181</b>	<b>22,191,267</b>

MR. G. STATIA  
HEAD OF BUDGET AGENCY

**GUYANA REVENUE AUTHORITY - INTERNAL REVENUE**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**OF THE GOVERNMENT OF GUYANA**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
			\$'000	\$'000	Fund	\$'000	Fund
					2019		2018
							\$'000
510		Internal Revenue					
		Personal Income Tax					
	5111	Pay As you Earn	29,210,325	28,497,949	28,497,949	(712,376)	<b>25,111,779</b>
	5112	Income Tax on Self-Employed	7,131,542	6,036,130	6,036,130	(1,095,412)	<b>6,229,276</b>
	5113	Premium	301,571	299,424	299,424	(2,147)	<b>243,337</b>
	5115	Professional Fees	4,723	4,911	4,911	188	<b>5,121</b>
	5119	Other Personal Income Tax	0	714,778	714,778	714,778	<b>695,843</b>
		Companies Income Tax					
	5123	Corporation Tax on Public Sector Companies	1,026,371	2,148,404	2,148,404	1,122,033	<b>1,448,994</b>
	5124	Corporation Tax on Private Sector Companies	36,355,180	34,047,411	34,047,411	(2,307,769)	<b>32,045,892</b>
		Other Income Tax					
	5131	Withholding Tax	14,949,882	22,150,641	22,150,641	7,200,759	<b>12,702,937</b>
	5132	Capital Gains Tax	180,550	608,908	608,908	428,358	<b>478,140</b>
		Tax on Property					
	5141	Property Tax on Public Sector Companies	149,286	188,084	188,084	38,798	<b>0</b>
	5142	Property Tax on Private Sector Companies	3,297,191	3,190,739	3,190,739	(106,452)	<b>3,360,710</b>
	5143	Estate Duty	51,155	41,185	41,185	(9,970)	<b>43,912</b>
	5144	Property Tax Individuals	1,055,552	932,833	932,833	(122,719)	<b>1,016,361</b>
		Taxes on International Travel					
	5151	Travel Voucher Tax	1,509,124	1,592,602	1,592,602	83,478	<b>1,449,311</b>
	5152	Travel Tax	1,161,237	1,234,317	1,234,317	73,080	<b>1,153,285</b>
		Other Domestic Taxes					
	5165	Motor Veh. and Road Traffic Ordinance	1,035,272	978,198	978,198	(57,074)	<b>902,760</b>
		Licenses					
	5171	Licences- Motor Vehicles	1,166,000	1,149,907	1,149,907	(16,093)	<b>1,094,035</b>
	5172	Licences- Other Vehicles	516	492	492	(24)	<b>526</b>
	5173	Licences- Trading	31,172	29,090	29,090	(2,082)	<b>25,535</b>
	5174	Licences- Miscellaneous	28,119	37,142	37,142	9,023	<b>302,678</b>
		Miscellaneous Inland Revenue					
	5181	Penalties	305,099	387,038	387,038	81,939	<b>346,077</b>
	5182	Miscellaneous Fee	74,487	60,837	60,837	(13,650)	<b>76,340</b>
			<b>99,024,354</b>	<b>104,331,020</b>	<b>104,331,020</b>	<b>5,306,666</b>	<b>88,732,849</b>

MR. G. STATIA  
HEAD OF BUDGET AGENCY

**GUYANA REVENUE AUTHORITY - VALUE ADDED TAX  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
			\$'000	\$'000	Fund	\$'000	Fund
					2019		2018
590	VAT						
	5911	Import Goods	28,803,794	29,122,884	29,122,884	319,090	<b>27,603,219</b>
	5912	Import Services	0	179,123	179,123	179,123	<b>216,179</b>
	5921	Domestic Supply	25,529,679	23,373,546	23,373,546	(2,156,133)	<b>20,216,126</b>
594	Excise Tax						
	5951	Imports - Motor Vehicle	6,987,041	7,977,195	7,977,195	990,154	<b>6,780,962</b>
	5952	Imports - Petroleum Products	30,965,814	29,123,900	29,123,900	(1,841,914)	<b>26,359,416</b>
	5953	Imports - Tobacco	1,478,122	1,427,095	1,427,095	(51,027)	<b>1,204,132</b>
	5954	Imports - Alcoholic Bev	978,390	785,465	785,465	(192,925)	<b>867,450</b>
	5961	Domestic Supp - Alcohol Beverage	4,795,112	4,485,990	4,485,990	(309,122)	<b>4,468,483</b>
597	Miscellaneous						
	5981	Interest - VAT	83,208	46,258	46,258	(36,950)	<b>74,106</b>
	5982	Penalties - VAT	47,887	25,768	25,768	(22,119)	<b>71,803</b>
			<b>99,669,047</b>	<b>96,547,224</b>	<b>96,547,224</b>	<b>(3,121,823)</b>	<b>87,861,876</b>

MR. G. STATIA  
HEAD OF BUDGET AGENCY

**MINISTRY OF COMMUNITIES  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
OF THE GOVERNMENT OF GUYANA  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
			\$'000	\$'000	Fund	\$'000	Fund
					2019		2018
545	Rents and Royalties						
	5464	Rental of State Lands	20,000	31	31	(19,969)	<b>253</b>
	5465	Rental of Government Lands	0	14,432	14,432	14,432	<b>21,070</b>
	5466	Housing	9,418	8,648	8,648	(770)	<b>9,923</b>
			<b>29,418</b>	<b>23,111</b>	<b>23,111</b>	<b>(6,307)</b>	<b>31,246</b>

MR. E. McGARRELL  
HEAD OF BUDGET AGENCY

**MINISTRY OF FINANCE**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS - CAPITAL**  
**OF THE GOVERNMENT OF GUYANA**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

Reporting Object Group	Line Item	Description	Approved	Amount	Amount Paid	(Under) Over	Amount Paid
			Estimates	Collected	into	Estimates	into
			2019	2019	Consolidated	2019	Consolidated
			\$'000	\$'000	Fund	\$'000	Fund
					2019		2018
570		Micellaneous Capital Revenue					
	5711	HPIC Relief	980,786	0	0	(980,786)	2,227,003
	5715	Sales of Asset	7,530	9,553	9,553	2,023	3,754
575		External Grants					
	5750	Germany- Guyana Protected Areas System	150,000	57,326	57,326	(92,674)	0
	5751	United Nations-Support to sustainable Develop.	0	0	0	0	0
	5760	CDF	50,000	36,000	36,000	(14,000)	54,000
	5761	Norway(R.E.D.D Inve Fund)	1,400,000	1,287,548	1,287,548	(112,452)	1,840,297
	5762	J.E.S Canada	0	0	0	0	0
	5763	CDB	936,318	458,302	458,302	(478,016)	181,043
	5764	EU	2,300,000	2,460,229	2,460,229	160,229	1,884,230
	5765	Global Fund	250,000	250,000	250,000	0	200,000
	5766	IDB	907,284	730,858	730,858	(176,426)	524,248
	5768	Japan	1,021,205	586,339	586,339	(434,866)	63,057
	5770	Mexico	10,000	0	0	(10,000)	0
	5772	IDA/World Bank	0	0	0	0	106,723
	5773	India	40,000	40,000	40,000	0	29,071
	5777	IFAD	100,000	14,441	14,441	(85,559)	2,284
	5778	Islamic Development Bank	45,083	0	0	(45,083)	0
578	5782	EU	2,026,545	1,984,686	1,984,686	(41,859)	1,900,209
	5787	DFID Cash Comm Asst Grant	0	0	0	0	0
	5788	Other Assistance Grants	1,000,000	3,064,894	3,064,894	2,064,894	788,100
580		External Loans					
	5811	CDB	2,650,000	1,633,851	1,633,851	(1,016,149)	1,196,024
	5812	China	4,000,000	4,000,000	4,000,000	0	9,000,000
	5813	IDA	1,740,000	1,320,554	1,320,554	(419,446)	912,940
	5814	IDB	7,419,500	5,731,948	5,731,948	(1,687,552)	5,269,748
	5815	IFAD	100,000	17,229	17,229	(82,771)	15,740
	5818	India	3,703,379	159,027	159,027	(3,544,352)	152,575
	5821	CDF Project loan	280,000	183,379	183,379	(96,621)	711,000
	5822	Islamic Development Bank	600,000	0	0	(600,000)	0
	5851	IDB	0	2,426,940	2,426,940	2,426,940	0
	5852	IDA	0	7,133,654	7,133,654	7,133,654	0
			<b>31,717,630</b>	<b>33,586,758</b>	<b>33,586,758</b>	<b>1,869,128</b>	<b>27,062,046</b>

Mr. D. BROWNE  
HEAD OF BUDGET AGENCY



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