



AUDIT OFFICE OF GUYANA

PROMOTING GOOD GOVERNANCE, TRANSPARENCY AND
IMPROVED PUBLIC ACCOUNTABILITY



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 2020

VOLUME I



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103 /AG:10/2021/14

20 September 2021

Hon. 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 2020

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 2020.

This 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 General Overview

The Audit Office of Guyana has strived to promote good governance, transparency and improved public accountability. In this regard, we ensure that the most up-to-date operating procedures, professional practices, technical standards, and modern technology are incorporated and utilised in the execution of audits. However, despite this, the Office has been faced with the challenges imposed by COVID - 19 in the working environment.

With the “roll-out” of the COVID-19 vaccines, the Audit Office aggressively pursued the vaccination of all of its staff members. To date out of a total of 210 staff, 195 are currently vaccinated representing 93% of the staff strength. Nevertheless, we have not only met our statutory deadline for the submission of the Auditor General’s Annual Report but this year we are able to present the 2020 Auditor General’s Report ahead of the deadline.

Through continued relationship with the Canadian Auditing and Accountability Foundation (CAAF) the Performance Audit Unit has been the beneficiary of training and mentorship programs. As a result, we were able to complete four Performance Audits which will be submitted soon to the Speaker.

Additionally, 18 persons from the Performance Unit were trained in (Teaming up for Successful Audits). Plans are also in place for the Audit Office to benefit from two additional staff being trained in Performance Audit under CAAF Fellow’s Program for nine months. This fellowship program is usually completed in Canada with attachments in the Audit Office of British Colombia, however, due to the current travel restrictions, this program will commence with a virtual component.

In keeping with the “new norm” and trends, staff development was undertaken virtually. In strengthening the capacity and competencies of the staff, the Forensics Unit benefitted from Interviewing Techniques and Report Writing facilitated by Arthur Lok Jack School of Business of Trinidad and Tobago and training in several areas of Forensic Accounting and Auditing through a Technical Cooperation Agreement between Guyana and Jamaica which is funded by the Inter-American Development Bank (IDB). Upon completion of these programs, it is expected that the Audit Office will be equipped to provide forensic audit reports that can withstand scrutiny in the Court of Law.

As Chairman of CAROSAI we were able to facilitate two webinars where SAI’s shared experiences on Demystifying Data Analytics and Auditing for Fraud. Also, CAROSAI hosted a training program on Root Cause Analysis which was facilitated by the Canadian Auditing and Accountability Foundation in which 40 members of CAROSAI participated.

Being cognizant of the discovery of oil in Guyana, the Audit Office has been anticipating and planning for our role in the Oil and Gas Sector. Apart from staff being previously trained in the extractive industries, there is currently a staff within the Office who is pursuing a Master’s Degree in Oil and Gas at the University of Bedfordshire London, while members in the Performance Audit Section with the help from CAAF are being trained on how to audit the oil and gas sector.

The Audit Office is assiduously striving to achieve its mission to promote good governance, transparency and improved public accountability and with the continual support of all Stakeholders, I am certain our mission will be realised.

REPORT OF THE AUDITOR GENERAL
ON THE PUBLIC ACCOUNTS OF GUYANA AND ON THE
ACCOUNTS OF THE MINISTRIES, DEPARTMENTS AND REGIONS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020

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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 2020

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 2020, as set out on pages 494 to 575 of Volume I and 2/1 to 2/363 of Volume II.

Opinion

In my opinion, the Receipts and Payments of the Contingency Fund, the Schedule of Public Debt, the Schedule of Issuance and Extinguishments of all Loans, the Schedule of Government Guarantees and Statement of Contingent Liabilities present fairly, in all material respects the Receipts and Payments of the Contingency Fund, the Public Debt, Loans Issued and Extinguished, the Liabilities Guaranteed by the Government and the Contingent Liabilities of the Government as at 31 December 2020.

Disclaimer of Opinion

I do not express an opinion on the Statement of Assets and Liabilities of the Government and the Financial Reports of the Deposit Funds. 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 my audit opinion on these Statements for the fiscal year ended 31 December 2020.

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 and the financial information necessary to present fairly the financial transactions and financial position of the State for the fiscal year ended 31 December 2020.

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.



20 SEPTEMBER 2021

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 2020

HIGHLIGHTS OF REPORT

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 2020. 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.

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 2020, and on the status of my prior year recommendations.

Terminated Contracts

1. During the period under review, and based on the sample of Projects examined, it was discovered that five Contracts totaling \$1,580,028,056 were terminated as a result of poor performance by Contractors. Included in this amount is the sum of \$826,757,737, for the construction of Yarrowkabra Secondary School, for which a contract was signed since 2019, while the sum of \$412,304,357 was for the contract for construction of St. Roses Secondary School, which was signed in 2018. Meanwhile, the sum of \$321,899,682 was for the contract for Ministry of Health's Head Office Building Phase 1, which was signed in 2017, and the sums of \$10,791,000 and \$8,275,280 were for Construction of Revetment at Riverstown Creek and Upgrading of Brummel Street respectively, which were both signed in 2020.

Capital works completed using current budgetary allocations

2. A contract in the sum of \$13,114,794 was awarded by the Ministerial Tender Board of the Ministry of Agriculture for Repairs to the Storage Bond at the Hydrometeorological Service. It was discovered that a completely new storage bond structure was constructed using funds allocated under 6242 – Maintenance of Buildings, despite these construction works being capital in nature.

3. A Contract for Corrective Maintenance Works on Building at Canal No. 1 Nursery School was awarded for the sum of \$3,857,400 by the Regional Tender Board of the Office of the Regional Democratic Council, Region No.3. However, it was discovered that a new reinforced concrete sanitary block was constructed under this Contract using funds allocated under 6242 – Maintenance of Buildings.

4. Under the Guyana Police Force, a contract in the value of \$4,801,253 was awarded by the Ministerial Tender Board for the construction of an Extension of Guyana Police Force Finance Department. These works were paid for using funds allocated under 6242 – Maintenance of Buildings.

Overpayments on Contracts

5. Overpayments amounting to \$11.375M were made in respect of five contracts administered by Ministry of Education and one contract in the sum of \$0.748M by the Office of the Regional Democratic Council in Region 4 in 2020.

Overdraft

6. The Old Consolidated Fund (400) and the New Consolidated Fund (407) had an overdraft of \$163.340 billion at 31 December 2020. However, in May 2021, Cabinet approved the sum of \$200 billion through the issuance of Debentures ranging from 1 to 20 years to raise funds to clear the overdraft. This exercise took effect in June 2021.

Cheques on Hand

7. Up to the time of audit in 2021, 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 2020, and the necessary adjustments made to the Appropriation Accounts. In this regard, 252 cheques totalling \$832.667M were still on hand. Of this sum, 87 cheques totalling \$775.985M were in relation to Ministries and Departments, while the remaining 165 totalling \$56.682M were in relation to Region Nos. 3, 4, 5 and 8. As a result, the Appropriation Accounts were overstated by \$832.667M.

Un-presented Payment Vouchers

8. One thousand three hundred and twenty-eight Payment Vouchers totalling \$2.806 billion were not presented for audit, resulting in the limitation of scope. One thousand two hundred and eighty-two totalling \$2.728 billion were in respect of Office of the President, Office of the Prime Minister, Guyana Defence Force, Ministry of Public Works and Ministry of Home Affairs, while 46 valued \$77.921M were in respect of 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

9. Twenty-two Inter-Departmental Warrants totalling \$2.817 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 \$2.817 billion.

Vacancies within the Public Service

10. An analysis of the employment details for Ministries and Regions №. 1-10 revealed that the Public Service Commission Staff Vacancy Circular №. 1/2019 had advertised a total of 306 vacancies. These vacancies included critical posts, such as, four Regional Health Officers, four Deputy Regional Executive Officers, four Regional Education Officers, three Engineers and six medexes, four staff midwives among others. As a result, these critical vacancies would have an adverse effect on the operations of the Ministries, and Regions, and in particular, the level of control needed to ensure adequate checks and balances.

Non-delivery of Items

11. At the time of reporting, items valued \$1.615 billion paid for were yet to be delivered to the Ministry of Health, Ministry of Public Works, Ministry of Home Affairs and Regions №. 7-10.

Ministry of Health

12. \$1.568 billion of drugs and medical supplies paid for had not yet been received. This can have a serious impact on the Ministry's ability to meet the needs of our citizens. Only \$551.819M of the \$1.568 billion advanced to suppliers was covered by bank guarantees. As such, should the suppliers default on the supply of goods, the Ministry could encounter difficulties recovering the difference of \$1.016 billion.

Guyana Revenue Authority

Self-employed

13. Self-employed persons continue to be delinquent in filing their Income Tax Returns. During 2020, 102,741, which is approximately 91.17% of 112,691 registrants, did not file their Returns. It should be noted that only 9,950 or a mere 8.83% filed Returns, which totalled \$5.024 billion.

Seizures

14. Foreign currency equivalent to G\$70.878M was seized by the Authority, but was not deposited into the Escrow Account or the Consolidated Fund. This practice, which has been occurring for the last four years, is in breach of Part VII (44) of the Fiscal Management and Accountability (FMA) Act and places the cash in a position to be more susceptible to loss or theft.

15. The Authority's seizure activities for the year 2020 resulted in the opening of 275 files, of which 60% related to the seizure of motor vehicles and spare parts, alcoholic beverages, prohibited items and foreign chicken. This is an overall reduction in seizures of 58% from the prior year and can be attributed to the effects of the pandemic and the protracted elections. Nine seizures for 2020 had outstanding customs duty, taxes and/or fines totalling \$14.313M at the time of reporting.

16. 336, or 15% of total seizures files for the years 2015 to 2019 remained open due to unresolved matters. This reflects a six year delay in processing seizures, which can result in the deterioration of related goods and even further loss in revenue.

Ministry of Amerindian Affairs

17. Fifty-four tractors and trailers bought for Amerindian communities were still not distributed up to 16 September 2021. As a result, the intended benefits from the use of the tractors and trailers by the communities were delayed.

Presidential Grants

Ministry of Amerindian Affairs

18. Presidential Grants amounting to \$277.097M were processed for 191 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 187 Village Councils to examine the relevant records for the projects. As such, the Audit Office requested the Ministry to provide the relevant records from the Councils. However, 187 or approximately 98% of the 191 Councils did not submit reports. Total payments to these 187 Councils amounted to \$271.097M.

Follow-up on the Implementation of Prior Year Audit Recommendations

19. 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. Six hundred and forty-five recommendations were made in my 2019 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 September 2021, 243 or 38% were fully implemented, 161 or 25% were partially implemented, while 241 or 37% were not implemented.

20. Overall, I am concerned with the lack of action towards the implementation of these recommendations; since, 62% 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 AND REGIONS FOR THE FISCAL YEAR
ENDED 31 DECEMBER 2020

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 shall 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 2021. The signed Consolidated Financial Statements were received on 17 September 2021.

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).
- xiv. Statement of Contingent Liabilities – Section 73(2)(a)(iii).

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 494 to 495. This Report reflected a positive variance of \$3.907 billion and a negative variance of \$6.600 billion between the estimates of revenue and the actual Government receipts for Current and Capital Revenue respectively, as shown below:

Description	2020 \$'000	2019 \$'000	2018 \$'000
<u>Current Revenue</u>			
Estimated Revenue	226,476,532	238,322,677	201,859,924
Actual Receipts	230,383,207	240,585,345	217,016,363
Over/(Under) the Estimates	3,906,675	2,262,668	15,156,439
<u>Capital Revenue</u>			
Estimated Revenue	27,204,834	31,717,630	31,822,106
Actual Receipts	20,605,280	33,586,759	27,062,046
Over/(Under) the Estimates	(6,599,554)	1,869,129	(4,760,060)
Total Estimated Revenue	253,681,366	270,040,307	233,682,030
Total Revenue	250,988,487	274,172,104	244,078,409
Net Over/(Under) the Estimates	(2,692,879)	4,131,797	10,396,379

Current Revenue

11. Current Revenue collections for 2020 surpassed the approved estimates by a net amount of \$3.907 billion. The categories with higher collections of \$12.249 billion cushioned the categories with shortfalls of \$8.342 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	Corporation Tax on Public Sector Companies	26,901,695	30,618,895	3,717,200
	Pay As You Earn	32,856,281	34,158,991	1,302,710
	Income Tax on Self-Employed	4,544,209	5,023,594	479,385
	Property Tax on Private Sector Companies	2,475,624	2,800,157	324,533
	Withholding Tax	32,561,002	32,796,994	235,992
	Licences – Motor Vehicles	965,411	1,134,234	168,823
	Licences – Vehicle and road Traffic Ordinance	747,909	912,193	164,284
	VAT- Import Petroleum Products	18,103,536	19,290,358	1,186,822
	VAT – Imports – Motor Vehicles	7,740,681	8,187,792	447,111
	VAT – Domestic Supplies – Alcoholic Beverages	4,279,063	4,598,618	319,555
VAT – Import Services	0	297,017	297,017	
Ministry of Finance	Miscellaneous – Sundries	1,458,248	4,868,271	3,410,023
Ministry of Home Affairs, etal.	Others	245,725	441,178	195,453
Total				12,248,908

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	Import Duties	19,921,865	18,623,769	(1,298,096)
	Corporation Tax on Public Sector Companies	2,254,603	1,575,679	(678,924)
	VAT- Import Goods	25,343,849	22,636,923	(2,706,926)
	VAT – Domestic Supply	27,278,275	26,909,948	(368,327)
Ministry of Finance	Dividends from Non-Financial Public Enterprises	1,000,000	5,000	(995,000)
	Special Transfers from Statutory and Non-Statutory Bodies	2,400,000	700,000	(1,700,000)
	Interest – Other Loans and Advances	216,453	1,493	(214,960)
	Interests – Loans from Public Corporations	400,000	20,000	(380,000)
Total				(8,342,233)

Ministry's Response: Central Government current receipts for 2020 surpassed the budgeted amount by \$3.907 billion. The main contributors were internal revenue, miscellaneous receipts, and excise taxes which exceeded the budgeted amount by \$6.032 billion, \$3.407 billion, and \$1.884 billion respectively.

The higher collections from internal revenue were derived from the sub-category of private corporation income tax of \$3.717 billion, personnel income tax of \$1.327 billion, income tax self employed \$479.385 million and net property of \$511.675M of which, arrears collections for corporation income tax was \$932.2 million; personal income tax was \$855.9 million and net property tax was \$84.8 million. Revenue collections from corporation income tax surpassed the budgeted amount on account of larger remittances from companies within the financial sector and, the oil and gas sector.

Miscellaneous receipts increased by \$3.407 billion mainly due to closures of bank accounts valued at \$2.644 billion.

Excise taxes recorded higher-than-expected revenues of \$1.883 billion. The increase resulted from larger collections from petroleum products of \$1.186 billion and motor vehicles of \$447.111M. The larger-than-anticipated revenue collection from petroleum products were due to higher oil prices and quantities imported during the period August to December 2020. Increased number and value of motor vehicles were because of the policy to allow the importation of vehicles more than eight years old, to make vehicles ownership more affordable and accessible.

Capital Revenue

13. Capital Revenue collections for 2020 was below the approved estimates by a net amount of negative \$6.600 billion. There was a twenty-four percent shortfall. The 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>				
5715	Sale of Assets	3,500	2,015	(1,485)
<i>External Grants</i>				
5750	Germany- Guyana Protected Areas System	35,000	1,208	(33,792)
5760	CDF	2,000	0	(2,000)
5761	Norway (R.E.D.D. Investment Fund)	1,200,000	919,479	(280,521)
5763	CDB	602,557	515,048	(87,509)
5764	EU	400,000	336,844	(63,156)
5765	Global Fund	145,870	145,870	0
5766	IDB	564,022	437,799	(126,223)
5768	Japan	2,078,054	2,078,054	0
5775	China	10,000	0	(10,000)
5777	IFAD	16,000	500	(15,500)
5778	Islamic Development Bank	10,000	0	(10,000)
5789	UNDP Project Grant	500,000	175,272	(324,728)
5782	EU	1,995,000	2,016,728	21,728
<i>External Loans</i>				
5811	CDB	2,346,406	1,265,764	(1,080,642)
5812	China	5,962,023	5,962,023	0
5813	IDA	1,942,444	1,338,061	(604,383)
5814	IDB	5,414,234	4,938,566	(475,668)
5815	IFAD	16,000	31,500	15,500
5818	India	793,048	420,095	(372,953)
5821	CDF Project loan	23,000	20,455	(2,545)
5822	Islamic Development Bank	505,676	0	(505,676)
5823	OFID Project Loan	120,000	0	(120,000)
5851	IDB	2,520,000	0	(2,520,000)
Total				(6,599,553)

Ministry's Response: The negative variances recorded for capital revenue reflected lower disbursements of external grants and loans from the various Multilateral Institutions that may be attributed to challenges caused by the COVID-19 pandemic, delays in realigning programmed activities and poor project implementation.

14. Four External Grants and External Loans totalling \$645.676M were budgeted for in 2020, however, no collections were received during the year under review as detailed in the table below:

Line Item	Description	Approved Estimates \$'000	Amount Paid into Consolidated Fund \$'000	(Under) Estimates \$'000
<i>External Grants</i>				
5775	China	10,000	0	(10,000)
5778	Islamic Development Bank	10,000	0	(10,000)
<i>External Loans</i>				
5823	Islamic Development Bank	505,676	0	(505,676)
5823	OFID Project Loan	120,000	0	(120,000)
				(645,676)

Ministry's Response: The negative variances were due to delays in project approval (External grants from China), programme design not finalised (External Grants from Islamic Development Bank), financing not finalised due to unfavourable terms (OFID Project Loan), delays due to late award and protest by bidder (Islamic Development Bank).

15. 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 494 to 495 properly presents the End of Year Budget Outcome and Reconciliation Report (Revenue) for the year ended 31 December 2020.

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT
(EXPENDITURE)

16. The End of Year Budget Outcome and Reconciliation Report (Expenditure) is shown on pages 496 to 501. This Report shows a total expenditure of \$337.034 billion, this represents a \$3.445 billion over the Approved Allotment of \$257.475 billion for Current Expenditures and \$4.045 billion over the Approved Allotment of \$72.070 billion for Capital Expenditures, as shown below:

Description	2020 \$'000	2019 \$'000	2018 \$'000
<u>Current Expenditure</u>			
Approved Allotment	257,474,963	231,440,454	207,391,348
Actual Expenditure	260,919,464	225,331,030	208,831,457
Over/(Under) the Allotment	3,444,501	(6,109,424)	1,440,109
Percentage Over /(Under) Allotment	1.34%	2.64%	0.69%
<u>Capital Expenditure</u>			
Approved Allotment	72,070,173	69,278,554	59,702,423
Actual Expenditure	76,114,742	66,262,442	55,019,410
Over/(Under) the Allotment	4,044,569	(3,016,112)	(4,683,013)
Percentage Over/(Under) Allotment	5.61%	4.35%	7.84%
Total Approved Allotment	329,545,136	300,719,008	267,093,771
Total Expenditure	337,034,206	291,593,472	263,850,867
Net Over/(Under) the Allotment	7,489,070	(9,125,536)	(3,242,904)
Percentage Over/(Under) Allotment	2.27%	3.03%	1.21%

Current Expenditure

Ministry's Response: Central Government current expenditure was \$3.445 billion above the 2020 Budget. Total non-interest expenditure amounted to \$241.595 billion, or \$1.569 billion, above the 2020 Budget.

The total employment cost expended for 2020 was \$71.852 billion, which catered for general salaries for public servants, new recruits, a two-week bonus for disciplined services, and COVID19 health care professionals. Employment cost variation of \$2.971 billion was on account of \$1.935 billion for wages and salaries and \$1.036 billion for benefits and allowances.

Expenditure on other goods and services totalled \$72.477 billion, \$3.684 billion above Budget 2020, on account of approved supplementary provision of \$6.108 billion, which offset underspending in other areas due to reduced activities as a result of COVID-19; \$6.000 billion for electricity charges allocated to the Guyana Power and Light Inc; and \$108.106M allocated to Guyana Defence Force for the maintenance of the King Air 350 Beechcraft to increase aerial operational capacity.

Transfer payments totalled to \$97.266 billion, \$856.4 million higher than budgeted. This was mainly driven by the supplementary provision of \$3.171 billion, of which \$2.5 billion for the oldage pension and social assistance- payment of COVID-19 relief for the household initiative and \$593.936M for the National Drainage and Irrigation Authority expanded work-programme. However, there was an unspent balance of \$1.395 billion for constitutional agencies of which GECOM accounted for \$874.808M due to the 2020 General and Regional Elections dispute, the Commission did not approve a planned cycle of Continuous Registration. In addition, Parliament accounted for \$399.008M due to fewer activities from the dissolution of Parliament from December 2019 to September 2020.

Statutory expenditure was \$25.148 billion, \$1.875 billion above the Budget. The increase was on account of higher payments of public debt service of \$1.875 billion. This was mainly due to a central government decision in November 2020 to meet debt service obligations totalling \$2.094 billion under the NICIL Fixed Rate Bond, for which a government guarantee was issued in 2018.

Capital Expenditure

Ministry's Response: Capital expenditure was projected at \$72.1 billion but recorded an outturn of \$76.1 billion, or 105.6% of budget despite the challenges and restriction posed by the COVID 19 pandemic.

This overall performance was on account of continued strong performance of the locally financed Public Sector Investment Programme (PSIP); aided by approved local supplementary funding to support critical developmental areas including support to livelihoods of our hinterland villages, acceleration of government's housing programme, acquisition of new asset to improve aerial capacity of the GDF, reopening of closed sugar estates; and expansion in road infrastructure. The local PSIP therefore recorded an implementation rate of 116.5% of the \$49.4 billion allocated.

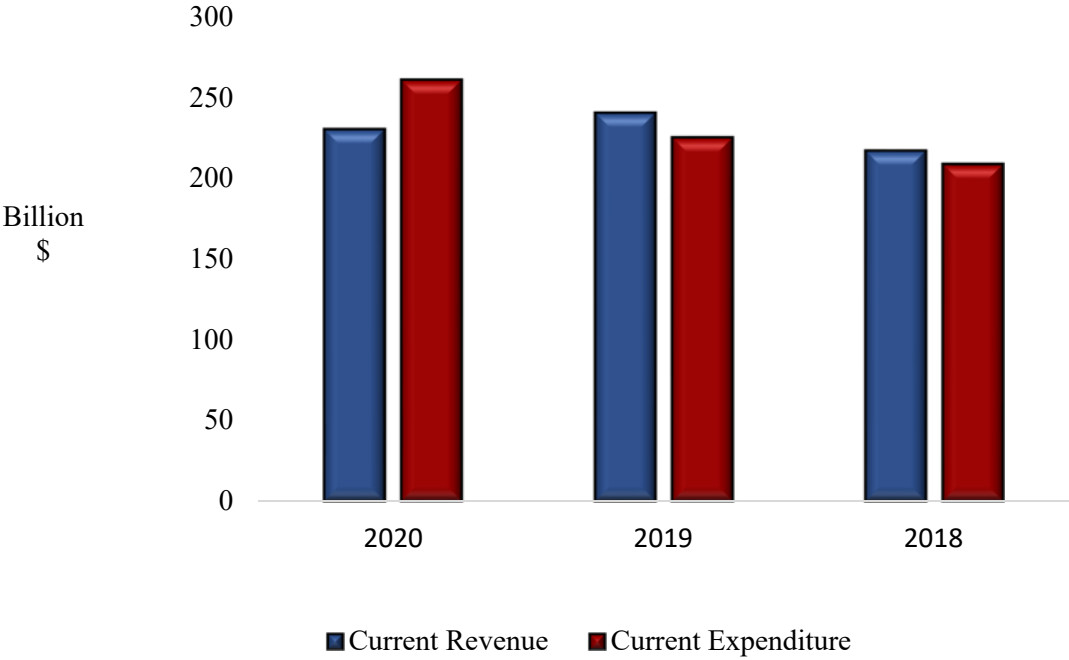
Given the relatively short implementation period (post budget approval) the foreign portfolio was expected to record a better outturn however significant challenges confronted the new administration which frustrated the delivery of key infrastructural projects. The foreign portfolio therefore recorded an implementation rate of 82% of the \$22.3 billion allocated.

Finally, considering the approved supplementary of \$8.9 billion, the PSIP still achieved an overall execution rate of 94% of the revised budget of \$80.9 billion – 99% on local and 82% on foreign.

Recommendation: *The Audit Office recommend that the Accountant's General Department should monitor the execution of its Programme more closely, with a view of achieving its goals (2020/001)*

17. 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 End of Year Budget Outcome and Reconciliation Report (Expenditure) for the year ended 31 December 2020.

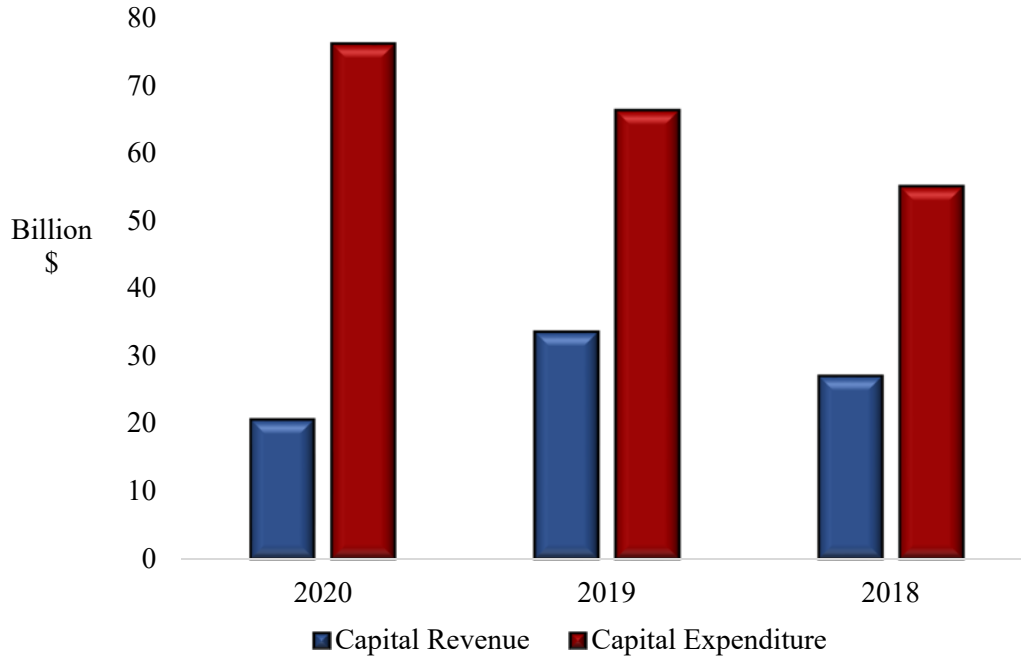
Comparisons between Current Revenue and
Current Expenditure for the years
2018 - 2020



Description	2020 \$'000	2019 \$'000	2018 \$'000
Current Revenue	230,383,207	240,585,345	217,016,363
Current Expenditure	260,919,464	225,331,030	208,831,457
Deficit/Surplus	(30,536,257)	15,254,315	8,184,906

Figure 1

Comparisons between Capital Revenue and
Capital Expenditure for the years
2018 - 2020



Description	2020 \$'000	2019 \$'000	2018 \$'000
Capital Revenue	20,605,280	33,586,759	27,062,046
Capital Expenditure	76,114,742	66,262,442	55,019,410
Deficit	(55,509,462)	(32,675,683)	(27,957,364)
Percentage Deficit	72.93%	49.31%	50.81%

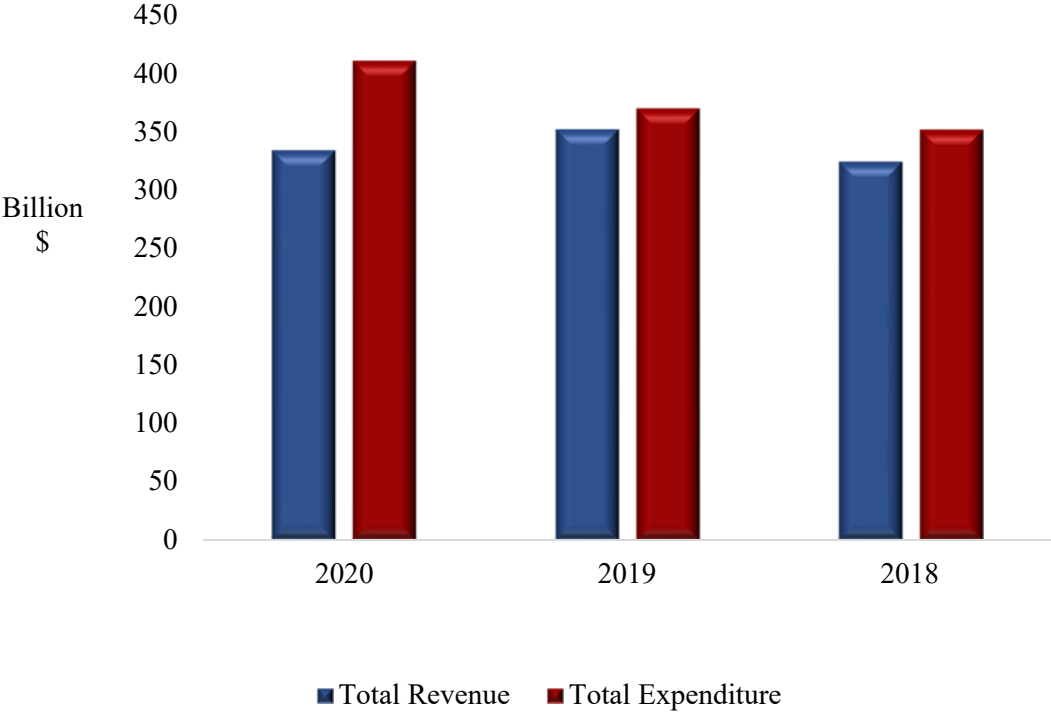
Figure 2

Surplus/Deficit for the year ended 31 December 2020

18. There was a net deficit of \$76.861 billion for the year ended 31 December 2020. The net deficit comprised of a current deficit of \$21.351 billion and a capital deficit of \$55.510 billion. This represents a 334.6% increase when compared to 2019 deficit. See summary in table below:

Current Revenue		2020 \$'000	2019 \$'000	2018 \$'000
500	Customs and Trade Taxes	21,339,674	25,114,681	22,191,266
510	Internal Revenue	113,160,526	104,331,021	88,732,848
520	Stamp Duties	460,292	523,750	424,703
525	Other Tax Revenues	0	157	17
530	Fees and Fines	1,061,233	1,600,150	1,408,057
540	Interest	21,493	814,271	753,297
545	Rents and Royalties	2,758,997	3,957,147	4,311,778
555	Dividends and Transfers	2,180,176	5,700,380	8,532,282
560	Miscellaneous Receipts	5,570,920	1,996,565	2,800,240
590	Value Added Taxes	49,843,887	52,675,552	48,035,523
594	Excise Tax	33,922,019	43,799,645	39,680,443
597	Miscellaneous	63,990	72,026	145,909
	Sub Total	230,383,207	240,585,345	217,016,363
	Treasury Bills Issued	83,499,496	78,438,279	80,647,746
Total Current Revenues		313,882,703	319,023,624	297,664,109
Current Expenditure				
	Current Budgetary Expenditure	235,771,084	202,426,764	186,416,844
	Current Statutory Expenditure	25,148,380	22,904,266	22,414,613
	Treasury Bills Redeemed	74,314,205	78,703,726	88,353,458
Total Current Expenditure		335,233,669	304,034,756	297,184,915
Current Surplus/Deficit		(21,350,966)	14,988,868	479,194
Capital Revenues				
570	Miscellaneous Capital Revenue	2,015	9,553	2,230,757
575	External Grants	4,610,074	10,970,623	7,573,261
578	External Grants - EU	2,016,464	0	0
580	External Loans	13,976,464	22,606,583	17,258,028
Total Capital Revenues		20,605,017	33,586,759	27,062,046
Total Capital Expenditure		76,114,742	66,262,442	55,019,410
Capital Surplus/Deficit		(55,509,725)	(32,675,683)	(27,957,364)
	Total Revenue (Current and Capital)	334,487,720	352,610,383	324,726,155
	Total Expenditure (Current and Capital)	411,348,411	370,297,198	352,204,325
	NET SURPLUS/DEFICIT	(76,860,691)	(17,686,815)	(27,478,170)

Comparisons between
Total Revenue and Total Expenditure
for the years
2018 - 2020



Description	2020 \$'000	2019 \$'000	2018 \$'000
Total Revenue	334,487,720	352,610,383	324,726,155
Total Expenditure	411,348,411	370,297,198	352,204,325
Deficit	(76,860,691)	(17,686,815)	(27,478,170)
Percentage Deficit	18.69%	4.78%	7.80%

Figure 3

FINANCIAL INFORMATION
RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND

19. 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 2020. The Account reflected an overdraft of \$116.564 billion as at 31 December 2020. The Cash Book reflected an overdraft \$160.302 billion, resulting in a difference of \$43.738 billion, as summarised below:

Details	Amount \$'000	Total \$'000
Balance per Bank Statement as at 31st December, 2020	(116,564,130)	
Less:		
(a) Deposits not yet debited to IFMIS	(2,820,231)	
(b) Cheques not yet debited in Bank Statement (Unpresented Cheques)	(50,762,852)	
<i>Sub total</i>		(53,583,083)
Add:		
(c) Deposits not yet credited in Bank Statement	8,006,859	
(d) Debit Advices not yet credited in IFMIS	1,838,643	
<i>Sub total</i>		9,845,502
Equals:		
Balance as per report as at 31st December 2020	(160,301,711)	(43,737,581)

a) Deposit of \$2.820 billion not yet debited to Cash Book.

Deposits not yet debited to IFMIS	Amount \$'000
2020	120,195
2018 – 2019	93,503
2014-2017	1,407
2009-2013	37,996
2004-2008	2,567,131
Total	2,820,232

b) Deposits not yet debited to IFMIS 2004-2008 remains at \$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>	
	\$ '000
Fiscal Year 2004	26,676,735
Fiscal Year 2005	15,963,503
Fiscal Year 2006	694,147
Fiscal Year 2008	19,456
Total	43,353,840
<i>In Bank not in IFMAS</i>	
Deposits -Fiscal Year 2004	27,406,490
Deposits -Fiscal Year 2005	17,659,524
Fiscal Year 2006	770,203
Fiscal Year 2008	85,077
Total	45,921,296
Net Deposits not Posted for Fiscal year 2008	2,567,456
<i>Unreconciled difference</i>	<i>(325)</i>
Total for 2004 – 2008	<i>(2,567,131)</i>

Ministry's Response: The adjusted figure as at 31/7/2021 is now \$2.630B inclusive of information dating from 2004.

c) Unpresented cheques of \$50.693 billion.

Debit Advices not yet debited to Bank Statement	Amount \$'000
2020	49,037,190
2018 - 2019	1,260,237
2014-2017	211,424
2009-2013	89,810
2004-2008	94,164
Total	50,692,825

- i. The Bank Reconciliation Statement records total unpresented cheques as \$50.763 billion while the schedule presented totalled \$50.693 billion resulting in an unexplained variance of \$70.026M.

Ministry's Response: The difference is due to debit advices in cashbook not in bank amounting to \$70.026M.

- ii. A total of \$29.645 billion in cheques were drawn on 31 December 2020, 1 to 8 January 2021 and 9 January to 25 March 2021. A sum of 1,749 cheques totalling \$4.366 billion were process on the 31 December 2020 and 14,586 cheques totalling \$23.251 billion were processed on 2 to 8 January 2021. See table below for a summary.

Agency	31/12/2020		2 to 8 January 2021		Total Cheques	Total \$'000
	№. Of Cheques	Amount \$'000	№. Of Cheques	Amount \$'000		
Ministry of Education	261	655,353	1,562	1,518,225	1,823	2,173,577
Ministry of Public Works & Community	121	161,014	113	86,581	234	247,596
Georgetown Public Hospital Corporation	0	0	407	671,668	407	671,668
Ministry of Public Works & Community	67	543,391	20	251,177	87	794,568
Ministry of Social Protection	0	0	42	16,246	42	16,246
Guyana Defence Force	15	30,126	355	2,579,508	370	2,609,634
Ministry of Culture Youth & Sports	27	43,846	69	55,952	96	99,798
Ministry of Local Govt. & Reg. Development	51	37,061	219	202,691	270	239,752
Ministry of Health	115	811,949	208	725,847	323	1,537,796
Ministry of Parliament Affairs & Governance	24	2,104	23	1,648	47	3,752
Ministry of Housing & Water	0	0	95	54,812	95	54,812
Office of the President	0	0	63	90,011	63	90,011
Ministry of Public Service	47	300,900	36	315,685	83	616,585
Ministry of Home Affairs	37	14,430	480	1,952,246	517	1,966,676
Guyana Elections Commission	121	165,286	84	60,431	205	225,717
Ministry of Finance	121	285,130	439	6,432,379	560	6,717,509
Ministry of Human Services & Social Security	81	18,543	582	268,261	663	286,804
Ministry of Labour	0	0	174	58,879	174	58,879
Guyana Police Force	51	81,252	154	489,307	205	570,560
Ministry of Public Security	0	0	5	24,521	5	24,521
Guyana Water Inc.	15	106,838	0	0	15	106,838
Ministry of Amerindian Affairs	40	18,338	209	649,493	249	667,830
Ministry of Tourism, Commerce and Industry	57	14,080	193	216,158	250	230,238
Ministry of Business	0	0	3	1,137	3	1,137
Ministry of Natural Resources	0	0	100	134,665	100	134,665
Ministry of Legal Affairs	0	0	74	246,024	74	246,024
Office of the Prime Minister	38	497,115	205	506,616	243	1,003,731
Ministry of Agriculture	39	234,337	81	31,024	120	265,361
Ministry of Foreign Affairs & Int. Cooperation	0	0	138	127,415	138	127,415
Ministry of Foreign Affairs	0	0	3	3,227	3	3,227
Regions 1 – 10	357	263,018	7,953	5,040,235	8,310	5,303,252
Statutory / Constitutional Agencies	62	72,677	497	438,460	559	511,137
Unknown	2	9,336	0	0	2	9,336
Total	1,749	4,366,124	14,586	23,250,529	16,335	27,616,652

- iii. In addition, 388 cheques totalling \$2.028 billion were processed on 9 January to 25 March 2021 for the fiscal year ended 31 December 2020. See table below for a summary.

Agency	9 January to 25 March 2021	
	No. Of Cheques	Amount \$'000
Ministry of Education	16	91,005
Georgetown Public Hospital Corporation	2	394
Ministry of Public Works & Community	23	11,957
Guyana Defence Force	3	3,392
Ministry of Health	2	99,100
Office of the President	1	15
Ministry of Home Affairs	15	22,348
Ministry of Finance	3	5,433
Ministry of Human Services & Social Security	25	9,775
Ministry of Labour	3	455
Guyana Police Force	2	2,219
Ministry of Amerindian Affairs	212	1,733,516
Ministry of Tourism, Commerce and Industry	2	34
Ministry of Natural Resources	1	0
Ministry of Legal Affairs	2	649
Office of the Prime Minister	11	8,849
Ministry of Agriculture	2	50
Public & Police Service Commission	1	25
Regions 1 – 10	62	38,864
Total	388	2,028,080

- iv. Six Ministries that were renamed and ceased operations as at 30 September 2020 sixty-six cheques totalling \$195.961M were written between 2 – 8 January 2021. See table below:

Agency	2 to 8 January 2021	
	No. Of Cheques	Amount \$'000
Min. of Infrastructure Bridges/Road (GL)	6	118,949
Ministry of Communities - GWI	7	31,881
Ministry of Business	3	1,137
Ministry of Social Protection	42	16,246
Ministry of Public Security	5	24,521
Ministry of Foreign Affairs	3	3,227
Total	66	195,961

d) Deposits of \$8.007 billion not yet credited to the Bank Account.

Deposits not yet credited in Bank Statement	Amount \$'000
2020	7,905,584
2018 - 2019	95,450
2014-2017	5,015
2009-2012	811
Total	8,006,860

Ministry's Response: The adjusted figure as at 31/7/2021 is now \$22.313M inclusive of information dating from 2004.

e) Debit advices of \$1.839 billion not yet credited in Cash Book.

Cheques not yet Credited to IFMIS	Amount \$'000
2020	192,121
2018 - 2019	914
2014 - 2017	66,894
2009 - 2013	179,592
2004 - 2008	1,399,140
Total	1,838,661

- i. Cheques not credited to Cash Book amounted to \$309.557 billion as at 31 December 2019 while at 31 December 2020 it recorded \$721M resulting in an adjustment of \$308.836 billion, however, no supporting documentations were presented to verify that the amounts were credited to the cash book as at 31 December 2020. In addition, no schedule of the 2004-2008 cheques not credited to the Cash Book was presented for audit examination.

Ministry Response: The adjusted figure as at 31/7/2021 is now \$1.687 B inclusive of information dating from 2004.

f) Deposits of \$2.820 billion not yet debited to Cash Book.

Cheques not yet Credited to IFMIS	Amount \$'000
2020	120,195
2018 - 2019	93,503
2014 - 2017	1,407
2009 - 2013	37,996
2004 - 2008	2,567,131
Total	2,820,232

Ministry Response: The adjusted figure as at 31/7/2021 is now \$2.630B inclusive of information dating from 2004.

- i. Deposit not debited to Cash Book amounted to \$2.820 billion as at 31 December 2019 while at 31 December 2020, deposits of \$93.503M was recorded, resulting in an adjustment of \$7.161M. However, no supporting documentations were presented to verify that the amounts were debited to the cash book as at 31 December 2020. In addition, no schedule of the 2004-2008 amounts totalling \$2.567 billion was presented for audit examination.

20. 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 documentation in support of the reconciliation was not provided for audit examination. Further, there was no evidence to indicate that the Ministry took any actions to resolve the amounts which remain static from previous year, as a result, the completeness, accuracy and validity of the amounts stated on the Bank Reconciliation and the balance of the Consolidated Fund could not be satisfactorily determined.

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. (2020/002)*

21. 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 2020, a total of fifty-eight Government Bank Accounts with a net balance of negative \$46.446 billion were listed as inactive.

22. Thirty 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, however in February 2021, thirty Zero Balances were closed. 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 ongoing. However, in May 2021, Cabinet approved the sum of \$200B to securitise the consolidated fund overdraft through the issuance of debentures with tenors ranging from 1 to 20 years. The securitisation exercise, which took effect in June 2021, cleared the \$46.776B overdraft on the Old Consolidated Fund Bank Account # 400.

Recommendation: *The Audit Office recommend that the Accountant’s General Department take the necessary steps to bring closure to this matter. (2020/003)*

23. The net accumulated balance of the fifty-eight accounts and other operational accounts (excluding the balances on the Bank Accounts of Special Projects) was negative \$132.390 billion as at 31 December 2020. This is the best available estimate of the cash position of the Government as at 31 December 2020. It should be noted that there was a decrease of \$57.495 billion in the estimated cash position of Guyana at the end of 2020 when compared to the negative balance of \$74.889 billion as at 31 December 2019 and an increase of the deficit to \$132.390 billion.

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

Account №.	Description	Amount 2020 \$M	Amount 2019 \$M	Amount 2018 \$M
407	Consolidated Fund (New)	(116,564)	(60,826)	(64,448)
400	Consolidated Fund (Old)	(46,776)	(46,776)	(46,776)
401	Deposit Fund	0	0	0
3001	Non-Sub Accounting Ministries/Departments	0	0	0
-	Other Ministries/Departments' Accounts	29,313	30,833	21,518
969	Monetary Sterilisation Account	1,637	1,880	21,558
Total		(132,390)	(74,889)	(68,148)

Old Consolidated Fund Bank Account №. 400

25. 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 2020, the overdraft of the old Fund was \$46.776 billion.

Ministry's Response: The reconciliation of the old Consolidated Fund Bank Account №. 400 has posed challenges, such as the absence of such data from the Bank and accounting records in the Accountant General's Department over the past few years. However, in May 2021, Cabinet approved the sum of \$200B to securitise the consolidated fund overdraft through the issuance of debentures with tenors ranging from 1 to 20 years. The securitisation exercise, which took effect in June 2021, cleared the \$46.776B overdraft on the Old Consolidated Fund Bank Account # 400.

Recommendation: *The Audit Office recommend that the Accountant's General Department take the necessary steps to bring closure to this matter. (2020/004)*

Gifts

26. 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 \$5.233 billion representing Miscellaneous Receipts as at 31 December 2020 was understated by an undetermined amount.

Ministry’s Response: The Ministry of Finance will engage the agencies to encourage enhanced compliance.

Recommendation: *The Audit Office recommend that the Ministry of Finance adopt stringent measures to ensure that there is compliance with the Stores Regulations. (2020/005)*

27. 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 511 to 517 properly presents the Receipts and Payments of the Consolidated Fund for the year ended 31 December 2020.

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

28. The Statement of Expenditure from the Consolidated Fund as compared with the Total Funds Available as shown on pages 524 to 529 revealed that amounts totalling \$349.707 billion were made available for expenditures. This comprised of \$268.720 billion and \$80.987 billion for Current and Capital Expenditure, respectively. See summary in the table below:

Description	2020 \$'000	2019 \$'000	2018 \$'000
<u>Current Expenditure</u>			
Approved Allotment	257,474,963	231,440,454	207,391,348
Add: Supplementary Allotment	11,245,296	4,678,479	7,418,396
Add: Contingency Fund Advances	0	223,243	0
Total Funds Available	268,720,259	236,342,176	214,809,744
Less: Actual Expenditure	260,919,464	225,331,030	208,831,457
Over/(Under) the Total Funds Available	(7,800,795)	(11,011,146)	(5,978,287)
<u>Capital Expenditure</u>			
Approved Allotment	72,070,173	69,278,554	59,702,423
Add: Supplementary Allotment	8,916,525	3,592,237	4,623,441
Add: Contingency Fund Advances	0	3,926,998	0
Total Funds Available	80,986,699	76,797,789	64,325,864
Less: Actual Expenditure	76,114,742	66,262,442	55,019,410
Over/(Under) the Total Funds Available	(4,871,957)	(10,535,347)	(9,306,454)
Total Approved Allotment	329,545,136	300,719,008	267,093,771
Add: Total Supplementary Allotment	18,195,745	8,207,716	12,041,837
Add: Total Contingency Fund Advances	792,331	4,150,242	0
Total Funds Available	349,706,958	313,076,966	279,135,608
Less: Total Expenditure	337,034,206	291,593,472	263,850,867
Over/(Under) the Total Funds Available	(12,672,752)	(21,483,494)	(15,284,741)

Current Expenditure

29. As illustrated in the table above, Approved Allotment for Current Expenditure was \$257.475 billion. During the year, amounts totalling \$11.245 billion were granted in supplementary provisions bringing the total funds available for Current Expenditure to \$268.720 billion. Total Current Expenditure amounted to \$260.919 billion, resulting in a total shortfall of \$7.801 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>			
Ministry of Home Affairs	7,134,525	5,776,985	(1,357,540)
Guyana Elections Commission	4,875,268	4,000,460	(874,808)
Ministry of Finance	26,651,617	25,981,618	(669,999)
Ministry of Education	16,781,270	16,300,222	(481,048)
Parliament Office	1,737,512	1,338,504	(399,008)
Ministry of Public Security	13,699,013	13,300,121	(398,892)
Office of the President	1,368,366	1,129,201	(239,165)
Ministry of Public Health	17,957,266	17,727,272	(229,994)
Office of the Prime Minister	5,326,031	5,135,102	(190,929)
Ministry of Foreign Affairs and International Co-operation	1,659,579	1,484,014	(175,565)
Ministry of Health	13,438,120	13,283,568	(154,552)
Ministry of Local Government and Regional Development	779,086	635,326	(143,760)
Ministry of the Presidency	5,298,342	5,164,644	(133,698)
Ministry of Agriculture	10,670,791	10,511,427	(129,364)
Ministry of Social Protection	13,437,860	13,338,785	(99,075)
Ministry of Culture and Sports	976,858	876,158	(98,700)
Ministry of Public Works	2,068,432	1,973,586	(94,846)
Ministry of Human Services and Social Security	11,896,358	11,817,065	(79,293)
Ministry of Tourism, Industry and Commerce	514,802	458,611	(56,191)
Ministry of Business	1,223,074	1,173,740	(49,334)
Ministry of Public Infrastructure	9,596,394	9,552,808	(43,586)
Ministry of Communities	2,018,784	1,978,064	(40,720)
Ministry of Indigenous People's Affairs	538,343	498,328	(40,015)
Supreme Court of Judicature	2,012,861	1,974,432	(38,429)
Ministry of Amerindian Affairs	482,785	445,532	(37,253)
Ministry of Labour	283,685	250,724	(32,961)
Public Prosecutions	212,338	193,725	(18,613)
Office of the Ombudsman	70,001	53,041	(16,960)
Ministry of Public Service	1,077,151	1,060,400	(16,751)
Ministry of Parliamentary Affairs and Governance	47,743	31,050	(16,693)
Public and Police Service Commission	145,137	129,653	(15,484)
Rights Commission of Guyana	137,120	122,372	(14,748)
Public Procurement Commission	199,605	186,156	(13,449)
Ministry of Foreign Affairs	3,671,802	3,658,368	(13,434)
<i>Regions</i>			
Regions 1-10	46,197,885	45,173,863	(1,024,022)
<i>Statutory</i>			
Total			(7,438,879)

Capital Expenditure

30. The Approved Allotment for Capital Expenditure was \$72.070 billion. During the year, amounts totalling \$8.917 billion were granted in supplementary provisions bringing the total funds available to \$80.987 billion.

31. Total expenditure amounted to \$76.115 billion, resulting in a total shortfall of \$4.872 billion. The table below gives a breakdown of mainly those Ministries and Regions whose Capital Expenditure were under the total funds available.

Ministry/Region	Approved Allotment (Allotment1) \$'000	Supplementary Allotment \$'000	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
Ministry of Public Works	6,650,782	600,000	7,250,782	6,223,923	(1,026,859)
Office of the Prime Minister	2,204,735	0	2,204,735	1,228,479	(976,256)
Ministry of Education	3,327,735	0	3,327,735	2,394,337	(933,398)
Ministry of Health	4,690,617	0	4,690,617	4,070,935	(619,682)
Ministry of Finance	14,220,288	0	14,220,288	13,876,112	(344,176)
Ministry of Agriculture	5,487,098	4,000,000	9,487,098	9,280,613	(206,485)
Guyana Defence Force	670,090	2,180,000	2,850,090	2,744,931	(105,159)
Ministry of Housing and Water	2,540,600	2,000,000	4,540,600	4,439,089	(101,511)
Ministry of Legal Affairs	298,500	0	298,500	204,340	(94,160)
Ministry of Natural Resources	252,615	0	252,615	178,127	(74,488)
Ministry of TI & C	512,403	0	512,403	443,879	(68,524)
Ministry of Home Affairs	2,602,075	6,525	2,608,600	2,546,204	(62,396)
Ministry of Public Infrastructure	13,116,952	1	13,116,953	13,067,362	(49,591)
Office of the President	369,206	0	369,206	328,262	(40,944)
Region 8 - Potaro/Siparuni	199,277	0	199,277	160,887	(38,390)
Region 3 – Essequibo Islands/West Demerara	348,030	0	348,030	312,844	(35,186)
Ministry of Public Telecommunication	3,156,280	0	3,156,280	3,134,273	(22,007)
Ministry of Local Govt. & Regional Development	756,632	0	756,632	735,385	(21,247)
Region 2 – Pomerroom/Supenaam	315,565	0	315,565	297,383	(18,182)
Ministry of Culture, Youth & Sports	273,373	0	273,373	257,607	(15,766)
Total	61,992,853	8,786,526	70,779,379	65,924,972	(4,854,407)

32. 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 534 properly presents the Expenditure from the Consolidated Fund as compared with the Estimates of Expenditure for the year ended 31 December 2020.

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

33. Expenditure in respect of those services, which by Law are directly charged upon the Consolidated Fund, otherwise known as Statutory Expenditure, is shown on page 535 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 2020 \$'000	Employment Overhead Expenses 2020 \$'000	Total Expenditure 2020 \$'000	Total Expenditure 2019 \$'000	Total Expenditure 2018 \$'000	Total Expenditure 2017 \$'000
Ministries and Departments	45,558	9,142	54,700	61,328	26,698	37,082
Pensions and Gratuities	5,499,336	0	5,499,336	4,951,443	4,475,987	4,215,460
Dependent's Pension Fund	270,000	0	270,000	243,600	181,999	118,304
Public Debt:						
Internal Principal	2,039,944	0	2,039,944	279,944	279,944	279,601
Internal Interest	1,318,871	0	1,318,871	1,031,816	1,332,587	1,970,321
External Principal	11,040,432	0	11,040,432	11,497,526	11,556,215	8,377,234
External Interest	4,925,097	0	4,925,097	4,838,608	4,561,182	4,201,168
Total	25,139,238	9,142	25,148,380	22,904,265	22,414,612	19,199,170

34. As illustrated in the table below, it should be noted that there were thirteen Constitutional Agencies with a total Current and Capital Expenditure of \$9.890 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 \$25.148 billion is understated by \$9.890 billion.

Constitutional Agency	Total Expenditure		Total Expenditure \$'000
	Current \$'000	Capital \$'000	
Parliament Office	1,338,504	61,736	1,400,240
Audit Office of Guyana	890,586	18,050	908,636
Public and Police Service Commission	129,653	5,466	135,119
Teaching Service Commission	110,007	3,508	113,515
Guyana Elections Commission	4,000,460	67,682	4,068,142
Supreme Court	1,974,432	430,303	2,404,735
Public Prosecutions	193,725	17,067	210,792
Office of the Ombudsman	53,041	0	53,041
Public Service Appellate Tribunal	40,865	0	40,865
Ethnic Relations Commission	207,669	13,123	220,792
Judicial Service Commission	10,019	0	10,019
Rights Commissions of Guyana	122,372	9,196	131,568
Public Procurement Commission	186,156	6,770	192,926
Total	9,257,489	632,901	9,890,390

35. Except for the effects of the matters, 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 535 properly presents the Expenditure in respect of those services which by law are directly charged upon the Consolidated Fund for the year ended 31 December 2020.

RECEIPTS AND PAYMENTS OF THE CONTINGENCIES FUND

36. 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....”.**

37. 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*”.

38. According to the Statement of Receipts and Payments of the Contingencies Fund as shown on page 536 for the year ending 31 December 2020 amounts totalling \$792M were drawn from the Fund by way of six advances as shown in the table below. These were cleared by Supplementary Appropriation Accounts.

Warrant No.	Date of Warrant	Ministry/Region	Amount \$'000
1	09/11/2020	Ministry of Agriculture	186,322
2	02/12/2020	Ministry of Amerindian Affairs	53,856
3	07/12/2020	Guyana Defence Force	414,200
4	07/12/2020	Guyana Defence Force	108,106
5	07/12/2020	Guyana Defence Force	23,322
6	21/12/2020	Ministry of Home Affairs	6,525
Total			792,331

39. The Statement as shown on page 536 presents fairly, in all material respects, the Receipts and Payments of the Contingencies Fund for the year ended 31 December 2020.

FINANCIAL REPORTS OF THE DEPOSIT FUND

40. 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 \$582.715M during the year. The Financial Report of the Deposit Fund for the year ended 31 December 2020 is shown on page 529.

41. 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 recommends that the Ministry of Finance ensure that the details of the closing balances transferred are provided for audit. (2019/006)*

42. The Audit Office was also unable to verify the accuracy of \$741.453M 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 2018, 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: 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.

43. 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 \$13.754 billion representing advances outstanding as at 31 December 2020 could not be substantiated.

Ministry’s Response: Since 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. (2020/007)

44. 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 2020:

Description	Amount 2020 \$'000	Amount 2019 \$'000	Amount 2018 \$'000
<i>Types of Deposit</i>			
Dependents Pension Fund	2,376,507	1,931,023	1,575,177
Sugar Industry Welfare Committee	50,691	50,691	50,691
Sugar Industry Labour Welfare Fund	651,696	743,773	848,287
Sugar Industry Rehabilitation Fund	74,833	74,833	76,709
Sugar Industry Price Stabilisation Fund	14,924	14,924	14,924
Miscellaneous	(821,038)	34,089	1,639,422
Total	2,347,613	2,849,333	4,205,210
<i>Types of Advance</i>			
Personal	22,004	23,059	22,488
Gratuity	1,281,676	1,312,358	1,243,004
Auto Advance	104,461	105,843	109,345
Guyana Gold Board	8,650,148	8,650,148	8,650,148
Imprest & Cash on Hand	1,520,790	1,568,665	1,530,278
Deposit Fund Advance Warrants	208,410	208,410	208,410
Crown Agents	411,798	411,798	409,040
Statutory and Other Bodies	1,554,456	1,554,456	1,554,456
Total	13,753,743	13,834,737	13,727,169

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

45. Examination of the Financial Report of the Deposit Fund revealed the following:
- a) The amount for Guyana Gold Board is reflected as static for the period 2012 to 2020, however, the audited Financial Statements of Guyana Gold Board reflects \$8.732 billion as at 31 December 2019.
 - b) Advances in relation to Deposit Fund Advance Warrants remained static for the period 2014 to 2020.
 - c) The amount for Statutory and Other Bodies remained static for the period 2005 to 2020.

Ministry's Response: The figures in relation to the Guyana Gold Board Advances are accurate.

Recommendation: *The Audit Office once again recommend that the Ministry take urgent action to bring closure to these issues. (2020/008)*

46. In the view of the foregoing observations, I am unable to form an opinion whether the financial report of the Deposit Fund properly presents all the deposits as at 31 December 2020.

SCHEDULE OF ISSUANCE AND EXTINGUISHMENT OF ALL LOANS

47. 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 530 reflected a balance of \$72.120 billion at the end of 2020 as shown below:

Description	Balance as at 31 December 2020 \$'000
Guyana National Printers	73,592
Ogle Airport Inc.	266,406
Guyana Sugar Corporation	29,322,826
Guyana Power and Light Inc.	42,457,165
Total	72,119,989

48. The Schedule of Issuance and Extinguishment of all Loans for the year ended 31 December 2020 reflected outstanding loan amounts of \$72.120 billion for four agencies.

49. The Schedule of Issuance and Extinguishment of all Loans present fairly, in all material respects, the loans issued and extinguished as 31 December 2020.

STATEMENT OF ASSETS AND LIABILITIES OF THE GOVERNMENT

50. 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.

51. The Statement of Assets and Liabilities of the Government for the year ended 31 December 2020, is summarised as follows:

Description	2020 \$M	2019 \$M
<u>Assets</u>		
Central Government Accounts	(176,122)	(91,575)
LIS 11 Bank Account	0	0
WSG Bank Account -Loan	0	0
Cash at Bank of Guyana in respect of special accounts (2000 Series)	15,695	7,245
Cash at Bank of Guyana in respect of Redemption of Treasury Bills Account	(0.003)	(0.003)
	(160,426)	(84,330)
<u>Less: Liabilities</u>		
Treasury Bills		
90 days	993	993
182 & 365days	1,742	2,091
G Series	65,078	67,527
F Series	5,326	371
E Series	7,029	0
	80,168	70,982
Sugar Industry Welfare, Labour, Rehabilitation & Price Stabilisation Funds	742	834
Miscellaneous Deposits	(821)	34
Dependants' Pension Fund and Sugar Industry Welfare Committee	2,427	1,982
	82,516	73,832
Net Liability	(242,942)	(158,162)

52. The sum of negative \$176.122 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 2020 \$M	Amount 2019 \$M	Amount 2018 \$M
407	Consolidated Fund (New) (Cash Book)	(160,302)	(77,512)	(80,034)
400	Consolidated Fund (Old)	(46,776)	(46,776)	(46,776)
3001	Non-Sub Accounting Min/Dept.	0	0	0
-	Other Ministries/Departments' Accounts	29,320	30,833	21,518
969	Monetary Sterilisation Account	1,636	1,880	21,558
Total		(176,122)	(91,575)	(83,734)

53. The 2000 series bank accounts 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 was a total of seventy-four accounts totalling \$15.695 billion, twenty-eight of these accounts are inactive with a balance of \$264.213M and forty-six active accounts totalling \$15.431 billion, in addition, forty-seven accounts have zero balances and nine accounts reflected static balances totalling \$948.909M over the past two to four years.

Ministry's Response: The closure of the Bank Accounts is an on-going process and regarding the 2000 Series Bank accounts, the Ministry needs to ensure that all the Bank Accounts are properly reconciled and all unreconciled items are fully accounted for before approval of closure is granted.

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. (2020/009)*

54. 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 \$71.397 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	993,490	
F- Series	0	5,325,891	
G- Series	0	65,077,403	
180 and 360 Days	1,742,381	0	
Total	1,742,381	71,396,784	73,139,155
Balance as per Bank Statement	1,636,508		
Unreconciled difference	(105,873)		

55. It should be noted, according to Bank of Guyana reconciliation of Account №. 969 as at 31 December 2020, the amount of \$105.873M represent unreconciled differences for the period July 1994 to November 2012.

Ministry's Response: A reconciliation was done by the Bank of Guyana to ascertain the unpaid interest of the sum of \$529.424M and agreement was made to repay in five (5) equal installments of \$105.885M per year commencing 2017. All the outstanding amounts were fully repaid as of January 2021.

56. 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 acknowledges the comment but reiterate that the non-adoption of IPSAS doesn't prevent the formation of an opinion for the Assets and Liabilities as at 31 December 2020. Since it must be noted that the preparation of the Financial Statements was in compliant with Section 35 of the FMAA Regulations which states that the Consolidated Financial Statements shall be prepared on a cash basis.

57. In view of the foregoing observations, I am unable to form an opinion whether the Statement as shown on page 539 properly presents the Assets and Liabilities as at 31 December 2020.

SCHEDULE OF GOVERNMENT GUARANTEES

58. 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; and
- c) The amount of the Government's potential debt obligation in respect of the guarantee.

59. The Schedule of Government Guarantees as shown on page 542, reflected an outstanding balance of \$500M at the end of 2020, as shown below:

Agency	Outstanding Liability as at 31/12/2020 G\$'000	Outstanding Liability as at 31/12/2019 G\$'000
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000	500,000
Total	500,000	500,000

60. The Schedule of Government Guarantees presents fairly, in all material respects, the liabilities guaranteed by Government as at 31 December 2020.

STATEMENT OF CONTINGENT LIABILITY

61. 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*”.

62. The Statement of Contingent Liability as shown on page 543, reflected an outstanding balance of \$500M at the end of 2020, as shown below:

Agency	Outstanding Liability as at 31/12/2020 G\$'000	Outstanding Liability as at 31/12/2019 G\$'000
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000	500,000
Total	500,000	500,000

63. The Statement of Contingent Liability presents fairly, in all material respects, the contingent liabilities of Government for the year ended 31 December 2020.

SCHEDULE OF PUBLIC DEBT

64. 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 №. 31 of 1991, authorises the Government to raise loans outside of Guyana not exceeding G\$400 billion. However, in February 2021 the external debt ceiling was increased from G\$400 billion to G\$650 billion. The domestic debt ceiling was also increased in February 2021 to G\$500 billion from G\$150 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.

65. During the period under review, the Government of Guyana entered into four new loan agreements totalling G\$14.808 billion as detailed in the table below. There were no disbursements on these loans during the year 2020. The related loan agreements were all laid in the National Assembly during 2020 and 2021.

№.	Date of Agreement	Donor/ Loan Ref.	Description of Loan	Currency	Loan Amount \$'000	Equivalent G\$'000	Date laid in National Assembly
1	15.12.2020	IDA-6786/BL-GY	Additional Financing for the Flood Risk Management Project and Amendment to the Original Financing Agreement	SDR	18,400	5,543,931	28.01.2021
2	15.12.2020	IDA-6802/BL-GY	COVID-19 Emergency Response Project	SDR	5,400	1,627,023	28.01.2021
3	03.12.2020	IDB-O0006GY	Contingent Loan for COVID-19 Public Health Emergency	USD	22,000	4,587,000	23.12.2020
4	08.06.2020	IsDB-GUY1015	Small Hydro Project	USD	14,630	3,050,355	23.12.2020
Total						14,808,309	

66. The Public Debt as at 31 December 2020 (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 2020 G\$'000	Total 2019 G\$'000
Unfunded	271,725,017	58,585,131	330,310,148	312,839,360
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	79,946,700	79,946,700	70,719,300
Total	271,725,017	143,427,668	415,152,685	388,454,497

67. As can be noted, the total Public Debt stood at G\$415.153 billion or the equivalent of US\$1.991 billion at the end of 2020, as compared with the sum of G\$388.455 billion or the equivalent of US\$1.863 billion at the end of 2019, representing an increase of G\$26.698 billion.

68. Expressed as a factor of Current Revenue (G\$230.383 billion), the total Public Debt at the end of 2020 was 1.80 times Current Revenue, compared with a factor of 1.61 at the end of 2019, and 1.80 at the end of 2018.

69. During the years 2015 to 2020 the total public debt increased by G\$63.080 billion or 17.92% 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
2020	415,152,685	(26,698,188)	(6.87)
2015-2020		(63,079,724)	(17.92)

External Debt

70. The External Debt at the end of 2020 was G\$271.725 billion, compared with G\$268.358 billion at the end of 2019, a net increase of G\$3.367 billion. Equivalent in United States Dollars, the External Debt as at 31 December 2020 was US\$1.303 billion, compared with US\$1.287 billion at the end of 2019. This net increase was due mainly to:

- a) Two loans had their opening balances revised. These are Loan Contract №. 2215/BL-GY Road Improvement and Rehabilitation and the United Arab Emirates Economic Co-operation.
- b) Disbursements totalling G\$10.120 billion or US\$48.535M in respect of loans contracted.

- c) Repayments of principal totalling G\$11.033 billion or US\$52.918M.
- d) Accrued interest for Non-Paris Club Creditors of G\$159.402M or US\$765M.
- e) Fluctuations of exchange rates.

71. During the years 2015 to 2020 the external debt increased by G\$39.628 billion or 17.07% 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	1.37
2020	271,725,017	(3,366,867)	(1.26)
2015-2020		(39,628,325)	(17.07)

72. 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.

73. According to Bank of Guyana Statement of Account, the opening balance on this account as at 1 January 2020 was G\$2.807 billion or US\$13.464M while the closing balance as at 31 December 2020 was G\$4.082 billion or US\$19.579M, an increase of G\$1.275 billion or US\$6.116M. 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 would have been imprudent for the Government of Guyana to make direct payments to PDVSA.

Repayment of Loan

74. The Government of Guyana and the Inter-American Development Bank signed a loan agreement totalling US\$1.6M on 20 December 1979 for the Food Crop Production Marketing Programme – Loan №. 583/SF. This Food Programme was executed by the Ministry of Agriculture, Guyana Marketing Corporation and Guyana Cooperative Agriculture and Industrial Development Bank. The project had a grace period of ten years and principal repayment period of thirty years and incurred a 2% interest rate. It should be noted that this project has concluded and the final principal repayment was paid off in 2020. The final payment of US\$26,921.28 which comprised of principal and interest was repaid on 9 January 2020.

Internal Debt

75. The Internal Debt at the end of 2020 was G\$143.428 billion, compared with G\$120.096 billion at the end of 2019, a net increase of G\$23.332 billion which was due mainly to:

- a) The issuance of a non-interest-bearing debenture totalling G\$2.064 billion.
- b) The reclassification of the government guaranteed NICIL Bond totalling G\$12.320 billion.
- c) Issue of Treasury Bills totalling G\$9.227 billion.
- d) The repayment of non-negotiable debenture certificates totalling G\$244.122M to the National Insurance Scheme; and
- e) Principal repayment of an internal loan totalling G\$35.822M.

Treasury Bills

76. For the period under review, the Bank of Guyana issued fourteen G-Series Treasury Bills with a total face value of G\$65.734 billion and three F-Series with a total face value of G\$5.705M. These Treasury Bills were all properly reflected in the records.

77. It was also noted that two E Series Treasury Bills for 364 days were issued on 21 August 2020 and 4 September 2020 for a face value of G\$5 billion and G\$2.100 billion respectively. The subscribed amounts totalling G\$7.029 billion were deposited in account №. 0162000413005 “Official COVID-19 Relief Project” which was opened at the Bank of Guyana to capture the proceeds from the issuing of the E Series Bills. These Treasury Bills were all properly reflected in the records.

National Industrial and Commercial Investments (NICIL) Fixed Rate Bond

78. The Minister of Finance on behalf of the Government of the Co-operative Republic of Guyana and the Hand in Hand Trust Corporation Incorporated signed a Government Guarantee on the 24 May 2018 relating to National Industrial and Commercial Investments Limited (NICIL) Fixed Rate Bonds amounting to G\$30 billion.

79. The National Industrial and Commercial Investments Limited, by way of security for a borrowing of the amounts of G\$16.500 billion, constituted and agreed to sell Fixed Rate Bonds (called “the Tranche 1 Bonds” in this Guarantee) and G\$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). However, the Government irrevocably and unconditionally guaranteed that the sums due and payable under this Guarantee shall not exceed G\$30 billion. The Bonds which was guaranteed by the Government in May 2018 to assist with the revitalisation of GUYSUOCO, has been classified as domestic debt with effect from November 2020 and the amount of G\$1.760 billion was repaid during 2020.

Computerisation of Public Debt Register

80. 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 intends to operationalise the Domestic Debt Module and to use the system reports for reconciliation purposes. During 2019 training continued primarily to meet and improve the skills of the staff as the system evolved.

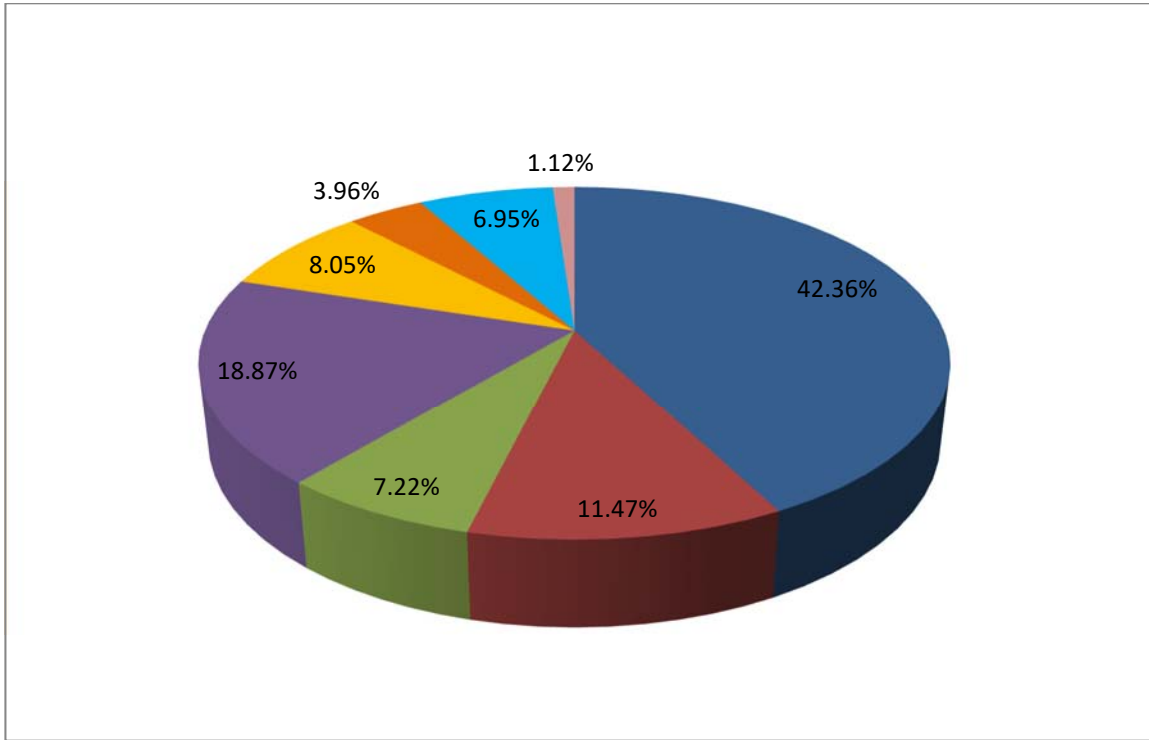
The preparation of the Public Debt Statement was done with the assistance of the CS-DRMS information and hence over time there will be less reliance on the manual records in the Public Debt Section as the CS-DRMS evolves into a single repository for all debt related transactions. It is envisaged that all other related manual records will undergo similar digitisation.

CS-DRMS integrates with financial systems and allows seamless exchange of debt related data for improving efficiency and accuracy of information. As the IFMIS continues to evolve, the Ministry intends to have an interface between the two systems for greater efficiency accountability and transparency and which eventually lead to alignment with current Public Financial Management policies.

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. (2020/010)*

81. The Schedule of Public Debt presents fairly, in all material respects, the Public Debt of Guyana for the year ended 31 December 2020.

PUBLIC DEBT – EXTERNAL LOANS



IDB	CDB	NPC	CHINA	VENEZUELA	OTHERS	IDA	INDIA	TOTAL
42.36%	1.12%	7.22%	18.87%	8.05%	3.96%	6.95%	1.12%	100.00%
\$115.102B	\$31.164B	\$19.624B	\$51.288B	\$21.875B	\$10.748B	\$18.882B	\$3.042B	\$271.725B

Figure 4

RECEIPTS AND DISBURSEMENTS BY HEADS OF BUDGET AGENCIES

82. The Statements of Receipts and Disbursements by Heads of Budget Agencies for the year ended 31 December 2020 are shown on pages 2/348 to 2/363. These statements are 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

83. The Appropriation Accounts of Head of Budget Agencies for the year ended 31 December 2020 in respect of the Current and Capital Appropriations for which they were responsible are shown on pages 2/1 to 2/363 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

84. 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

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

REPORT ON THE ACCOUNTS OF MINISTRIES/DEPARTMENTS/REGIONS

AGENCIES

05 - MINISTRY OF THE PRESIDENCY

01 – OFFICE OF THE PRESIDENT

86. The Office of the President is a new Agency which replaced the Ministry of Presidency. As such, expenditure for the first nine months (January to September 2020) was budgeted for as Agency 05 – Ministry of Presidency while the last three months (October to December 2020) was budgeted under the new Agency 01 - Office of the President. This report captures current and capital expenditures and revenue for the first nine months for Ministry of Presidency and the last three months for Office of the President.

Current Year Matters

Current Expenditure

Subsidies and Contributions to Local Organisations

87. The sum of \$2.387 billion was budgeted for Subsidies and Contributions to Local Organisations. According to the Appropriation Accounts amounts totalling \$2.268 billion were expended as at 31 December 2020. Included in this sum are amounts totalling \$1.792 billion which were released to eight statutory entities that were under the control of the Ministry. These entities are subject to separate financial reporting and audit. However, the agencies continued to breach Sections 80 (3) (c) and 80 (4) of the Fiscal Management and Accountability Act of 2003 by failing to have their accounts laid in the National Assembly and submission of financial statements for audit. The table below shows the status of each Statutory Body:

Agency	Funds Received \$'000	Year of Last Audit	Years Laid in National Assembly	Financial Statement received by Audit Office	Financial Statement Not received by Audit Office
Institute of Applied Science and Technology	255,000	2018	2014	2019-2020	-
Guyana Lands & Surveys Commission	150,000	2016	2010	2017-2020	-
Environmental Protection Agency	622,044	2016	2014	2017-2020	-
National Parks Commission	306,476	2008	2008	2009-2018	2019 & 2020
Protected Area Commission	215,567	2013	2012	2014-2016	2017 - 2020
National Trust of Guyana	74,998	2020	2014	-	-
National Sports Commission	109,256	2016	2010	2017-2018	2019 & 2020
Guyana Office for Investments	58,470	2017	2015	2018	2019 & 2020
Total	1,791,811				

Office of the President's Response: The Head of Budget Agency explained that the Agencies were contacted and an update would be provided shortly.

Recommendation: *The Audit Office recommends that the Head of Budget Agency follow-up with the defaulting agencies to have the outstanding Financial Statements submitted for audit and ensure that all outstanding audited accounts are laid in the National Assembly. (2020/011)*

Stores and Other Public Property

88. The Stores Regulations require 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 2020, an examination of a sample of twenty-five serviceable vehicles for which Log Books were required to be maintained, the following discrepancies were noted:

- a) The signature of the Authorising Officer was not evident in the Log Books for fourteen vehicles;
- b) There were four instances where vehicle Log Books were not updated with fuel received;
- c) Odometer readings were not recorded in the Log Books for two vehicles;
- d) The signature of the Checking Officer was not evident in the Log Books for twenty-five vehicles; and
- e) Log books for fourteen vehicles were partially updated for the period under review.

89. As a result, it could not be ascertained whether proper control was exercised over the use of these vehicles.

Office of the President's Response: The Head of Budget Agency indicated that efforts will be made to correct the above situation.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Stores Regulations as it relates to the maintenance of Log Books. (2020/012)*

90. For the period under review, eighty Payment Vouchers totalling \$47.320M were not presented for audit verification. Similarly, the Ministry was still to present for audit examination, 250 Payment Vouchers totalling \$85.003M for the years 2017 to 2019. As a result, the completeness, accuracy and validity of the transactions could not be determined.

Office of the President's Response: The Head of Budget Agency stated that the Ministry has oversight over numerous Agencies, it was deduced that most of the vouchers are for the Agencies, especially the Department of Citizenship, however, the Accounts Department is working tirelessly to find the 'missing' vouchers. As at 2 September 2021, thirty-two Vouchers out of the 113 were located.

The Department Social Cohesion acknowledges that at the time of the audit, 155 vouchers were not presented, however, 114 vouchers have since been found for audit verification. The process is still on going to clear the remainder for 2017, 2018 and 2019.

Public Service Management accepts the observation and notes that two of the outstanding payment vouchers for the Guyana Revenue Authority which represents two percent (2%) withholding tax were merged with payment vouchers belonging to Office of the President. Payment Voucher 05A00278 was not used and 05A00352 was submitted for verification on 27/10/2020. There are currently five (5) payment vouchers outstanding. The Ministry continues to make every effort to locate these outstanding payment vouchers at the Office of the President.

The Department submitted eighteen payment vouchers out of the twenty-six outstanding vouchers as per the missing voucher list that was provided by the Audit Office of Guyana for verification on October 27, 2020. However, there are currently eight payment vouchers still outstanding. The outstanding eight payment vouchers are likely to be at the Ministry's Head Office or the Office of the President. The Ministry continues to make efforts to locate the outstanding vouchers at these two locations.

Ministry of the Presidency/Department of Citizenship - The Ministry is making every effort to locate the missing vouchers.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency (i) put systems in place to ensure that there is adequate accountability for Payment Vouchers and supporting documents, so that these could be provided for audit in a timely manner; (ii) ensure all unrepresented Payment Vouchers are located and submitted for audit examination. (2020/013)*

Capital Expenditure

91. The sum of \$727.863M was budgeted for in 2020 to execute the capital programmes of the Ministry. According to the Appropriation Accounts, the sum of \$685.613M was expended as at 31 December 2020.

Programme 1 - Technical Assistance - Strengthening of National Institutional Mechanism for Climate Change Adaptation

92. 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 \$10.739M was allotted in 2020 for the completion of (i) five Year Strategic Plan for the Office of Climate Change; (ii) National Climate Change Communication Strategy and Implementation Plan. According to the Appropriation Accounts, the sum of \$3.689M was expended. This Project is subject to separate financial reporting and audit.

Programme 5 - Guyana Protected Areas System

93. The sum of \$35M was allocated under Germany-KfW fund for improvement of infrastructure and supply of equipment to enhance the management and conservation of biodiversity in three (3) protected areas: Shell Beach, Kaieteur National Park and Kanuku Mountains. Amounts totalling \$1.208M were expended as at 31 December 2020. This Project is subject to separate financial reporting and audit.

Capital Purchases – Furniture and Equipment

94. The sum of \$39M was budgeted for the purchase of office equipment and furniture for 2020. According to the Appropriation Account, amounts totaling \$38.899M were expended as at 31 December 2020. Physical verification of the assets on 16 August 2021 revealed that all the assets were received. However, items to the value of \$6.410M were not recorded on the Sectional and Master Inventory. In addition, assets to the value of \$5.657M were not marked to readily identify them as property of the Office of the President. Section 24 of the Stores Regulations requires the Permanent Secretary shall ensure that Master and Sectional Inventories of permanent stores are kept and are properly maintained whilst Section 28 requires the Permanent Secretary to ensure that all permanent stores are properly marked so as to readily identify them as Government of Guyana property. At the time of reporting in September, the Ministry was in the process of updating the inventories.

Office of the President's Response: The Head of Budget Agency stated that the Ministry has taken measures to rectify same.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Stores Regulations at all times. (2020/014)*

Subventions

95. The sum of \$22M was approved as Capital Subvention for the Guyana Lands & Surveys Commission for 2020. According to the Capital Profile the project entails (i) provision of surveys at No. 52-74 villages and La Retraite; and (ii) provision of server. Audit checks conducted on 24 August 2021 revealed that the server was received by the Commission, however, it was not put into use and was still in Stores awaiting installation.

Office of the President's Response: The Head of Budget Agency explained that efforts are being made to have the server installed.

Recommendation: *The Audit Office recommends that the Commission ensure that assets purchased are put into immediate use as intended. (2020/015)*

Prior Year Matters

Current Expenditure

96. 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.

Office of the President's Response: The Head of Budget Agency indicated that the Ministry awaits the findings of the Audit.

Capital Expenditure

97. Overpayment in the sum of \$2.308M made in 2015 was still not recovered by the Ministry at the time of reporting in September 2021. 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.

Office of the President's Response: The Head of Budget Agency stated that this matter was referred to the Attorney General's Office for advice on the way forward since 2016 and remains outstanding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency follow-up with the Attorney General's Office and submit an update. (2020/016)*

98. 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.

Office of the President's Response: The Head of Budget Agency stated that this matter was discussed at the recent PAC Meeting in July, 2021 when the 2015 Audit was being done. The Ministry has since written to the current Attorney General to be advised on the way forward.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit an update to the Audit Office when the Attorney General's advise is received. (2020/017)*

Follow-up on the Implementation of Prior Year Audit Recommendations

99. The table below shows the prior year matters as contained in the Auditor's General 2019 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 43 recommendations; 6 were not implemented, 3 were partially implemented and 34 were fully implemented.

Rec. No.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/126	Breach of Circularised Instructions - contracted employees	√		
2019/127	Breach of Section 80 (4), FMA Act 2003		√	
2019/128	Breach of Section 80 (4), FMA Act 2003		√	
2019/129	Breach of Section 43, FMA Act 2003		√	
2019/130	Unpresented payment vouchers			√
2019/131	Breach of Section 31, FMA Act 2003			√
2019/132	Breach of Circularised Instructions – Cheque Orders			√
2019/133	Unpresented payment vouchers			√
2019/134	Overstatement of the Appropriation Accounts	√		
2019/135	Unexpended warrants	√		

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/136	Contract register not properly written up	√		
2019/137	Breach of Stores Regulations – Assets not brought to account	√		
2019/138	Breach of Stores Regulations – Assets not brought to account	√		
2019/139	Shortfall in expenditure	√		
2019/140	Shortfall in expenditure	√		
2019/141	Breach of Section 34, FMA Act 2003	√		
2019/142	Error in recording of figure	√		
2019/143	Breach of Section 31, FMA Act 2003	√		
2019/144	Breach of Section 34, FMA Act 2003	√		
2019/145	Breach of Stores Regulations – Assets not accounted for	√		
2019/146	Breach of Procurement Act and FMA Act	√		
2019/147	Shortfall in expenditure	√		
2019/148	Shortfall in expenditure	√		
2019/149	Shortfall in expenditure	√		
2019/150	Shortfall in expenditure	√		
2019/151	Shortfall in expenditure	√		
2019/152	Shortfall in expenditure	√		
2019/153	Shortfall in expenditure	√		
2019/154	Shortfall in expenditure	√		
2019/155	Shortfall in expenditure	√		
2019/156	Breach of FMA Act 2003			√
2019/157	Shortfall in expenditure	√		
2019/158	Breach of Section 34, FMA Act 2003	√		
2019/159	Breach of Section 31, FMA Act 2003	√		
2019/160	Shortfall in expenditure	√		
2019/161	Breach of Section 24 of the Stores Regulations	√		
2019/162	Cash on hand for 2018	√		
2019/163	Unpresented documents	√		
2019/164	Unpresented documents	√		
2019/165	Overpayment on construction works	√		
2019/166	Overpayment on construction works	√		
2019/167	Unpresented document – accident report	√		
2019/168	Breach of Stores Regulations – Non delivery of Asset			√

AGENCY 02
OFFICE OF THE PRIME MINISTER

Current Year Matters

Current Expenditure

Office and Field Supplies

Fuel and Lubricants

100. The Office did not submit for audit, log books for nineteen vehicles and equipment that required its maintenance. 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*”.

101. As a result, it could not be determined whether all journeys undertaken were properly authorised and in the interest of the public. It should be mentioned that during 2019, log books were not properly maintained to reflect all pertinent information.

Office of the Prime Minister’s Response: The Head of Budget Agency stated that log books are currently being maintained and that the Office has systems in place to ensure all vehicle log books are properly filled out.

Recommendation: *The Audit Office recommends that the Head of Budget Agency should ensure log books are maintained for all vehicles requiring such, and monitor systems to ensure adherence to the Stores Regulations. (2020/018)*

Dietary

102. The sum of \$900M was allocated under Programme 022 – Disaster Preparedness, Response and Management, Line Item 6292 – Dietary. The sum of \$4.647M was transferred from this Line Item, leaving a revised allotment of \$895.353M, which was fully expended. A summary of the expenditure is shown in the table below:

Particulars	№ of Transactions	Amount \$’000
Items purchased for relief hampers	27	890,822
Miscellaneous	12	4,531
Total	39	895,353

103. In addition, the items purchased via eleven payment vouchers processed for sums totalling \$213.852M were verified as having been received. However, the difference of fifteen payment vouchers processed for sums totalling \$577.070M were not presented for audit examination. As a result, it could not determine whether the items valued \$577.070M were received and properly accounted for.

Office of the Prime Minister’s Response: The Head of Budget Agency stated that at the time of reporting, the Officer responsible was responding to an emergency. The Office has put measures in place for the requisite examinations to be done.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the relevant documentation to facilitate a verification of the receipt and distribution of the items. (2020/019)*

Subsidies and Contributions to Local Organisations

104. The sum of \$3.587 billion was budgeted for Subsidies and Contributions to Local Organisations. The full sum was paid over to fourteen agencies, which were under the control of the Office. In addition, capital subventions totalling \$62.326M were paid over to five of these agencies. The table below provides a breakdown as per agency.

Agency	Capital \$'000	Current \$'000	Amount \$'000
Government Information Agency/Department of Public Information	8,577	310,000	318,577
National Communications Network	13,999	244,347	258,346
Integrity Commission	-	42,168	42,168
National Data Management Authority	15,500	1,972,610	1,988,110
Guyana Energy Agency	-	29,913	29,913
Hinterland Electrification Company Incorporated	17,250	25,000	42,250
Kwakwani Utilities Incorporated	-	147,347	147,347
Lethem Power Company Incorporated	7,000	35,000	42,000
Linden Electricity Company Incorporated	-	688,800	688,800
Mabaruma Power & Light Company Incorporated	-	35,100	35,100
Mahdia Power & Light Company Incorporated	-	25,000	25,000
Matthews Ridge Power & Light Company Incorporated	-	4,500	4,500
Port Kaituma Power & Light Company Incorporated	-	25,000	25,000
Moruca Power & Light	-	2,000	2,000
Total	62,326	3,586,785	3,649,111

105. These agencies 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 Bodies.

Agency	Financial Statements		
	Last Audited	Received by Audit Office	Not received by Audit Office
Government Information Agency	2013	2014-2017	2018-2020
National Communications Network Incorporated	2019	-	2020
Integrity Commission	2016	2017	2018-2020
National Data Management Authority	2015	2016-2018	2019-2020
Guyana Energy Agency	2020	-	-
Hinterland Electrification Company Incorporated	-	-	2015-2020
Kwakwani Utilities Incorporated	2014	2015-2017	2018-2020
Lethem Power Company Incorporated	2014	2015-2016	2017-2020
Linden Electricity Company Incorporated	2018	2019	2020
Mabaruma Power & Light Company Incorporated	-	-	2016-2020
Mahdia Power & Light Company Incorporated	2012	2013-2014	2015-2020
Matthews Ridge Power & Light Company Incorporated	2014	2015	2016-2020
Port Kaituma Power & Light Company Incorporated	2014	2015	2016-2020

Office of the Prime Minister's Response: The Head of Budget Agency stated that 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 within deadlines, much less to provide assistance to the hinterland utilities. Accordingly, the HECI is committed to hiring 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.

Meanwhile, support in preparing the financial statements will come from private accounting firms. In addition, efforts are in train to ensure Financial Statements and auditing of HECI and Power Companies are brought up to date in the shortest time. Also, the draft financial statements for NCN will be submitted shortly.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure strict compliance with Section 80 (1) and (3) (c) of the FMA Act. (2020/020)*

Other Matters

Accounting for Expenditure

106. The Office continued to breach the provisions of Section 43 of the Fiscal Management and Accountability Act, whereby the Office failed to refund to the Consolidated Fund, 255 cheques drawn for a sum of \$1.016 billion. As a result, the Appropriation Accounts have been overstated by \$1.016 billion. Similarly, in January 2020, the Office of the Prime Minister and Ministry of Public Telecommunications had on hand, seventy and thirty cheques drawn for the sums of \$23.883M and \$7.419M, respectively, from its 2019 allocations.

107. It should be noted that ten of the cheques drawn for a total of \$0.911M were still unpaid as of 2 July 2021. The cheques were at the Ministry of Finance and have since become stale-dated.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the Office has now put systems in place to rectify this breach.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure strict compliance with Section 43 of the FMA Act by returning unexpended balances to the Consolidated Fund at the end of the year. (2020/021)

Inter-Departmental Warrants (IDWs)

108. The Office issued an Inter-Departmental Warrant to the Ministry of Amerindian Affairs in the sum of \$1.732 billion. This amount was allocated to support livelihood and economic activities due to the impact of COVID-19 pandemic. According to the financial returns dated 19 January 2021 the full amount was expended.

109. An examination of the IFMIS Warrants Report revealed that 211 payments totalling \$1.729 billion were processed for Amerindian Village Councils in the ten Administrative Regions, and \$3M for PS Ministry of Amerindian Affairs. A summary of the expenditure is provided in the table below:

Region №/Payee	№ of Payments	Amount \$'000
1	74	547,019
2	9	95,000
3	2	13,000
4	5	47,000
5	2	25,000
6	3	30,000
7	25	216,000
8	19	190,000
9	58	454,000
10	13	112,000
PS MOAA	1	3,000
Total	211	1,732,019

110. As at August 2021, the Ministry of Amerindian Affairs had on hand, five cheques dated 19 January 2021, which were drawn for a total sum of \$33M. It should be noted, that these cheques have since become stale dated and should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. As a result, the Appropriation Accounts of the Office were overstated by \$33M.

111. At the time of reporting, 104 transactions totalling \$830.019M were examined. It should be noted that these transactions were processed at different dates in 2021, as summarised below:

Date	№ of Payments	Amount \$'000
19-Jan-2021	70	533,019
21-Jan-2021	33	287,000
2-Mar-2021	1	10,000
Total	104	830,019

112. Receipts indicating that the funds were received by various Amerindian Village Councils were attached to the payment vouchers. However, we could not determine the basis on which the sums paid to the various Councils were derived. Further, we were unable to verify how the Councils accounted for these monies. It should be noted that visits were not made to these Councils due to restrictions imposed as a result of the COVID 19 pandemic.

Recommendation: *The Audit Office recommends that the Head of Budget Agency monitors the use/implementation of funds warranted to other Agencies, to ensure the funds are utilised as intended. (2020/022)*

113. Up to the time of reporting in September, 107 payment vouchers processed for sums totalling \$902M were not submitted for audit. As a result, we were could not verify the correctness, accuracy and validity of these transactions.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to submit the outstanding payment vouchers for audit. (2020/023)*

Stores and other Public Property

114. A stock count of the stores carried out during January 2021 revealed sixty-three instances of shortages and excesses when compared with the balances in the stock ledgers. As a result, it could not be determined whether the Office properly accounted for all items received and issued.

115. Further, Section 39 of the Stores Regulations of 1993 states that “*It shall 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, copied to the Auditor General...*”. In this regard, it could not be determined when last this requirement was complied with.

116. In addition, it was observed that the Storekeeper was responsible for maintaining the Stores Ledger, Bin Cards and other related stores records. This clearly indicated that there was a lack of segregation of duties, which is poor internal control over the management of the Office’s stores.

Office of the Prime Minister’s Response: The Head of Budget Agency indicated that the Office will ensure that all inventories are updated according to regulations.

Recommendation: *The Audit Office recommends that the Head of Budget Agency:*

- (i) *Investigate the variances between its stock and its records, and submit results for scrutiny; as well as, ensure full compliance with Section 39 of the Stores Regulations.*
- (ii) *Ensure there is proper segregation of duties. (2020/024)*

117. The Office’s Master and Sectional Inventories were not updated to reflect assets acquired in 2020. This is in contravention of Section 24 of the Stores Regulations 1993 which 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*”.

Office of the Prime Minister’s Response: The Head of Budget Agency stated that all items procured under the 2020 Capital Budget are now included in the Master and Sectional Inventories.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 24 of the Stores Regulations. (2020/025)*

Capital Expenditure

Shortfall in Expenditure

118. The sum of \$5.361 billion was allotted under the seven capital programmes. Amounts totalling \$4.363 billion were expended, resulting in a shortfall of \$998.263M. The shortfall represented approximately nineteen percent of the total funds available. This is an indication that the anticipated level of capital activities was not achieved. A summary of the shortfall is shown in the table below:

Programme Number and Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000	Percentage
021 - Prime Minister’s Secretariat	37,882	37,759	123	-
022 - Disaster Preparedness, Response and Management	16,417	16,225	192	1
023 - Power Generation	2,068,216	1,132,429	935,787	45
024 - Telecommunication and Innovation	55,620	15,500	40,120	72
025 - Government Information and Communication Services	26,600	26,566	34	-
331 - Policy Development and Administration	25,507	3,500	22,007	86
332 - Public Telecommunications	3,130,773	3,130,773	0	-
Total	5,361,015	4,362,752	998,263	19

Programme 022-Disaster Preparedness, Response and Management

Civil Defence Commission

119. The sum of \$16.417M was budgeted for (i) provision of building, and (ii) purchase of furniture and equipment. Amounts totalling \$16.225M were expended; of which the sum of \$1.122M was paid for one conference table. However, up to the time of reporting in September 2021, the table was not yet delivered. Further, one television and five mini-fridges purchased for a total of \$1.105M had not been put into use. As a result, the intended benefits of these items were delayed.

Office of the Prime Minister’s Response: The Head of Budget Agency stated that the table was completed but was awaiting completion of the CDC expansion for it to be installed. The television & the mini refrigerators were also purchased for the new expansion.

Recommendation: *The Audit Office recommends that the Head of Budget Agency inform the Audit Office when the table is delivered so that the item can be verified. (2020/026)*

Programme 023-Power Generation

120. The table below provides a summary of expenditure under this Programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Difference \$'000	Percentage
2606600	Lethem Power Company	7,000	7,000	0	-
2606700	Hinterland Electrification	17,250	17,250	0	-
2606800	Power Utility Upgrade Programme	1,445,676	858,773	586,903	41
2606900	Sustainable Energy Programme	225,000	104,116	120,884	54
2609500	Renewable Energy Improvement - PSP	53,790	53,790	0	-
2609800	Energy Matrix Diversification Programme	91,500	91,500	0	-
2610000	Solar System Project	218,000	0	218,000	100
2610100	Small Hydro Projects	10,000	0	10,000	100
Total		2,068,216	1,132,429	935,787	45

Hinterland Electrification

121. The sum of \$17.250M was budgeted for the provision of generator, megohmmeter, furniture and equipment. The entire sum was transferred to the Hinterland Electrification Company Incorporated (HECI). The Company was incorporated on 16 January 2015, and 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

122. 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”*.

123. An examination of the records of the Company revealed that the sum of \$0.058M was utilised in 2020 to purchase one office chair for Mabaruma Power and Light Inc.

124. It should be noted that amounts totalling \$7.552M were used during February to May 2021 to purchase furniture and equipment. The items were verified as having been received and properly brought to account. It was explained that the difference of \$9.640M would be utilised to pay for a generator. At the time of this report, a delivery note dated 13 July 2021 was provided, indicating that a generator was delivered to Matthew's Ridge Power and Light Incorporated.

Power Utility Upgrade Programme- IDB LOAN № 3238-OC-GY and 3239/BL-GY

125. 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.

126. The IDB agreed to provide a contribution of US\$22.5M from OC loan resources and US\$15.142M from biannual resources. In addition, the European Union agreed to contribute €19.375M for the completion and uninterrupted execution of the Programme. The Government of Guyana obtained an Installment Sale Financing from the Islamic Development Bank (IsDB) to support the implementation of the Programme. The Agency and Framework Agreements for this Project №. GUY 1008 were signed on 19 September 2018 for an amount not exceeding US\$20M.

127. The Programme was under the purview of the Ministry of Public Infrastructure (MOPI) up to September 2020. As of October 2020, the Programme was placed under the purview of the Office of the Prime Minister. The sums of \$801.584M and \$1.446 billion were allotted under MOPI and the Office of the Prime Minister, respectively, resulting in total funds available being \$2.247 billion. The sums were provided for the (i) provision for loss reduction, (ii) rehabilitation and upgrading of distribution networks, (iii) rehabilitation of sub-stations at Kingston and Vreed-en-Hoop, (iv) upgrade/relocation of distribution transformers, (v) implementation of system management software, and (vi) institutional strengthening.

128. According to the Appropriation Accounts, the entire sum of \$801.584M was expended from the allocation under MOPI; whilst, amounts totalling \$858.773M were expended from the allocations under OPM, resulting in total expenditure of \$1.660 billion. This Programme is subject to separate financial reporting and audit, and was last audited for the financial year 2020. The audit report was issued on 26 March 2021.

Sustainable Energy Programme- IDB Grant №. GRT/FM – 13897-GY

129. 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.

130. The Programme was under the purview of the Ministry of Public Infrastructure (MOPI) up to September 2020. As of October 2020, the Programme was placed under the purview of OPM. The sums of \$114.136M and \$225M were allotted under MOPI and OPM, respectively, resulting in a total funds available of \$339.136M. The sums were provided for the (i) 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.

131. According to the Appropriation Accounts, the sums of \$113.979M and \$104.116M were expended from the allocations under MOPI and OPM, respectively, resulting in a total expenditure of \$218.095M.

132. This Programme is subject to separate financial reporting and audit. The Programme was last audited for the financial year 2020, and the audit report was issued on 28 April 2021.

Renewable Energy Improvement-Power System Project- JAPAN GRANT №.1860260

133. On 27 June 2018, the Government of Guyana and Japan International Cooperation Agency 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.

134. The Programme was under the purview of the Ministry of Public Infrastructure (MOPI) up to September 2020. As of October 2020, the Programme was placed under the purview of OPM. The sums of \$1.917 billion and \$53.790M were allotted under MOPI and OPM, respectively, resulting in a total funds available of \$1.971 billion. The sums were provided for the (i) enhancing of sub-stations equipment and distribution lines at Canefield, Onverwagt, Good Hope and Sophia, and (ii) provision for photovoltaic and energy management systems for the CARICOM Secretariat.

135. According to the Appropriation Accounts, the full sum of \$1.971 billion was expended. A perusal of the IFMIS Account Analysis Reports for MOPI and OPM revealed that the sums of \$1.917 billion and \$53.790M were brought to account in the IFMIS on 10 July and 22 October 2020.

Energy Matrix Diversification Programme– IDB LOAN № 4676/ BL-GY

136. 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 cost of the Programme was estimated to be US\$21.160M, over a period of four years.

137. The Programme was under the purview of the Ministry of Public Infrastructure (MOPI) up to September 2020. As of October 2020, the Programme was placed under the purview of OPM. The sums of \$59.995M and \$91.500M were allotted under MOPI and OPM, respectively, resulting in a total funds available of \$151.495M.

138. The sums were provided for (i) installation of mini-rid system in Bartica, Mahdia and Lethem, (ii) upgrading of Sophia sub-station, (iii) rehabilitation of transmission lines, (iv) institutional strengthening and capacity building for Department of Energy, (v) support for pre-investment studies, and (vi) capacity building. According to the Appropriation Accounts, the full sums were expended.

139. This Programme is subject to separate financial reporting and audit. The Programme was last audited for the period February 2019 to December 2020, and the audit report was issued on 30 April 2021.

Solar System Project

140. The sum of \$218M was provided for the procurement of solar system for households in hinterland communities. According to the capital project profile, the Project was to be funded by India. However, the full sum remained unspent. As a result, the intended benefits of improved generation of electricity was not achieved.

Small Hydro Projects

141. The sum of \$10M was allocated for the (i) construction of hydropower facilities at Moco Moco, Kumu and Ikuribisi, (ii) provision for geotechnical and topographic surveys, (iii) provision for Environmental and Social Management Plan, and (iv) provision for consultancy services, administration and land acquisition. According to the capital project profile, the Projects were to be funded by the Islamic Development Bank. The amount allocated remained unspent. As a result, the intended benefits of improved generation of electricity, and increased use of clean energy alternatives was not achieved.

142. The Management of the Project Execution Unit stated that the Financing Agreement has not been issued by the IsDB. This is expected shortly since all the conditions precedent have been fulfilled as of 9 July 2021. The Ministry of Finance has also requested the Bank to issue the Notice of Effectiveness and to extend the deadline period for automatic termination of the Financing Agreement for the non-effectiveness in accordance with Article 7.2 of the Framework Agreement. Further, the disbursement process will commence after the Notice of Effectiveness.

Programme 024-Telecommunication and Innovation

143. The table below provides a summary of the expenditure under this Programme:

Project Code	Title	Funds Allocated \$'000	Expenditure \$'000	Shortfall \$'000	Percentage
12191	National Data Management Authority	15,500	15,500	0	0
12193	Buildings	40,120	0	40,120	100
Total		55,620	15,500	40,120	72

National Data Management Authority

144. The sum of \$15.500M was provided for the (i) cabling and protective devices for command centre, and (ii) purchase of routers, vehicle and All-Terrain Vehicles (ATVs). The full sum was released to the National Data Management Authority. The Authority is subject to separate financial audit and reporting. However, the Authority's last Audited Financial Statements were for the year 2015.

145. An examination of the Authority's records revealed that the sum of \$12.433M was expended. The balance of \$3.066M was retained by the Authority instead of being refunded to the Consolidated Fund in keeping with Section 43 of the FMA Act. As a result, the Appropriation Account of the Office was overstated by \$3.066M.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the unspent balance of \$3.067M on the \$15.500M was as a result of price reduction amounting to \$92,000; while, \$2.975M was as a result of a change in design of the protective device of the Data Centre. Notwithstanding this, the findings are noted and the necessary corrective measures will be instituted to resolve this matter and prevent any recurrences.

Buildings

146. The entire allocation of \$40.120M provided for the completion of the Call Centre Building at Kara Kara, Linden, remained unspent.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the continued COVID restrictions and the pandemic, resulted in the delay in works and employment. However, the Centre's Rehabilitation and Enhancement works have been completed, resulting in the Call Centre being available to attract an Investor.

147. A contract for renovations and functional enhancements to the Call Centre Building was awarded in the sum of \$116.807M. The contract was signed on 31 December 2019. However, the start date, completion date, and defects liability period could not be determined from the contract document. The sums of \$17.171M and \$31.829M, which amounted to \$49M and represented an advance and interim payment, respectively, were made in 2019. It was also discovered that both the Advance Payment Bond, as well as the Performance Bond which were furnished by the contractor were 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.

148. However, the bonds submitted by the contractor were instead issued from an insurance company. The Head of Budget Agency explained that the contractor was contacted and the situation would be rectified this situation by submitting an Advance Payment Bond, as well as a Performance Bond in the form of a bank guarantee by 30 October 2020. However, the bank guarantee was not submitted for audit. As such, it could not be determined whether this issue resolved.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the Office would ensure that conditions associated with such contracts are strictly enforced.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the bank guarantee for audit as well as documents indicating the start and completion dates, as well as defects liability period. (2020/027)*

149. An examination of the interim payment valued \$31.829M revealed that \$17.986M, which is approximately fifty-seven percent of this amount, was paid for materials on site. However, this is a breach of the conditions of contract; since, the contract does not allow for such payments. Further, a physical verification on 4 September 2020 revealed overpayments totalling \$16.249M were made for materials, which were not on site.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the \$16,248,519 of the \$17,986,469 worth of material not being physically present on site, resulted from the contractor not having full possession of the site. The keys and security arrangements were still under the jurisdiction of the Township of Linden. However, this situation was rectified and the Contractor took full possession of the location.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the final account, including the measured works valuation and completion certificate to facilitate a revisit of the Project. (2020/028)*

Programme 025-Government Information and Communication Services

Buildings

150. The sum of \$1.567M out of the \$1.600M allotted for the rehabilitation of washroom was paid over to the Department of Public Information. Of the sum paid over, an amount of \$1.346M was paid for the renovation of the female washroom at the DPI. The difference of \$0.221M was retained by the Agency, instead of being paid over to the Consolidated Fund in keeping with Section 43 of the FMA Act. As a result, the Office's Appropriation Account was overstated by \$0.221M.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the cost for rehabilitation of the washroom was \$1.567M. However, Ministry of Public works prepared a valuation report that stated works done to the washroom valued \$1.346M; hence, management paid the contractor what the Ministry of Public works suggested. Management will refund the difference to the Consolidated Fund.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit for audit, the relevant documents when the refund is done. (2020/029)*

Programme 331 – Policy Development and Administration

Buildings

151. The sum of \$25.507M was allotted for the rehabilitation of building. Amounts totalling \$3.5M were expended for consultancy services for the renovations and enhancement of the Call Centre at Linden. The shortfall of \$22.007M was approximately eighty-six percent of the allotted funds.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the continued COVID restrictions and the pandemic, resulted in the delay in works.

152. The sum of \$3.5M was paid on a contract for the provision of consultancy service for design and supervision - renovations and functional enhancements to Call Centre Building at Linden, Region №. 10. The contract was awarded on 5 April 2019 in the sum of \$10.455M by the NPTAB via the single source method of procurement.

153. On the said 5 April 2019, another award was issued by the NPTAB, which rescinded the initial award, and increased the contract price to \$15M. This is an increase of \$4.545M, which is approximately forty-three percent of the contract price on the initial award. The circumstances surrounding this increase in the contract sum could not be determined.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the relevant documents sent to NPTAB seeking the change in contract price. (2020/030)*

Prior Year Matters

154. In 2015, a total of 9,609 laptops were purchased with a total cost of \$1.607 billion. The laptops were received in February 2016 and stored at the e-Governance Unit. A physical verification in 2016 revealed that 2,959 laptops with a total approximate cost of \$495M, were damaged. Further, it was reported that 103 laptops with a total approximate cost of \$17.228M were stolen, and that a police report was being awaited.

Office of the Prime Minister's Response: The Head of Budget Agency stated that the Office wrote to the Ministry on 13 September, seeking a satisfactory resolution in the interest of the parties involved.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency follow-up with the police to bring this matter to a closure. (2020/031)*

Follow-up on the Implementation of Prior Year Audit Recommendations

155. The table below summarises the prior year matters as contained in the Auditor’s General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 21 recommendations; 6 were not implemented, 2 were partially implemented and 13 were fully implemented.

Rec. №	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/13	Contracted employees	√		
2019/14	Breach of Section 80 (1) and (3) (c)			√
2019/15	Breach of Section 80 (4)	√		
2019/16	Breach of Section 43 of FMA			√
2019/17	Duplication of transaction	√		
2019/18	Breach of Section 28 of Stores Regulations	√		
2019/271	Contracted employees	√		
2019/272	Breach of accounting system	√		
2019/273	Maintenance of vehicles	√		
2019/274	Breach of Section 80 (1) and (3) (c)			√
2019/275	Breach of Section 43 of FMA			√
2019/276	Poor maintenance of log books			√
2019/277	Breach of Section 38 (1) of FMA	√		
2019/278	Breach of Section 21 (4) of FMA	√		
2019/279	Outstanding advances	√		
2019/280	Poor contract administration		√	
2019/281	Poor contract administration		√	
2019/282	Untimely execution of projects	√		
2019/283	Breach of Section Stores Regulations-NDMA	√		
2019/284	Overpayment of employee	√		
2019/285	Stolen laptops			√

AGENCY 03
THE MINISTRY OF FINANCE

Programme 1 - Ministry Administration

Current Year Matters

Current Expenditure

Audit of the Accounts of the Guyana Lotteries Commission

156. 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.

157. 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.

158. According to the Receipts and Disbursements Statement of the Ministry of Finance, for 2020, the Ministry budgeted \$400M for Lottery Receipts under the category of Miscellaneous Revenue. The entire sum was transferred from the 3119-bank account to the Consolidated Fund. For 2019, the amount of \$600M was budgeted, however only \$32.500M was 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 2020 and 2019:

Description	Amount	Amount
	2020	2019
	\$'000	\$'000
Opening balance	354,082	81,215
Proceeds received	474,951	728,211
Transfers to Consolidated Fund	(400,000)	(32,500)
Expenditure for various activities	(331,427)	(422,844)
Closing balance	97,606	354,082

159. According to the cash book, amounts totalling \$41.427M were expended while the amount of \$400M was transferred to the Consolidated Fund for 2020 as detailed in the table below:

Receiving Agency	Activities	Amount \$'000
Ministry of the Presidency	Emancipation activities for 2020	17,927
	Hosting of Independence Flag Raising Ceremony 2019	8,500
Guyana Cricket Board	Guyana's Golden Jubilee	15,000
Accountant General	Transfer to Consolidated Fund	400,000
Total		441,427

160. Draft financial statements for the years 2015 to 2020 were submitted for audit and at the time of reporting the audits were in progress. 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 this report to finalise the audit.

Ministry's Response: The Head of Budget Agency indicated that the Auditor General audited the financial statement for 2014. The statements for the period 2015 to 2020 were also submitted to the Auditor General but cannot be finalised without the appointment of a new Commission. The Ministry will tender a Cabinet paper soon to appoint the Commission, which will be mandated to complete the financial statements and lay the same in the National Assembly.

Recommendation: *The Audit Office recommends that the Ministry submit the signed Financial Statements for 2014 so that the audit can be finalised. (2020/032)*

Programme 2 - Public Financial Management

Current Revenue

161. The sum of \$10.564 billion represents current revenue estimated to be collected for the fiscal year 2020. Examination of the Statement of Receipts and Disbursements (Current) revealed that total revenue actually collected and paid into the Consolidated Fund was \$10.645 billion. This represents an increased of 1% 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>	<u>413,826</u>	<u>443,001</u>	<u>29,175</u>
Revenue Stamps	411,989	441,050	29,061
Cheques	1,837	1,951	114
<u>Other Tax Revenue</u>	<u>323</u>	<u>0</u>	<u>(323)</u>
Auction Duty	323	0	(323)
<u>Interest:</u>	<u>616,453</u>	<u>21,493</u>	<u>(594,960)</u>
Other Loans and Advances	216,453	1,493	(214,960)
Loans to Public Corporations	400,000	20,000	(380,000)
<u>Rents and Royalties</u>	<u>2,771,625</u>	<u>2,711,372</u>	<u>(60,253)</u>
Royalties	2,771,625	2,711,372	(60,253)
<u>Dividends and Transfers:</u>	<u>4,875,176</u>	<u>2,180,176</u>	<u>(2,695,000)</u>
Bank of Guyana Profits	1,475,176	1,475,176	0
Dividend from Non – Financial Institutions	1,000,000	5,000	(995,000)
Special Transfers from Statutory and Non – Statutory Bodies	2,400,000	700,000	(1,700,000)
<u>Miscellaneous:</u>	<u>1,886,225</u>	<u>5,289,049</u>	<u>3,402,824</u>
Sundries	1,458,248	4,868,271	3,410,023
Lottery Receipts	400,000	400,000	0
Pension Contributions – Seconded Officers	1,177	566	(611)
Pension Contributions – Legislators	26,800	20,212	(6,588)
Total	10,563,628	10,645,091	81,463

162. According to the Statement of Receipts and Disbursements (Current), the sum of \$1.458 billion was budgeted to be collected in 2020 as Sundries Receipts whilst the sum of \$4.868 billion was collected and paid into the Consolidated Fund. This sum includes amounts totalling \$1.892 billion for refunds of unspent balances on Inter-Departmental Warrants (IDWs) and subventions and salaries and allowances for various Ministries, Regions and Departments. 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 \$1.892 billion.

Description	Amount \$'000
Refund of unspent balances, subventions, IDWs etc.	1,004,742
Refund on advances, allowances for students, non-supply of items, air fare, overpayments etc.	747,780
Refund of salaries, allowance, travelling	139,757
Sub-total for refunds	1,892,279
Transfer of funds and closure of accounts	2,711,423
Payment for lab tests and vaccinations	53,418
Payment for tender documents	47,754
Ogle Airport – principal payment on loan	33,301
Breach of contract – scholarships etc.	27,806
Revenue from Food & Drugs	24,605
Rental of buildings, equipment, etc.	7,004
Publication & Gazette	5,197
Miscellaneous	65,193
Total	4,868,000

Ministry's Response: The Head of Budget Agency indicated that the refunds for Inter Departmental Warrants that have not been credited to the respective line items in the Appropriation 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. (2020/033)*

Capital Revenue

External Loans

163. 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 2020 as shown in the table below:

Loan	Statement of Public Debt \$'000	Statement of Receipts and Disbursements \$'000	Difference \$'000
Caribbean Development Bank	1,314,801	1,265,764	49,037
Export-Import Bank of China	2,728,373	5,962,023	(3,233,650)
Inter-American Development Association	1,051,539	1,338,061	(286,522)
Inter-American Development Bank	4,555,517	4,938,566	(383,049)
International Fund for Agricultural Development	26,063	31,500	(5,437)
Export-Import Bank of India	418,460	420,095	(1,635)
Islamic Development Bank	24,812	0	24,812
Caricom Development Fund	0	20,455	(20,455)
Total	10,119,565	13,976,464	(3,856,899)

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 differences can be identified. (2020/034)

External Grants

164. With respect to External Grants, there were shortfalls totalling \$943.429M in revenue for 2020 as shown in the table below:

Description	Amount Budgeted \$'000	Amount Collected \$'000	Shortfall \$'000
Caribbean Development Bank	602,557	515,048	87,509
Inter-American Development Bank	564,022	437,799	126,223
Norway (R.E.D.D Invest. Fund)	1,200,000	919,479	280,521
Germany - Guyana Protected Areas System	35,000	1,208	33,792
International Fund for Agricultural Dev.	16,000	500	15,500
Islamic Development Bank	10,000	0	10,000
European Union	2,000	0	2,000
Caricom Development Fund	400,000	336,844	63,156
UNDP Project Grant	500,000	175,272	324,728
Total	3,329,579	2,386,150	943,429

Ministry's Response: The Ministry of Finance provided explanations for slippages in the delivery of budget measures for external loans and grants.

Overseas Conference and Official Visits

165. 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
2020	1	180
2019	11	1,027
2018	7	2,887
2017	29	6,802
2016	41	11,862
Total	89	22,758

Ministry's Response: The Head of Budget Agency indicated there has been a downward trend in outstanding conference advances since the issuance of Circular №. 4/2017 dated 2017-04-24 (Clearance of Outstanding Overseas Conference Advances). The improvement in the clearance of conference advance may also be attributed to the decision by the Ministry to issue caution letters to defaulting officers.

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. (2020/035)

Capital Expenditure

166. The sum of \$14.220 billion was allotted for under the two capital programmes of the Ministry for 2020. According to the Appropriation Accounts, amounts totalling \$13.876 billion were expended. Included in the amount of \$13.876 billion was the sum of \$11.390M which was expended on the Ministry of Finance New Annex Building.

167. 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. The Engineer's Estimate was \$212.417M. The contract was signed on 20 December 2017, with duration of twelve months for completion and a Defects Liability Period of twelve months. However, there were several extensions to the contract with the last being 29 June 2021. As at 31 December 2020, amounts totalling \$184.556M were paid to the contractor. Physical verification on 25 August 2021 revealed that the works were in progress.

Ministry's Response: The Head of Budget Agency indicated that efforts are been made to complete the building in the shortest possible time.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put measures in place to ensure that the contract is completed earliest. (2020/036)*

Statistical Bureau

168. The sum of \$30.771M 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. According to the Appropriation Accounts, amounts totalling \$25.770M was disbursed to the entity as at 31 December 2020, leaving an unutilised amount of \$5.001M.

169. The sum of \$18.270M was released to the Project's Enhancing Statistical Capacities of Guyana Project (Non-reimbursable Technical Cooperation), №. ATN/OC-15448-GY. This Project is funded by the Government of Guyana and the Inter-American Development Bank (IDB) and is subject to separate financial reporting and audit. The last audit report was issued on 29 September 2020 for the period 18 March 2016 to 18 March 2020.

170. The Statistical Bureau received the sum of \$7.5M as capital subvention of which only the sum of \$6.136M was expended. However, the unspent amount of \$1.364M was not refunded to the Consolidated Fund as required by 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. The Bureau is subject to separate financial reporting and audit. The last audit report was issued for the year 2011 and financial statements for the years 2012 to 2017 were received by the Audit Office and the audit was in progress. However, financial statements for the years 2018 to 2020 were not received at the time of reporting.

Ministry's Response: The Head of Budget Agency indicated that the Ministry sought an extension from the IDB to complete all activities under the project. The extension will allow for the full utilisation of savings.

The unspent balance was not refunded to the Consolidated Fund by the Bureau, given that this is contingent on the bank reconciliation statement being finalised. The preparation of the statement is currently a work-in-progress. The Bureau is taking all necessary steps to have all bank reconciliation completed and up to date so that outstanding amounts can be deposited into the Consolidated Fund.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take steps to ensure that the Bureau comply with Section 43 of the Fiscal Management and Accountability Act 2003. (2020/037)*

Basic Needs Trust Fund

171. The sum of \$320M was budgeted in 2020 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, Shulinab, Kwaimatta, Wowetta, Aranaputa and Rupertee; and (e) project administration. According to the Appropriation Account, the full amount was expended by Basic Needs Trust Fund and the planned activities were completed.

172. 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 the year 2020 was being finalised.

National Payments System

173. The sum of \$175M was budgeted for: (i) establishment of national payments system infrastructure including software and hardware⁵ 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 2020 was financed by International Development Association. According to the Appropriation Account, amounts totalling \$160.646M were expended as at 31 December 2020. This Project is subject to separate financial reporting and audit. The last audit report was issued on 18 June 2021 for the year ended 31 December 2020.

Low Carbon Development Programme

174. The sum of \$1.200 billion was budgeted in 2020 for: (i) Amerindian Land Titling; (ii) Institutional Strengthening of Department of Environment, Office of Climate Change and Project Management Office; (iii) 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; (iv) Sustainable Land Management and Development; and (v) Other Intervention and Studies. This project is funded by the Government of Guyana and Norway. According to the Appropriation Account the amount of \$919.479M was expended. This Project is subject to separate financial reporting and audit.

Guyana Revenue Authority

175. The sum of \$850M was budgeted for: (i) provision for implementation of Automated System for Customs Data (ASYCUDA) software and (ii) purchase of softwares, furniture and equipment. According to the Appropriation Account, as at 31 December 2020, the full amount was issued to Guyana Revenue Authority (GRA). The GRA is subject to separate financial reporting and audit and the last audit report issued was for the year 2014. The audit for the year 2015 was completed and the draft management letter was sent to the Authority on 19 May 2019, however at the time of reporting a response was not received. Financial Statements for the years 2016 to 2019 were received but the 2020 statements are yet to be submitted for audit.

176. In addition, according to the records of the Authority, only the sum of \$769.449M was expended from the sum of \$850M received. However, the unspent amount of \$80.551M was not refunded to the Consolidated Fund as required by 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.

Ministry's Response: The Ministry indicated that GRA's responses to the Management letter for the 2015 audit were submitted to the Audit Office in August 2021. The submission should have been made in October 2020; but due to an oversight, it was not. The GRA apologises for the delay in the submission of the responses. The financial statements for the year 2020 are currently being finalised and will be submitted to the Audit Office shortly.

Regarding the capital expenditure for 2020, the sum of \$748.668M was spent for the year 2020 and the remaining balance of \$103.331M was refunded to the Consolidated Fund on August 9, 2021.

Capital expenditure for 2020 commenced during the last quarter of 2020 after the passing of the National Budget in September 2020. In addition, with 2020 being an unusual year, the GRA experienced several challenges which affected the procurement process and resulted in delays in spending. However, the management of GRA will make every effort to ensure that in future, all unspent balances are refunded to the Consolidated Fund in a timely manner.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that Section 43 of the FMA Act is complied with and all outstanding financial statements are submitted for audit. (2020/038)*

Loan to Public Corporation-Guyana Power and Light

177. The Government of the Co-operative Republic of Guyana and the Guyana Power and Light Incorporated entered into three loan agreements in 2020 to finance the payments to WARTSILA under the 46 Megawatts Dual – Fuel Power Plant Expansion Project at Garden of Eden. The first agreement was for the sum of \$1.153 billion while the second and the third agreements were for \$4.520 billion and \$5.089 billion respectively. The GPL agrees to repay the loan plus interest capitalised. It is expected that five generating units will be shipped to Guyana as this Project progress. According to the Appropriation Account, the full amount of \$10.762 billion was disbursed to the Guyana Power and Light Incorporated as at 31 December 2020.

Ministry's Response: The Head of Budget Agency indicated that the five dual-fuel power generating sets at GPL's Garden of Eden power plant were tested and the new power plants will be fully commissioned shortly.

Integrated Financial Management and Information System (IFMIS)

178. 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).

179. 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.

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

No.	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

181. 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.

182. 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 upgraded by eGov/National Data Management Authority to make the system more secure and reliable.

183. 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 Program 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.

184. 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.

185. The functions that will be incorporated includes the following which were 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); and
- Capacity Building.

186. 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; and
- 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 Ministry of Finance continues to increasingly explore methods and systems to modernise and improve Public Financial Management (PFM) in phased manner. Additionally, efforts have been directed towards strengthening PFM Systems, including re-engineering of business processes and the restructuring the Government's 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).

Recommendation: *The Audit Office recommends that the Accountant General's Department continue its efforts to have the Government Accounting System business processes updated and implemented to ensure transparency and accountability of public finances. (2020/039)*

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

187. 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.

188. 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. The Board was constituted with all seven members for a period of one year with effect from 10 September 2020 to 9 September 2021.

189. 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.

190. 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 life of the Commission came to an end on 27 October 2019. The President extended the tenure of the Chairperson and Vice Chair by one year with effect from 25 October 2019, which also came to an end on 24 October 2020. However, at the time of reporting no new appointments were made but nevertheless it was noted that the Public Accounts Committee placed an advertisement requesting from national stakeholders, including political parties and civil organisations, the submission of names of proposed nominees to serve as members of the Public Procurement Commission.

191. 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); and
- b) increases in the threshold limits, for Regional/Ministerial/Agency Tender Boards (Schedule 1 of the Regulations).

192. 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; and
 - b) examine and make recommendations on revisions to the Regulations, with a view to increasing the threshold limits in light of current prices.

193. The Commission reviewed the draft Suspension and Debarment Regulations and made a number of recommendations, including those to specifically reflect the role and functions of the Commission in the implementation of the Regulations. The Suspension and Debarment Regulations were enacted in 2019. At the time of reporting, it was noted that the Commission had on its website a list of thirteen contractors who were debarred by the Commission.

194. In 2020, the Commission completed draft Regulations in relation to Emergency Procurement, for consideration by the appropriate agencies. The objective of the Regulations is to ensure proper administration of emergency procurement proceedings by adding specific guidelines to the Procurement Act.

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

196. 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 Ministry of Finance stated that the procuring agencies did not report all contracts awarded in excess of \$1.5 million to the National Board, thereby restricting it from publishing them on its website. The National Board will re-issue the circular that was issued in December 2018, January 2019 and February 2019, as well as encourage greater compliance.

197. 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 Ministry of Finance indicated that the previously, the creation of the pool of evaluators was done utilising two methods; interested public servants would submit a letter of application with their CVs attached, or the Senior Procurement Officer at NPTA that was then responsible for the appointment of evaluators would include public servants that would appear to be au fait with Guyana's public procurement process.

With the appointment of the new Board in 2020, only the former method is being utilised, which ensures that the evaluators selected are not only experienced, as the latter method catered for but are also experts in the required field. In addition, the evaluators' performance is reviewed periodically, which ensures that in addition to the above qualities, evaluators are also diligent and possess integrity. This new requirement ensures that evaluation reports are completed within the required fourteen days, and the decision of the committee is unbiased, qualities that are necessary for the efficient and effective functioning of the procurement process, qualities that were previously lacking in the public procurement process. NPTAB continues to make efforts to ensure that persons appointed as evaluators have the expertise to perform the tasks.

198. 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 Ministry of Finance explained that the functions of the Bid Protest Committee (BPC) were assumed by the Public Procurement Commission (PPC) when it was established in 2017. The

1. The PPC addressed all complaints or protests since its establishment.
2. The absence of any formal complaint by suppliers or contractors since the PPC expired in 2020.
3. The ongoing efforts to reestablish the PPC.

Prior Year Matters

199. 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 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.

In 1997, the Government filed a claim for the sum of US\$1,105,320 being the principal and interest due under the agreement of sale for the National Paints Company. The purchaser, Mr. Giddings, has since died, and a Summons to have the administrator of his estate be substituted has been filed but is yet to be heard.

NICIL brought an action against Royal Investments Inc for the outstanding balance of US\$2 million. In December 2020 the court ruled in favour of NICIL for the sale of shares in GSL as follows:

- Judgment in the sum of US\$2,000,000 or its equivalent in Guyana Dollars set by Republic Bank Limited.
- Interest to be paid as claimed on the said sum of US\$2 million or its equivalent in Guyana Dollars at the prevailing official selling rate of exchange for United States Dollars set by Republic Bank to be calculated at the US Treasury Bill Rate with effect from October 1, 2001, until fully paid.
- The defendant's counterclaim was dismissed.
- Costs are ordered to be paid by the defendant to NICIL in the sum of \$5,000,000
- Stay of Execution for six (6) weeks.

Royal Investments Inc. has since appealed the ruling and the appeal is pending.

200. 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.

Ministry's Response: The Head of Budget Agency indicated that the case involving the fraud has been concluded by the Court, resulting in three persons being incarcerated for the offence while the fourth person, a supervisor within the Ministry of Finance, has had his case struck out owing to lack of court appearance. It will not be possible to recover the funds misappropriated. As such, efforts will be made to write off this loss before the end of 2021.

201. 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.

202. 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 ending 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. Two further amounts were received by NICIL of \$420.900M each on the 24 December 2020 and 18 January 2021 respectively bringing the total amount received to date to \$1.509 billion. However, this amount was not paid over to the Consolidated Fund at the time of reporting.

Ministry's Response: The Ministry of Finance confirmed the receipt of the amount of \$667.197M on 21 February 2021, \$420.900M on 24 December 2020 and \$420.900M on 18 January 2021, totalling \$1.509 billion. It was further confirmed that as at 21 August 2021, these amounts were not transferred to the Consolidated Fund.

Follow-up on the Implementation of Prior Year Audit Recommendations

203. The table below shows the prior year matters as contained in the Auditor's General 2019 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 17 recommendations; 2 were not implemented, 4 were partially implemented and 11 was fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/19	Breach of Circularised Instructions	√		
2019/20	Breach of Procurement Act	√		
2019/21	Breach of FMA Act 2003 - Non-submission of Financial Statements and laying of reports in the National Assembly		√	
2019/22	Breach of FMA Act 2003 - Non-submission of Financial Statements		√	
2019/23	Breach of Circularised Instructions	√		
2019/24	Overstatement of the Appropriation Accounts			√
2019/25	Revenue not properly recorded			√
2019/26	Outstanding Conference Advances		√	
2019/27	Shortfall in Expenditure	√		
2019/28	Shortfall in Expenditure	√		
2019/29	Shortfall in Expenditure	√		
2019/30	Shortfall in Expenditure	√		
2019/31	Shortfall in Expenditure	√		
2019/32	Shortfall in Expenditure	√		
2019/33	Shortfall in Expenditure	√		
2019/34	Breach of Procurement Act		√	
2019/35	Breach of FMA Act 2003 - cash basis of accounting	√		

GUYANA REVENUE AUTHORITY

204. 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.

205. 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.

206. 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.

207. 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.

208. In 2018, ASYCUDA World Guyana Version 4.2.2 was subsequently re-introduced 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.

209. 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).

210. The project concluded in February 2021 with the launch of the first phase which was expected to result in the complete replacement of TRIPS.

Scanning Software

211. Additionally, the Authority utilises a content management software, Alfresco, where taxpayer information is scanned and uploaded into a protected database.

212. The Income Tax Act 81:01, Customs Act 82:01, and the Value Added Tax Act №. 10 of 2005 have most recently been updated as follows:

Tax Act	Order Number and Date passed by the National Assembly	Summary of Amendments
Income Tax Act 81:01	Order 5 of 2020, passed on 29 September 2020	Amendment to Section 20A: The substitution of the words “fifteen million dollars” to “thirty million dollars” to facilitate the granting of Mortgage Interest Relief where the principal amounts of the housing mortgage loans do not and did not at any time exceed the sum of thirty million dollars in the aggregate.
Customs Act 82:01	Order 75 of 2020 and Order 76 of 2020, passed on 21 September 2020	Order 75 of 2020: Amendment to First Schedule (Exemption from Import duties of customs) with the insertion of goods and services in agro-processing facilities, cold storage and packaging, as determined by the Commissioner-General Order 76 of 2020: Amendment to Second Schedule (Prohibited and restricted imports) Removal of the prohibition against the importation of half-cut vehicles, used tyres, and vehicles over eight years old
Value-Added Tax Act 81:05	Order 78 of 2020, Passed on 21 September 2020	Amendment to Schedule I (Zero rated supplies): <ul style="list-style-type: none"> • the inclusion of the paragraph “goods and services in agro-processing facilities, cold storage and packaging” • supply of Over-The-Counter drugs • supply of vitamins, minerals and tonics for medical or health supplement • supply of medical, dental, hospital, optical or paramedical services • supply of electricity and water for consumption • locally produced sand, stones, concrete blocks, plywood, logs and lumber for construction/housing • capital equipment and machinery for mining, forestry, agriculture, and manufacturing industries, and toshaos from Amerindian villages • fertilisers, pesticides, agro-chemicals, • poultry rearing supplies, • river, air and land crossing services to the hinterland regions Amendment to Schedule II (Exempt supplies): <ul style="list-style-type: none"> • Inclusion of mobile phones in the list of exempt supplies • Removal of poultry feed

213. During 2020, the GRA announced tax relief measures on medical and other supplies for the testing, prevention and treatment of COVID-19, inclusive of protective garments, thermometers, disinfectants, sterilisation products, medical consumables, vitamin C, multivitamins, soaps, rubbing alcohol. The tax relief measures encompassed exemptions on customs duty, VAT and Excise tax until 30 June 2021, and was further extended to 31 December 2021.

The Establishment of the Petroleum Revenue Department (PRD)

214. 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 Management Division is currently conducting Job Evaluations to grade the respective posts within the Petroleum Revenue Department.

215. 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.

216. The Petroleum Revenue Department has a staff complement of twenty-six Officers as at September 2021. The further expansion of the Department is being curtailed by the employment freeze that is adversely affecting the work programme of the Department and the full operationalisation of the newly instituted Divisions. The table below highlights the approved staff complement compared to the current staff complement of the Petroleum Revenue Department (PRD).

Approved Staff Complement	2019 Staff Complement	Current Staff Complement	Vacancy
67	15	26	41

Authority’s Response: The approved structure of this section is organised in such a way to provide for growth in staff as the industry demands, and activities in the oil industry ramps up. It further allowed that since this was a new industry for which the skills were virtually non-existent in Guyana and current salary levels could not attract expatriate staff. As a consequence, thereof, the decision was made to have GRA do its own internal training through help from the Agencies aforementioned, and to build a cadre of officers which through their skillset can pass on their training to other staff. This is being slowly achieved.

However, it has been found that because of better salaries in the private sector, some of these officers leave as soon as their training is completed, hence the need for improved remuneration. Further, since this is a new section from which the future of the nation depends, Management of the GRA has been at pains to build a cadre of patriotic and learned officers that will be a shining light for others to follow. Management therefore had moved to sources external to the GRA for qualified accountants, auditors and financial analysts.

The structure of the department also allows for a petroleum engineer (1 engineer) and a cost recovery audit section (20 officers), neither of which have been filled. The engineer because of salary constraints, while the Cost Audit section because there is not yet a clear direction as to whether the GRA would be the Agency that will do Cost Audits or whether the Cost Audits would be done by external contract auditors in the first instance since Guyana presently lacks such expertise.

Evidence has shown in the last Cost Oil Audit however, that the GRA team can do just as well or better than their external counterparts. To this end, GRA has taken steps to fill these vacancies immediately. The Current staff complement has since been increased to 26, and with plans to fill the Cost Audit’s vacancies, it is expected that by the end of the 2021, the total staff complement will be forty-eight.

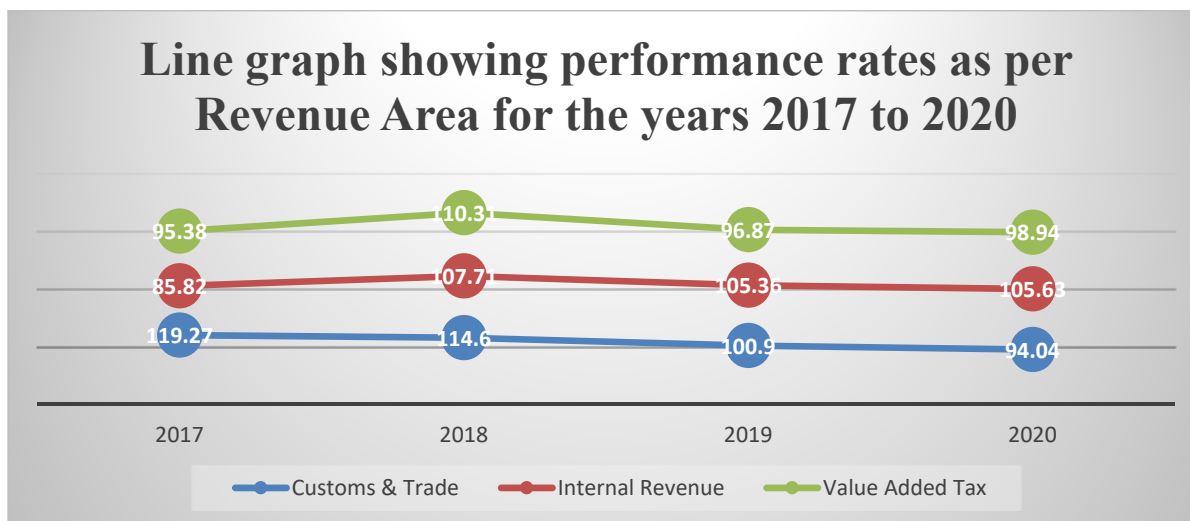
217. Effective August 2020, the Department’s mandate was extended to include the following functions:

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

218. Applications for VAT refunds by companies in the Oil and Gas Sector for the year 2020 amounted to \$3.757 billion, representing claims from sixty-one companies. At 31 December 2020, VAT refunds totalling \$673.517 million were paid, VAT Returns totalling \$8.018 million were rejected, VAT credits totalling \$66.215 million were disallowed and \$773.925 million in VAT Refunds were being processed by the Authority.

Revenue Collection

219. Revenue surpluses for the year under review totalled \$3.782B, representing an overall performance rate of 101.76%. Please refer to graph below for a further breakdown of the Revenue Authority’s performance rates for 2017 to 2020:



220. The declines in the collections for customs and trade taxes reflected the adverse impact of the coronavirus pandemic on international trade. However, it should be mentioned that the performance rates for Customs and Trade Collections have been declining over the last three years.

221. Internal Revenue collections have been consistently surpassing the budgeted amounts for the last three years, however, corporation taxes fell by 11.1%, owing to a slowdown in business activities due to the protracted elections and the ongoing pandemic.

222. VAT collections showed a deterioration of 13.17% over the prior year and reflected an overall shortfall of 1.06% against the Authority’s budgeted amounts. However, it should be noted that the Authority, effective 26 March 2020, zero-rated the VAT on all medical supplies for the testing, prevention and treatment of Covid-19.

Customs and Trade Administration

ASYCUDA World (AW)

223. 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.

224. It comprises two core Modules-e-Manifest and the Electronic Single Administrative Document (e-SAD) that was scheduled for pilot live site operations in March (manifest) and July (declaration), rollout/full deployment in September, after which the full deployment was slated for January 2019. The Authority had commenced and was using the ASYCUDA World (AW), of which fourteen of the functions were fully functional, three were in progress (continuous development), while the remaining six functions had not been implemented as at July 2021. See details in the table below:

Name of Module	Purpose	Remarks
e-Manifest		
e-Manifest	Cargo for transport, commercial and regulatory. It is a control tool to ensure that the manifested cargo is accounted for.	Fully functional
Electronic Single Administration Document (e-SAD)		
(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	Fully functional Fully functional Fully functional Fully functional Fully functional Fully functional Fully functional – (effective July 2020) Fully functional Fully functional Fully functional Fully functional - implemented in Phases Fully functional – (effective July 2020) Fully functional – (effective October 2020) Implemented January 2021 - phased approach utilised Continuous Development Continuous Development Continuous Development Pending

Name of Module	Purpose	Remarks
	Implementation of Fines Offence Module Declaration Tracker Component OLAP (Statistical Reports) EMMA (Electronic Manifest Management ASYCUDA)	Ongoing Discussions 95% Complete – (minor fixes required) Awaiting assistance from UNCTAD Awaiting assistance from UNCTAD Awaiting legislation changes

Authority's Response: Initially, UNCTAD was contracted to provide the e-manifest, e-Sad, and exemption modules, which were implemented by 2019. UNCTAD recommended the implementation of 5 new modules which were not implemented or tested in any part of the region. These modules, which include Valuation, Post Clearance Audit, Enforcement/Infraction, Declaration Tracker, and OLAP statistical module, were developed in-house in Guyana and came at no additional cost to GRA. Some of these modules are being tested, and some may not meet the expectations of functionality including Valuation and Enforcement.

225. 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. During 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.

Authority's Response: Importers/Exporters and/or declarants who wish to gain access to ASYCUDA World must be trained in utilising the software and must successfully complete an ASYCUDA World Declaration practical assessment. However, as stated above 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 to prepare and submit declarations on the consignees' behalf. This measure was implemented due to the exorbitant fees charged by brokers for preparation of such documentation for this category who often struggle financially or take loans to purchase the vehicles.

226. In addition, the Authority has an In-House Licensed 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.

Authority's Response: GRA does not have an "in-house" broker, but contracts the services of a licenced Customs broker who is also trained in ASYCUDA. This Broker is paid for services provided, and according to the laws and guidelines, is authorised to conduct business on behalf of others similar to other licenced Customs Brokers. It should be noted that persons who are not licenced, but who are trained in ASYCUDA and are tied to a specific importer/company, can upload declarations on their behalf.

227. The estimated cost for the implementation of ASYCUDA World (AW) in Guyana was US\$2.100M and ASYCUDA World for Customs Processing was implemented at all locations, with the exception of Lethem, which only came on board in March 2021.

Authority's Response: Lethem was not on-board at the time due to connectivity issues, which was subsequently resolved in March 2021. There were also prior unsuccessful efforts made to have alternate connections through the Brazil interface.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to streamline its operations. (2020/040)

Revenue Collection

228. 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 2020.

Line Item	Description	Approved Estimates \$'000	Amount Collected & Paid into Consol. Fund \$'000	(Under)/Over Estimates \$'000
5011	Import Duties	19,921,865	18,623,769	(1,298,096)
5021	Export Duties	26,928	27,478	550
5031	Stamp Duties	40,993	38,692	(2,301)
5051	Alcoholic Beverages	0	0	0
5063	Betting Shops	61,473	62,800	1,327
5072	Environmental Levy	2,074,765	2,019,286	(55,479)
5079	Misc. & Other Taxes	270,947	278,605	7,658
5081	Overtime Fees	182,328	199,373	17,045
5082	Departmental Fines	79,396	64,192	(15,204)
5083	Warehouse Rent & Charges	9,817	9,521	(296)
5084	Liquor Licence	22,497	15,958	(6,539)
Total		22,691,009	21,339,674	(1,351,335)

229. As shown in the table above, amounts totalling \$22.691 billion were estimated to be collected from customs duties, trade and other taxes, fees, fines and licences for the year under review; while, actual collections paid into the Consolidated Fund totalled \$21.340 billion, constituting a performance rate of 94.04%. This represents a negative variance of 6% equivalent to \$1.351 billion. Notwithstanding the negative performance, there were increases in the collections for four of the eleven tax types totalling \$26.580M.

Authority's Response: Import Duties, VAT and to a lesser extent Environmental Levy are the main revenue categories that contributed to the overall negative variances. Imports generally declined in volumes due to COVID-19 and its related measures, where there were curfews and restrictions on business hours and operations. In addition, Government, in response to critical items needed for COVID-19 relief, had exempted the duties and taxes on such items. These resulted in the revenue shortfall for the year as compared to the estimates, notwithstanding the revisions made thereto. The negative variances can therefore be attributed to significant reduction in Import Duties and Taxes paid by several importers as a result of a reduction in commodities imported due to lowering demand levels, coupled with the COVID-19 relief exemptions. Higher importation levels were anticipated in the last quarter of 2020 for the festive season especially since some recovery was seen in September 2020, however, this anticipation did not come to fruition.

Lastly, budget tax measures introduced in the last quarter of 2020 contributed significantly to this negative variance.

Customs Refunds

230. Gazetted on 7 December 2018, the Customs (Amendment) 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*”. The Authority refunded customs duties totalling \$224.753M during 2020, which was an increase of \$77.08 million, or 52% from the 2019 customs refunds paid out.

Authority’s Response: This surge represents an increase in the number of applications processed by the CE&TO. In addition, refunds are now paid or off-set to other tax-types out of collections rather than from the releases, due to amendments made in the laws.

Recommendation: *The Audit Office recommends that the Authority continue in its efforts to refund taxpayers. (2020/041)*

Permits for Immediate Delivery

231. In response to the 2018 Auditor General’s 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. In 2020, the IMD4 became fully functional and 131 transactions with total CIF (Cost, Insurance, Freight) of \$13.281B were processed by the Authority. Total taxes assessed for these transactions were \$9.484M.

Authority’s Response: The IMD7 module in ASYCUDA World allows for approved persons to use the PID facility for immediate release of goods without immediate payment of taxes but with lodgment of a bond, which may be waived at the discretion of the Comptroller or DCG/CG. In addition to the IMD7, the IMD4 module allows for immediate release of goods without the manifest and Waybill but with payment of the necessary taxes. No bond is required for the IMD4 facility. The taxes assessed for the IMD4 transactions would have been fully paid upon submission of the declaration in ASYCUDA.

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. (2020/042)*

Seizures

232. 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 September 2021, for the years 2015 to 2019, a total of 336 seizure files remained open. During the year 2020, the Authority did not close sixty-seven files from a total of 275 files. It was noted that, due to pending sale of seizures, disposal of assets and the payment of fines and taxes, the sixty-seven files could not have been closed. The table below shows the status of the files for the years 2015 to 2020:

Year	No. of Seizures	No. of Files Closed	No. of Files Not Closed
2015	306	285	21
2016	412	350	62
2017	361	289	72
2018	425	364	61
2019	661	541	120
Sub-Total	2,165	1,829	336
2020	275	208	67
Total	2,440	2,037	403

Authority's Response: To date, the Revenue Authority have closed an additional 128 files for the period 2015 to 2020, 403 files remain to be closed.

It should be noted that decisions were made for courses of action for each file; however, due to the reasons stated below, the above-mentioned files were unable to be closed. In addition, an IT system has been developed for accountability purposes.

233. The Authority recorded 275 cases in the Seizure register for the year 2020. Audit examination on the Seizure Register revealed 108 cases were still open. Further examination highlighted that three cases deemed closed were open. Also, seven of the cases were moved or cancelled and four cases were closed but stated as open in the register.

Authority's Response: The Head of the Authority indicated that at the time of audit scrutiny all closed matters were not written off in the seizure register even though the files were closed, however, subsequently this action was taken on all files that were closed. In addition, the cases cancelled were transferred to ER numbers since there were no revenue implications after completion of those investigation.

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. (2020/043)*

234. Of the 275 seizure files opened in the year 2020, 48.4% or 133 were in relation to motor vehicles and spares, and undervalued goods, while the remaining 142 seizure files were in relation to alcoholic beverages, foreign chicken, prohibited items, investment agreements, fuel and others.

235. The Authority has implemented various measures such as the excise tax stamps affixed to alcoholic beverages and the ASYCUDA World which helped to curb that smuggling of alcoholic beverages and to identify undervalued goods during clearance. In addition, during 2020, 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 2020 and 2019.

Comparison of Categories of Seizures for the years 2020 and 2019

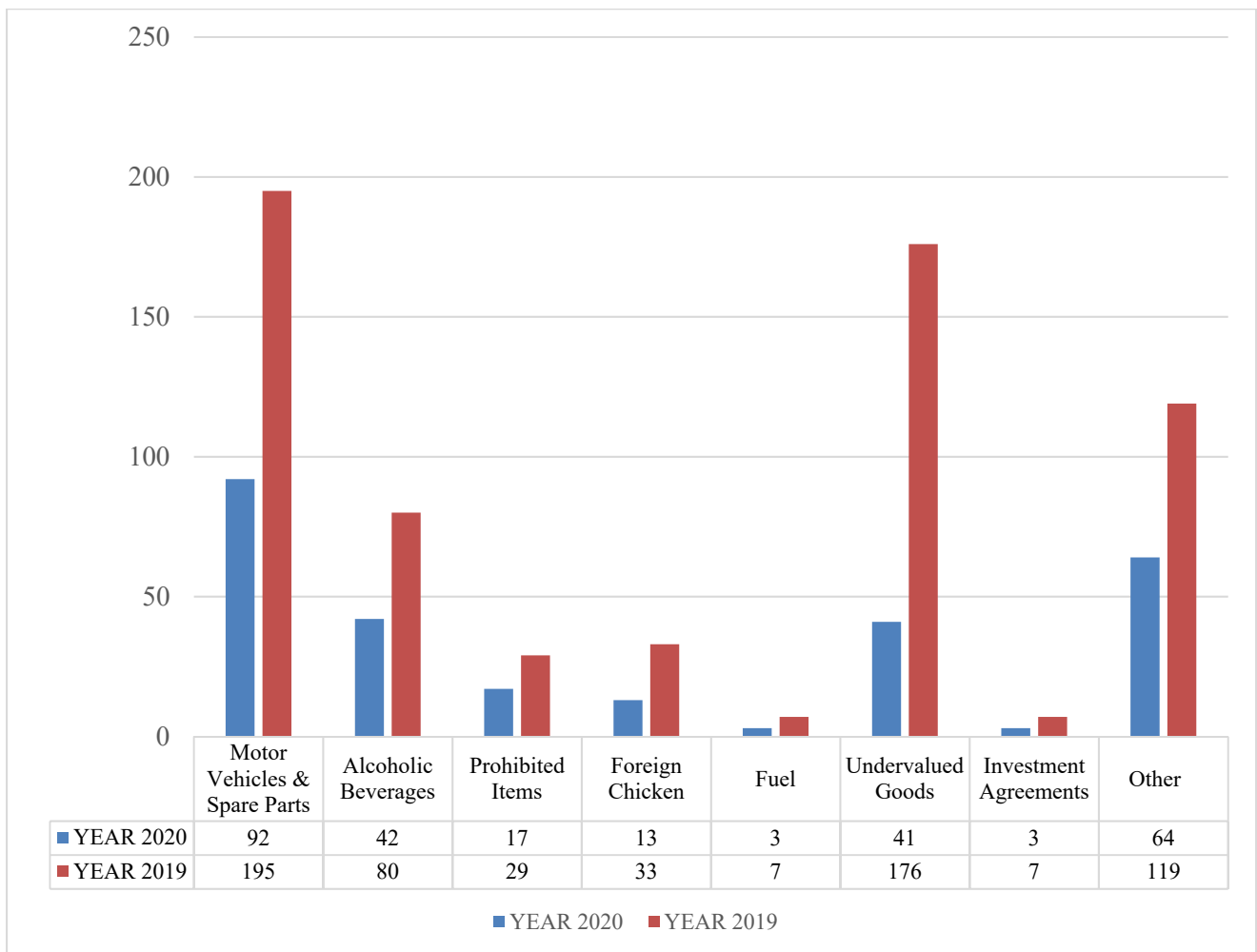


Figure 5

236. A sample of 74 files was selected for audit examination. Three files were not presented for audit examination. In addition, nine cases had outstanding customs duty, taxes and/or fines totalling \$14.313M. As such, the validity and completeness of the related seizure exercises could not be determined.

Authority's Response: The Head of the Authority indicated that the three files were all transferred from IR to ER, since there were no revenue implications in those matters. The files are available for audit scrutiny. In addition, LEID will continue its diligent effort to locate the offenders to have the taxes and fines recovered for the nine cases outlined. However, the statement made "the validity and completeness of the related seizure exercises could not be determined" is unclear what the auditor meant, since the investigations were completed and files presented or re-presented for review/audit.

Recommendation: *The Audit Office recommends that the Authority present the files for audit scrutiny. (2020/044)*

237. The following findings were noted during the examination of IR files:

- a) In one instance, it was revealed that the Offender was given a due date of 5 February 2020 to pay the applicable customs duty and taxes of \$999,000 for uncustomed items. At the time of examining the file in March 2021, evidence of further action was not seen.
- b) With regards to one seizure case, the Investigation report was signed off by the Commissioner General on 3 September 2020. The company was written on 26 October 2020 stating the payment of additional Customs duties and VAT of \$2.866M from two previous declaration forms. Failure to satisfy the above conditions within fourteen days of the letter would result in GRA being forced to initiate proceedings for the breach of the foregoing provisions without further notice. No further correspondence was seen in file when examined in April 2021.
- c) For one seizure, the Commissioner General approved a conveyance fee of \$50,000 to be paid, but an amount of \$100,000 was stated on the receipt voucher prepared. A documented reason for the increase was not seen. In Addition, the file was deemed closed by an Enforcement Officer. A Group Leader or Manager's signature was not seen.
- d) For one seizure case, the register did not state the amount that was remitted by the offender, which was \$840,808 paid as customs duty and taxes for the undeclared items. As per letter dated 12 October 2020 and Approved Investigation report on 04 October 2020, a further fine of \$420,404 was approved to be paid in lieu of Court Proceedings. If the company failed to act within 14 days, alternative actions would be taken. No further information was seen in the file that was examined in March 2021.

- e) With regards to two seizure files, recommendations of legal proceedings against the offender was approved on 31 August 2020. As per letter dated 21 September 2020 from the Head of LEID to the Attorney for the offender, it was stated that the Authority will be instituting proceedings against the offender for dealing with uncustomed goods. No further documents were seen in the file as at 06 April 2021.
- f) In one instance, audit examination was done on 7 April 2021, five months after the investigation report was signed by Commissioner General, however, evidence of seizure and prosecution were not seen in file.

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

- (a) LEID was unable to locate the offender despite all efforts made. In the absence of so doing, GRA may be unable to commence the requisite proceedings given that service to the offender is regarded as material. Notwithstanding same, LEID will diligently continue all efforts to have this matter duly addressed.
- (b) A further letter was sent to the Company on April 29, 2021, to pay taxes on the items, however, no payment has been made to date. In view of the company's failure to act, GRA will commence the requisite action for the act committed and to have the revenue recovered
- (c) This error was recognised and steps were taken by management of LEID to have the taxpayer refunded and to ensure the necessary signatures are in the file.
- (d) The taxpayer paid the \$840,808 through Customs' ASYCUDA as payment of additional duty and taxes in keeping with the SOP. Additionally, a part payment of the fine in the amount of \$210,202 was also made by the taxpayer on May 21, 2021. Thus, a balance of \$210,202 remains to be paid.
- (e) Legal proceedings were accordingly instituted against the offender by the GRA in the Georgetown Magistrate. The matter was filed on October 21, 2020, and is being heard in Court. The trial was set to commence on July 30, 2021 but was further delayed because of the issues related to the Global Pandemic.
- (f) LEID conducted an inventory at the taxpayer business premises based on information received. A number of items was found and the taxpayer requested time to produce the relevant Customs documents to prove legal importation.

The taxpayer produced several documents in an attempt to prove legal importation. The documents were perused, and it was determined that the documents did not sufficiently prove that the items were legally imported. The taxpayer was notified that the document submitted did not prove legal importation nor payment of the Customs duty and taxes payable on the items. To date, the taxpayer has failed to make payment. The LEID continues its efforts to have the applicable taxes/fine paid in accordance with Section 271 of the Customs Act, Chapter 82:01.

Recommendation: *The Audit Office recommends that the Authority take all necessary steps to recover outstanding sums from offenders. (2020/045)*

238. It was reported in the 2018 Auditor General’s Report that there were items that were seized and detained during the years 2016 and 2017 by the Law 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 were 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 September 2021, we were unable to verify that the situation had been remedied.

Authority’s Response: The seizures that were stored in the compound of Lethem, Integrated Regional Tax Office, were disposed of and the files regarding same are available for audit review. However, action will be taken to have the additional items properly disposed of immediately.

Recommendation: *The Audit Office recommends that the Authority take steps to ensure that the items are disposed of in a timely manner since delay to do so can result in the deterioration of the related items and subsequent loss in revenue. (2020/046)*

239. Examination of the Goods Lodgement Register revealed that a seizure was conducted on the 14 October 2018, of which taxes and fines totalled \$0.436M. In accordance with Section 263 of the Customs Act, Chapter 82:01, the items remained in the alleged offender’s possession as he had signed and acknowledged responsibility for the items. As at November 2020, the offender had an outstanding balance of \$118,138 to complete the payment of the fine.

Authority’s Response: With respect to this seizure, the quantity of cellular phones and other items were not removed from the premises due to the nature of the items and lack of proper storage facility to secure same. An inventory was conducted at the premises which the offender signed acknowledging responsibility for having uncustomed goods at his premises. 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 since paid the outstanding balance of \$118,138 on July 29, 2020 via receipt number 2020 R 252. As such the investigation file was closed.

Recommendation: *The Audit Office recommends that the Authority take steps to ensure that these matters are resolved in a timely manner. (2020/047)*

240. Over the past three years (2017-2020) 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	280,760	0	50,000
2020	280,760	0	50,000

241. At the 2020 year end cash count, GYD\$118,000, US\$280,760 and EU\$50,000 equivalent to approximately \$70.878M Guyana Dollars was in the possession of the Authority. It was reported that the Law Enforcement and Investigation Division (LEID) lodged the monies for safekeeping. As such, there is a breach of Part VII (44) of the Fiscal Management and Accountability (FMA) Act and there is room for the misplacement of these amounts.

Authority's Response: The monies were seized, same were handed over to the Central Data Processing, Registration and Revenue Accounting Unit in keeping with the Revenue Authority policy for same to be placed in Escrow, in view that the matters were either before the Courts or were subjected to Police investigations, or further claims by the individuals from whom seized since these persons have either fled the jurisdiction upon receipt of bail, and the courts matters withdrawn by their attorneys, forfeiture proceedings were instituted, and these monies will be deposited into Consolidated fund.

Recommendation: *The Audit Office recommends that the Authority comply with the Fiscal Management and 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. (2020/048)*

Want-of-Entry

242. The Authority indicated that a taskforce was established in late 2019 to identify all Want-of-Entry Cargo with the aim of disposal either by way of auction, destructions and/or donation as approved by the Commissioner General, in keeping with Sections 90 and 103 of the Customs Act. The paragraphs below highlight the audit findings from the examination of Want-Of-Entry disposals.

Sealed Bid exercise - 18 and 19 February 2020

243. Audit examination conducted on File IR 77/20 revealed the following queries:

- a) A bidder secured the highest bid with \$3.200M for Want of Entry. It was observed that the taxpayer made the full payment in cash to the Authority on 26 March 2020 on two receipts, with the cashier splitting the amounts received to \$1.600M each. This is a violation to Section 12 (3) of the Anti-Money Laundering and Countering the Financing of Terrorism Regulations 2010 which states that "Without prejudice to the generality of the foregoing provisions, a reporting entity shall report to the Financial Intelligence Unit as soon as practicable - (c) any cash transaction over two million dollars. Moreover, it should be noted that LEID prepared two separate receipt vouchers to split the payment of \$3.200M equally and changed the Warehouse number from one of the receipt vouchers.
- b) According to one of the receipts, another individual paid the sum of \$210,000 for seized motor vehicle, however, the receipt voucher recorded the same Taxpayer Identification Number (TIN) to the person who was the highest bidder for the said seizure. It is unclear who made the payment and was in receipt of the said seizure. Further, it was observed that another transaction via another receipt had the TIN number ascribed to the name of the highest bidder, which contradicted with the TIN stated on the Bid Form.
- c) One seizure received 24 bids with the 3 highest ranging from \$2,900,000 to \$2,001,000. The item was awarded to an individual who did not bid but had written to the Authority via letter dated 03 April 2020 and received approval via memo dated 10 April 2020. The individual paid \$1.500M, which is almost half the amount of revenue that the Authority would have received.

Authority's response: The Head of the Authority indicated that the highest bidder visited LEID to effect payment of the bid won during the auction and reportedly requested two (2) vouchers for the payment. The vouchers were prepared and sent to the cashier to have the requisite payment effected and timely disposal of the subject matter.

It must be noted that GRA is fully compliant with the provisions of the Anti-Money Laundering and Countering the Financing of Terrorism laws. This is reflected in measures such as the implementation of a system whereby a cap has been placed on cash collections to a maximum of \$2 million and Advisories were disseminated to the Public. It is agreed however, that once in a while because of the thousands of daily transactions, some may fall through the cracks.

The error made was subsequently recognised by LEID and the cashier was immediately contacted to have the error corrected. The cashier there upon advised LEID to return the original and the taxpayer copy of the receipt to have the error corrected. Contact was made with the taxpayer to return same but those effort proved futile. The LEID will continue to make all diligent effort to have the error corrected.

In practice, a few large bidders usually bid on numerous vehicles, sometimes in an effort to carry up the bid price so that others are not successful. When approached thereafter, they often do not honor their obligations with the winning bids. This is usually to ensure that their vehicles are available cheaper on the market.

This seizure was effected since 2017, and the vehicle was stored for three years and was being exposed to the elements and had deteriorated significantly. Contact was made with the 3 successful bidders who did not honor their obligations. The Commissioner-General therefore invoked Section 90 (4) of the Customs Act to have the item disposed accordingly to prevent complete loss of revenue due to further deterioration of the vehicle.

Recommendation: *The Audit Office recommends that the Authority continue in its efforts to recover the outstanding sums. (2020/049)*

Sealed Bid exercises

244. For one seizure case the following queries were noted:

- a) Audit examination on the seizure file revealed 360 bottles of various foreign alcoholic beverages were seized by LEID. It was observed that two types of alcohol (Johnnie Walker Gold and Moet) were sold for less than the fixed approved price. This led to a loss of \$30,000 from the disposal exercise.
- b) No further information was seen regarding the two (2) cellular phones seized.

Authority's Response: There was a typographical error on the voucher for the price of Johnnie walker which was disposed as \$4500 per bottle instead of \$5000 per bottle. However, the Moet was disposed by the approved selling price of \$5000. The error therefore only occurred in relation to the 24 bottles of Johnnie Walker, thus, actions were taken and the additional sum of \$12,000 was recovered and paid to the Revenue Authority.

The offender's personal phones were detained during the detention of the offender. The phones were returned the said day. The Detention Notice was used only as a document to show that the phones were in GRA's Custody; the phones were not part of the seizure.

245. A list of thirty-four Want of Entry and fifty-three Seized motor vehicles, motorcycles and ATVs were presented at the sealed bid process conducted in February 2020. Audit examination of auction file number one revealed a total of forty-two items were paid for and eight were either released to the consignee, donated or recommended for reauction. Eight items were not bid on. The remaining twenty-nine items had a total of 469 bids of which seventeen items had more than ten bids. The Agency should have contacted the other bidders when the highest bidder did not make claim for the item. As a result, the items have been left at the warehouse to deteriorate further, which would lead to further loss of revenue when another sealed bid exercise is done.

Authority's Response: In keeping with the approved policy, contact was made with the first, second and third bidders, in that order, to effect payment on their successful bids; however, these bidders failed to honor their offers. In keeping with the policy the subject matter may have to be re-auctioned or sold to persons who may request and express interest to purchase same as the Commissioner General may direct.

Recommendation: *The Audit Office recommends that the Authority continue in its efforts to recover the outstanding sums. (2020/050)*

246. A sample of five cases as it relates to seized goods were selected for physical verification. The seized goods register revealed a total number of 433 items to be verified for the same cases. Physical verification counted 346 items, which resulted in a variance of eighty-seven items. In the case of another Internal Revenue file, items that were expired were kept in a container. Upon opening of the container, audit checks noted that boxes of expired cans of tuna, packets of milo, cases of beers were stored in the container. This led to the accumulation of black mold and a pungent smell emanating from the container that would harbor rodents and pests. As such the items could not be verified.

Authority's Response: For years, GRA has sought approval of funds to renovate the Eccles bond to a satisfactory condition where goods can be properly stored. Approval was finally given in 2019 to commence construction, and the bid approved by NPTAB in April 2020. However, considering the 2020 elections and COVID-19 pandemic, the CG did not see it fit to move ahead with the bid, and instructed a retendering of the process. In addition, efforts were made to obtain staff from AG's office to facilitate destruction, but due to staff constraints, this continues to pose a challenge.

Notwithstanding, GRA recognises the findings highlighted therein and systems were put in place to have all such destruction transparently effected in an environmentally friendly and timely manner at least twice a year.

Recommendation: *The Audit Office recommends that the Authority take steps to ensure that perishable items are immediately donated or disposed of when seized. (2020/051)*

Private Warehouses

247. The operations of Private Warehouses are governed under Part III, Sections 99-128 of the Customs Act Chapter 82:01. Audit examination of the Private Warehouse operations for the year 2020 revealed the following findings:

- a) A verbal request was made for the Standard Operational Procedures (SOP) that govern the Private Warehouse Section. It was relayed that the Authority is in the process of making amendments to the SOPs to include the implementation of ASYCUDA and the same has to be approved by the managers before it is circulated. At the time of reporting, a draft SOP was presented and was currently being reviewed.
- b) The Authority presented a list of thirty-eight Private Warehouses with unique warehouse numbers, since some of the businesses would hold multiple Private Warehouses. From the list of Private Warehouses presented, twenty-three of the Private Warehouses did not have registers updated with stock kept from 2020 onwards. In the circumstances, the scope of the audit was limited due to the non-submission of the updated registers. As such, the completeness and accuracy of the operations of the Private Warehouses could not be verified.
- c) From the list presented by the Authority, five Private Warehouses did not have the value of Bond/ Guarantee attached. As such, it is unclear whether the Authority authorised the Private Warehouse without sufficient sureties, since the Bond/ Guarantee amount that should have been stated in ASYCUDA was not stated on the document presented for audit examination.
- d) Bonds were not seen for three Private Warehouses, with Bond value listed totalling to \$61.490M. In the absence of these Bonds, it cannot be concluded whether the Authority would be able to recover sureties from items held in the said Private Warehouses.
- e) Further, Bonds were seen for five Entities that were not listed by the Authority. It is unclear whether the Authority maintains the requisite records and performs checks on the Entities that were given authorisation to hold Private Warehouses.
- f) An original copy of Bond Number 1/2017 for Private Warehouse D01A valued at \$12M was not presented for audit. However, a photocopy of the bond was seen.
- g) It was observed that eight Private Warehouses did not have sufficient Bonds totalling \$639.300M, to cover the surety amount stated by the Authority from the list presented.
- h) There were 16 instances totalling \$674.200M observed, where the bond amount exceeded the amount stated by the Authority. It is unclear whether the Private Warehouse owners would have applied for an increase in value of items stored in the Private Warehouses and the same was not adjusted in ASYCUDA. This would lead to complications, since the Authority stated that Private Warehouse owners would not be able to make declarations exceeding the bond amount listed in ASYCUDA. As such, the Private Warehouse owners would not be able to fully utilise the benefits of the Private Warehouse agreement.

- i) It was observed that the addresses for eight private warehouses were not the same on the Bond Instrument examined. The total loss to be suffered by the State would amount to \$375.470M if the addresses are not corrected on the instruments.
- j) It was observed that four (4) Private warehouses had sixteen (16) motor vehicles of which fourteen (14) were valued at \$27.000M and were due to be re-warehoused at the time of audit. However, evidence was not produced to indicate that this was done, in accordance with Section 121 of the Customs Act Chapter 82:01.

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

- a) The Standard Operational Procedure #1: For Goods Entering the Warehouse; and # 2.1 to 2.3 Procedure for the removal of Warehoused Goods has been completed and can be considered final. However, draft copies of the SOPs for other warehouse functions are currently in the process of being finalised. These were provided to the AG representatives via email on September 2, 2021, and are re-attached for ease of reference.
- b) Of the twenty-three warehouses registers stated, three were completely updated as at August 31, 2021.
 - The Warehouse Department is currently taking steps to update all warehouses that is monitored by the Central Warehouse Unit. Same would be completed by the end September, 2021.
 - All Duty-Free Shops Registers are maintained by the designated customs office at its location and not the central warehouse section.
 - D04B warehouse does not exist; it was a typographical error.
 - Notwithstanding amongst the reasons for their occurrence: Instructions were given for the staff to cease the maintenance of the manual register since ASYCUDA was deemed to become the electronic medium of accountability & reporting.
 - During that time, it was recognised that the accuracy of obtaining the relevant reports from ASYCUDA was somewhat unachievable. This resulted in the gap in the registers not being updated as required.
 - As soon as the relevant satisfactory reports are obtained from the ASYCUDA system; steps to cease the manual updating of internal manual registers will be taken and notified to the auditors.
- c) The Private Warehouse Unit has taken steps to confirm the financial position of the bonds as follows:
 - Letter dated August 30, 2021 was sent to the Bank to verify specifications of Bond.
 - The Original Bond/ Guarantee is in the Authority's possession.
 - Letter dated August 30, 2021 was sent to the Bank to verify specifications of Bond.
 - Letter dated August 30, 2021 was sent to the Bank to verify specifications of Bond.
 - Letter dated August 30, 2021 was sent to the Bank to verify specifications of Bond. As stated in response at (2) above, subsequent to dispatch of letter to bank, further checks revealed that this warehouse does not exist.

As soon as a response is received from the financial institutions, responses will be provided to the auditors.

- d) Letters dated August 30, 2021 were sent to the Bank to verify the values of the bonds and to receive copies certifying same. As soon as a response is received from the financial institutions responses will be provided to the auditors.
- e) E-Private Warehouse Unit is currently undertaking remedial actions to separate concerning closed entities that have not yet moved for cancellation of the financial instruments. This exercise will be completed by the end of September 2021. Please note the following:
- The application for the closure of one company was approved by the Authority. However, the bonds were still kept among bonds presented to the auditors because the company is yet to apply for a cancellation.
 - In relation to the dealership, this company has not actually commenced operations since the approval of the warehouse. However, a physical inspection will be conducted shortly to verify the status from the Warehouse Keeper.
 - Approval by the Authority is currently in process for one company. However, this company was approved in 2020 as a Brewery and Spirits Warehouse under the Excise Unit. The file is available for the auditors viewing.
 - One company is an authorised Duty-Free Shop updated as a Warehouse in the ASYCUDA system where there is a number of transactions from the commencement of the business to date.
 - One company is a wharf (customs warehouse) that has been decommissioned. As such, upon approval being granted ASYCUDA creates an office code for its operations.
- f) There is presently a spreadsheet within the authority that identifies the status of each bond. Same was done for one Bond. However, a letter dated August 30, 2021 was sent to the Bank to verify the values of the bonds and to receive copies to certify same.
- g) The ASYCUDA system for Private Warehouse Unit has a counter checking mechanism for bonds which ensures that transactions in relation to the taxes over the inputted bond amount are prevented. It would therefore be incorrect to pronounce that the bonds in place do not cover the surety. The Private Warehouse Unit is currently conducting a reconciliation approach to ensure that the information provided to the auditors is updated accordingly. This exercise is expected to be completed by September 30, 2021.
- h) Further clarification is required on this query because the Private Warehouse Unit has received no related queries from bond holders who may have been disenfranchised. Notwithstanding, the Private Warehouse Unit as a part of the ongoing exercise will seek to ensure the consistency of bond amounts inputted in the ASYCUDA system.
- i) The standard operating procedure SOP(s) for the Warehouse to use the address of the registered company may have to be amended. However, a legal review of the implications for these bonds will be undertaken and the corrections put in place where necessary.
- j) To date, twelve motor vehicles have paid the applicable Rent & Charges and has been re-warehoused. The four remaining vehicles; the warehouse keepers have been contacted, demands issued for the taxes or the necessary responses.

Recommendation: *The Audit Office recommends that the Authority put measures in place to ensure compliance with the Customs Act. (2020/052)*

248. The following observations were noted during audit examination for Private Warehouse №. 1.

- a) The Authority presented a list of Private Warehouses with Bonds/Guarantee as listed in ASYCUDA. The bond amount stated for V01A was reflected as \$250M. According to the Warehouse Stock for the month ending June 2021, as presented by the Private Warehouse owner, 302 motor vehicles with CIF of \$314.220M was listed as closing stock for the month. This is in excess of \$64.220M of the surety payable to the State. The amount does not include the purchases that were made for July 2021.

Authority's Response: The Auditors are asked to note that the bond value covers the taxes payable on the vehicles in the warehouse and not in all cases the CIF value. Clarification is required in relation to the issue in this case

- b) The Private Warehouse Manager stated that the Private Warehouse owner increased the surety with a further \$100M, which was being examined and awaiting approval. As such, the increased bond amount would not have been entered in ASYCUDA. This would have allowed the Private Warehouse owner to purchase vehicles above the surety amount stated in ASYCUDA.

Authority's Response: The Authority is currently undertaking due diligence checks on the insurance companies who guarantee the bond in this case. In the interim, the Commissioner General granted approval pending the outcome of this verification. As such, the increased bond amount has been entered into ASYCUDA. This would have allowed the Private Warehouse owner to purchase vehicles.

249. The Keeper's Private Warehouse register was not properly written up. When compared to the Warehouse Stock on 8 July 2021, it was revealed that 171 motor vehicles valued \$180.743M in the Warehouse Stock were not entered in the Register. However, the Authority presented the updated register kept by the Authority on 30 August, 2021. Further examination between the Private Warehouse Stock Sheet for the month of June 2021 revealed 10 motor vehicles totalling \$10.634M were not entered in the register maintained by the Authority.

Authority's Response: At the time of inspection The Authority was in the process of updating all warehouse Registers and as such, this register is currently up to date. Due to the introduction of ASYCUDA the updating of the warehouse's Register had ceased so as to facilitate a paperless environment. However, The Authority has reverted to updating the registers until the appropriate reports are provided by ASYCUDA.

Recommendation: *The Audit Office recommends that the Authority put measures in place to ensure the registers are updated regularly. (2020/053)*

250. Physical verification conducted on 8 July 2021 on the closing stock for the Private Warehouse was time consuming, since the motor vehicles were not arranged in any particular order, nor were the stock numbers present in any of the motor vehicles. Verification was done via identification of the chassis number from the 302 listed motor vehicles in the closing stock. As such, a sample of 121 motor vehicles were physically verified.

Authority's Response: A letter was sent to the Warehouse keepers to comply with the laws of Warehousing and the stowing of goods. The Warehouse Keeper has since commenced an exercise on arrangement of the vehicles to the satisfaction of the Authority.

Recommendation: *The Audit Office recommends that the Authority take the necessary steps to ensure that the warehouse adheres to the requirement of the Customs Laws and Regulations applicable to warehousing of goods. (2020/054)*

251. It was observed that 138 motor vehicles with a cumulative CIF value of \$154.101M and tax implication (Excise, Duty, VAT) totalling \$180.986M did not have the requisite information pertaining to the release nor were the entries signed as being released by the Warehouse Officer in the registers examined. The motor vehicles were also not seen on the stock sheet for the month ending June 2021.

Authority's Response: All releases were completed in ASYCUDA and the Officer is currently signing off the registers.

Recommendation: *The Audit Office recommends that the Authority put measures in place to ensure that there is compliance with the Customs Laws and Regulations applicable to warehousing of goods. (2020/055)*

252. As it relates to two Private Warehouses, V09A and V10A, it was observed that 9 motor vehicles totalling \$10.123M were not physically verified for existence nor was there evidence that the motor vehicles were released by the Warehouse Officer in the Keeper's Register. Further, one motor vehicle that was physically verified was seen as released in the Keeper's register. In Addition, one motor vehicle that was physically verified was not seen as closing stock in the stock sheet presented to the Authority.

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

- For Warehouse One - Stock 45/2012 has been released from the warehouse on 25th October, 2019 and all applicable taxes have been paid. The warehouse keeper will be notified to release the vehicle from their warehouse register and update their Stock reports. Stock 11/2015 has paid its applicable Rents & Charges and has been Re-warehoused as Stock 5/2021, it is also accounted for in the closing stock as at July, 2021.
- For Warehouse Two - All stocks mentioned had been physically released from the warehouse and from ASYCUDA. The warehouse keeper will be notified to release the vehicle from their warehouse register.

253. For Private Warehouse Three, it was observed that entries for four motor vehicles valued \$27.992M were only seen in the register kept by the Authority and not in the register kept by the Keeper.

Authority's Response: The Head of the Authority will follow up on the observations and take the necessary remedial actions.

Recommendation: *The Audit Office recommends that the Authority put measures in place to ensure compliance with the Customs Laws and regulations relating to the operations of Private Warehouses. (2020/056)*

Prior-to-Processing (PTPs)

254. Section 270 of the Customs Act gives the Commissioner-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 the 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 2020, a total of 72 declarations with estimated taxes of \$44.670M were processed under the PTP facility.

255. One of the main reported reasons for ship and aircraft files not being closed in a reasonable timeframe 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 register for the year under review revealed that 52 PTP entries with estimated taxes and duties totalling \$34.049M were not perfected at the time of reporting in August 2021. This is a notable decline of \$497.884M, or 93.6%, when compared with the 394 PTP entries valued at \$531.933M which were not perfected at the end of 2019. Audit follow-up on outstanding PTPs for 2019 revealed that 31 entries valued at \$478.109M were perfected during 2020, but the remaining 363 with estimated duties and taxes totalling \$53.824M have not been perfected to date for the year 2019.

256. Further, a comparison between the PTPs issued in 2020 against the PTPs not cleared in 2019 revealed 11 importers were granted a total of 46 PTPs in 2020 while having accumulated amounts of 139 PTPs with an estimated tax value of \$111,358,947 outstanding for 2019.

257. As a result of the findings above, the Authority may continue to have long delays in completing ship and aircraft files.

Authority's Response: With the implementation of ASYCUDA, PTPs were replaced by the IMD7 which is easily monitored. Importers are required to establish a bond and are limited to that bond amount. Bonds could be waived depending on the circumstances and necessary approval. The Importer has ten (10) days to perfect entries, after which interest and penalties of eighteen percent (18%) per annum is imposed. The now lengthier processing time for IDA's by GO-INVEST has significantly contributed to the increase in the number of IMD7 declarations being granted and submitted.

Further, it must be noted that CE&TO has written several letters reminding defaulters of their outstanding obligations. It should be noted that 65% of the outstanding PTP for 2019 were from state agencies while 79% of 2020 outstanding are those of state agencies and embassies. Notwithstanding the outstanding amounts, releases are still provided to those agencies due to the representation made by the agencies for Government related purposes such as emergency relief, COVID and flood relief, and military/police. There is no revenue implication since most of these benefit from tax exemptions.

Merchant's Overtime

258. The total Overtime Fees collected for January to December 2020 totalled \$199.373M or 0.9% of the total revenue collected by Customs. This represents a positive variance of \$17.045M above the approved estimates for the year. It was observed that the budgeted amount for overtime was \$87.159M or 32.34% less than the amount budgeted for the prior year, however actual collections received and paid into the Consolidated Fund was only \$1.517M less than the prior year.

Authority's Response: GRA has since implemented systems to reduce and monitor merchants' overtime, where sales and inventories are checked electronically to minimise the need for officers to work overtime. This can be seen in the case of Banks DIH and DDL. Notwithstanding, GRA's IT Department plans to automate this system shortly.

Liquor Licence

259. The total Liquor Licence collection for January to December 2020 amounted to \$15.958M, a shortfall of \$6.539M against the budgeted amount for the year. This amount is 37.11% less than the collections from 2019.

Authority's Response: The significant decrease or shortfall in the revenue collection for the period January to December 2020 is as a result of measures implemented during the Covid-19 pandemic to reduce the spread of the virus. Additionally, the Guyana Revenue Authority began working at 50% capacity and therefore, began providing only services considered essential to revenue collections.

Additionally, in September 2020 following the passage of the National Budget, all Licence fees (Inclusive of Liquor Licences) were reduced by 50% of the increase over the 2014 figure.

Notwithstanding these constraints, the following measures were implemented and adopted to bridge the gap and shortfall in revenue collection: monitoring, enforcement and compliance control visits, a joint operation with the Law Enforcement and Investigation Department, reminder notices to be sent to defaulters.

260. Examination of the LRPS reports presented for audit revealed that there were 4142 total registrants in the Liquor Licence database as at 31 December 2020, as compared to 1131 in 2019. Additional examination of the records from TRIPS revealed that 2112 individuals purchased liquor licences in 2020, as compared to 2433 in 2019. Of these, 57 were new registrants for 2020, and the difference of 2055 represented registrants who renewed their licences. As such, the number of registrants in the liquor licences database supersedes the total number of licences purchased and renewed for 2020, indicating that there were 2030 defaulters. 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	97	4,142	2,030
Bartica	17		
Georgetown	236		
Corriverton	13		
Rosehall	6		
Lethem	38		
Linden	25		
New Amsterdam	29		
Other locations	1,651		
Total	2,112		

Authority's Response: Due to the COVID 19 Pandemic and the national measures implemented in combating same there has been an increase in defaulters as compared to 2019, however the department will actively peruse the issuance of reminder letters added with compliance control visits. These notices will soon be generated from Licence Revenue Processing System (LRPS), which will be linked to our new OPTIMAL software.

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. (2020/057)*

Tax Exemptions

261. Exemptions from duties and taxes totalled \$137 billion for the period under review, as compared to \$190.441 billion in 2019. This represented a decrease of \$53.441 billion or 28.06% over the corresponding period.

Authority's Response: The comments are noted. However, it must be emphasised that the Tax Exemptions Department has no control over the amounts of applications received, since exemptions are granted strictly in accordance with the various tax laws and policies of the Government. Exemptions take the form of conditional, where some condition must be satisfied, and unconditional in the form of Treaty and other international obligations.

262. In addition, the value of revenue forgone for the year 2020 represented 62.75% of total collections by the Authority, as compared to 2019 where exemptions represented 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	2020		2019		Variance
	No. of Entries	Amount \$'000	No. of Entries	Amount \$'000	Amount \$'000
<u>Conditional Tax Exemptions</u>					
Companies/Businesses	10,444	119,233,246	11,213	172,319,707	(53,086,461)
Ministries/Government Depts.	1,077	3,667,194	820	2,337,330	1,329,864
Remigrants	238	346,073	182	439,565	(93,492)
Churches/Charitable Organisations	153	2,410,899	188	2,158,377	252,522
Diplomats	277	823,332	68	700,317	123,015
Public Officials/Officers	584	1,268,045	909	2,178,993	(910,948)
Foreign Funded Projects	455	1,386,862	145	966,213	420,649
Hospitals	247	36,222	553	152,311	(116,089)
Others	0	0	10	401,355	(401,355)
Sub-Total	13,475	129,171,873	14,088	181,654,169	(52,482,295)
Unconditional Tax Exemptions	5,727	7,828,301	5,665	8,787,220	(958,919)
Total	19,202	137,000,174	19,753	190,441,389	(53,441,214)

263. As shown in the table above, tax exemptions granted to companies and businesses represented 92.31% or equivalent to \$119.233 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 of Mines Commission (GGMC) could not have been determined.

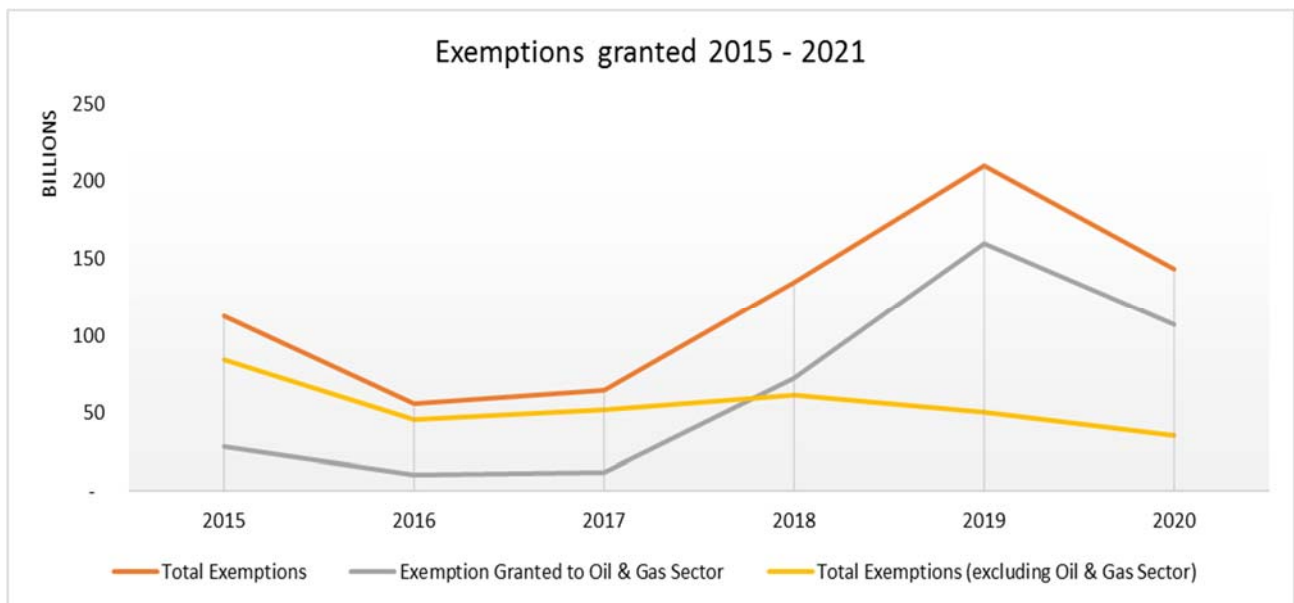
264. An analytical review of the tax exempted and the taxes paid under 'Conditional Tax Exemption' for the year under review revealed that the tax exempted totalling \$129.172 billion, whereas the taxes paid totalled \$3.762 billion, which was only 2.91% of the tax exempted. Similar observations were made in 2019 and 2018, where taxes paid represented only 4% of taxes exempted for both years.

Authority's Response: The Head of the Authority indicated that tax exemption regime is a matter of policy, and is only administered by the Authority. Matter of fact, the Commissioner General, is on record as stating his preference for the removal of the concession regime and to replace such with the system of tax credits, as practiced in the developed nations, thereby allowing for improved compliance with the tax laws and the terms of Investment Development Agreements IDA's. It should be noted that Investment Development Agreements (IDAs), and conditional and unconditional exemptions are granted under Item 11 of the First Schedule, Part III B (ii) of the Customs Act.

The GRA from 2016 onwards, under new strategic directions from the Commissioner General has undertaken several interventions that saw a significant reduction in the number and value of exemptions granted. Requests for tax exemptions are scrutinised to ensure that they meet specific criteria so as to curtail the significant loss of revenue that may result from the haphazard manner in which concessions were granted previously.

A majority of the Unconditional Exemptions cited in finding above, relates to IDA's, these were made available to the staffers of the Auditor General for their review, the summation of which, would have provided an informed analysis as to the coherent reasons for the increase in exemptions in certain categories, such as the Oil and Gas sector, and would have concluded differently than which was surmised in the finding. Significant increase in exemptions is expected in the coming years owing to the burgeoning Oil and Gas sector, unless policy changes are effected exemptions is expected to grow exponentially as the industry develops and matures, and in particular, if the PSAs for other blocks have similar provisions for exemptions.

The graph below depicts the downward trend of total exemptions granted over the period 2015 -2020 when the unavoidable exemptions to the oil and gas sector in accordance with the PSA, is omitted.



Investment Agreement

265. In accordance with the Investment Act No.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.

Authority's Response: The Tax Exemptions Processing and Verification Division will make all relevant information available for audits to be conducted upon request.

266. During 2020, the Authority recorded Tax Exemption operations in 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, to date, this information has not been 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 GRA is awaiting the specific information required by State Audit and the specific fields in order to generate the report and to provide access to the Auditors.

Remigrants

267. 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 approved 238 applications with tax exemptions totalling \$346.073M. It is noted that 182 entries valued at \$439.565M were processed for the year 2019.

Authority's Response: CG tax exemptions letters are prepared and processed by the Tax Exemptions Processing and Verification Division. These letters are given to the qualifying re-migrants to allow them to import and enter their personal and household effects including motor vehicles. However, the ASYCUDA World System will only record declarations that are imported and uploaded in the System. The Global Pandemic may have contributed to the delays in shipping and arrival of cargo.

In addition, GRA had moved to a system to cap the exemptions to \$5M for such categories, as opposed to granting full exemptions on motor vehicles for re-migrants.

Other Matters

Scanners

268. The Authority entered into a Public Private Partnership Agreement with the Guyana National Industrial Company (GNIC), 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 GNIC to facilitate the scanning of export containers.

269. In addition, it was reported via news outlets that the Authority has received a donation of another mobile scanner and baggage scanner through the Government of China Initiative in 2020. Efforts to verify the details of the agreement were futile, as limited information was provided. However, a Hand-Over letter was seen from the Ministry of Public Works detailing the receipt of the baggage scanner from the Government of China.

Authority's Response: The GRA is in receipt of 2 personal-effects/barrel scanners which were donated by the Government of China Initiative approved since 2019. Ministry of Works took it upon themselves to be the recipients rather than the GRA. Notwithstanding, the scanners arrived since 2020, but could not have been installed since COVID-19 travel restrictions were in place, thereby preventing the Chinese technicians from travelling to Guyana. Due to the intervention of the Commissioner-General, with approval from his Excellency the President, the technicians arrived in Guyana late 2020 and commenced installation and training. Since then, both scanners have been installed and are operational, one at GNIC and the other at JFL wharf. In addition, a fixed container scanner has been implemented at GNIC.

Recommendation: *The Audit Office recommends that the Authority continue its efforts to improve customs enforcement across Guyana and to comply with International Regulations. (2020/058)*

Human Resources- Dismissal and Termination

270. During the year 2020, three employees were dismissed and four employees were terminated. The Authority made the benefits payments to the employees who were terminated. Dismissed and terminated employees held the positions such as Manager, Senior Clerk, Clerk, Tax Auditor, Customs Apprentice and Handyman. Additional verification revealed that 29% of the former employees were from the Customs and Trade Department, 43% were from the Finance Department, and 28% were from the Debt Management and Taxpayer Services Departments.

Authority's Response: The title of Tax Auditor should be changed to Tax Officer II. "Debt Management and Taxpayer Services Departments" are two separate areas, as such, they should be reflected as: Debt Management Department, and Taxpayer Services Unit, Tax Operations and Services Department.

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. (2020/059)

International Airports

Cheddi Jagan International Airport Corporation

271. In accordance with Standard Operating Procedures (SOPs), files must be opened and closed for all incoming and outgoing aircraft, and all closed files must be submitted to the filing room of the Authority. At the time of audit in September 2021, the Authority had failed to close 1278 incoming aircraft files and 236 out-going aircraft files for the years 2015 to 2018. The table below provides information of the total files not closed.

Year	№. of files not closed	
	Incoming flights	Outgoing flights
2015	509	9
2016	154	23
2017	372	179
2018	243	25
Total	1278	236

Authority's Response: On reviewing the status of the files for the period 2015 – 2018 as indicated in the table above, it was reported that all 2015 incoming and outgoing aircraft files were closed and sent to the Filing Room in Georgetown.

Further, about the period 2016 – 2018, the airport expansion, which is currently in progress, has restricted the storage of these files, among other items, to two (2) 40' steel shipping containers. These containers have deteriorated considerably over the past few years due to exposure to the elements of the weather. Also, there is visible damage caused by corrosion to the roof of these containers, which allowed water to seep in. It is evident by the unhealthy and unsafe condition of the containers that water has soiled and caused considerable damage to the stored incomplete files for the years 2016 – 2018.

Nevertheless, the management of the Customs Operations, Cheddi Jagan International Airport (CJIA), Timehri, were mandated to mobilise human resources to empty these storage facilities to have a comprehensive assessment on the condition of the stored documents. A timeline of completion of this

exercise, which will be done on Saturdays until November 2021. On completion of this exercise, a status update will be provided accordingly.

Notably, the majority of incomplete files are due to un-perfected Prior-to-Processing (PTP), Permit for Immediate Delivery (PID) and un-returned entries from Transit Shed via C25 issued to Government Institutions. Statistical figures revealed that for 2016, PID 74 and C25 130, for 2017, PID 37 and C25 130, and for 2018, PTP 177, PID 36 and C25 145 are outstanding.

The submission of these stated documents/entries would result in most of the incomplete files being closed. Efforts are being made to complete these outstanding files through the accountability of these outstanding PTP's, PID's and C25's.

272. The following differences were noted upon examination of the records from Revenue Accounting (Camp Street) and the records of CJIA Customs (CCBS, Deposit slips, receipts):

Description	April Amount \$	June Amount \$	July Amount \$
Total - GRA Revenue Accounting Dept. (Camp Street) - A	578,669,765	766,088,191	552,950,638
Total Daily Cash Composition Books (CJIA, ASYCUDA, LRO) & Deposit Slips - B	932,672,688	763,828,192	551,595,823
Total - Daily Bank Reconciliation Reports & Receipts - C	577,440,134	658,870,495	551,589,404
Difference between A & B	354,002,923	2,259,999	1,354,815
Difference between A & C	1,229,631	107,217,696	1,361,234
Difference between B & C	355,232,554	104,957,697	6,419

Authority's Response: The above is noted and a response will be given when queries are made.

Regional Integrated Tax Offices

Corriverton Integrated Tax Office (Follow-up on prior year matter)

273. 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.

Authority's Response: The Guyana Police Force has been written to requesting the said register which shall be handed over as soon as it is received.

Recommendation: *The Audit Office recommends that the Authority put measures in place to have the records retrieved from the Police to have this matter resolved. (2020/060)*

Value Added Tax (VAT)

Approved Estimates

274. According to the National Estimates for 2020, amounts totalling \$84.729 billion were estimated to be collected from Value Added Tax (VAT) and Excise Tax during the year. However, according to the Revenue Collection Statement, amounts totalling \$83.830 billion were received by the Authority for the year 2020.

Authority's Response: Import Duties, VAT and to a lesser extent Environmental Levy are the main revenue categories that contributed to the overall negative variances. Imports generally declined in volumes due to COVID-19 and its related measures, where there were curfews and restrictions on business hours and operations. In addition, Government, in response to critical items needed for COVID-19 relief, had exempted the duties and taxes on such items. These resulted in revenue shortfall for the year as compared to the estimates, notwithstanding the revisions made thereto. The negative variances can therefore be attributed to significant reduction in Import Duties and Taxes paid by several importers as a result of a reduction in commodities imported due to lowering demand levels, coupled with the COVID-19 relief exemptions. Higher importation levels were anticipated in the last quarter of 2020 for the festive season especially since some recovery was seen in September 2020, however, this anticipation did not come to fruition.

Lastly, Budget tax measures introduced in the last quarter of 2020 contributed significantly to this negative variance.

275. Amounts budgeted by the Authority for the year 2020 represented a decrease of \$14.940 billion, or 15% from the 2019 budgeted amount.

Line Items	Description	Approved Estimates \$'000	GRA's Revenue Collection Statements \$'000	Variances \$'000
5911	Import Goods	25,343,849	22,636,923	(2,706,926)
5921	Domestic Supply	27,278,275	26,909,948	(368,327)
5953	Imports - Tobacco	1,274,929	1,256,498	(18,431)
5954	Imports - Alcoholic Beverages	639,976	588,753	(51,223)
5981	Interests - VAT	38,239	30,941	(7,298)
Total		54,575,268	51,423,063	(3,152,205)

Revenue Collection

276. For the year 2020, VAT and Excise Tax collection decreased by \$12.717 billion, or 13.17%, from the prior year's amounts. Notably, these shortfalls in collections were significant in the areas of VAT- Import Goods and Excise Tax- Imports: Petroleum Products. However, the Authority recorded increases in collections from the areas of VAT-Domestic Supply, Excise Tax-Imports: Motor Vehicles, and Excise Tax-Domestic Supplies: Alcoholic Beverages.

Authority's Response: Given the political state of the economy and effects of COVID 19, initiative was taken to project a realistic budget for 2020. However, despite the estimated projection there was a shortfall in collections as the state of the economy was worse than predicted, as it was not possible to determine the impact of the pandemic at the beginning of 2020. Further, as previously stated above, legislative changes in 2020 contributed to the reduction in collections on imports as capital items and equipment were zero rated for several major sectors (Agriculture, Manufacturing, Construction, etc). Additionally, there was an increase in tax exemptions granted consistent with the respective Investment Agreements. It must be noted that excise tax decrease/increase is directly related to world market prices of petroleum products.

VAT Registrants

277. 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 2020, there were a total of 212 individuals and companies with total import values that exceeded \$15M who were not registered for VAT. Similarly, in 2019 and 2018, there were a total of 44 and 236 individuals and companies, respectively, 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 taxpayers were potential VAT registrants.

Authority's Response: As reported in the prior year's response 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 an indicator that requires further profiling to determine the value of taxable supplies made by the TP. For example, the importer may be trading in exempt supplies but have large imports of taxable items during set up or expansion or may be registered as a partnership for VAT, which attracts a zero TIN (0XXXXXXXX) while imports are done under the individual TIN. The Revenue Authority continuously monitors imports and information reflected on our database including third party information obtained, to profile and register taxpayers for VAT. In 2020, despite the disruption of activities due to the COVID-19 pandemic, 31 taxpayers were identified for VAT Registration from information reflected in our database, which included reports on importers.

278. As at 31 December 2020, the TRIPS database recorded 5,597 VAT registrants, of which 244 and 116 were new registrants for the year 2019 and 2020, respectively. A comparison between the numbers of new registrants for the years 2015 to 2020 shows a decrease of 128 VAT registrants. See details in the 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	
2019	244	(128)
2020	116	

Authority's Response: The comments of the Auditor is noted. However, as previously highlighted during the review of the prior years' Audit Reports, incorrect reports were used by the Auditor thus, the figures and findings above are not accurate. Please see below table depicting the New Registrants and note that the Revenue Authority implemented compliance activities in 2017 and continues the efforts to ensure that taxpayers including importers trading in taxable supplies above \$15M annually is registered for VAT. Despite the constraints of the COVID 19 pandemic, of the 176 new registrants in 2020, 46 registrants or 26% were as a result of the compliance efforts of the Revenue Authority.

Year	New Registrants	Comparative Increase/Decrease
2015	187	42
2016	229	
2016	229	141
2017	370	
2017	370	(51)
2018	319	
2018	319	10
2019	329	
2019	329	(153)
2020	176	

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. (2020/061)

VAT Returns

279. 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 5,597 VAT registrants in the TRIPS database, 4,554 were identified as active as at 31 December 2020. Of this amount, 2,627 taxpayers filed 32,057 returns with the Authority. The remaining 1,917 taxpayers either made partial submissions, or no submissions for the year 2020. Similar observations were made in 2019 and 2018, as reflected in the table below:

Year	Defaulting registrants	No submission	Partial submission
2018	1,911	1,413	498
2019	2,162	1,059	1,103

Authority's Response: The comments of the Auditor General are noted however these taxpayers previously filed returns but have missing returns for some periods. In the year 2020, 25,913 VAT returns were demanded from 2,806 defaulting VAT registrants. In addition, four cases were forwarded to the Legal Services Division to take appropriate action for non-compliance. Further in an effort to enhance our operations this process has been automated in the new Tax Administration Software implemented in 2021. Notwithstanding, the above measures, the Authority continues to pursue non-compliant taxpayers and issue demands on a daily basis for submission of outstanding returns.

Recommendation: The Audit Office recommends that the Authority continue its efforts to ensure that all taxpayers comply fully with the requirements of the VAT Act as it relates to filing of tax returns. (2020/062)

VAT Refunds Paid

280. The Authority refunded \$2.732 billion for 2020. This was a decrease of \$83M or 2.95% when compared to 2019.

Authority's Response: The auditor's comment is noted. However, despite the constraints faced with the COVID 19 Pandemic, which prohibited usual business operations and restricted examinations/audits, the Revenue Authority implemented measures to process VAT refunds (Virtual activities were conducted where possible, payments were made prior to examination for low risk taxpayers, etc). As such, a reduction in payment of \$83 M when compared to prior year was considered a significant achievement in light of the challenges faced.

281. For the years 2014 to 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 there 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 comments of the Auditor is noted. The total VAT paid was reconciled and manual reconciliation process were maintained. Both the manual and electronic records should be considered due to the limitations of TRIPS to accurately reflect the transactions or facilitate amendments where needed. The IT report generated will not accurately reflect the total VAT refunds paid. For example, VAT refunds paid to the Diplomatic Corps will not be captured in TRIPS, as they are not required to be registered for VAT. Another example is, VAT refunds paid for which the system do not reflect credits accurately cannot be posted in the respective period. Further, issues (b) and (d) were resolved and subsequently related to the auditor.

In light of the many constraints faced with TRIPS, the Revenue Authority has implemented a new revenue management system, OPTIMAL RMS as of March 1st 2021. Going forward, the software will provide a solution to these issues as it allows for the capturing of diplomatic refunds, correction of VAT returns and correction of incorrect posting of refunds, etc.

Objections and Appeals

282. The Authority received 260 objections cases where the taxes in dispute totalled \$14.261M for the year ended 31 December 2020, of which 96.5% of the cases were resolved at the time of audit. The Authority was also in receipt of 635 objection cases for the years 2017 to 2019, of which 61% were finalised at 31 July 2021. At the time of reporting in August 2021, the Authority was yet to finalise 299 cases for the years 2017 to 2021.

Year	Type	No. of Cases Received	No. of Cases to be finalised as at 31 July 2020	Taxes in Dispute \$'000
2017 - 2019	Individual	207	71	293,090,830
	Companies	428	176	635,915,158
<i>Sub-Total</i>		635	247	929,005,988
2020	Individual	81	0	0
	Companies	179	9	14,260,961
<i>Sub-Total</i>		260	9	14,260,961
Total		924	576	943,266,949

Authority's Response: The Authority's efforts to finalise objection cases was affected due to staff rotation as a result of COVID-19. Notwithstanding this, the Authority has significantly reduced the number of cases to be finalised and has implemented a number of strategies to fast tract the finalisation of objection cases on hand.

Recommendation: *The Audit Office recommends that the Authority continue its efforts to have all outstanding cases finalised as soon as possible. (2020/063)*

Internal Revenue

Revenue Management Systems (RMS)

283. The GRA engaged Data Torque Limited in 2018 to commission and deliver a programme of work to implement a new Tax Administration Systems (TAS) for the Authority which is based upon Data Torque's commercial off the shelf Revenue Management System (RMS) and associated professional services.

284. The core business objectives for the implementation of this new Tax Administration Software 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.

285. 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

286. The total cost of US\$6.263M, exclusive of taxes, for the Data Torque software is being expended from the GRA's capital subventions over the period 2018 to 2023. 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 August 2021, the sum of US\$3.964M, equivalent to GYD\$856.778M had been expended. Total payments to date are approximately 63.29% of the total cost of the software.

Revenue Collection

287. According to the Statement of Receipts and Disbursements- Internal Revenue, amounts totalling \$107.128 billion were estimated to be collected for the fiscal year ended 31 December 2020. Actual amounts collected and paid into the Consolidated Fund totalled \$113.161 billion, a positive variance of 5.6% or \$6.032 billion when compared with the approved estimates. Notwithstanding the overall positive performance rate, the Authority underperformed by \$695.240 million on six 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
5119	Other Personal Income Tax	533,537	528,827	(4,710)
5123	Corporation Tax - Private Sector Companies	2,254,603	1,575,679	(678,924)
5173	Licences - Trading	22,265	20,180	(2,085)
5174	Licences - Miscellaneous	27,246	23,413	(3,833)
5181	Penalties	391,441	386,061	(5,380)
5182	Miscellaneous Fees	43,197	42,889	(308)
Total		3,272,289	2,577,049	(695,240)

Authority's Response: The significant decrease identified stemmed from a shortfall in revenue collected from Public Companies. For the period of January to December 2020 collections amounts to \$1.58B or 1.4% of the total revenue collected by Internal Revenue. This amount is equivalent to \$678.9M or 30.1% below the Approved Budgeted collection and \$572.7M or 26.7% below the total collected during the period January to December 2019.

The overall negative variances resulted mainly from:

- A company that engages in RETAIL SALE OF AUTOMOTIVE FUEL IN SPECIALISED STORES making significant reduced Advance Tax payments for the second to third quarters of 2020 amounting to \$581.7M or 39.5% when compared with payments made in 2019. This decrease was cushioned by increases of \$163M or 100% and \$47.3M or 88.1% in payments made with respect to the first quarter Advance Tax and Balance of Tax respectively leaving a net position of \$371.4M or 22%.

A company that engages in ELECTRIC POWER GENERATION, TRANSMISSION & DISTRIBUTION making no payments during the period January to December 2020 when compared with payments of \$193.7M made in the corresponding period of 2019 representing Balance of Taxes for the years 2015 to 2017 and four (4) quarterly Advance Taxes for 2018. The entity declared losses of \$698.1M for the year 2018 and \$299.4M for 2019.

**COMPARATIVE ANALYSIS OF INTERNAL REVENUE PAID INTO THE
CONSOLIDATED FUND FOR THE YEARS 2020 AND 2019**

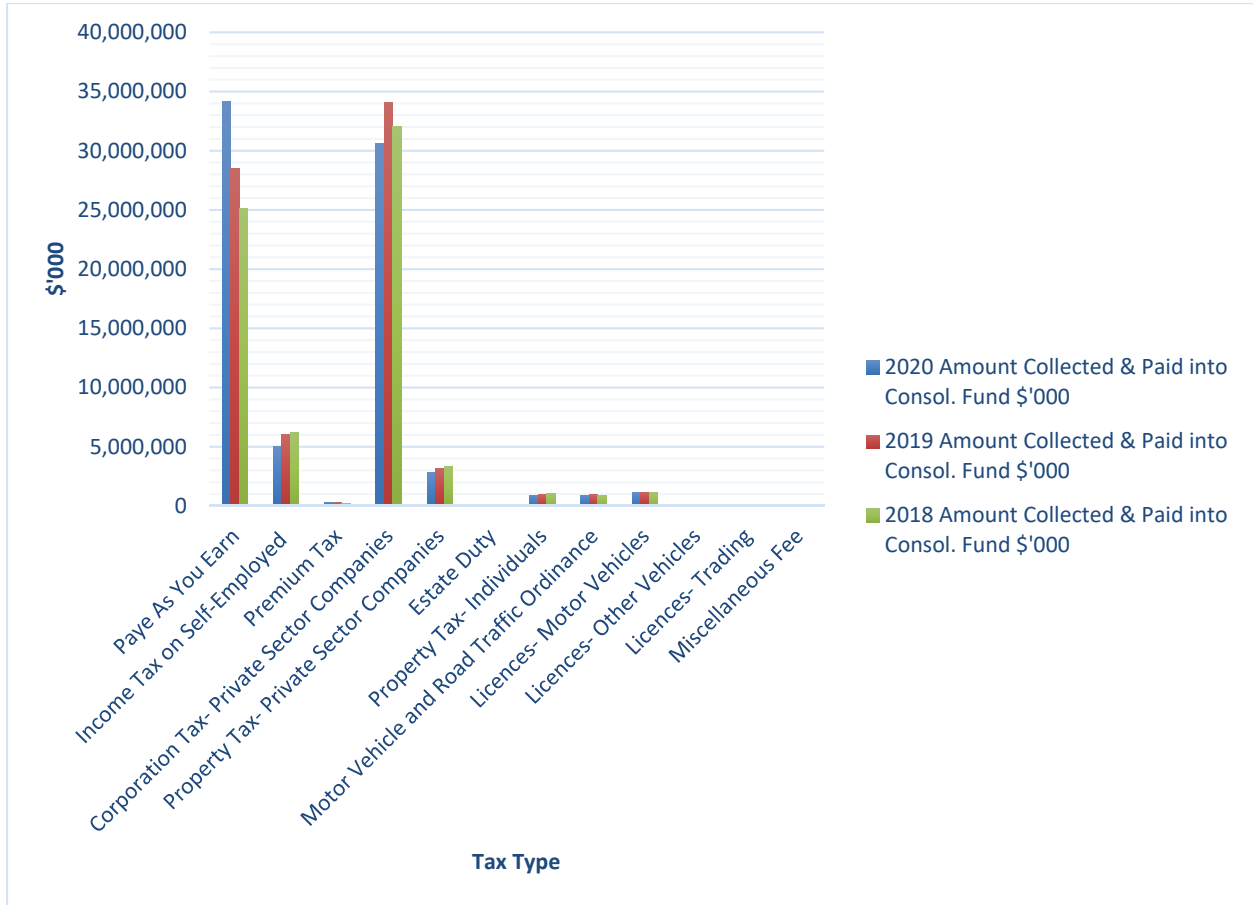


Figure 6

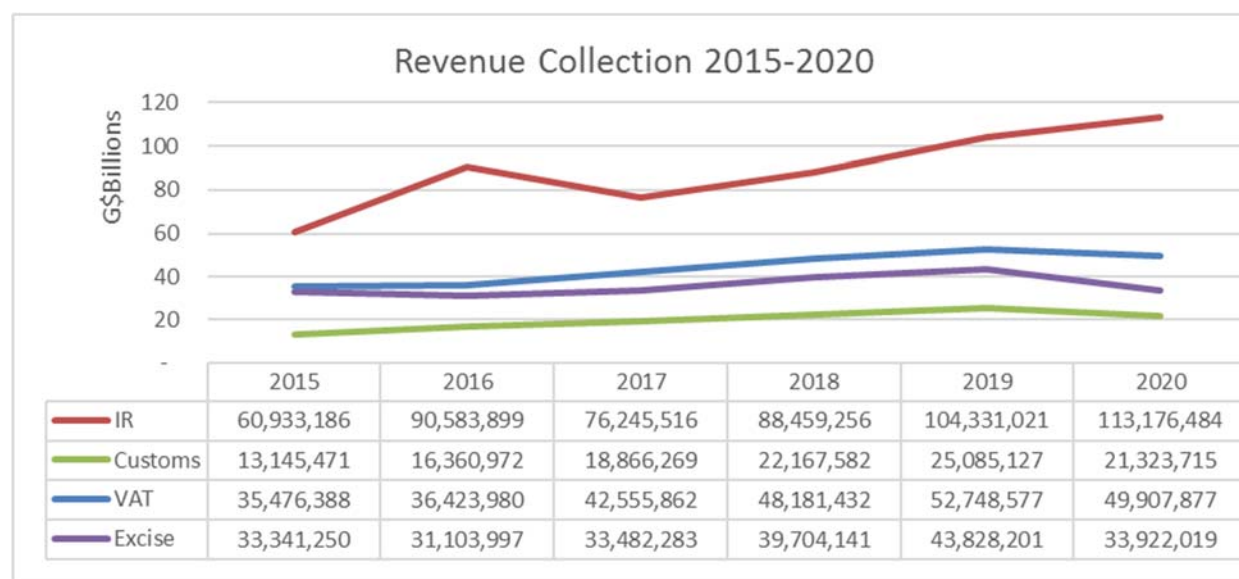
Authority's Response: The significant decrease identified in the table above by the Auditors, is primarily as a result of reduced Corporation Tax payments from a wholly owned State Entity, in the form of the Guyana Oil company, declaring less taxable profits than anticipated by the GRA, this is logical as the pandemic had a negative impact on the world market price for oil thereby reducing taxable profits of related entities even more to GUYOIL as they are traditionally the most inexpensive of fuel pump operators in Guyana. In addition, some other State-Owned Public Entities did not remit their taxes as it falls due namely; Skeldon Power Company and Power Producers and Distributors.

More importantly however, the table crafted by the Auditors identifying negative variances is void of the adage principle and dogma in auditing of materiality, the TOTAL NEGATIVE VARIANCES (excluding the Public Sector taxes which was explained above), identified in Auditor's table is equivalent to a meagre 0.88% of the total Inland Revenue taxes and a minuscule 0.46% of GRA's total collections. See table below.

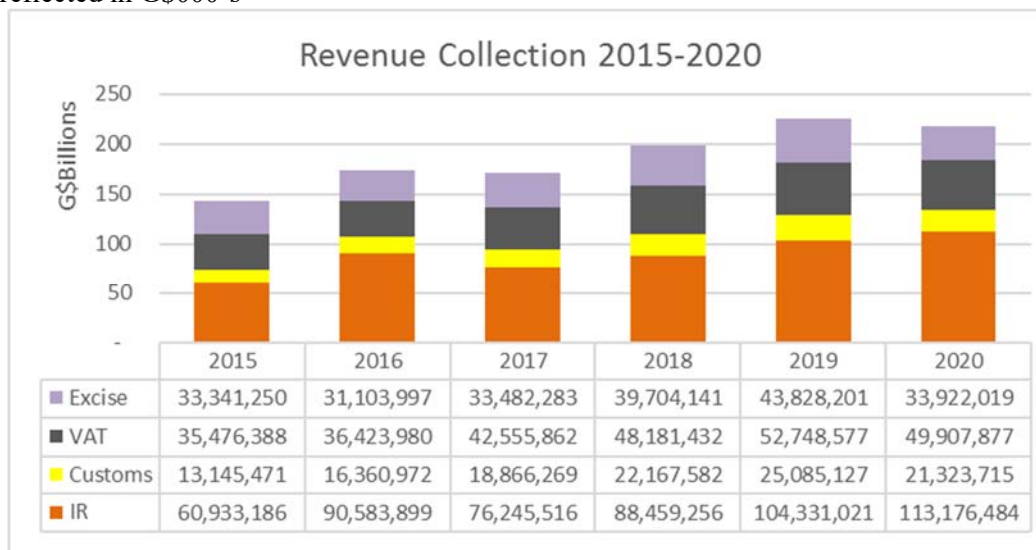
Line Items	Description	Budget \$'000	Actual Collections
5119	Other Personal Income Tax	533,537	528,827
5123	Corporation Tax -Public Sector Companies	2,254,603	1,575,679
5173	Licences- Trading	22,265	20,180
5174	Licences- Miscellaneous	27,246	23,413
5181	Penalties	391,441	386,061
5182	Miscellaneous Fee	43,197	42,889
	Total Excluding CIT - Public	1,017,686	1,001,370
	% of Total IR	0.95	0.88
	% of Total GRA	0.47	0.46

The Head of the Authority would wish to illustrate to the Auditors of the performance of the Agency over the period 2015 – 2020, as the trend and bar graph below shows, all major tax types have been exceeding budgeted totals over the years. This must be the most compelling of factors to incontrovertibly indicate the efficiency and effectiveness of the Agency in the execution of its mandate by efficiently utilising its resources to increase tax collection.

Values reflected in G\$000's



Values reflected in G\$000's



Self-Employed Tax

288. Amounts totalling \$4.544M were estimated to be collected from Income Tax-Self-Employed for the year 2020. Total income tax collected from self-employed taxpayers for the year under review amounted to \$5.024 billion, which is equivalent to \$479.385M above the approved budget collections.

Authority's Response: The positive variance above the budgeted collections resulted mainly from several individuals making significantly higher payments in December 2020 with respect to arrears/outstanding Income Taxes and Quarterly Advance Taxes owing to the sterling efforts of the GRA to assess, monitor and collect taxes from what has been traditionally and historically known to be a "hard to tax" sector. The GRA's efforts is even more amplified when it is taken into consideration that the period being reported on was one where two unprecedented events took place in Guyana; the novel COVID 19 pandemic and the elections aftermath.

289. 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 2020, there were 112,691 active registered self-employed persons in the TRIPS database, of which only 9,950 persons or 8.83% of the active registrants had filed returns. In the circumstances, a total of 102,741 persons or 91.17% of the active registrants did not file tax returns. In response to similar findings in the years 2017 to 2019, Management had indicated that the database needed cleansing and work had commenced to remove taxpayers not required to file tax returns and this is currently on-going.

Year	Total Registrants	Returns Filed	Returns outstanding
2018	100,607	17,621	82,986
2019	103,135	16,992	86,143
2020	112,691	9,950	102,741

Authority's Response: The list provided does not represent an accurate number of active taxpayers. Preliminary data cleansing activity has uncovered various categories of taxpayers to be removed. As such, work has commenced to remove taxpayers not required to file and this is currently ongoing. When the RMS system is fully introduced, this situation will be remedied.

The Guyana Revenue Authority issues demand notices to defaulting Self-Employed taxpayers on a continuous basis and in addition raise assessments in the absence of the returns for high-risk taxpayers:

- Number of demands issued during 2020 27,570

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 great revenue implications. Further in an effort to enhance our operations this process has been automated in the new Tax Administration Software implemented in 2021.

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 the same for audit examination. (2020/064)*

Pay As You Earn

290. \$34.159 billion was received in 2020 by the Authority for Pay As You Earn (PAYE) taxes. This represented an increase of \$1.303 billion or 3.96% from the estimated collections for 2020, and an increase of \$5.661 billion or 19.86% over the 2019 collections.

Authority's Response: Commendably, this performance was during a tumultuous period in our country, while businesses were closed or operating with severely reduced business hours, the direct intervention of the Commissioner General resulted in substantial remittances by entities within the Oil & Gas Sector to buttress the shortfall in the traditional business sectors. Initially the entities within the oil and gas sector were advancing arguments that their employees are self-employed contractors, when the rules regarding the distinction between contract for service and contract of service was articulated and applied by the Commissioner General, the individuals were deemed to be employees and PAYE was applicable, this caused a substantial increase in both the number of persons on the PAYE roll as well as remittances for multiple periods for previous months which were owed until the matter was resolved, once a resolution was forged, all outstanding PAYE had to be remitted. The application of the Source Income principle has also contributed substantially to this increase.

291. 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. It should be noted that the Authority recorded 2,232 active PAYE registrants for the year 2020. Examination of the TRIPS reports for the Form IIs revealed 2,735 Form IIs were lodged, of which 2,328 or 85.12% were keyed into TRIPS for the year under review. The difference of 407 were still under examination by the Authority at the time of reporting in September 2021.

Authority's Response: Presently, all documentation at the GRA is being scanned and kept electronically. Unfortunately, there was a kink in the process whereby instead of first keying, the Form IIs were first being scanned. This has since been remedied, and in order to further improve the system, software is being procured that will read the scanned copies. Lastly despite requests for electronic submission, employers persist in filing hard copies.

Corporation Tax

292. Corporation Tax, interest and penalties totalled \$32.195 billion for the year 2020 from private and public sector companies. This represents a positive variance of \$3.039 billion from the amounts budgeted to be collected by the Authority for the year. However, the revenue collections declined from 2019's amounts by \$4.001 billion, or 11.1%.

Authority's Response: The Head of the Authority advised that the collections for this tax type were in excess of what was budgeted for, however, was less when compared to previous year by some 11.1%.

The positive variances, was in the main, as a result of the following economic sectors making significant increased CIT payments.

TAXPAYERS SECTOR	Corporation Tax - Private Sector		VARIANCE		Payment Allocation in 2019	Payment Allocation in 2020
	Jan-Dec 19	Jan-Dec 20	\$	%		
OTHER MONETARY INTERMEDIATION	359,023,724	803,446,963	444,423,239	124	B/T 2018; 1st-4th Qtrs A/T 2019	B/T 2019; 1st-4th Qtrs A/T 2020
	-	429,407,139	429,407,139	-		B/T 2018 & 2019
SUPPORT ACTIVITIES FOR PETROLEUM AND NATURAL GAS EXTRACTION	328,143,187	686,621,499	358,478,312	109	B/T 2018 and 1st-4th Qtrs A/T 2019	B/T 2018 (Part) & 2019 and 1st-4th Qtrs A/T 2020
	-	352,236,745	352,236,745	-		4th Qtr A/T 2020
MANUFACTURE OF GAS; DISTRIBUTION OF GASEOUS FUELS THROUGH MAINS	719,930,269	1,002,055,419	282,125,150	39	B/T 2018; 1st-4th Qtrs A/T 2019	B/T 2019; 1st-4th Qtrs A/T 2020
RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES	20,327,085	228,813,479	208,486,394	1,026	B/T 2018; 1st & 2nd Qtrs A/T 2019	B/T 2001-2004, 2012 to 2019; 1st-4th Qtrs A/T 2020
RETAIL SALE OF AUTOMOTIVE FUEL IN SPECIALIZED STORES	824,220,885	1,001,177,708	176,956,823	21	B/T 2018; 1st-4th Qtrs A/T 2019	B/T 2019; 1st-4th Qtrs A/T 2020
MANUFACTURE OF GRAIN MILL PRODUCTS	427,167,248	565,896,093	138,728,845	32	B/T 2006; 1st-3rd Qtrs A/T 2019	1st-4th Qtrs A/T 2020
	-	127,800,525	127,800,525	-		B/T 2019; 1st-3rd Qtrs A/T 2020
SUPPORT ACTIVITIES FOR PETROLEUM AND NATURAL GAS EXTRACTION	-	127,519,259	127,519,259	-		1st-4th Qtrs A/T 2020
	-	112,826,999	112,826,999	-		B/T 2019; 1st-4th Qtrs A/T 2020
MANUFACTURE OF GRAIN MILL PRODUCTS	312,342,963	421,745,722	109,402,759	35	1st-4th Qtrs A/T 2019	B/T 2019; 1st-4th Qtrs A/T 2020
WHOLESALE OF FOOD, BEVERAGES AND TOBACCO	452,852,953	554,059,618	101,206,665	22	B/T 2018; 1st-4th Qtrs A/T 2019	B/T 2019; 1st-4th Qtrs A/T 2020
TOTAL	3,444,008,314	6,413,607,168	2,969,598,854	86		

On the other hand, the negative variance below previous year 2019 collections was as a result of requests for offset against previous overpayments coupled with the fact that in accordance with Section 96 of the Income Tax Act, the Commissioner General, in response to the myriad challenges faced by businesses impacted by COVID 19, allowed taxpayers to remit advance Income Taxes on a current year basis (using year 2020 taxable profits) instead of predicating the advance payments on total tax liability for the previous year, that is a pre COVID period. Obviously, this resulted in lower remittance of taxes reflecting the adverse economic impact of the novel coronavirus on 2020 taxable profits.

293. According to the Authority's TRIPS database, as at 31 December 2020, there were 9,284 registered companies, of which 5,490 were identified as active. However, only 1,997 companies filed returns for the year of assessment 2020, resulting in 3,493 companies not filing their returns as required by the Income Tax Act and applied by the Corporation Tax Act. Similarly, in 2019, of the 4,962 companies which were deemed active, 2,928 did not file their tax returns.

Authority's Response: The list provided does not represent an accurate number of active taxpayers required to file corporate returns. Included in the list are Partnerships, Village Councils and other entities, which are not legally required to file. Work has commenced to remove these entities not required to file and is currently ongoing.

The Authority continues to issue demand notices to defaulting companies. In addition, assessments in the absence of the returns submitted are issued to defaulting companies and legal action is instituted against chronic non-filers.

- Number of demands issued during 2020 - 1,791
- Number of demands continued to be issued in 2021 - 507

In light of the number of companies 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 great revenue implications. Further in an effort to enhance our operations this process has been automated in the new Tax Administration Software implemented in 2021. With the turnup of the new RMS system, this problem will be further alleviated.

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. (2020/065)*

Property Tax

294. Amounts totalling \$3.891 billion were collected and paid into the Consolidated Fund as Property Taxes from individuals, private and public sector companies for the year 2020. This amount is \$523M above the approved estimates for the year under review. However, the 2020 property taxes collected showed a decline of \$462M from the prior year collections.

Authority's Response: The increase above the budgeted collections resulted from aggressive efforts to collect outstanding property taxes which was due at the time when the returns are filed. As you may be aware, due to the pandemic, the Commissioner General had waived the requirement for the filing due dates for taxes but the payment due dates remained the same thereby no significant adverse effects on the coffers of the State.

The negative variance below the 2019 collections on the other hand as reflected in the estimates, partly resulted from the large amount of arrears collected in 2019, and further would have resulted from the fact that more entities, as a result of the COVID 19 pandemic, were in grave cash flow / liquidity position and move to the commercial banks and or private individuals to alleviate cash flow issues by increasing their level of indebtedness and thereby reducing their net asset position resulting in lower property tax due and payable. The mechanism of this tax type is one that is levied on net assets (total assets less liabilities including indebtedness) to give a net asset position at the end of the year. In addition, one must also be cognisant of the fact that every year a person's net assets position changes and as a result of a property tax threshold via Budget Measure 2017, non – corporate bodies in particular, may be removed from the property tax radar as a result of not being at the threshold level for both payments and filing of property taxes, this threshold is currently \$40M and would progressively remove paying entities and individuals depending on their threshold level of net assets at year end.

Professional Fees

295. 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 \$3.930M, or less than 1% of the total revenue collected by Internal Revenue. This amount is equivalent to \$0.434M or 12.34% above the approved estimates, when compared to 2019 collections this tax type is 19.6% below the collections during the same period. The Authority continues to reduce the budget amounts; in 2020, it was reduced by \$1.207M or 29.79% and in 2019 by \$1.295M or 21.52%, when compared to prior years respectively.

Authority's Response: The Auditor's statement above is correct. A Conservatory Order instituted in October 2003 is restraining the Authority from assessing and collecting increased fees from all Professionals. Until this order is lifted by a competent court, the Agency will be legally restricted from assessing and collecting any increase fees for this tax type. Most professionals pay \$10,000 as the professional fees per annum. As a result, collections in current and indicative years will not be optimised for this tax type until this legal matter is resolved.

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. (2020/066)*

296. As at 31 December 2020, there were 731 active registered professionals in the TRIPS database, of which only 291 professionals, or 39.81% purchased the Professional Certificates. As a result, 441 or 60.33% of the active professionals did not purchase the Professional Certificates, as compared with 2019, where 436 or 66% of the registered 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: 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 as the individual may be employed by an employer (government or private). The change in one's employment status contributes to the fluctuation in the application received and fees collected.

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. However, some professionals are still of the opinion that they are only required to pay the Professional Fee and assume that this qualifies them to continue their practice. In these cases, no application is made for the Practice Certificate.

Additionally, until it becomes mandatory for lawyers to be in receipt of these certificates before they can practice before the Courts in Guyana, there will be continued non-compliance. Notwithstanding, the Authority continues its efforts to sensitise affected professionals through our Public Relations Department and their responsible professional bodies. The Tax Advisory Department also conducted workshops with most of the professional bodies on this matter.

Recommendation: *The Audit Office recommends that the Authority continue its efforts to have professionals comply with the Income Tax Act. (2020/067)*

297. A sample of 30 professional certificate applications was requested for audit review, however, at the time of reporting in September 2021, only seventeen applications were presented, and 19 practice certificates were presented for audit. As such, audit examination could not be conducted on 13 applications and 11 certificates. 12. For the years 2017 to 2019, 123 professional certificate applications were requested, but none were presented for audit.

Authority's Response: Over the years noted, the sample of applications requested were not presented because of the unavailability of files from the Filing Room. In attempt to reduce or eliminate this reoccurrence, the Authority has commenced scanning of these applications. It is because of this new procedure, we were able to retrieve the applications used in the audit findings. Attempts are being made to ensure all applications submitted and certificates printed and scanned and uploaded to Alfresco for future references. Please refer to the status for the certificate or applications which you noted were not presented.

Recommendation: *The Audit Office recommends that the Authority present the outstanding information for audit review. (2020/068)*

298. 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 additional sums in Professional Fees for 2020. Similarly, in 2019 and 2018, the Authority was barred from collecting additional sums of \$77.329M and \$55.290M, respectively.

Authority's Response: The Auditors statement above on the conservatory order is factual. However, until this order is lifted by a competent court, the Agency will be legally restricted from assessing and collecting any increase fees for this tax type. As a result, collections in current and indicative years will not be optimised for this tax type until this legal matter is resolved.

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. (2020/069)*

Capital Gains Tax

299. The sum of \$732.758M was received by the Authority as Capital Gains Tax for 2020. This represented an increase of \$123.850M or 20.34% over the prior year collections, and a performance rate of 113.01% over the budgeted collections for 2020. Audit tests for fourteen transactions sought to confirm that there was compliance with the Capital Gains Tax Act Chapter 81:20 in the computation of the charges assessed and that the relevant documents were received to process the transactions. However, this information was not submitted for audit. It should be noted that a detailed spreadsheet showing 581 Capital Gains Tax transactions for the year 2020 was presented by the Authority. Corroborative checks of the 14 transactions from the audit sample against the spreadsheet presented revealed that only three transactions were included therein. As such, it could not be determined whether the sums collected represented an accurate and complete assessment of Capital Gains Tax for the year 2020.

Authority's Response: Capital Gains are assessed and paid mostly upon application for a certificate of compliances from individual, and from companies upon submissions of their corporate tax returns by April 30th of the following year. Once, we verify the correct taxes were paid by the taxpayer, the transaction is scanned and sent to the Filing Room.

Hence, the spreadsheet presented by the Authority was only recently developed as a form of control mechanism. The Authority will improve on the said schedule and the information so presented will soon be available in schedular form through RMS reporting.

Recommendation: *The Audit Office recommends that the Authority make all efforts to have documents filed for easy retrieval and to continue in its efforts to improve taxpayer services initiatives. (2020/070)*

Tributors Tax

300. 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 1 April, 1 July, 1 October and 31 December, respectively”.

301. The Authority collected amounts totalling \$140.409M as Tributors Tax during the year under review, as compared to \$192.467M in 2019. Audit examination of a sample of sixteen (16) taxpayer’s files for the year under review revealed the sum of \$1.323M was calculated as penalty for eight (8) Tributors selected. It should be noted that the Authority failed to collect the same amount as at 31 December 2020.

Authority’s Response: Measures implemented by the Government due to COVID19 resulted in the temporary closure of some mining operations which impacted the collection of this tax and resulted in the shortfall. It must however be noted that annual collection of this tax represents 0.09% of the gross annual revenue collection. Further, the penalty regime used by the auditor to compute the outstanding penalties was repealed in 2017, as a consequence the penalty computed cannot be imposed and collected by the GRA.

Internal Revenue Refunds

302. The Income Tax Act Cap. 81:01 (Amendment) Regulation 10 of 2018, dated 7 December 2018, provides for the Commissioner-General to discharge 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. For the year under review, the Authority made refunds to the value of \$22.159M. It should be noted that as of May 2020, the Authority had begun to deposit income tax refunds to the taxpayers’ bank accounts.

Authority’s Response: Effective May 2020, the GRA started making deposits for Income Tax refunds directly to taxpayer’s bank accounts, which is more efficient and cost effective.

Further in 2021, the GRA increased its efforts to have income tax refunds paid to all eligible tax payers in a timely manner. As such, and in collaboration with the Bank of Guyana and Ministry of Finance we have successfully paid in excess of 18,000 refunds directly to taxpayers’ bank account. However, the timely processing of refunds is dependent on the submission of Forms II by the employers. Many government agencies, however, are delinquent in the submission of forms II which affects the timely payment of refunds. An example of one such agency is GUYSUCO, one of Guyana’s largest and diverse employers, which is delinquent in both payment and filing over the years.

Recommendation: The Audit Office recommends that the Authority continue in its efforts to refund taxpayers of their overpaid sums. (2020/071)

Trade and Miscellaneous Licences

303. It was estimated that \$22.265M in Licences-Trading would be collected during the year under review. However, actual collections totalled \$20.180M, reflecting a performance rate of 90.64% in this tax category. This area also showed a decline in collections of \$8.910M from the prior year's collections.

Authority's Response: Covid - 19 measures did not allow for visits to be made by such licencess to effect payment, and further budgetary changes during the last quarter of 2020, resulting from Budget measures effected in October 2020, there was a reduction to all Licence fees (Inclusive of Liquor Licences) which contributed to the decrease in total revenue collection for this tax category.

Objections and Appeals

304. 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 2020 revealed that 728 cases were received by the Authority. At 31 July 2021, Management was still to finalise 510 of the cases, which resulted in the inability to collect potential taxes and penalties amounting to \$3.882 billion, and \$173.696 million respectively. Similarly, for the years 2008 to 2019, Management is still to finalise 1,729 cases where taxes and penalties in dispute amounted to \$19.663 billion, and \$10.551 billion, 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	7	4,855	69
2009	762	9	4,072	185
2010	962	9	2,816,530	1,936
2011	809	18	24,903	511
2012	327	9	1,769	54
2013	345	5	3,045	203
2014	408	9	97,202	2,851
2015	682	21	166,008	9,432
2016	1,028	25	320,736	39,038
2017	1,010	103	1,099,514	70,286
2018	2,019	774	3,697,469	43,484
2019	1,088	740	11,426,768	10,382,951
Sub-Total	9,740	510	19,662,869	10,551,001
2020	728	2,239	3,882,456	173,696
Total	11,556	2,239	23,545,325	10,724,697

Authority's Response: The Authority's efforts to finalise objections cases was affected due to measures implemented as a result of COVID19. Notwithstanding this the Authority has implemented a number of strategies to fast track the finalisation of objection cases on hand and work is currently ongoing to resolve these cases. It must be noted that of the taxes and penalties in dispute for the year 2008 to 2016, which amounts to \$3.4 billion, \$2.8 billion is in relation to one company. The finalisation of objection against this company has been affected due to legal action instituted against the Authority. In addition, of the \$30.7 billion in taxes and penalties for 2017 to 2020, \$17.6 billion are in relation to five taxpayers whose cases are actively being reviewed. Further it must also be noted that finalisation of objections does not necessarily result in the collection of all taxes held in abeyance since taxes can either be discharged or reduced based on evidence presented during the objection process. Moreover, there are other options available to the taxpayer after objections are finalised including the right to an appeal to a Board of Review or Judge in Chambers.

Recommendation: *The Audit Office recommends that the Authority continue in its efforts to have all outstanding cases finalised in a timely manner. (2020/072)*

Revenue Accounting and Control

Dishonored Cheques

305. Audit examination of the Debit Advice listing for the year revealed 209 cheques totalling \$272.128M which were dishonored during the year 2020, of which 79 cheques valued at \$99.173M were referred to the drawer. At 31 December 2020, seven cheques for the years 2011, 2013, 2015 and 2017 valued at \$3.665M remained dishonored.

Authority's Response: The Department acknowledged the comments of the Auditor General, ensures all 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 monies due to the Authority and bring closure to this matter. (2020/073)*

Bank confirmations

306. 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.

Authority's Response: *All the Commercial Bank was notified in writing by the Authority for the request of confirmation of accounts, these notifications were acknowledged by each bank by affixing date received and signature upon receipt.*

307. Bank confirmation for one commercial bank was not presented for the year 2020. It should be noted that this account has held a dormant status since 15 September 2018, with a balance on account of \$4,236.

Authority's Response: *The Authority will start the process of re-activating the account held at the Commercial Bank. As normal practice the bank confirmation was dispatched.*

Recommendation: *The Audit Office recommends that the Authority follow-up with the Commercial Bank to ensure that confirmation is forwarded to the Audit Office. (2020/074)*

Other Matters

Legal Confirmations (prior year follow-up)

308. A request was made on 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 September 2021, these had not been received by the Audit Office of Guyana. Similarly, for 2016 no confirmations were received.

Authority's Response: Requests were made to these attorneys. However, other than one Senior Counsel, the others have not complied with the requests. The GRA however advises that AG use alternative means to verify the status of these cases.

Software

309. 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.

310. 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.

311. 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 Window also required software that was compatible and ASYCUDA World was recommended since it was already tested and used by most of the Caribbean Countries.

312. 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 Customs.

№.	Name of Module	Purpose
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 – Transhipment 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.
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

313. 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

Authority's Response: *The Head of the Authority indicated that Phase 1 was introduced in March 01, 2021.*

314. 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).

Authority's Response: *The Head of the Authority indicated that the reported modules are deployed for Optimal Phase 1 are correct as listed above on March 01, 2021.*

AGENCIES
04 - MINISTRY OF FOREIGN AFFAIRS
12 – MINISTRY OF FOREIGN AFFAIRS & INTERNATIONAL COOPERATION

315. The Ministry of Foreign Affairs & International Cooperation is a new Agency which replaced the Ministry of Foreign Affairs. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 04 – Ministry of Foreign Affairs, while the last three months (October to December) was budgeted under the new Agency 12 – Ministry of Foreign Affairs & International Cooperation.

Current Year Matters

Current Expenditure

Unspent Balances

316. 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 Fund at the end of each fiscal year.

317. Furthermore, unspent balances from the 2020 allocations totalling \$39.064M from twenty Embassies/Missions were paid over to the Consolidated Fund during the period January to March, 2021. As a result, the Appropriation Account of the Ministry of Foreign Affairs, Programme 2 - Foreign Policy Promotion, was overstated by the \$39.064M. Similarly, balances from the 2020 allocations amounting to \$54.759M were paid over to the Consolidated Fund during the period January to March, 2020.

318. The following table provides a summary of the 2020 balances paid over in 2021.

List of Missions	Date of Refund	Foreign Currency	Refunds		Total G\$
			Current G\$	Capital G\$	
CG New York	2021/01/22	US\$5,179.22	1,076,549	3,319	1,079,868
Guyana Embassy, Kuwait	2021/02/01	US\$13,889.91	2,896,047	0	2,896,047
Guyana Embassy, Paramaribo	2021/02/15	US\$11,547.63	2,397,941	9,739	2,407,680
Guyana Embassy, Brussels	2021/01/29	US\$2,086.67	435,071	0	435,071
Guyana Consulate, Nickerie	2021/01/25	US\$6,661.55	1,388,934	0	1,388,934
Guyana Consulate, Barbados	2021/02/12	US\$15,662.31	3,265,591	0	3,265,591
Guyana High Commission, London	2021/02/03	£4,903.95	1,309,893	0	1,309,893
Guyana Honorary Consulate, Boa Vista	2021/02/10	US\$19,083.62	3,978,935	0	3,978,935
Guyana Embassy, Beijing	2021/01/26	US\$4,781.79	997,004	0	997,004
Guyana Consulate, Toronto	2021/01/29	US\$6,870.67	1,067,998	2,383	1,070,381
Guyana Embassy, Washington	2021/02/12	US\$1,765.64	368,136	0	368,136
Guyana High Commission, Ottawa	2021/02/04	US\$20,629.27	3,194,971	18,863	3,213,834
Guyana Permanent Rep, New York	2021/02/05	US\$10,068.24	2,099,228	0	2,099,228
Guyana High Commission, T&Tobago	2021/02/11	US\$19,101.56	3,982,675	0	3,982,675
Guyana Embassy, Brazil	2021/02/10	US\$12,058.14	2,514,122	0	2,514,122
Guyana Embassy, Geneva, Switzerland	2021/01/28	US\$454.70	0	94,805	94,805
Guyana High Commission, India	2021/02/08	US\$14,144.50	2,945,535	3,593	2,949,128
Guyana High Commission, South Africa	2021/01/22	US\$3,159.02	646,196	12,461	658,657
Guyana Embassy, Havana	2021/03/05	US\$27,560.50	4,289,480	4,170	4,293,650
Guyana Embassy, Caracas	2021/01/25	US\$288.37	60,126	0	60,126
Total			38,914,432	149,333	39,063,765

Ministry's Response: The Head of Budget Agency stated that the Ministry would usually make one final remittance of funds between the period December 15-20, of each year. From these funds, the Missions would meet salaries/wages and other operational expenditure. On completion of all payments, an expenditure statement is prepared and sent to Head Office for reconciliation. This is checked for accuracy before the unspent balance is returned. In most instances, this exercise is completed in January of the following year.

In an effort to adhere to Section 43 of the Fiscal Management & Accountability Act 2003, the Ministry will now remit funds for December in November, which would enable the Missions to finalise their expenditure statement earlier. With this method, the Ministry hopes that unspent funds could be remitted to the Consolidated fund at the end of the fiscal year.

Recommendation: *The Audit Office recommends that the Head of Budget Agency continue to take steps to ensure that all Embassies/Missions return unexpended balances to the Consolidated Fund at the end of the year. (2020/075)*

Log Books

319. The Ministry did not maintain log books for seven of the fourteen vehicles that required same. This is a breach Section 29 of the Stores Regulations.

Ministry's Response: The Head of Budget Agency stated that the Ministry will ensure that all log books are properly written up and maintained.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that log books are maintained for all vehicles requiring such. (2020/076)*

Historical Records for Vehicles

320. Historical records for vehicles were not presented for audit verification. As a result, it could not be determined whether the Ministry complied with Section 26 of the Stores Regulations. Moreover, this Section requires that "historical records of vehicles, plant and equipment" be maintained.

Ministry's Response: The Head of Budget Agency stated that Ministry concurs with this observation and will ensure that the requisite measures are put in place.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that historical records of vehicles, plant, and equipment are maintained in keeping with the Stores Regulations. (2020/077)*

Other Matters

Master and Sectional Inventory

321. The Ministry continued to be in 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...*”. Moreover, a Master Inventory was not being maintained. As a result, it could not be determined whether all assets were properly accounted for.

Ministry’s Response: The Head of Budget Agency explained that the Ministry is currently updating the Master Inventory.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the Ministry comply fully with Section 24 of the Stores Regulations, and update its Master Inventory as required. (2020/078)*

Audit of Overseas Missions

Guyana Embassy – Paramaribo, Suriname

Employment Costs

322. The Embassy ceased deductions from salaries for employees’ pension and medical insurance contributions from May 2020, due to changes in Paramaribo’s banking system. As a result, employees commenced providing their contributions in cash to the Embassy. The Embassy pays over the pension contributions monthly to the relevant agency. However, the medical insurance contributions are kept by the Embassy for six months and then paid over to the relevant agency; since, the insurance company requested payments bi-annually.

323. This situation poses a security risk; whereby, the Embassy has to secure the cash for one to six months, before making the payments. Further, should employees renege to pay over their contributions to the Embassy on time, complications could arise, which include benefits from the pension and medical schemes.

Ministry’s Response: The Head of Budget Agency explained that the agencies have since provided banking information which allows for the direct transfer of these contributions. In addition, the Embassy has reverted to deducting the contributions from the employees’ gross salary and payments are made using the online banking platform.

Fuel and Lubricants

324. The Embassy prepays for its fuel. Moreover, the sums of \$0.594M and \$1.115M, were paid in the years 2020 and 2019, and represented approximately eighty-eight and ninety-three percent of the related annual allocations, respectively. Further, there was no formal contract between the Embassy and the Service Station. In addition, should the Service Station encounter issues supplying fuel, the Embassy could experience challenges recovering any balance on its prepayment.

325. It should be noted that this situation represented a breach of Section 31 (3) of the FMA Act. 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 –

- g) *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*
- h) *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 explained that there is an annual deposit into the Embassy’s Fuel Account with the Service Station, in the final quarter of fiscal year. This account is reconciled monthly with the statement from the company. Notwithstanding this, the Embassy has noted the concerns, and has taken action to correct this situation.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to ensure Section 31 (3) of the FMA Act is fully complied with by the Embassy. (2020/079)*

Vehicle Spares and Services

326. Historical records were not maintained in the manner prescribed by Section 26 of the Stores Regulations 1993. Moreover, one file is retained for the Embassy’s fleet of vehicles. As such, a determination as to whether the maintenance of each vehicle is cost-effective could not be done.

Ministry’s Response: The Head of Budget Agency explained that the Embassy will take immediate action to comply with Section 26 of the Stores Regulations 1993.

Guyana Consulate – Nickerie, Suriname

327. An examination of records maintained by the Consulate for the period January 2019 to May 2021 revealed several irregularities. The Audit Office will issue a special report on the irregularities.

Prior Year Matters

Outstanding Advances

328. Of the ten outstanding advances issued during the period 1995-1999 to officers of the Guyana Embassy, Washington, two advances totalling US\$2,920 were cleared. As such, eight advances totalling US\$11,390 are still to be cleared. The Ministry had sought approval in January 2021 from the Ministry of Finance to write-off the advances.

Ministry's Response: The Head of Budget Agency stated that the Ministry of Foreign Affairs and International Cooperation received response from the Ministry of Finance on 27 January 2021, which stated that the Ministry of Foreign Affairs and International Cooperation should show evidence that all avenues were exhausted to recover the uncleared advances, and it is not economical to pursue any further. The Head of Budget Agency further stated that the Ministry will continue to work with the Ministry of Finance to bring closure to this matter.

Recommendation: *The Audit Office recommends that the Head of Budget Agency continue to pursue this matter to bring it to closure. (2020/080)*

Follow-up on the Implementation of Prior Year Audit Recommendations

329. The table below summarises the prior year matters as contained in the Auditor's General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 4 recommendations; 1 was not implemented, 2 were partially implemented and 1 was fully implemented.

Rec. №	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/122	Breach of Section 43 of FMA		√	
2019/123	Breach of Section 43 of FMA	√		
2019/124	Breach of Section 24 of the Stores Regulations			√
2019/125	Uncleared advances		√	

AGENCIES
42 - MINISTRY OF COMMUNITIES
45- MINISTRY OF HOUSING
13 - MINISTRY OF LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

330. The Ministry of Communities has been budgeted for as two separate entities, with effect from 1 October 2020. The name of the two new entities are Ministry of Local Government and Regional Development and Ministry of Housing and Water.

Current Year Matters

Ministry of Communities

Current Expenditure

January to September 2020

Employment Costs

331. An analysis of the staff complement revealed that the Ministry would have increased its staff strength by thirty-one over the years 2018 to 2020 as shown in the table below:

Year		Actual Staff Strength		Increase/ (Decrease)
From	To			
2018	2019	177	202	25
2019	2020	202	208	6
Total				31

332. 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 indicated that the Ministry is awaiting the Public Service Commission to advertise the vacant positions. However, the position of Community Development and Monitoring Officer was filled.

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. (2020/081)*

Utility Charges

333. The sum of \$12.180M was allocated for utility charges for the period under review. According to the Appropriation Accounts, amounts totalling \$10.777M were expended as at 30 September 2020. Audit examination of the Utility Registers revealed that the electricity and telephone registers were not properly written up as there were differences in the amounts recorded when compared to the IFMIS statements. Further, there was no entry in the register for water charges for the period under review. See table below:

Description	IFMIS Amount \$'000	Register Amount \$'000	Difference \$'000
Telephone Charges	4,467	4,094	373
Electricity Charges	5,469	5,541	(72)
Water Charges	841	0	841
Total	10,777	9,635	1,142

Ministry's Response: The Head of Budget Agency indicated that the Ministry is making efforts to update the Utility Registers.

Recommendation: *The Audit Office recommends that the Ministry ensures the registers are properly updated. (2020/082)*

Subsidies and Contribution to Local Organisations

334. Amounts totalling \$515.681M were allocated for Subsidies and Contributions to Local Organisations. According to the Appropriation Accounts the sum of \$515.681M 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.

Name of Entity	Details	Amount \$'000
Guyana Water Incorporated (GWI)	Subvention	360,000
Local Government Commission	Subvention	115,681
Guyana Power and Light Inc. (GPL)	Electricity charges	40,000
Total		515,681

335. According to the Integrated Financial Management Information System (IFMIS), the sum of \$40M was paid to the Guyana Power and Light Incorporated (GPL) 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 2017 and at the time of reporting, Financial Statements were received for the years 2018 and 2019.

336. The Local Government Commission (LGC) was established by way of Order №. 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. The last audit for this entity was in respect of 2019 and at the time of reporting, Financial Statements were received for the year 2020.

Other Matters

Inter-Departmental Warrants

337. The Ministry issued 168 Inter-Departmental Warrants (IDWs) totalling \$371.718M for Regions Nos. 1 to 10 and Ministry of Public Infrastructure (MoPI) during the period under review. Financial Returns for fifty-three of these IDWs totalling \$70.844M 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	№. of Warrants	Amount \$'000
Regional Democratic Council №. 3	19	52,296
Regional Democratic Council №. 5	1	1,115
Regional Democratic Council №. 6	1	347
Regional Democratic Council №. 7	9	5,215
Regional Democratic Council №. 8	5	2,437
Regional Democratic Council №. 9	17	8,835
Regional Democratic Council №. 10	1	599
Total	53	70,844

Ministry’s Response: The Head of Budget Agency indicated that the Ministry notes the findings and have since written to the relevant authorities to have these Financial Returns available for verification.

Recommendation: *The Audit Office recommends that the Ministry follow-up with the defaulting Regions to have the Financial Returns submitted. (2020/083)*

338. An examination of the Warrant Register revealed that of the 168 Warrants issued, 124 Warrants totalling \$342.486M reflected unexpended amounts totalling \$110.903M. However, the full amount of \$342.486M was reflected in the Appropriation Accounts as expended, resulting in the Appropriation Accounts being overstated by the amount of \$110.903M. A similar observation was made in 2019. Shown in the table below are details of the unexpended amounts:

Receiving Agencies	№. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Unspent Balance \$'000
Regional Democratic Council №. 1	8	8,397	6,924	1,473
Regional Democratic Council №. 2	9	35,025	32,591	2,434
Regional Democratic Council №. 3	19	52,296	0	52,296
Regional Democratic Council №. 4	18	91,091	71,732	19,359
Regional Democratic Council №. 5	14	49,132	42,808	6,324
Regional Democratic Council №. 6	18	87,262	75,384	11,878
Regional Democratic Council №. 7	9	5,215	0	5,215
Regional Democratic Council №. 8	5	2,437	0	2,437
Regional Democratic Council №. 9	17	8,835	0	8,835
Regional Democratic Council №. 10	7	2,796	2,144	652
Total	124	342,486	231,583	110,903

Ministry's Response: The Head of Budget Agency indicated that the Ministry will make every effort to have this query resolved.

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. (2020/084)*

Imprest Advances

339. During the period under review, there were 159 advances totalling \$6.301M for travelling and meals from the Ministry's imprest. However, examination of the Advance Register revealed that there were seventy advances totalling \$2.852M where the clearance date could not be determined. In addition, pertinent information such as receipts returned, refunds and advance clearance date were not seen on 132 advance forms totalling \$4.546M. A similar observation was made in 2019 where authorising signatures were not seen for four advances. In addition, eleven advances totalling \$1.163M were also not seen.

Ministry's Response: The Head of Budget Agency indicated that the Ministry have since put systems in place to ensure that all advance forms are accurately completed before issuance.

Recommendation: *The Audit Office recommends that the Ministry ensure that all advance forms are accurately written up and authorised before issuance. (2020/085)*

Capital Expenditure

Georgetown Restoration Programme

340. The sum of \$4.832M was budgeted for the provision of the payment of retention. According to the Appropriation Accounts amounts totalling \$4.831M were expended. A summary of the expenditure according to the IFMIS Report is shown in the table below:

Description	Amount \$'000
Retention - Rehabilitation of Kitty Market	867
Retention - Rehabilitation of East La Penitance Market	419
Retention - Rehabilitation of East Ruimveldt Market	1,877
Retention - Rehabilitation of Bourda Market	1,572
Withholding Tax	97
Total	4,832

Adequate Housing & Urban Accessibility

341. The sum of \$366.367M 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 Accounts the full amount was expended. This project is subject to separate financial reporting and audit.

Water Supply & Infrastructure Improvement Programme

342. The sum of \$910.007M 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 Accounts, the full amount was expended as at 30 September 2020. The project is subject to separate reporting and audit and is being audited by private auditors.

Hinterland Sustainable Housing Programme

343. The sum of \$51.622M 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 Karaudamawau. According to the Appropriation Accounts the full amount was expended as at 30 September 2020.

344. On 17 February 2010, Loan Agreement №. 2270/BL-GY was entered into between the Government of Guyana (GoG) and the Inter – American Development Bank (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 Amendatory 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 22 October 2020 for the period 1 January to 30 June 2020.

Solid Waste Disposal Programme

345. The sum of \$82.517M was budgeted for: (i) construction of access road to Belle Vue Landfill site; (ii) rehabilitation of main access road to Haags Bosch sanitary Landfill site; (iii) construction of cell 2 and fence at Haags Bosch Landfill site and (iv) construction of septic tanks and washroom facility at Sophia. According to the Appropriation Accounts, the full amount was expended as at 30 September 2020. Shown in the table below is a breakdown of the expenditure:

Description of works	Amount \$'000
Rehab of Belle Vue Landfill access road	33,196
Rehab of Haags Bosch Access Road	26,141
Construction of Cell 2 Haags Bosch	11,437
Construction of security fence at Haags Bosch	5,854
Construction & Installation of septic tanks	4,239
Withholding tax	1,650
Total	82,517

Prior Year Matters

346. 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 September 2021.

Ministry’s Response: The Head of Budget Agency indicated that the former employee was written to requesting a refund of the overpayment, to date no response was received. In addition, the Ministry has also written to the Public Service Ministry to see whether the former employee is employed at any other Government Agency.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take steps to recover the amounts outstanding and implement measures to avoid recurrences. (2020/086)*

Ministry of Local Government and Regional Development

347. The Ministry of Local Government is a new Ministry and captures three months of expenditures for the fiscal year 2020 (October to December) for three programmes. Programme 1 – Policy Development and Administration, Programme 3 – Regional Development and Programme 4 – Local Government Development.

Fuel and Lubricants

348. The amount of \$6.550M was budgeted for Fuel and Lubricants for 2020. According to the Appropriation Accounts the sum of \$6.530M was expended as at 31 December 2020. However, according to the Fuel Register it was noted that the Ministry prepaid for fuel amounting to \$4.548M which was not received as at 31 December 2020. As a result, the Appropriation Accounts would have been overstated by the said amount. In addition, audit examination of the Guyana Oil Company (GUYOIL) Statements revealed amounts totalling \$2.105M were expended for fuel while the IFMIS reflected amounts totalling \$6.530M an unexplained/unreconciled difference of \$4.424M. As a result, it was difficult to ascertain the accuracy of the figures in the various records presented for audit scrutiny. Further, according to the confirmation balances reflected on the GUYOIL statement, an amount of \$4.421M was owed to the Ministry on Account №. G-M0026-RT as at 31 December 2020. However, at the time of reporting in September 2021, an amount of \$1.338M was still owing to the Ministry.

Ministry's Response: The Head of Budget Agency indicated that the Ministry had planned Regional visits for the last quarter of 2020 and as such fuel was paid to facilitate this exercise. The Ministry endeavours to ensure this does not reoccur.

Recommendations: *The Audit Office recommends that the Ministry desist from the practice of prepaying for large quantities of fuel beyond its consumption needs and comply fully with the accounting system used by Government. (2020/087)*

Utility Charges

349. The sum of \$13.445M was allocated for Utility Charges for the period under review. According to the Appropriation Accounts, amounts totalling \$11.805M were expended as at 31 December 2020. An analysis of the relevant registers and the amounts expended and recorded in IFMIS revealed differences, as reflected in the table below. This is an indication that all payments were not accounted for in the registers. As such, it could neither determine nor analyse the accuracy of the amounts attributed to each utility.

Description	IFMIS Amount \$'000	Register Amount \$'000	Difference \$'000
Telephone Charges	4,293	4,073	220
Electricity Charges	5,875	726	5,149
Water Charges	1,637	0	1,637
Total	11,805	4,799	7,006

Ministry's Response: The Head of Budget Agency indicated that the Ministry will make every effort to update the Registers.

Recommendation: *The Audit Office recommends that the Ministry ensures that the registers are properly updated. (2020/088)*

Subsidies and Contribution to Local Organisations

350. During the period under review, the sum of \$50.386M was allotted for Subsidies and Contribution to Local and International Organisations. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$49.786M was expended, leaving an unspent balance of \$600,000. The unspent balance represents an International Organisation that did not receive subsidies although they were budgeted for in the 2020 National Estimates. See table below:

Line Item	Entity	Amount Allocated \$'000	Amount Expended \$'000
6321	Local Government Commission	49,786	49,786
6322	Commonwealth Local Government Forum	600	0
Total		50,386	49,786

Ministry's Response: The Head of Budget Agency indicated that part payment for annual subscription was made under Agency 42 Ministry of Communities in the sum of \$565,000. Approval was received from Ministry of Finance on 28 May 2021 to make final payment.

Recommendation: *The Audit Office recommends that the Ministry comply fully with the FMA Act. (2020/089)*

Other Matters

351. According to Circular №. 02/2019 dated 29 January 2019, 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 136 Cheque Orders totalling \$39.056M were still outstanding for the year 2020. In addition, five Cheque Orders totalling \$517,505 were cleared beyond the stipulated time period of thirty days.

Ministry's Response: The Head of Budget Agency indicated that a reconciliation and updating of the Cheque Order Register is currently ongoing and will be available for audit verification upon completion.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that (i) the Ministry comply fully with Circular №.02/2019 dated 29 January 2019; and (ii) the outstanding Cheque Orders are submitted for audit. (2020/090)*

Inter-Departmental Warrants

352. The Ministry issued ninety-seven Inter-Departmental Warrants (IDWs) totalling \$643.174M for Regions Nos. 1 to 10 and Ministry of Public Infrastructure (MoPI) during the period under review. Financial Returns for thirty-nine of these IDWs totalling \$234.521M 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. 1	1	2,528
Regional Democratic Council No. 2	7	48,709
Regional Democratic Council No. 3	9	105,711
Regional Democratic Council No. 5	8	41,461
Regional Democratic Council No. 6	2	12,148
Regional Democratic Council No. 7	7	11,312
Regional Democratic Council No. 8	4	2,652
Ministry of Public Works	1	10,000
Total	39	234,521

Ministry's Response: The Head of Budget Agency indicated that some of the outstanding warrants have been returned and the Ministry have since written the relevant authorities to provide the outstanding Financial Returns.

Recommendation: The Audit Office recommends that the Ministry follow-up with the defaulting Regions to have the Financial Returns submitted. (2020/091)

353. An examination of the Warrant Register revealed that of the ninety-seven Warrants issued, sixty-seven Warrants totalling \$380.796M reflected unexpended amounts totalling \$293.570M. However, the full amount of \$380.796M was reflected on the Appropriation Accounts as expended, resulting in the Appropriation Accounts being overstated by the amount of \$293.570M. 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	2	5,022	1,900	3,122
Regional Democratic Council No. 2	12	85,147	9,871	75,276
Regional Democratic Council No. 3	9	105,711	0	105,711
Regional Democratic Council No. 4	4	32,633	32,285	348
Regional Democratic Council No. 5	11	84,109	6,195	77,914
Regional Democratic Council No. 6	7	44,532	29,519	15,013
Regional Democratic Council No. 7	7	11,312	0	11,312
Regional Democratic Council No. 8	4	2,652	0	2,652
Regional Democratic Council No. 9	6	5,967	5,297	670
Regional Democratic Council No. 10	5	3,711	2,159	1,552
Total	67	380,796	87,226	293,570

Ministry's Response: The Head of Budget Agency indicated that all unspent balances have been refunded to the Consolidated Fund by the Ministry of Finance.

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. (2020/092)*

Imprest Advances

354. During the period under review, there were ninety-eight advances totalling \$7.403M for travelling and meals from the Ministry's imprest. However, an examination of the Advance Register revealed that there were ninety-four advances totalling \$7.234M where the clearance date could not be determined. In addition, pertinent information such as when receipts were returned, refunds and advance clearance date were not seen on ninety-seven advance forms totalling \$7.388M. As a result, it was difficult to ascertain if these advances were cleared in keeping with the Circularised Instructions.

Ministry's Response: The Head of Budget Agency indicated that the Ministry have since put systems in place to make sure that all advance forms are accurately completed before issuance.

Recommendation: *The Audit Office recommends that the Ministry ensure that all advance forms are accurately written up before issuance. (2020/093)*

Capital Expenditure

Shortfall in Expenditure

355. There was a significant shortfall in expenditure under Capital Programme 131 - Policy Development and Administration. More specifically, there was a shortfall of approximately 91% under Line Item 28031 – Technical Assistance – Planning and Support for Local Councils. The sum of \$22.062M was allotted; whilst, only \$1.948M was spent, giving an unexpended sum of \$20.114M.

Ministry's Response: The Head of Budget Agency indicated that this project was on hold in 2020. Subsequently, a review of the project was done and changes requiring Caribbean Development Bank's (CDB) approval was made. This project will recommence in 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures proper planning and execution of projects in a timely manner so as to ensure amounts are expended as budgeted and the intended benefits are achieved as planned. (2020/094)*

Technical Assistance- Planning & Support for Local Councils

356. The sum of \$22.062M was budgeted for (i) capacity building for local government reform, (ii) harmonisation for local government legislation, 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, according to the Appropriation Account only the sum of \$1.948M was expended resulting in a shortfall of \$20.114M. A shortfall of \$15.500M was also noted in 2019 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 indicated that this project was on hold in 2020. Subsequently, a review of the project was done and changes requiring Caribbean Development Bank's (CDB) approval was made. This project will recommence in 2021.

Recommendation: *The Audit Office of Guyana recommends that the Head of Budget Agency ensures proper planning and execution of projects in a timely manner so as to ensure amounts are expended as budgeted and the intended benefits are achieved as planned. (2020/095)*

Sustainable Livelihood and Entrepreneurial Development

357. The sum of \$105M was budgeted for community driven Entrepreneurial Projects and Programmes and Regional Economic Development Plan. According to the Appropriation Account, the full amount was expended as at 31 December 2020. Fourteen Inter/Intra Departmental Warrants (IDWs) were issued to the following Regions. See table below:

Region No.	No. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Amount Unspent \$'000
2	2	13,825	0	13,825
3	2	17,500	0	17,500
4	2	20,125	20,125	0
5	2	14,175	0	14,175
6	2	17,500	5,410	12,090
7	2	8,750	0	8,750
10	2	13,125	13,125	0
Total	14	105,000	38,660	66,340

358. According to the Manual on Central Government Accounting Systems, a Financial Return must be submitted by the Agency receiving the warrant to the Agency issuing the warrant. However, the Financial Return in the sum of \$8.750M was not received by the Ministry from Region No. 7.

359. There were 600 grants provided to small businesses for a Poultry Rearing in particular those affected by the COVID-19 pandemic, in Regions 2,3,4,5,6,7 and 10. Beneficiaries National Identification Numbers, addresses and signatures, to account for the disbursement were seen for the grants given to them.

Community Infrastructure Improvement Project

360. The sum of \$50M was budgeted for (i) Neighbourhood Democratic Council buildings-Nile/Cozier and Kitty/Providence, (ii) markets at Mon Repos and Skeldon and (iii) street lights, furniture and equipment. According to the Appropriation Account, the full amount was expended as shown in the table below:

Description	Amount \$'000
Releases for December	23,953
Rehabilitation of Skeldon/Corriverton Market	9,979
Construction of Nile Cozier Kitty Providence Building	9,392
Purchase of Office Equipment	6,676
Total	50,000

Project Development and Assistance

361. The sum of \$460M was budgeted for provision of subvention to municipalities and Neighbourhood Democratic Councils. According to the Appropriation Account, the full amount was shown as expended as at 31 December 2020 as summarised in the table below:

Description	No. of Entities	Amount \$'000
Warrants issued to the Regions on behalf of NDC	6	350,000
Subventions and Grants to Town Councils	9	90,000
Journal Entry Adjustment		10,000
COVID Relief (Region # 1&9)		10,000
Total		460,000

362. 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 \$90M to the Municipalities in 2020. 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:

Agency	Amount Received 2020	Amount Received 2019	Audit Reports		Financial Statements	
	\$'000	\$'000	Last Audited	Laid in National Assembly	Received by Audit Office	Not Received by Audit Office
Mayor & Councillors of the City of Georgetown	0	30,000	2004	None	2005, 2007 2012-2016, 2018-2019	2006 2008-2011 2017, 2020
New Amsterdam Town Council	10,000	18,000	1996	None	1997-2017	2018-2020
Linden Town Council	10,000	18,000	1984	None	2008-2010 2012 2014 2017-2020	1985-2007 2011 2013 2015-2016
Anna Regina Town Council	10,000	18,000	2017	None	2018-2020	N/A
Rose Hall Town Council	10,000	16,515	1998	None	1999 2003 2005-2017 2019	2000-2002 2004 2018 2020
Corriverton Town Council	10,000	16,740	2001	None	2002-2020	N/A
Bartica Town Council	10,000	19,643	-	-	-	2015-2020
Lethem Town Council	10,000	18,000	-	-	2006-2020	N/A
Mabaruma Town Council	10,000	17,460	-	-	-	2015-2020
Mahdia Town Council	10,000	0	-	-		2019-2020
Total	90,000	172,358				

363. The Neighbourhood Democratic Councils 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. It should be noted that the Ministry transferred sums totalling \$350M to the Councils in 2020.

Region №.	№. Of Councils	Last Audits	Remarks
1	1	1994	Financial Statements not received for the years 1995-2020
2	1	2018	Financial Statements not received for the years 2019-2020
	6	2017	Financial Statements not received for the years 2018-2020
	1	2014	Audits to be planned for the years 2015-2017. Financial Statements not received for the years 2018-2020.
3	3	2017	Audits to be planned for the years 2018-2019. Financial Statements not received for the years 2018-2020.
	1	2014	
	2	2010	Audits to be planned for financial statements received. Financial Statements not received for the years 2015-2020.
	5	2000-2007	Audits to be planned for financial statements received. Audits to be finalised for work completed.
	3	1994-1997	Audits to be planned for financial statements received. Audits to be finalised for work completed.
4	4	2001-2006	Audits to be planned for financial statements received. Audits to be finalised for work completed.
	11	Prior to 2000	Audits to be finalised for work completed.
	2	-	Financial Statements not received for the years 2018-2020
5	5	2000-2004	Audits to be planned for financial statements received. Audits to be finalised for work completed.
	5	Prior to 2000	Audits to be finalised for work completed.
6	13	2014-2015	Audits to be planned for financial statements received. Audits to be finalised for work completed.
	1	2010	Audit to be finalised for the years 2011-2015. Financial statements not received for the years 2016-2020
	1	1994	Audit to be finalised for the years 2008-2014. Financial statements not received for the years 1995-2007 & 2015-2020
	3	-	Financial statements not received for the years 2018-2020
9	1	-	Financial statements not received for the years 2018-2020
10	1	2006	Audit to be finalised for the years 2007-2010. Financial statements not received for the years 2014-2018 & 2020

Ministry’s Response: The Head of Budget Agency indicated that letters were dispatched to the Councils, enquiring as to the reasons for not submitting their Financial Statements.

Recommendation: The Audit Office recommends that the Head of Budget Agency follow-up with the agencies to have the outstanding Financial Statements submitted for audit. (2020/096)

Georgetown Enhancement Programme

364. The sum of \$18M was budgeted for the rehabilitation of markets - Albouystown and East Ruimveldt. According to the Appropriation Account, the sum of \$17.346M was expended.

Description	Amount \$'000
Rehabilitation of East Ruimveldt Market	6,703
Rehabilitation of Albouystown Market	5,433
Supply of 37 Brush Cutter	4,258
Dumping Sign design fabrication and installation of 'no dumping sign"	679
Withholding Tax	273
Total	17,346

Solid Waste Disposal Programme

365. The sum of \$92.020M was budgeted for the payment of retention and provision of access roads, institutional strengthening and public awareness campaign. According to the Appropriation Account, the sum of \$91.796M was expended as shown in the table below.

Description	Amount \$'000
Construction of Cell 2 Haags Bosch Landfill	48,416
Purchase of Backhoe	14,000
Rehab of Haags Bosch Access Road	12,692
Purchase of Skid Loader	6,500
Rehab of Belle Vue Landfill access road	2,689
Incinerator Assessment	1,960
Billboards (Region # 2 &3)	1,950
Purchase of Sanitising Tunnel	900
Retention - construction of security fence at Haags Bosch	781
Purchase of tablets	300
Purchase of laptop computer	250
Withholding Tax	1,358
Total	91,796

366. Amounts totalling \$2.250M was expended by way of two Payment Vouchers (PV №. 814 and PV №. 737) for the supply of billboards and the purchase the of twelve tablets. However, audit checks revealed that as at September 2021, the items were not delivered. As a result, the Appropriation Accounts would be overstated by the said amounts.

Ministry's Response: The Head of Budget Agency indicated that the cheques for the billboards and tablets were refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Head of Budget Agency (i) provide the relevant details for audit; and (ii) comply fully with the FMA Act 2003. (2020/097)

AGENCIES
17 - MINISTRY OF INDIGENOUS PEOPLES' AFFAIRS
16 – MINISTRY OF AMERINDIAN AFFAIRS

367. The Ministry of Amerindian Affairs is a new Agency which replaced the Ministry of Indigenous Peoples' Affairs. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 17 - Ministry of Indigenous Peoples' Affairs, while the last three months (October to December) was budgeted under the new Agency 16 – Ministry of Amerindian Affairs.

Current Year Matters

Current Expenditure

Employment Costs

368. The Ministry continued to make cash payments of salaries despite the Ministry of Finance advice that cash payments of salaries be minimised after the introduction of the Integrated Financial Management and Accounting System in 2004, and that employees be paid under the bank deposit system as required by Circular № 3/2003 dated 29 September 2003. Moreover, the Ministry made cash payments for salaries amounting to \$14.137M to nine employees for the year. Similarly, during 2019, cash payments for salaries amounting to \$12.846M were made to eleven employees.

Ministry's Response: The Head of Budget Agency stated that based on the geographic locations of these Officers, the Ministry had to make cash payments as Banks were not located in those areas.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency take action to comply fully with Circular № 3/2003. (2020/098)*

369. An examination of pay change directives for resignations, no-pay and maternity revealed that one officer was overpaid salaries totalling \$39,308 whilst, \$6,379 was overpaid to deduction agencies. It should be noted, that the Ministry wrote the officer on 29 April 2021 seeking to recover the overpayment. However, refunds from the deduction agencies were not sought.

Ministry's Response: The Head of Budget Agency stated that a letter was communicated in April 2021 for the entire sum. This was because according to the GRA, only the beneficiary can seek such refund.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to recover the overpayments. (2020/099)*

Office & Field Supplies

370. The sum of \$62.478M was expended under this account area, 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

371. Approximately ninety-four percent (307) of the Ministry's 326 serviceable vehicles were issued to Indigenous Villages. The remaining 19 were used by the Ministry. Log books were presented for the fourteen vehicles that were required to maintain same. However, an examination of the log books revealed the following discrepancies:

- a. Approval for journeys undertaken were not always evident.
- b. Departure and return times not always stated.
- c. Odometer readings were not recorded.
- d. Supervisory checks not always evident.

372. As a result, we could not determine whether all journeys undertaken were properly authorised and in the interest of the public. Similarly, during 2019 the Ministry's log books were not properly maintained to reflect pertinent information.

Ministry's Response: The Head of Budget Agency stated that measures were put in place to prevent recurrences.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency monitor the measure put in place to ensure log books are properly written up to reflect pertinent information. (2020/100)*

Subsidies and Contribution to Local Organisations

373. The sum of \$79.291M was budgeted for Subsidies and Contributions to Local Organisations. Amounts totalling \$75.853M were expended. Included in this sum were amounts totalling \$74.258M, which were paid over to three entities by the Ministry. A summary of the expenditure is shown in the table below:

No.	Local Organisations	Amount \$'000
1	Bina Hills Institute	50,985
2	National Toshias Council	18,771
3	Kanuku Mountain Community Representative Group	4,502
4	Miscellaneous	1,595
Total		75,853

374. We could not determine whether the monies paid over to these entities were utilised as intended; since, documentation regarding same were not submitted for audit. Further, due to the COVID-19 restrictions, the Audit Office was unable to visit the entities to examine the relevant records.

Ministry's Response: The Head of Budget Agency stated that the various reports have been located and are available for verification.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure reports are submitted in a timely manner; and to ensure they are secure and presented for audit, when required. (2020/101)*

Other Matters

Accounting for Expenditure

375. The Ministry continued to breach Section 43 of the Fiscal Management and Accountability Act 2003, which requires all unspent balances to be refunded to the Consolidated Fund at the end of the fiscal year. Moreover, audit checks conducted in January, 2021, revealed that the Ministry had on hand, 353 cheques drawn for sums totalling \$787.984M, as such, the Appropriation Accounts were overstated by the \$787.984M. Similarly, in January 2020, the Ministry had on hand, 351 cheques drawn for a total of \$315.938M from its 2019 allocations.

376. At the time of this report in September 2021, the Ministry still had ten cheques drawn for amounts totalling \$19.696M on hand. These cheques have since become stale-dated.

Ministry's Response: The Head of Budget Agency stated that the vouchers were subsequently returned to Finance, via the Ministry's 'return schedule'. Further, the stale-dated cheques are in the process of being updated and will be distributed for their intended purposes.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency refund all unspent balances at the end of the year to the Consolidated Fund, in keeping with Section 43 of the FMA Act. (2020/102)*

Cheque Orders

377. Up to the time of this report, the Ministry had still not cleared twenty cheque orders processed in 2020 for sums totalling \$51.869M. Further, the Ministry had still not cleared eighty-two cheque orders drawn during 2015 to 2017 for sums totalling \$35.516M, as shown in the table below. As a result, we could not determine whether the Ministry received full value for the sums expended.

Year	No of Cheque Orders	Amount \$'000
2015	38	16,149
2016	41	18,634
2017	3	733
Total	82	35,516

Ministry's Response: The Head of Budget Agency stated that the Ministry is taking action to clear the outstanding cheque orders.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to locate, and present the outstanding cheque orders for audit. (2020/103)*

378. In addition, 143 cheque orders drawn for sums totalling \$227.527M were cleared after the stipulated thirty days period. Thirty-five and forty-four cheque orders were cleared between 130-213 and 60-130 days, respectively, after its issuance. This is a breach of circularised instructions. Further, this is an indication that the goods and services paid for in relation to these transactions may not have been received in a timely manner; thus, delaying the intended benefits.

Ministry's Response: The Head of Budget Agency stated that the Ministry had challenges in having these cheque orders cleared in the appropriate time as stipulated, and therefore special concession will be sought for an extensive period, for the clearing of cheque orders.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure cheque orders are cleared within the stipulated timeframe. (2020/104)*

Inter-Departmental Warrants

379. An examination of the IFMIS revenue report revealed that the sum of \$4.371M 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 Accounts was overstated by the said sum of \$4.371M. It should be noted that Miscellaneous Revenue is reported on by the Ministry of Finance. A similar situation existed in 2019; whereby, the sum of \$4.817M was paid into Miscellaneous Revenue instead of being credited to the respective Line Items.

Ministry's Response: The Head of Budget Agency stated that systems will be put in place to avoid a recurrence.

Recommendation: *The Audit Office once again recommends that the Head of 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. (2020/105)*

Capital Expenditure

Amerindian Development Fund (ADF)

380. The sum of \$806.538M was budgeted for the (i) payment of retention, (ii) youth entrepreneurship and apprenticeship programme, presidential grants and information, communication and technology hubs, (iii) Amerindian development projects and programmes, (vi) design of National Toshias Council's Head Office, and (v) purchase of tractors and implements. A Supplementary Provision in the sum of \$130M was approved to facilitate payments for to the procurement of tractors and trailers for hinterland communities, bringing the total funds available to \$936.538M. Amounts totalling \$936.532M were expended, as summarised in the table below.

Description of Works	Amount \$'000
Tractors and Trailers	446,880
Presidential Grants	277,097
Capital Grants	71,186
Stipend-Community Service Officers	30,270
Agricultural tools	27,075
Land Cruisers- Kaibarupai & Waipa	22,851
Workshop and Training	11,468
Sewing machines with cabinets	7,980
Mini Bus	7,524
Construction of Green Energy Development	6,538
Generator-St. Cuthbert's Mission	5,904
Solar panels & batteries	4,990
Seeds & Pesticides	4,499
Solar Radio	3,925
Tablets	3,060
Sports gears	3,000
Fogging machine	1,196
Sanitary block & beach- Moruca	800
Design of National Toshios Council-Head Office	289
Total	936,532

Tractors and Trailers

381. Cabinet granted its “No-objection” on 30 December 2020 for the award of a contract in the sum of \$446.880M for the supply and delivery of 112 tractors and trailers for Amerindian Villages and Communities. The award was made using the single source method of procurement on the basis that market research revealed that Mahindra Tractors are the most economical tractors on the market with the four-wheel drive and 75 horse power needed for development in the Amerindian Communities/Villages.

382. The contract was signed between the Ministry and a local supplier on 31 December 2020. The contract stated that an advance payment of fifty percent of the contract sum shall be paid upon signing of the contract. Whilst, the final payment of fifty percent of the contract sum shall be paid upon submission of a payment bond. Six transactions amounting to the contract sum of \$446.880M were processed on 30 and 31 December 2020; while, the cheques were drawn on 4 January 2021. Three payments amounting to \$223.440M, which represented fifty percent of the contract sum were paid on 13 January 2021. The other three payments amounting to \$223.440M representing the final payment on the contract, were paid on 5 March 2021.

383. An Advance Payment Guarantee dated 30 December 2020 was provided in the sum of \$223.440M, with a validity period from 30 December 2020 to 30 April 2021; which is the duration of the contract. The supplier wrote the Ministry in April 2021 requesting an extension of time to supply 112 tractors and trailers. The basis of the extension sought was stated as disruptions “...due to several unexpected closures at the Mahindra Production Plant in India. As such, the production was delayed for a few weeks”. The Ministry granted the extension in time up to 15 August 2021. It should be noted that the Advance Guarantee was also amended, resulting in a new validity date of 20 August 2021.

384. As of 9 September 2021, 103 tractors and trailers were recorded as having been received by the Ministry. Of these, fifty-four tractors and trailers were still at the Amerindian DORMS, Liliendaal: whilst the difference of forty-nine tractors and trailers were issued to various Amerindian Villages. As a result, the intended benefits from the use of the tractors and trailers were being delayed.

Ministry's Response: The Head of Budget Agency stated that the late delivery of the tractors and trailers was as no fault of Ministry, and that the delay is not material in nature or would compromise the intended purpose.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the tractors and trailers are utilised for the purposes intended, so that the benefits can be derived. (2020/106)*

385. However, only twenty handing over forms were submitted for audit. As a result, we could not determine the locations of the twenty-nine tractors and trailers, and whether they were handed over to the Villages as reported.

Ministry's Response: The Head of Budget Agency stated that the handing over documents were established and are now available.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the twenty-nine handing over forms for the tractors and trailers, to aid verification. (2020/107)*

386. Further, only thirty certificates of registration were submitted for audit. As a result, we could not determine whether the nineteen tractors and trailers reportedly handed over to Villages were registered with the Guyana Revenue Authority. Moreover, ownership of these nineteen tractors and trailers could not be ascertained.

Ministry's Response: The Head of Budget Agency stated that all the tractors and trailers were delivered to the Ministry; however, certificates of registration for 11 tractors and 39 trailers were still at GRA, at the time of reporting.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the nineteen certificates of registration to aid verification of ownership of these tractors and trailers. (2020/108)*

Presidential Grants

387. Village Councils would submit annually, proposals for funding of projects. These projects included acquisition of goods, and provision of works and services. The Ministry processed payments totalling \$277.897M for 192 Village Councils. The table below summarises the payments as per Region:

Region №.	№. of Councils	Amount \$'000
1	58	89,527
2	9	14,600
3	3	4,500
4	5	6,800
5	1	1,500
6	3	5,000
7	24	35,853
8	20	33,424
9	58	71,410
10	11	15,283
Total	192	277,897

388. Verification of goods acquired and works completed were done at four of the 192 Councils. However, due to the COVID-19 restrictions, the Audit Office was unable to visit 188 Village Councils to examine the relevant records for the projects. Notwithstanding this, the Audit Office requested the Ministry to provide the relevant records from the Village Councils.

389. At the time of reporting, only four Village Councils submitted reports for audit. The submissions represented approximately three percent of the Village Councils to whom payments amounting to \$6M were made.

390. Furthermore, 188 of the Village Councils, which is approximately ninety-eight percent of the 192 Village Councils, did not submit reports. Total payments to these 188 Councils amounted to \$271.897M, which also represented approximately ninety-eight percent of the total Presidential Grants paid to the Village Councils. Similar observations were made for 2019. 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	58	89,527	58	89,527
2	1	1,500	08	13,100	9	14,600
3	1	1,500	02	3,000	3	4,500
4	0	0	05	6,800	5	6,800
5	0	0	01	1,500	1	1,500
6	2	3,000	01	2,000	3	5,000
7	0	0	24	35,853	24	35,853
8	0	0	20	33,424	20	33,424
9	0	0	58	71,410	58	71,410
10	0	0	11	15,283	11	15,283
Total	4	6,000	188	271,897	192	277,897

391. The table below provides a summary of the status of the Presidential Grants based on information submitted for audit by the Ministry, as well as audit inspection of works/records during visits to four Village Councils.

No. of Councils	Expenditure \$'000	Status
6	10,200	Project completed
2	3,500	Work/services in progress
180	263,397	Information not submitted for audit
188	277,097	

392. It should be noted that the Ministry submitted a status of projects in Region Nos 7 and 9, for which monies were paid over. The table below provides a summary.

No of Projects	Expenditure \$'000	Status
35	46,430	Project completed
6	8,994	Work/services in progress
1	999	Non-commencement
42	50,840	Information not submitted for audit
84	107,263	

393. Notwithstanding the above, we could not determine the correctness and accuracy of the information contained in the above-mentioned status report for Region Nos 7 and 9; since, reports from the Councils were not submitted for audit. Further, as mentioned earlier, due to the COVID-19 restrictions, the Audit Office was unable to visit the Village Councils to examine the relevant records for the projects.

Ministry's Response: The Head of Budget Agency stated that that due to COVID-19, the field officers were unable to visit villages to verify and uplift Presidential Grant reports. However, efforts are being made to have reports soonest.

Recommendation: *The Audit Office recommends that the Head of Budget Agency obtain these reports and submit same for audit. (2020/109)*

Salient findings from visits to four Village Councils

Mainstay/Whyaka Village Council

394. The sum of \$1.5M was paid over to the Council for the construction of a toll-booth. An examination of the records maintained by the Council revealed that amounts totalling \$1.302M were utilised for the project. Included in the sum expended, is an amount of \$0.816M, which was paid for labour costs. However, the details of the labour costs, which include the number of workers, rate of pay and days worked, were not stated. As a result, we could not determine the correctness, accuracy and validity of the \$0.816M. Further, the labour costs were approximately 168% of the materials cost of \$0.486M. This seemed excessive, given the size of the toll-booth constructed.

Ministry's Response: The Head of Budget Agency stated that the finding is noted and explained that the Ministry is working with the Village Council to bring clarity to this matter.

Recommendation: *The Audit Office recommends that the Ministry submit the reports after this matter has been clarified. (2020/110)*

St. Monica/Karawab Village Council

395. The sum of \$1.2M was paid over to the Council for repairs to its tractor. An examination of the records maintained by the Council revealed that amounts totalling \$1.141M were utilised for the repairs. However, the tractor is still inoperable. Further, the difference of \$59,029 was owed to the Council by the previous Toshao. In addition, the said Toshao also owed the Council the sum of \$50,640 from its 2019 Capital Grant. It was explained that the Toshao's indebtedness to the Council was due to uncleared advances.

Ministry's Response: The Head of Budget Agency stated that the Ministry noted this finding and explained that an investigation is presently ongoing, in relation to this issue.

Recommendation: *The Audit Office recommends that the Ministry submits the reports of the investigation as soon as it's concluded. (2020/111)*

Wakapau Village Council

396. The sum of \$2M was paid over to the Council for the expansion and completion of a lumber facility, and the expansion of a block-making facility. An inspection of the facilities in June 2021 revealed that they were both incomplete and inoperable. It was explained that the lumber facility, which is located at Myrie/Koriah, was not in use because residents were not trained to operate its machinery; whilst, residents stopped working at the block-making facility due to circumstances beyond the control of the Council.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the finding and explained that the Ministry is working with the Council on identifying four residents, for the training and managing of the facility.

General Findings

397. The Councils were maintaining cashbooks and other subsidiary records. However, the quantity/specification/unit cost, of items purchased were not always recorded on bills/receipts. This is prevalent when lumber is purchased. As a result, we could not verify the utilisation of lumber on the construction projects executed.

Ministry's Response: The Head of Budget Agency stated that the Ministry noted this finding and explained that training will be provided to Village Councils in areas for transparent accounting.

Recommendation: *The Audit Office recommends that the Head of Budget Agency:*

- (i) *Implement measures to monitor the implementation of projects by the Councils.*
- (ii) *Monies owing to the St. Monica/Karawab Village Council be refunded.*
- (iii) *Training of Council staff be done to ensure proper records are maintained. (2020/112)*

Capital Grants

398. Amounts totalling \$71.186M were paid over to forty-three Village Councils for the execution of various capital projects. See summary as per Regions in table below:

Region №	№ of Villages	Amount \$'000
1	11	19,498
2	03	3,960
6	02	2,000
7	04	12,774
8	05	10,136
9	16	20,818
10	02	2,000
Total	43	71,186

399. Verification of goods acquired and works completed could not be done. Moreover, due to the COVID-19 restrictions, the Audit Office was unable to visit the Village Councils to examine the relevant records for the projects. Notwithstanding this, the Audit Office requested the Ministry to provide the relevant records from the Village Councils. However, up to the time of reporting, none of the forty-three Village Councils had submitted reports for audit.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the finding and explained that efforts are being made to have as much reports in within the next two months.

Recommendation: *The Audit Office recommends that the Head of Budget Agency obtain these reports and submit same for audit. (2020/113)*

Stipend-Community Service Officers

400. The Ministry is still to submit seven payment vouchers totalling \$32.010M for audit verification. As a result, the accuracy and validity of these payments for stipend purportedly made to Community Service Officers could not be determined.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged this finding and explained that these vouchers will be cleared before October 31, 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency obtain these payment vouchers and submit same for audit. (2020/114)*

- *Agricultural Tools*

401. The sum of \$27.075M was expended on the purchase of agricultural tools for hinterland communities. Details of the expenditure is summarised in the table below:

Details	Quantity	Cost \$'000
Swing fog machine	20	8,425
Brush cutters	76	7,296
STIHL chainsaws	36	5,856
Cutlasses	751	1,281
Forks	461	891
Axe head & Handle	300	807
Shovel	547	740
Guide Bar	36	529
Pick axe	176	401
Hoes	442	336
Trim cut	76	303
Link Felling Chain	36	210
Total		27,075

402. The agricultural tools were physically verified, and accounted for in the Ministry's records. However, the majority of the items were still not issued. As a result, the intended use and benefits of these items were delayed. See summary of the receipt and issues in the table below:

Description	Purchased	Issued	Balance
Swing fog machine	20	-	20
Brush cutters	76	20	56
STIHL chainsaws	36	04	32
Cutlasses	751	-	751
Forks	461	-	461
Axe head & Handle	300	-	300
Shovel	547	-	547
Guide Bar	36	04	32
Pick axe	176	07	169
Hoes	442	-	442
Trim cut	76	20	56
Link Felling Chain	36	04	32
Total	2,957	59	2,898

Ministry's Response: The Head of Budget Agency stated that the Ministry noted the finding and explained that these tools were purchased and are distributed upon request. Further, due to COVID-19, deliveries were compromised.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that items acquired are put into use as intended, so that the benefits can be derived. (2020/115)*

- *Land Cruisers*

403. The sum of \$22.851M was expended for the purchase of two Toyota Land Cruisers for Kaibarupai and Waipa Villages. The approval was granted by NPTAB on 24 November 2020 and the contract was signed on 18 December 2020. The sum of \$11.425M was paid to the supplier on 13 January 2021. The Land Cruisers were registered on the 29 July 2021 and was physically verified in August 2021.

404. At the time of reporting in September 2021 the vehicles were still in the Ministry's compound and was not handed over to the villages. As a result, the intended benefits of the vehicles are still to be achieved.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the finding and explained that the Agency faced some unforeseen challenges during the process. Also, due to the deplorable condition of trails, deliveries were not possible.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the vehicles be put into use as intended, so that the benefits can be derived. (2020/116)*

- *Sewing Machines with Cabinets*

405. The sum of \$7.980M was expended for the purchase of forty-two sewing machines with cabinets for Amerindian Villages. The machines were verified as being received and accounted for in the Ministry's stores records. As at July 2021, twenty-two of sewing machines were issued to Amerindian Villages, while the balance of twenty was at the Hostel Stores. As a result, the intended benefits of the sewing machines are still to be achieved.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the findings and explained that delivery will be on or before November 30, 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the sewing machines be put into use as intended, so that the benefits can be derived. (2020/117)*

- *Generator*

406. One generator valued at \$5.904M was purchased for St. Cuthbert's Mission. The generator was received on 16 January 2021 and reportedly handed over to the community. However, handing over records were not submitted for audit. As a result, it could not be determined to whom the generator was handed over, and whether it is being used as for the purpose(s) intended.

Ministry's Response: The Head of Budget Agency stated that the asset was removed from the Ministry Stores to the Village.

Recommendation: *The Audit Office recommends that the Head of Budget Agency obtain the relevant records and submit for scrutiny. (2020/118)*

- *Solar Radios*

407. The sum of \$3.925M was expended for the purchase of solar radios for hinterland communities. The solar radios were received by the Ministry; however, they were not put into use. As a result, the intended benefits of the radios were not achieved.

Ministry's Response: The Head of Budget Agency stated that the solar radios are in possession of the Ministry and will soon be delivered as planned.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the sewing machines be put into use as intended, so that the benefits can be derived. (2020/119)*

Land and Water Transport

408. The sum of \$30.450M was provided for the purchase of boats, outboard engines, and all-terrain vehicles (ATVs). Amounts totalling \$30.449M were expended, as summarised in the table below:

Particulars	Quantity	Amount \$'000
All-Terrain Vehicles	07	13,097
Out Board Engines	15	12,052
Construction of Boats	02	3,200
Purchase of Boats	03	1,870
Motor cycle- Karasabai Village	01	230
Total		30,449

409. The sum of \$12.052M was paid in December for the purchase of fifteen outboard engines for hinterland communities. The engines were received by the Ministry on 5 January and 7 April 2021. Physical verification done during August 2021 revealed that all the outboard engines were still in boxes at the Ministry's Hostel Stores. As a result, the intended purpose of the engines was not achieved.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the finding and explained that two engines were delivered; while, arrangements are being made for the others, which will be before the end of October 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the outboard engines be put into use as intended, so that the benefits can be derived. (2020/120)*

410. The sum of \$1.870M was expended for the purchase of two aluminium boats and one wooden boat for Quebanang Village, the Community Development Officer, Region № 1, and Moruca. The two aluminum boats were received by the Ministry. Physical verification in August 2021 revealed that the two aluminum boats were still at the Ministry's Stores. As such, the intended purpose of the boats was also not achieved.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the findings and explained that due to numerous factors, the Ministry was unable to conduct delivery as planned. However, both will be delivered on or before October 31, 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the boats be put into use as intended, so that the benefits can be derived. (2020/121)*

Other Matters

The Amerindian Purpose Fund (APF)

411. 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.

412. 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.

413. 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.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure system are put in place urgently, so that the Fund can be better managed. (2020/122)*

414. The Ministry maintained a cash book; however, it was not balanced nor did it reflect an opening balance as at 1 January 2020, or a closing balance as at 31 December 2020. It should be noted that this bank account was last reconciled as of November 2009.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged these findings and explained that in 2016, members from the Special Organised Crime Unit would have demanded all APF records prior to 2014. However, the Ministry has been maintaining documents associated with this account since then.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure that this account is reconciled earliest, and the results submitted for audit. (2020/123)*

415. An analysis of the receipts and payment vouchers presented for audit examination revealed that the sum of \$23.844M was received as revenue; whilst, the sum of \$18.379M was expended. The bank statements showed an opening balance of \$27.463M as at 1 January 2020, and a closing balance of \$32.928M. A summary of the transactions of the Fund is shown in the table below.

Particulars	Amount \$'000
Opening Balance (B/S)	27,463
<u>Add: Receipts</u>	<u>23,844</u>
	51,307
<u>Less: Expenditure</u>	<u>(18,379)</u>
Balance	32,928
Less: Closing Balance (B/S)	(32,928)
Balance	0

416. Included in the sum of \$18.379M are amounts totalling \$17.653M (approximately ninety-six percent of the total expenditure) paid over to the Hururu Village Council to offset expenses for the year 2020. However, we could not determine whether the monies paid over to Council were utilised as intended; since, documentation regarding same was not submitted for audit. Further, due to the COVID-19 restrictions, the Audit Office was unable to visit the Council to examine the relevant records.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged these findings and explained that the respective payments represents royalties paid by RUSAL through the Ministry for the Hururu Village Council. The Ministry further explained that documents to accounts for those funds are available.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the relevant records for audit. (2020/124)*

Stores and Other Public Property

417. The Ministry's Master and Sectional Inventories were not updated to reflect all assets acquired by the Ministry. This is a breach of Section 24 of the Stores Regulations 1993, which 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*".

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged this finding and explained that efforts are being made to have this activity completed by October 31, 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 24 of the Stores Regulations. (2020/125)*

Prior Year Matters

Capital Expenditure

418. 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.

419. It should be noted that the Ministry had sought legal advice from the Solicitor's General Office (last correspondence dated 29 July, 2020). The Head of the Budget Agency had stated that the Ministry is still awaiting a response from the Solicitor General's Office Notwithstanding this, at the time of reporting in September 2021, the Ministry had still not recovered the overpayment.

Ministry's Response: The Head of Budget Agency stated that the Ministry was advised by the Attorney General's Office that the matter is "Statute Barred", and as of consequence, the Ministry should not take further action.

Other Matters

Amerindian Purpose Fund (APF)

420. The Ministry was still to recover seventy-one advances totalling \$26.572M that were issued during 2015 to 2017 from the Fund. A summary of the outstanding advances is shown in the table below.

Year	№ of Advances	Amount \$'000
2015	41	16,404
2016	24	9,548
2017	06	620
Total	71	26,572

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledged the findings and explained that efforts are on-going to recover the outstanding advances.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure efforts are made to recover the monies. (2020/126)*

421. 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. The Head of Budget Agency had stated that an investigation was on-going on this matter. Whilst, the Audit Office had recommended that the investigation report be submitted for examination. However, up to the time of reporting in September 2021, the report was not submitted.

Ministry's Response: The Head of Budget Agency stated that that an investigation is still on-going in relation to this matter.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency submit the investigation report when available, for scrutiny. (2020/127)*

Follow-up on the Implementation of Prior Year Audit Recommendations

422. The table below summarises the prior year matters as contained in the Auditor’s General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 27 recommendations; 17 were not implemented, 0 was partially implemented and 10 were fully implemented.

Rec. №	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/169	Contracted employees	√		
2019/170	Cash payments of salaries			√
2019/171	Discrepancies in maintenance of log books			√
2019/172	Breach of Section 43 of FMA			√
2019/173	Breach of Section 43 of FMA			√
2019/174	Refund on warrants incorrectly credited			√
2019/175	Breach of Section 42 of Procurement Act	√		
2019/176	Breach of Section 43 of FMA			√
2019/177	Breach of Section 43 of FMA			√
2019/178	Non-submission of reports			√
2019/179	Non-submission of reports			√
2019/180	Differences in IFMIS Reports	√		
2019/181	Non-submission of information	√		
2019/182	Differences in IFMIS Reports	√		
2019/183	Breach of Section 43 of FMA			√
2019/184	Breach of Section 43 of FMA			√
2019/185	Non-submission of reports			√
2019/186	Breach of Section 42 of Procurement Act	√		
2019/187	Breach of Section 31 (3) of FMA	√		
2019/188	Breach of Section 43 of FMA	√		
2019/189	Poor management of APF			√
2019/190	Bank reconciliation not up-to-date - APF			√
2019/191	Overpayment on contract	√		
2019/192	Unverified Grant - APF	√		
2019/193	Outstanding advances			√
2019/194	Unverified Grant - APF			√
2019/195	Outstanding cheque orders			√

AGENCY 21
MINISTRY OF AGRICULTURE

Current Year Matters

Current Expenditure

Maintenance of Vehicles

423. Amounts totalling \$25.709M were budgeted in 2020 for the maintenance of vehicles. Allotment transfers totalling \$5.419M were made revising the total funds available to \$31.128M. According to the Appropriation Accounts, amounts totalling \$30.876M were expended as at 31 December 2020. A three years comparison revealed that eleven vehicles had excessive expenditure amounting to \$30.237M as shown in the table below:

Registration Number	Description	Date of Registration	Amount \$'000 2018	Amount \$'000 2019	Amount \$'000 2020	Amount \$'000 2018 to 2020
PVV 1434	Land Cruiser	15.06.2016	3,398	3,019	1,935	8,352
PKK 2986	Hilux Surf	06.11.2006	705	1,588	597	2,890
PJJ 3705	Double Cab	06.10.2004	-	1,034	-	1,034
PTT 3092	Double Cab	11.03.2015	-	947	513	1,460
PWW 6724	X-Trail	03.01.2018	135	840	556	1,531
PRR 7963	Double Cab	06.09.2013	718	648	1,604	2,970
PSS 2046	Mini Bus	29.01.2014	590	569	687	1,846
PRR 2131	Hilux Pickup	14.2.2013	726	1,163	1,179	3,068
PVV 5945	Nissan Jeep	1.7.2016	677	842	1,154	2,673
PRR 7734	Land Cruiser	29.8.2013	949	473	1,735	3,157
PGG 6132	Nissan Pickup	13.3.1999	341	294	621	1,256
Totals			8,239	11,417	10,581	30,237

Ministry's Response: The Head of Budget Agency indicated that the maintenance works carried out on the identified vehicles were necessary to ensure the safety of staff and availability of transportation to carry out the day-to-day activities of the Ministry. The Ministry, particularly the Hydromet Service, has increased in field activities in locations with rough terrain over the period under review. Thus, an increase in these activities will result in increased vehicle use, which will increase maintenance costs.

Recommendation: The Audit Office once again recommends that the Ministry monitor the cost for maintaining the above vehicles and consider approaching the Ministry of Finance with a view of obtaining the necessary funds to replace them since this is likely to result in significant cost savings. (2020/128)

Maintenance of Buildings

424. Amounts totalling \$24.427M were budgeted in 2020 for the Maintenance of Buildings. Allotments transfers totalling \$7.489M were made revising the total funds available to \$31.916M. As at 31 December 2020, amounts totalling \$31.571M were expended.

425. Included in the expenditure of \$31.571M was a contract for repairs to the Storage Bond at the Hydromet Office, Brickdam which was awarded in the sum of \$13.115M in 2019. As at 31 December 2020, amounts totalling \$11.313M were paid to the contractor. Physical verification revealed that the works were completed. However, the retention payment was not paid to the Contractor at the time of reporting. In addition, as mentioned in the 2019 Auditor General’s Report 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.

Ministry’s Response: The Head of Budget Agency indicated that the work on the storage bond was budgeted under the current budget for the year in order to effect urgent repairs to the depilated structure. However, after the commencement of the repairs it was discovered that several changes were necessary to ensure the structure remain functional. These changes led to the works being classified as capital in nature. The Hydromet Service has since put measures in place to ensure no recurrence of this error.

Additionally, the retention payment was scheduled to be paid to the contractor in 2020, however no request for payment was received from the contractor. Efforts by the Engineer to contact the contractor proved futile. Please note a request was not made for this payment to be rolled over to 2021.

Recommendation: *The Audit Office recommends that the Ministry desist from using current budgetary allocations for completing capital works. (2020/129)*

Subsidies and Contributions to Local Organisations

426. The sum of \$8.458 billion was budgeted for Subsidies and Contributions to eight Local Organisations. On 31 December 2020, a Supplementary Allotment Provision of \$407.613M was provided for the expanded work programme of National Drainage and Irrigation Authority (NDIA) in Regions 2 to 6, and 10 to enhance food security in light of COVID-19 pandemic. On 21 December 2020 a Contingencies Fund Advance Warrant for \$186.322M was granted to facilitate urgent repairs to Agricultural Access Dams within Regions 2, 3 and 5; as well as to undertake urgent drainage works in the Mahaica/Mahaicony Abary - Agricultural Development Agency (MMA/ADA) areas of Region 5 and to undertake additional activities such as repairs to agricultural dams and the sluice door at Grove/Diamond to mitigate flooding, resulting from a breach of the secondary sea dams at Dantzig, Region 5, taking the total funds available to \$9.052 billion.

427. According to the Appropriation Accounts, the sum of \$9.051 billion was 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 auditing firm. However, these entities failed to comply with Section 80 (4) of the Fiscal Management and Accountability Act (FMA) 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 status of the entities are as follows:

Agency	Amount Received	Audit Reports		Financial Statements	
	\$'000	Last Audited	Laid in National Assembly	Received by Audit Office	Not Received by Audit Office
National Drainage & Irrigation Authority	6,292,436	2014	-	2015-2019	2020
National Agriculture Research & Extension Institute	1,195,387	2018	2015	2019-2020	-
Guyana Livestock Development Authority	692,500	2011	-	2012-2018	2019-2020
Guyana School of Agriculture	351,335	2008	-	2009 - 2020	-
Mahaica Mahaicony Abary/Agricultural Development Authority	280,179	2007	-	2008-2014	2015-2020
Guyana Marketing Corporation	218,067	2018	2016	2019	2020
Hope Coconut Estate	20,000	1994	-	2008-2014 2017-2018	1995-2008 2015-2016 2019-2020
Pesticide & Toxic Chemicals Control Board	0	2019	-	2020	-
Guyana Sugar Corporation	0	2018	2016	2019	2020
Guyana Society for the Prevention of Cruelty to Animals	723	-	-	Not a statutory body. Audited privately.	
Total	9,050,627				

Ministry's Response: The Head of Budget Agency indicated that there has been some improvement with the submission of annual reports and financial statements by Subvention Agencies. The Ministry will continue to work with the Subvention Agencies to ensure compliance in this regard.

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. (2020/130)*

Capital Expenditure

428. The sum of \$9.487 billion was allotted to execute the four capital programmes of the Ministry. According to the Appropriation Accounts, amounts totalling \$9.281 billion were expended, leaving an unutilised balance of \$206M as shown in the table below:

Prog. No.	Description	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000
1	Ministry Administration	835,642	634,671	200,971
2	Agriculture Development & Support Services	8,559,420	8,554,703	4,717
3	Fisheries	42,000	41,204	796
4	Hydrometeorological Services	50,036	50,036	0
Total		9,487,098	9,280,614	206,484

429. As can be noted from the table above the unutilised sum of \$200.971M was noted under Programme 1 and shown in the tables below:

Line Item	Description	Total Funds \$'000	Total Expenditure \$'000	Unutilised Amount \$'000
1302300	Drainage & Irrigation Pumps	565,048	420,095	144,953
2100700	Flood Risk Management	51,000	13,856	37,144
4404000	Reverse Linkage Programme - Rice Development	10,000	0	10,000
2100700	Flood Risk Management Project	100,000	91,126	8,874
Total		726,048	525,077	200,971

INDIA Loan - Drainage and Irrigation

430. The sum of \$565.048M was provided for drainage and irrigation pumps and institutional strengthening – INDIA. According to the Appropriation Account as at 31 December 2020, the sum of \$420.095M was expended, leaving an unutilised balance of \$144.953M. 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 explained that the Project suffered a setback because the installation phase of the pumps by personnel from India was delayed due to the Covid- 19 Pandemic. The unspent amount was rolled over to 2021 and the installations were completed by the end of March 2021. All pumps are currently functioning with the exception of one fixed pump at Devonshire Castle, Region number 2 and one mobile pump at Cowan Street, Region 4.

Technical Assistance – Support to Agriculture Sector

431. In 2020, the amount of \$51M was allotted for (i) development and implementation of framework for prioritisation of crops; (ii) integrated crop-modelling of six priority crops focusing on bio-physical climate change impact information and socio-economic data to identify vulnerability hotspots; (iii) Climate Smart Rapid Appraisal including gender roles, responsibilities and analysis of social inclusion of at-risk youths; and (iv) capacity building and knowledge dissemination such as national and regional workshops, research, policy brief, technical reports and training of scientist. According to the Appropriation Account, as at 31 December 2020, the Project expended the amount of \$13.856M, leaving an unutilised balance of \$37.144M. As a result, the intended benefits of the Project which included improving mechanisms to address effects of climate change could be delayed. The amounts expended under this project were made directly by Caribbean Development Bank to the consultants as such an audit was not required.

Ministry's Response: The Head of Budget Agency indicated a great part of the budgeted activities for 2020 involved field visits and data collection. However, due to the Covid 19 pandemic the overseas Technical Officers were unable to travel to Guyana, thus the shortfall. In order to ensure the intended benefits of this Project are attained, the activities have since been reprogrammed to virtual events.

Reverse Linkage Project in Rice Development Production

432. 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 2020 the amount of \$10M 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.

433. However, according to the Appropriation Accounts the entire allocation remained unspent as at 31 December 2020. Noteworthy, amounts have been budgeting for this Project each year since 2018 but were 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 apart from the varietal improvement aspects of the project, all the other components were based on training. This involves travel and direct contact with many persons, the Covid 19 pandemic has affected MAX ability to deliver the training. However, Max has sent two genotypes which have gone through several rounds of testing and one is being assessed for possible release as a variety.

It must be noted that the agreement between MAX AGRI COMMERCE SDN BHD, Malaysia and the Government of Guyana is for the provision of Technical Support in the form of consultancy service and training. This project expired in September 2020 and has not being extended.

Flood Risk Management Project

434. The sum of \$100M was provided for the rehabilitation of sections of East Demerara Water Conservancy embankment, hydrology and hydraulic modelling of East Demerara Water Conservancy, design and construction of pump station at Liliendaal and procurement of earth-moving equipment. According to the Appropriation Accounts as at 31 December 2020, the Project expended \$91.126M. This Project is subject to separate financial reporting and audit, the last audit report was issued on 21 June 2021, for the year ended 31 December 2020.

Programme 2 - Agriculture Development and Support Services

Line Item	Description	Total Funds \$'000	Total Expenditure \$'000	Unutilised Amount \$'000
2802900	Sustainable Agriculture Development Project	40,000	40,000	0
2803000	Hinterland Environmentally Sustainable Agriculture Development Project	46,000	46,000	0
1405500	Rural Agriculture Infrastructure Development	48,000	43,455	4,545
1301900	Mangrove Management	51,885	51,885	0

CDF Loan №. ROG/L0002 - Rural Agricultural Infrastructure Development Project

435. The sum of \$880M was allotted for the Rural Agricultural Infrastructure Development Project. For the year 2020 the sum of \$48M was allocated for the provision of tractors and implements for farmers. As at 31 December 2020, the sum of \$43.455M was expended. This Project is subject to separate financial reporting and audit, the last audit report was issued on 30 June 2021, for the year ended 31 December 2020.

Mangrove Management

436. The sum of \$51.885M was allocated for the completion of groynes at Anna Regina, La Bonne Intention (LBI) and Beterverwagting which was classified as critical on the Capital Project Profile. According to the Appropriation Account as at 31 December 2020, the sum of \$51.885M was released to the Agency. The benefits of the Project entailed sustainable coastal zone protection.

437. In addition, as was mentioned in the above paragraph, of the \$51.885M received by the Agency, the sum of \$28.517M was expended on the construction of groynes at Anna Regina, LBI and Beterverwagting. The difference of \$23.368M represents two cheques which was still on hand for the purchase of 3000 tons of armour rocks. However, Section 43 of the Fiscal Management & Accountability Act 2003 requires all unspent balances to be refunded to the Consolidated Fund at the end of the fiscal year.

Ministry's Response: The Head of Budget Agency indicated that the cheques on hand as reported represents payment of 2% withholding tax to GRA and advance payment to supplier for armour rocks. The contract was signed on 31 December 2020 for the rocks to be supplied in 2021, however the cheque was not released to the supplier due to challenges regarding the transportation of the rocks. The Project is currently in the process of resolving this matter.

Recommendation: *The Audit Office recommends that the Unit ensure that there is strict compliance with Section 43 of the FMA Act at all times. (2020/131)*

Other Foreign Funded Projects

IDB №. 3798/BL-GY - Sustainable Agriculture Development Project

438. The sum of \$40M was allotted in 2020 for (a) construction of abattoirs in Regions 3 & 5; (b) support to farmers in Regions 4, 5, 6 & 10; (c) support to Wales Development Authority; and (d) institutional strengthening. According to the Appropriation Account the full sum was released to the Project. This Project is subject to separate financial reporting and audit. The last audit report was issued on 30 April 2021 for the year ended 31 December 2020.

IFAD Loan №. 2000001704/Grant №. 2000001705 - Hinterland Environmentally Sustainable Agriculture Development Project

439. The sum of \$46M was allotted in 2020 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. According to the Appropriation Account as at 31 December 2020, the entire amount was released to the Project. This Project is subject to separate financial reporting and audit, the last audit report was issued on 21 June 2021, for the year ended 31 December 2020.

Programme 4 – Hydrometeorological Services

440. The amount of \$50.036M was allotted for (i) completion of living quarters at Annai; and (ii) purchase of equipment, which was classified as critical according to the Capital Project Profile. According to the Appropriation Account, the full sum of \$50.036M was expended as at 31 December 2020. A physical verification of the purchases revealed that items were received and properly brought to account in the records of the Ministry. However, the Direct Readout Ground Station was not operational. It was noted that the construction of the base for the station was in progress at the time of reporting.

Ministry's Response: The Head of Budget indicated that funds were allotted in 2021 Budget for the construction of the base for the Direct Readout Ground Station. The construction is in progress and upon completion, the base is expected to be operational by November 2021.

Follow-up on the Implementation of Prior Year Audit Recommendations

441. The table below shows the prior year matters as contained in the Auditor's General 2019 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 12 recommendations; 1 was not implemented, 6 were partially implemented and 5 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/196	Breach of Circularised Instruction - Contracted Employees	√		
2019/197	Vacancies for critical positions	√		
2019/198	Breach of Circularised Instruction – Capital expenditure met from current	√		
2019/199	Breach of FMA Act - Laying of audited accounts in the National Assembly and outstanding financial statements		√	
2019/200	Breach of FMA Act – Withdrawal of funds on 31.12		√	
2019/201	Breach of FMA Act - Laying of audited accounts in the National Assembly and outstanding financial statements		√	
2019/202	Breach of cash basis of accounting - Fuel	√		
2019/203	High maintenance cost for vehicles			√
2019/204	Breach of Stores Regulations - Log Books	√		
2019/205	Breach of FMA Act – cheques on hand		√	
2019/206	Shortfall in expenditure		√	
2019/207	Breach of FMA Act – cheques on hand		√	

AGENCIES
25 - MINISTRY OF BUSINESS
23 – MINISTRY OF TOURISM, INDUSTRY & COMMERCE

442. The Ministry of Tourism, Industry & Commerce is a new Agency which replaced the Ministry of Business. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 25 – Ministry of Business, while the last three months (October to December) was budgeted under the new Agency 23 – Ministry of Tourism, Industry & Commerce.

Current Year Matters

Current Expenditure

Subsidies and Contributions to Local Organisations

443. Amounts totalling \$1.240 billion were budgeted for Subsidies and Contribution to Local Organisations. According to the Appropriation Accounts, amounts totalling \$1.205 billion were disbursed to five agencies as at 31 December 2020. The table below shows the transfers and the audited status of each agency:

Agency	Amount Transferred	Audit Reports	
	\$'000	Last Audited	Laid in National Assembly
Guyana National Bureau of Standards	417,507	2015	2011
Guyana Tourism Authority	338,354	2004	2005-2012
Small Business Council	177,105	2018	2016
Guyana Office for Investment	163,530	2017	2015
Competition and Consumers Affairs Commission	108,569	2015	-
Total	1,205,065		

444. These entities are subject to separate financial reporting and audit and as can be noted from the table above the Guyana Tourism Authority, Guyana Office for Investment and Competition and Consumers Affairs Commission were in arrears in terms of submitting their financial statements for audit. In addition, the five entities were in arrears in terms of having their audited financial statements laid in the National Assembly as required by Section 80 (4) of the Fiscal Management and Accountability Act of 2003.

Ministry's Response: The Head of Budget Agency indicated that the Ministry will continue to 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 continue to follow-up with the defaulting agencies to have the outstanding Financial Statements submitted for audit and ensure that all outstanding audited accounts are laid in the National Assembly. (2020/132)*

Other Matters

Scrap Metal Trade

445. With effect from January 2019, all revenues earned from the scrap metal trade were deposited directly into the Consolidated Fund Account №. 407; whilst, all expenditure relating to the Unit including Employment Costs were met from the Ministry's Appropriations. Previously, a separate Bank Account was maintained for the Unit at Republic Bank (Guyana) Limited into which all revenues earned from the scrap metal trade were deposited and the related expenditures for the Unit were met from this account. The closing balance of this account as at 31 December 2019 was \$3.814M and the Audit Office had recommended that the balance should be transferred to the Consolidated Fund Account №. 407 and the account closed. A request was made for the bank statements for the period under review, however it was explained that the account was inactive.

Ministry's Response: The Head of Budget Agency indicated that the Scrap Metal Account is inactive and efforts are being made to update said account.

Recommendation: *The Audit Office recommends that the Head of Budget Agency provide the bank statements when this account is updated. (2020/133)*

Capital Expenditure

446. The sum of \$669.579M was budgeted in 2020, to execute the capital programmes of the Ministry. According to the Appropriation Accounts, the sum of \$601.009M was expended, resulting in an unutilised balance of \$68.570M.

Industrial Development

447. The sum of \$110.051M was available under Industrial Development or (i) completion of business incubator in Lethem; and (ii) payment of retention. However, as at 31 December 2020, the sum of \$70.963M were expended, resulting in a shortfall of \$39.088M or 35.5%. As outlined in the 2020 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 Program not being achieved as planned.

Ministry's Response: The Head of Budget Agency indicated that the at Project Progress Meeting held in February 22, 2019 for the construction of a Business Incubator Centre at the Lethem Industrial Estate, the Ministry was informed of the inability of the Contractor to complete the project on schedule, that was on May 31, 2019. The main challenges experienced by the Contractor that caused the delay in meeting the project completion date were the management and cash flow issues. Since interim payments are made only on measured works, therefore with the Contractor's inability to complete works according to the revised work programme, resulted in the shortfall in spending during the budget year 2020. Retention period which is six months was also budgeted to be paid in 2020 but was not paid.

448. The construction of a Business Incubator Centre at Lethem Industrial Area, Region №. 9 was awarded in the sum of \$271.378M. During 2020, the sum of 25.853M was expended, bring the total payment on this contract to date to \$207.238M and a balance of \$64.141M. It was noted there were several extensions to this project, the last being for the period 27 February to 26 March 2021. A physical verification of this project will be conducted by the Audit Office at a later date.

Ministry's Response: The Head of Budget Agency indicated that request for extension was sought and granted by the National Procurement and Tender Administration Board at varying points from June 1-September 9, 2019; September 10 to November 30, 2019; December 1, 2019 to February 28, 2020, February 29 to June 30, 2020; July 01, to October 07, 2020; October 8, 2020 to February 26, 2021; February 27 to March 26, 2021.

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. (2020/134)*

National Quality Infrastructure

449. The sum of \$178.189M 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 Health and Ministry of Agriculture; (iii) preparation of National Export and Investment Promotion Strategy; and (iv) construction of access road. According to the Appropriation Accounts as at 31 December 2020, the sum of \$154.533M was expended. This project is subject to separate financial reporting and audit. The last audit report was issued on 28 April 2021 for the year ended 31 December 2020.

Single Window Automated Processing System

450. The sum of \$45.201M was budgeted in 2020 for (1) review and modernisation of regulatory framework; (2) 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 (3) institutional strengthening for Electronic Single Window stakeholders. As at 31 December 2020, the entire budgeted sum of \$45.201M was expended. This Project is subject to separate financial reporting and audit. The last audit report was issued on 28 April 2021 for the period 11 February 2019 to 31 December 2020.

Follow-up on the Implementation of Prior Year Audit Recommendations

451. The table below summarises the prior year matters as contained in the Auditor’s General 2019 Report and the action taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted that of the 10 recommendations, 7 were fully implemented and 3 were partially implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/208	Breach of Circularised Instruction - Contracted Employees	√		
2019/209	Vacancies for critical positions	√		
2019/210	Breach of the FMA Act 2003 - Failure to have audited Financial Statements laid in National Assembly		√	
2019/211	Breach of Procurement Act	√		
2019/212	Breach of the FMA Act 2003 - Refund of Unspent Balance	√		
2019/213	Breach of the FMA Act 2003 - Refund of Unspent Balance		√	
2019/214	Shortfall in expenditure	√		
2019/215	Shortfall in expenditure		√	
2019/216	Shortfall in expenditure	√		
2019/217	Shortfall in expenditure	√		

AGENCY 26
MINISTRY OF NATURAL RESOURCES

Current Year Matters

Current Expenditure

Other Matters

452. The Ministry breached Section 43 of the Fiscal Management and Accountability Act (FMA) of 2003. This Section requires all unspent balances to be refunded to the Consolidated Fund at the end of the fiscal year. At the time of reporting, it was noted that five cheques totalling \$210,344 were still on hand at the Ministry of Finance to be uplifted by the respective payees.

Ministry's Response: The Head of Budget Agency indicated that several payments were submitted to the MNR in December 2020, for payment services provided and these were processed. However, due to the holiday activities and COVID Pandemic, a number of the vendors were unable to uplift the payments at the time. It is important to note that the Ministry of Natural Resources did not uplift these cheques and had them in our possession; these are payments that only the authorised representative of the Suppliers can uplift. In each instance, the said representatives were notified as per guidelines of the payments being available at the Ministry of Finance. It should be noted that the suppliers were once again reminded to uplift their payments.

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. (2020/135)*

Capital Expenditure

453. The sum of \$252.615M was budgeted for in 2020 to execute the three capital programmes of the Ministry. According to the Appropriation Accounts, the sum of \$178.127M was expended as at 31 December 2020.

Buildings

454. A contract for the construction of Warden's Quarters and Office Building in Aranka and Omai, Region No. 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) on 13 August 2019. Amounts totalling \$63.076M were expended in 2019, resulting in a shortfall of \$30.205M. Multi-year approval was obtained from the Finance Secretary on 30 December 2019 and the amount was re-budgeted for in 2020. The entire amount was paid over to GGMC in 2020. A physical verification of this project will be conducted at a later date by the Audit Office.

Oil and Gas Sector Development Programme

455. The sum of \$150M was budgeted in 2020 for (a) completion of gas to power study, (b) enhancement of legal and institutional framework for management and oversight of Oil and Gas Sector, (c) capacity building for Ministries of Natural Resources and Public Works, Environmental Protection Agency, Guyana Geology and Mines Commission and Department of Energy, (d) creation of Oil and Gas data management system; (e) support for public relations for Oil and Gas sector; and (f) project management. According to the Appropriation Accounts, the sum of \$75.563M was expended as at 31 December 2020. This project is subject to separate audit and reporting. The last audit report was issued on 24 June 2021 for the year ended 31 December 2020.

Forest Carbon Partnership Project

456. The sum of \$64.410M 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 Account, the sum of \$64.409M was expended for 2020. This Project is subject to separate financial reporting and audit. The last audit report was issued on 22 September 2020 for the period 1 January 2020 to 7 May 2020.

Follow-up on the Implementation of Prior Year Audit Recommendations

457. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 3 recommendations; 1 was partially implemented and 2 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/218	Breach of Circularised Instructions - Contracted Employees	√		
2019/219	Breach of FMA Act 2003 - Cheques on Hand		√	
2019/220	Breach of Procurement Act - Sole Sourcing	√		

AGENCIES
32 - MINISTRY OF PUBLIC INFRASTRUCTURE
31 – MINISTRY OF PUBLIC WORKS

458. The Ministry of Public Works is a new Agency which replaced the Ministry of Public Infrastructure. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 32 – Ministry of Public Infrastructure, while the last three months (October to December) was budgeted under the new Agency 31 – Ministry of Public Works.

Current Year Matters

Current Expenditure

Goods and Services

Fuel and Lubricants

459. The sum of \$84.344M was allotted under Line Item 6231 – Fuel and Lubricants, of which amounts totalling \$84.335M were expended. Of the 222 serviceable vehicles and equipment for which log books are required to be maintained, log books were only submitted for ninety. Further, an examination of the ninety log books revealed that they were not properly maintained, as pertinent information such as odometer reading, signature of checking officer, fuel and lubricant supplied and when servicing was done, were not always recorded. As a result, we could not determine whether proper control was exercised over the use of the vehicles and equipment.

Ministry’s Response: The Head of Budget Agency stated that action will be taken to submit the outstanding log books for audit. In addition, every effort is being made to ensure timeliness and completeness of the relevant details are clearly stated in the Log Books. The proper storage of the Log Books on completion will be instituted as recommended.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure log books are properly maintained in keeping with Section 29 of the Stores Regulations. The Ministry should also secure the log books when completed to facilitate audit examination. (2020/136)*

Maintenance of Roads

460. The sum of \$1.811 billion was allotted under Line Item 6251 – Maintenance of Roads. Total expenditure amounted to \$1.809 billion, as summarised the table below.

№	Description	Amount Expended \$'000
1	Repairs and maintenance works	693,066
2	Purchase of materials	552,353
3	Wages and Salaries	288,075
4	Weeding and cleaning	275,506
Total		1,809,000

461. The sum of \$288.075M was expended on the payment of wages and salaries. This is an increase of 114 employees, which represents approximately 131 percent from the eighty-seven employed as at December 2019. The sum expended in 2020 included amounts totalling \$32.358M and \$19.162M, which were deducted and paid over to the National Insurance Scheme and Guyana Revenue Authority, respectively.

462. These employees were not included under 'Employment Costs' in the Approved Estimates of Current Expenditure for 2020, 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 \$288.075M. It should be noted that a similar situation existed in 2019.

Ministry's Response: The Head of Budget Agency stated that the comments are noted. However, the employment cost for the Special Projects Unit (SPU) was catered for under the Maintenance of Road line head for the year 2020 and not under the Ministry of Public Works Employment Cost. The reason was because employees of the SPU are employed as temporary, daily rated workers; for which there is currently no other appropriate line head to cater for such employment.

This cost is also considered a component of maintaining roads, hence further reason for allocating it to that line head. Further, it should be noted, from the initial establishment of then Force Account Unit, it has always been the practice to cater for wages from this line item head, which continuously gained approval from the Ministry of Finance.

463. An examination revealed that the personal emoluments of nineteen employees who are skilled/semi-skilled were paid under this Line Item. However, it should be noted that Line Item 6115 caters for semi-skilled and unskilled staff. Moreover, the designations for sixteen of the nineteen employees are on the 'List of Approved Positions' under the Ministry, as contained in the National Estimates of Expenditure.

Ministry's Response: The Head of Budget Agency stated that employment within SPU is generally temporary - one-year durations. As such, it cannot be effectively captured under line-item 6115. The 6115 deals with the employment of unskilled and semi-skilled workers, who are either permanent or in the process of becoming permanent, as transitioning to the pensionable establishment. In addition, the unconventional work capacity and hours, generally lead to overtime, which is not catered for under 6115 head, which does not accommodate regular overtime because that line-item head is a pensionable one.

There are a few skilled employees working under the SPU, as identified in the Audit Report. This matter has gained the attention of the relevant parties and there is a joint effort between the Public Service Ministry and the Ministry of Public Works to transfer those employees. Additionally, conditions of SPU contracts restrain employees from receiving certain employment benefits. As such, the rectification of this matter is actively being considered.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure propriety of expenditure is considered when the Ministry's Budget is being prepared. (2020/137)*

Utilities

464. The sum of \$490.162M was expended for the payment of utility services, that is, telephone, electricity and water charges. An examination of the three utilities registers revealed that they were not properly written up to reflect pertinent information. In addition, not all payments were entered in the registers. As such, the accuracy and propriety of these payments could not be determined. The expenditure is summarised the table below.

Line Item	Description	Amount Expended \$'000	Amount per Register \$'000	Difference \$'000
6271	Telephone Charges	17,495	4,692	12,803
6272	Electricity Charges	457,572	148	457,424
6273	Water Charges	15,095	12,867	2,228
Total		490,162	17,707	472,455

Ministry's Response: The Head of Budget Agency stated that:

- a) Telephone expenditure of \$17,495,000 was accumulated by both the Ministry and WSG. It is noted that some payments were omitted from the Registers owing to the fact that several vouchers were processed at various times and some were missing; however, steps have been taken to have this corrected and all payments recorded.
- b) Electricity – it should be noted that the amount stated/reflected as difference in the was recorded separate in an Electricity File and will be provided for audit purposes.
- c) Water – the difference is being updated and reconciled.

Further, the format of the registers is being reviewed so that accurate information can be easily retrievable.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that its Utility Registers are properly maintained and reconciled periodically. (2020/138)*

Subsidies and Contribution to Local Organisations

465. Amounts totalling \$6.075 billion were released to twelve statutory bodies under the control of the Ministry as Subsidies and Contributions to Local Organisations. Two of these bodies, Guyana Energy Agency, and Transport and Harbours Department also received Capital Subventions amounting to \$25.015M and \$128M, respectively. The twelve bodies are subjected to separate financial reporting and audit. However, eleven of the twelve statutory bodies have been untimely in submitting its financial statements for audit, of which eight are now transferred to the Office of the Prime Minister.

466. This is a breach of 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”.

Ministry's Response: The Head of Budget Agency stated that the observations are correct. The Heads of the related agencies have been engaged regarding these deficiencies, with an aim of having these accounts updated in the shortest possible time.

467. The status of their respective audits is reported hereunder.

Agency	Amount Received	Audit Reports		Financial Statements	
	\$'000	Last Audited	Laid in National Assembly	Received by Audit Office	Not Received by Audit Office
Linden Electricity Company Incorporated	3,781,257	2018	2013	2019	2020
Guyana Civil Aviation Authority (GCAA)	825,609	2016	-	2017-2019	2020
Transport and Harbours Department (T&HD)	516,158	2010	2007	2011-2019	2020
Berbice Bridge Company Incorporated	166,304	-	-	-	Private Auditors
Total	6,074,913				

Ministry's Response: The Head of Budget Agency stated that the observations are correct. The Heads of the related agencies have been engaged to have all outstanding Annual Reports submitted where necessary. The Permanent Secretary's Secretariat will be working with the agencies to rectify this in the earliest possible time.

In addition, Cabinet has approved reports for CJIA for the years ended December 2016 to 2020 to be tabled in the National Assembly. Cabinet also approved on September 9, 2021 the Audited Financial Statements for Berbice Bridge Company Inc. for the years ended December 31, 2019 & 2020; to be laid in the National Assembly.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure the Ministry comply fully with Section 80, Sub-sections (1), (3) (c), and (4) of the FMA Act. (2020/139)*

Accounting for Expenditure

468. The Ministry breached the Fiscal Management and Accountability Act 2003. Whereby ninety-four transactions totalling \$912.355M from 30 December 2020 to 2 January 2021, were processed without supporting documentations. See summary in the table below.

Date Cheques Drawn	No. of Cheques	Value \$'000
30 December 2020	49	680,080
31 December, 2020	39	230,739
2 January 2021	6	1,536
Total	94	912,355

469. As such, the basis on which these transactions were processed could not have been determined at the time. Further, it could also not be determined whether the Ministry complied 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 documents to support payments were subsequently received and affixed to the payment vouchers. These vouchers have since been presented for audit examination.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that payments are prepared and processed based the relevant supporting documents, and same should be attached to the vouchers. (2020/140)*

Cheque Orders

470. 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 fully adhere to this circular. More specifically, an examination of a sample of cheque ordered vouchers revealed that thirty-four amounting to \$10.678M were cleared on an average of fifty-seven days; that is, approximately one month after the stipulated time.

Ministry’s Response: The Head of Budget Agency stated that it is regrettable that thirty-four cheque orders amounting to \$10.678M were cleared beyond the stipulated time period. However, this is due to the fact that some vehicle spares were not easily accessible and had to be imported; the printing of electrical books by GNPL takes an extremely longer time; the purchase of fuel and items for the seven Sea and River Defence locations, which, due to the pandemic took longer than usual to obtain.

Vouchers are processed upon receipt of the items by the supplies section and the various Sea Defence locations. The Stores entries are done and then submitted back to Accounts for clearing; hence, the delay. Nevertheless, all efforts will be made to have cheque orders cleared within the stipulated time period of thirty days. Nonetheless, all cheque orders have been cleared in 2021. Going forward, systems will be reinforced to ensure that the time requirements for clearing same are adhered to as far as practical.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure cheque orders are cleared within the stipulated time, in keeping with Circular №. 14/2018. (2020/141)

Other Matters

Historical Records

471. Section 26 of the Stores Regulations requires that historical records be maintained for all motor vehicles, plant, and equipment. However, the files maintained by the Ministry did not contain all pertinent information, including cost of repairs and maintenance. As a result, the maintenance cost per vehicle, plant, and equipment could not be determined. As a result, we could not assess whether it was economical to maintain these assets.

Ministry's Response: The Head of Budget Agency stated that a system has been instituted to ensure that all relevant details are placed in the appropriate files for all vehicles/equipment.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure the records are properly maintained in keeping with Section 26 of the Stores Regulations. (2020/142)

Unpresented Vouchers

472. The sum of \$11.527 billion was expended under current expenditure via 6,723 payment vouchers. However, 873 payment vouchers processed for sums totalling \$704.215M were not submitted for audit, resulting in a limitation of scope. As such, we could not ascertain the correctness, accuracy and validity of \$704.215M, which is summarised in the table below.

Description	№ of Payment Vouchers	Amount \$'000
Others	599	246,623
Purchases	104	181,676
Utilities	63	161,036
Works	107	114,880
Total	873	704,215

Capital Expenditure

Shortfall in Expenditure

473. The sum of \$20.368 billion was allotted for capital expenditure. Amounts totalling \$19.291 billion were expended. This resulted in a shortfall of \$1.076 billion, which is approximately six percent of the Approved Allotment. The table below provides a summary of the shortfall.

Prog. №.	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
1	Policy Development and Administration	3,007,681	3,006,846	835	-
2	Public Works	16,040,862	15,047,229	993,633	6
3	Transport	1,319,192	1,237,212	81,980	6
Total		20,367,735	19,291,287	1,076,448	5

474. Further, there were varying shortfalls on Projects within each Programme. The particulars of these shortfalls and other findings are detailed in the subsequent paragraphs.

Programme 1 - Policy Development and Administration

475. 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	106,296	105,632	664	1
25086	Furniture and Equipment	5,000	4,986	14	0
25087	Furnishing – Government Quarters	3,500	3,500	0	0
26068	Power Utility Upgrade Programme	801,584	801,584	0	0
26069	Sustainable Energy Programme	114,136	113,979	157	0
26065	Renewable Energy Imp. Power System Project	1,917,170	1,917,170	0	0
26098	Energy Matrix Diversification Programme	59,995	59,995	0	0
Total		3,007,681	3,006,846	835	0

Transfer of Projects to Office of the Prime Minister

476. It should be noted that the four Projects: (i) Power Utility Upgrade Programme – IDB Loan № 3238-OC-GY and 3239/BL-GY, (ii) Sustainable Energy Programme – IDB Grant №. GRT/FM – 13897-GY, (iii) Renewable Energy Improvement – Power System Project – Japan Grant № 1860260, and (iv) Energy Matrix Diversification Programme – IDB Loan № 4676/ BL-GY, were placed under the purview of Agency 02 – Office of the Prime Minister (OPM) from October 2020. As such, these Projects are reported on under OPM.

Programme 2 - Public Works

477. The table below provides a summary of expenditure for this Programme:

Project Code	Description	Total Funds Available \$'000	Amount Expended \$'000	Shortfall \$'000	Shortfall %
12149	Infrastructural Development	217,409	217,371	38	0
14038	East Bank/East Coast Road Linkage	65,401	13,901	51,500	79
14039	Dredging	170,000	170,000	0	0
14040	Bridges	53,683	53,593	90	0
14041	Miscellaneous Roads/Drainage	3,682,121	3,679,368	2,753	0
14042	Urban Roads/Drainage	943,158	942,896	262	0
14045	Highway Improvement East Coast Demerara	2,891,625	2,891,625	0	0
14047	Road Network and Expansion Project	688,596	688,596	0	0
14049	Rehabilitation of Public & Main Access Roads	165,663	164,600	1,063	1
14052	Hinterland Roads	862,574	861,577	997	0
14056	Linden Mabura Road and Kurupukari Bridge	153,238	132,955	20,283	13
15013	Sea Defences	1,792,206	878,984	913,222	51
15014	Sea and River Defence Works	3,808,290	3,808,290	0	0
15017	Water Front Development	112,937	109,837	3,100	3
16010	Stellings	58,000	58,000	0	0
19028	Equipment	5,000	4,929	71	1
19034	Guyana Restoration Project	240,961	240,707	254	0
26070	Navigation Aids	60,000	60,000	0	0
27005	Reconditioning of Ferry Vessels	70,000	70,000	0	0
Total		16,040,862	15,047,229	993,633	6

East Bank - East Coast Demerara Road Linkage - India Loan

478. The sum of \$13.900M was allotted under Agency 32 for the design and construction of a road link between East Coast and East Bank from Ogle to Greater Diamond; whilst, a sum of \$51.500M was allotted under Agency 31 for the design and construction of a road link between East Coast and East Bank from Ogle to Haags Bosch. The total sum allotted amounted to \$65.401M. 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. The sum \$13.901M was expended on consultancy services.

479. The shortfall on this Project represented approximately seventy-nine percent of the total funds available. It must be noted that this project continued to experience financial shortfalls as can be seen in 2019 and 2018 which had a ninety-two and forty-nine percent shortfall of the total funds available, respectively. As a result, 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 the shortfalls in 2018 and 2019 were because the estimated cost of the project exceeded the Line of Credit and decision was not made by Government to either extend the loan or disaggregate the Project. Shortly after the new administration took over in August 2020, approval was obtained from the India EXIM Bank to disaggregate the project into 2 phases. Phase 1 of East Bank-East Coast Road Linkage Project (Ogle to Eccles) is to be funded with the existing US\$50M Line of Credit. However, the selection of supervisory consultant and civil works contractor and their respective budgetary disbursements could not be completed in 2020, resulting in the shortfall.

Recommendation: *The Audit Office recommends that the Head of Budget Agency monitor the Project’s execution to avoid undue delays, which may further affect the achievement of its benefits, as intended. (2020/143)*

Dredging

480. The sum of \$170M was allotted for (i) rehabilitation of MT Aruka, and (ii) provision for dredging. The full sum was paid to the Maritime Administration Department (MARAD) on 4 December 2020. The Department provided thirty-one payment vouchers for the purchase of fuel and lubricants amounting to \$63.474M, for use by the MD Steve “N”. However, the transactions occurred between January to October 2020. As such, expenditure was not incurred from the \$170M transferred to the Department in December.

481. Therefore, the \$170M should have been refunded to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. As a result, the Appropriation Account of the Ministry is overstated by \$170M.

Ministry’s Response: The Head of Budget Agency stated that the sum of \$170M was received by the Department and deposited into its capital account. During this period the Ministry was in the height of COVID-19 protocols, which resulted in significant project delays across the Ministry.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure all unspent balances at the end of the year are to the Consolidated Fund, in keeping with Section 43 of the FMA Act. (2020/144)*

Bridges

482. The sum of \$53.683M was allotted for (i) payment of retention, and (ii) rehabilitation of bridges at Essequibo, Sophia, Friendship, Georgetown, Annandale, and Vryheid’s Lust. Amounts totalling \$53.593M were expended as summarised in the table below:

Description	Amount \$’000
Retention payments for works on 11 bridges	17,301
Rehabilitation of bridge at Railway Embankment, Vryheid's Lust	16,363
Re-construction of Sussex and Hog Streets Bridge	8,467
Re-construction of Enmore School Street Bridge	7,995
Re-construction of bridge at Railway Embankment, Annandale	2,366
Withholding Tax	1,101
Total	53,593

483. A contract was signed on 23 December 2020 in the sum of \$15.908M for the re-construction of Sussex and Hog Streets Bridge. Two payments totalling \$8.467M, which represented approximately fifty-three percent of the contract sum, were made within one week of the signing of the contract. However, the contractor did not provide a mobilisation advance bond and a performance security of twenty and ten percent of the contract price, respectively, as required. As a result, the Ministry would not have been in a position to levy on any bonds, should the contractor default. This is poor contract administration.

484. A contract was also signed on 23 December 2020 in the sum of \$15.991M for the reconstruction of Enmore School Street Bridge. Two payments totalling \$7.995M, which represented approximately fifty percent of the contract sum, were made within one week of the signing of the contract. However, the contractor did not provide a mobilisation advance bond and a performance security of twenty and ten percent of the contract price, respectively, as required. As a result, the Ministry would not have been in a position to levy on any bonds, should the contractor default. This is poor contract administration.

Ministry's Response: The Head of Budget Agency stated that the two contracts (Reconstruction of Sussex and Hog Street Bridge, and Reconstruction of Enmore School Street Bridge) were emergency works. By the time the contract was signed and payments were processed, works had already commenced and at that stage the contractors had already purchased the majority of the materials required to execute the job.

Recommendation: *The Audit Office recommends that the Ministry ensure there is proper administration of all contracts entered into. (2020/145)*

485. According to the special conditions of the contracts for works on the bridges at Vryheid's Lust, Enmore, and Annandale, the intended completion dates were stated as six weeks after the issuance of the letters of commencement. However, the commencement orders were not provided for audit examination. As a result, we were unable to determine the commencement dates; and thus, the schedule completion dates for the contract.

486. Further, the general conditions of the require notices of completion to be sent by the contractors, requesting the engineer to issue certificates of completion. However, neither notices of completion nor completion certificates were seen. As a result, we were unable to determine whether the works were completed within the intended scheduled completion times.

Ministry's Response: The Head of Budget Agency stated that both contracts were completed within the contract periods.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit for audit, commencement order, and practical completion certificate. (2020/146)*

Road Network and Expansion Project - IDB Loan №. 2741/BL-GY

487. On 15 March 2013, the Government of Guyana and Inter-American Development Bank signed a loan agreement to finance the Road Network Expansion Project, with the main objective of enhancing mobility and safety by reducing vehicle operating cost, travel times and road fatalities. The total estimated cost of the Programme was US\$69.2M. The IDB agreed to provide a contribution of US\$66.2M; whilst, the Government of Guyana was to provide local contribution of US\$3M for the completion and uninterrupted execution of the Project.

488. On 7 December 2017, the IDB approved the modification of its original objective and the reassignment of the undisbursed loan balance of US\$63.5M and US\$3M, being local counterpart, to an Adequate Housing and Urban Accessibility Programme. The objective of the reformulated Programme was 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.

489. The Parties agreed that the execution of the Programme and the utilisation of the resources of the financing from the IDB shall be carried out by the Ministry of Communities, through the Central Housing and Planning Authority for Component 1, and by the Ministry of Public Infrastructure, through the Works Services Group for Component 2. The period for final disbursement of the resources for the financing shall expire five years from the effective date of this amendment to the Loan Contract. Under Component 1, US\$27M was allocated and under Component 2, US\$38M was allocated.

490. The sum of \$688.596M was allotted for (a) rehabilitation of Sheriff Street - Mandela Avenue, and (b) consultancy services. According to the Appropriation Accounts, the entire sum was expended. This Programme is subject to separate financial reporting and audit, and was last audited for the financial year 2020. The audit report was issued on 28 April 2021.

Linden – Mabura Road Upgrade and Kurupukari Bridge

491. 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 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.

492. The sum of \$153.238M was allotted for the studies and design for construction of Linden to Mabura Road, and bridging of Essequibo River at Kurupukari. Amounts totalling \$132.955M were expended, resulting in a shortfall of \$20.283M. This shortfall represented approximately thirteen percent of the total funds available, which is an indication that the projected activities for 2020 were not fully achieved. This may result in the Project's intended benefits of improved access and reduced travel time, being delayed.

Ministry's Response: The Head of Budget Agency stated that the initial amount of the grant for the Feasibility Study and Design Phase was £830,000, which was approximately US\$1.144M. However, following the limited response from reputable international Consultants after the first round of Request for Proposals in December 2017, CDB increased the ceiling of the grant for this phase of the project to US\$ 2,798,700 after it was determined that the initial budget was unrealistic.

The schedule delays and the failure to complete all deliverables in 2020 are largely attributed to the COVID 19 pandemic and associated impacts. At the onset of the pandemic, field data collection was completed and modelling, designs and preparation of drawings were being done at the Consultant's UK Office. Because of mandatory isolation measures that were in place at the time in UK, the Consultant's Office closed for several months. While activities continued remotely, it was at reduced efficiency due to a number of challenges.

The implementation cost of the proposed design considerably exceeded GoG's budget and after alternatives for proceeding were discussed with CDB, a decision was made to pursue a phased implementation of the project. However, CDB requested that alternative designs for staged construction be assessed and complete engineering and economic analyses be performed to support appraisal of this approach.

Consequently, an addendum was made to the Consultant's Contract on October 19, 2020 to perform value engineering analysis on the original designs and present designs, costing and economic analyses for a phased implementation of the project. These additional services were valued at US\$ 65,180 (approx. G\$13.71M) and were financed from counterpart funds. These additional services were completed and the report accepted by CDB in early December, hence payment was made in December 2020.

Sea Defences

493. 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.

494. The sum of \$1.792 billion was allotted in 2020 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. Amounts totalling \$868.756M were expended, resulting in a shortfall of \$923.450M. This shortfall represented approximately fifty-one percent of the Approved Allotment, and is an indication that the Project's intended benefits of reduced flooding and improved protection of existing infrastructure, being delayed.

Ministry's Response: The Head of Budget Agency stated that it was envisaged that all flood protection infrastructure works would have been completed in 2020 and provision was made for this in 2020 Budget Estimates. However, that approval for the Variation Order to procure the additional helical piles for Lot 3 Site 6 was not received until December 2020.

At Lot 4 Site 8, the relocation of the new river defences seawards by approximately 10 metres necessitated additional fill and rainfall delayed the completion of these works. For Lot 6 Site 7, although Bid Notices were placed for these works in the last quarter of 2019, the tender process was officially annulled in October 2020.

The Community Awareness and Education Programme consultancy using the number one ranked consultant did not commence and the Capacity Building Consultancy was extended by 7 months into 2021.

Stellings

495. The sum of \$58M was allotted for the rehabilitation of Bartica, Parika, Kumaka, and Supenaam Stellings. The full sum was disbursed to the Transport and Harbours Department. An examination of the records submitted by the Department revealed that the sum of \$56.385M were expended, leaving an unspent amount of \$1.615M at the end of December.

496. The unspent sum was retained by the Department. However, the \$1.615M should have been refunded to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003, which requires all unspent balances to be refunded to the Consolidated Fund. As a result, the Appropriation Account of the Ministry is overstated by \$1.615M.

Ministry's Response: The Head of Budget Agency stated that including in the \$1.615M is an amount of \$643,000 on hold as retention which was scheduled to be paid in 2021 for the Kumaka Wharf. There was a six (6) months defects liability period which would have expired on August 5, 2021. Be advised that every effort would be made in the future to have all unspent monies refund to the consolidated fund at the end of the fiscal year.

497. The sum expended by the Department was \$56.385M, as summarised in the table below:

Description	Contract Sum \$'000	Amount \$'000
Rehabilitation of Stellings: Supenaam	24,508	24,508
Parika	12,530	12,530
Kumaka	12,870	12,227
Bartica	6,220	6,220
Supenaam	900	900
Total	57,028	56,385

498. The contracts for rehabilitation work to the Supenaam, Parika, and Bartica Stellings were entered into with the same contractor on 4 December 2020, 26 November 2020 and 30 November, respectively. The contracts required the provision of advance and performance guarantees of fifteen and ten percent, respectively, of the contract price.

499. Further, ten percent of payments were to be retained to correct possible defects. However, the full contract sums were paid in December, even though the defects liability periods were six months. As such, the Department would not have been in a position to levy on the retention sums, had the contractor defaulted. This is poor contract administration.

Ministry's Response: The Head of Budget Agency stated that as it relates to the full contract sum being paid in December 2020, the retentions for Supenaam, Parika and Bartica were paid in December. However, the contractor has submitted bonds to cover the retention amount and defects liability period. Hence, the Department would have been in a position to levy on the retention, if the contractor defaulted.

500. The sum of \$99.435M was expended on the rehabilitation of the Leguan Stelling in 2019. A special investigation was being conducted into the rehabilitation of the Stelling.

Ministry's Response: The Head of Budget Agency stated that the comments are hereby noted. Please be advised that the \$99.435M that was expended on the Rehabilitation of Leguan Stelling in 2019 has been recouped based on the contractor's works executed to date.

Guyana Restoration Project: Programme 322 – Public Works

501. The sum of \$240.961M was allotted for (a) payment of retention, (b) provision for road at Kuru Kururu, Community Organised for Restoring the Environment Project, and weight station, and (iii) upgrading of access road to derelict site. The sum of \$180.738M was expended on wages and salaries for 196 contracted employees. The sum included amounts that were deducted and paid over to the National Insurance Scheme and Guyana Revenue Authority.

502. These employees were not included under ‘Employment Costs’ in the Approved Estimates of Current Expenditure for 2020, 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 \$180.738M.

Ministry’s Response: The Head of Budget Agency stated that the employment cost for the Community Organised for Restoring the Environment (CORE) was catered for under the Guyana Restoration Project Program 322 head for the year 2020 and not under the Ministry of Public Works Employment Cost for the said year. This is because CORE is a Project, and the employment cost is treated as an expense to the project. Further to that, workers are employed temporarily under the project head.

Navigational Aids

503. The full sum of \$60M allotted for the construction of beacons at Waini Nos. 1 and 2, and Demerara main shipping channel was paid over to the Maritime Administration Department. An examination of the records submitted by the Department revealed that the entire \$60M remained unspent and was retained by the Department, instead of being refunded to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. As a result, the Appropriation Account of the Ministry is overstated by \$60M. Further, the intended benefit of improved navigational safety was not achieved.

Ministry’s Response: The Head of Budget Agency stated that the allotted sum of \$60M was subsequently deemed insufficient by the contractors because of the steep increase in material cost, especially steel. No contract has been signed or works conducted. The Ministry had all intention to expend monies, however, in the course of the negotiation the contractor altered the terms and stymied the progress and by extension, the closure of the contract.

Reconditioning of Ferry Vessels

504. The entire sum of \$70M allotted for the acquisition of spares was disbursed to the Transport and Harbours Department. An examination of the records submitted by the Department revealed that the sum of \$50.651M was paid for the acquisition of spares in relation to a contract dated 30 December 2020, in the sum of \$101.302M. The unspent amount of \$19.349M was retained by the Department instead of being refunded to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. As a result, the Appropriation Account of the Ministry is overstated by \$19.349M.

Ministry’s Response: The Head of Budget Agency stated that the observations are correct. As it relates to the unspent sum of \$19.349M indeed this is correct. Every effort would be made in the future to have all unspent sums refunded to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure all unspent balances at the end of the year are refunded to the Consolidated Fund, in keeping with Section 43 of the FMA Act. (2020/147)

505. It should be noted that the contract was scheduled to be completed within eight to ten weeks of the signing of the contract. However, up to the time of reporting in September 2021, items valued \$27.180M were not yet received, even though, the entire contract sum was paid.

Ministry's Response: The Head of Budget Agency stated that the observations are correct. There were delays in the delivery of spares procured. The contractor wrote management requesting an extension and explaining the challenges as a result of the disruption of the supply chain due to the COVID 19 pandemic. One of major factors was shipment into port Georgetown. Several meetings were held with the T&HD Advisory Council and Management on the issues. Additionally, sourcing the hydraulic spares were challenging. However, issues have since been resolved.

Recommendation: The Audit Office recommends that the Head of Budget Agency submit the relevant documentation when the items are received, for audit. (2020/148)

Programme 3 - Transport

506. 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	208,051	204,716	3,335	2
16012	Equipment – Civil Aviation	25,015	25,015	0	0
16013	CJIA Modernisation Project	517,005	517,005	0	0
16014	Central Transport Planning	12,239	12,239	0	0
16017	National Aviation Master Plan	134,082	134,082	0	0
16019	Transport Sector Enhancement Project	422,800	344,155	78,645	19
Total		1,319,192	1,237,212	81,980	6

Hinterland - Coastal Airstrips

507. The sum of \$208.051M was allotted for (a) payment of retention, and (b) provision for airstrips at Mahdia, Port Kaituma, Phillipai, Lethem, and Eteringbang. Amounts totalling \$204.716M were expended. An examination revealed that the sum of \$105.283M, which is approximately fifty-one percent of the expenditure, was paid to the Guyana Civil Aviation Authority. Moreover, the sums of \$80M and \$25.283M were received by the Authority on 22 January 2021. Whilst the description of the payments was stated as payment for renewable energy and rehabilitation of hinterland airstrips, specific details were not provided. As a result, the propriety of the transactions could not be determined.

508. At the time of reporting in September 2021, the said sum of \$105.283M remained unspent. These funds should have been refunded to the Consolidated Fund in keeping with Section 43 of the Fiscal Management and Accountability Act 2003. As a result, the Appropriation Accounts of the Ministry is overstated by \$105.283M.

Ministry's Response: The Head of Budget Agency stated that given the critical need for rehabilitation of the Kaieteur Airstrip, that balance was earmarked for that undertaking.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure full compliance with Section 43 of the FMA Act. (2020/149)*

Equipment – Civil Aviation

509. The entire sum of \$25.015M allotted provided for consultancy and glide path antenna was paid to the Guyana Civil Aviation Authority. An examination of the Authority's records revealed that amounts totalling \$21.507M were expended. However, the balance of \$3.508M was retained, instead of being refunded to the Consolidated Fund in keeping with Section 43 of the FMA Act. As a result, the Appropriation Account of the Ministry is overstated by \$3.508M.

Ministry's Response: The Head of Budget Agency stated that the observation is noted. The balance of \$3.508M represents the final payment to be made for consultancy services for architectural and engineering designs for the Authority's headquarters building.

510. Of the \$21.507M, the sum of \$18M was transferred to the Cheddi Jagan International Airport Corporation for the "supply and installation of new ILS in accordance with a contract between INTELSCAN and GCAA". However, we are unable to determine the terms and conditions of the transaction; since, relevant documents were not submitted for audit.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the relevant documents for audit. (2020/150)*

511. The difference of \$3.507M was paid on a contract for the provision of consultancy services for architectural and engineering designs for head office and training facility. The contract was signed on 1 November 2019. The payment represented thirty percent of the contract sum of \$11.692M. The completion date was 28 November 2020. At the time of reporting, the contract remained incomplete.

Ministry's Response: The Head of Budget Agency stated that the date for the completion of the contract for the provision of consultancy services was extended to November 30, 2021 at no additional cost. This extension was granted by the National Procurement and Tender Administration Board. The final payment is expected to be made before November 30, 2021.

National Aviation Master Plan - IDB(Grant)

512. On 27 June 2018, the Government of Guyana and the 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 is 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.

513. The Ministry was allotted the sum of \$134.082M 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. According to the Appropriation Accounts, the entire Approved Allotment was expended. This Programme is subject to separate financial audit and reporting. However, the IDB via correspondence dated 17 November 2020, issued a waiver to the Project for the submission of audited financial statements.

Transport Sector Enhancement Project

514. 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.

515. The Ministry was allotted \$422.800M for the preparation of studies for (a) air transport hub at Lethem, (b) construction of bridge at Wismar, and (c) construction of riverain transport hub at Parika. The sum of \$344.155M was expended, resulting in a shortfall of \$78.645M, which represented approximately nineteen percent of the allotted sum. As such, 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 Feasibility Studies and Designs for the construction of riverain transport hub at Parika and the construction of a new bridge at Wismar was completed in 2020.

The Feasibility Studies and Designs for the development of an air transport hub at Lethem was delayed partly due to the limited access to Lethem due to COVID-19 emergency measures imposed by the Government of Guyana hindering the movement of the Consultant's experts within and in/out of Guyana.

Other Matters

Capital Subvention

516. The sum of \$230M was released to the Maritime Administration Department. The Department is subjected to separate financial reporting and audit. However, the Department continued to be in breach of Section 80, Sub-sections (1), 3 (c), and (4) of the FMA Act. The last audited report was for the year 2005, while the last Financial Statement laid in the National Assembly was 2003. Financial Statements for 2006 to 2009 are being audited. Financial Statements for 2010 to 2018 have been submitted while 2019 to 2020 are still outstanding.

Ministry's Response: The Head of Budget Agency stated that MARAD is working diligently to complete financial statements for 2019 and 2020 before the third quarter of 2021 and same will be made available.

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. (2020/151)*

Revenue

517. The sum of \$3.337M was reported on the Revenue Report as income from rent. However, an examination of the rent register and supporting documents revealed that rent amounting to only \$2.657M was recorded in the rent register, resulting in a difference of \$680,000. This indicated that the rent register was not updated to reflect all income received from tenants.

Ministry's Response: The Head of Budget Agency stated the Rent Register was updated to reflect all income from Rent, however, six tenants paid rent in 2020 for prior year (2019). Hence these amounts were recorded in the 2019 Rent Register.

518. Further, of the thirty-four premises occupied, tenancy documents for fourteen were not provided for audit. As a result, we were unable to determine the nature, terms and basis for occupancy.

519. A list of premises owned and/or controlled by the Ministry was received from the Accounts Department, and from the Permanent Secretary's Secretariat as well. A comparison of the lists revealed instances where (i) locations on the 'Accounts Department list' were not included on the 'Permanent Secretary's Secretariat list', and (ii) the occupancy status differed. It is therefore evident that the Departments were not reconciling the records to ensure proper control is exercised over the rental operations of the Ministry.

Ministry's Response: The Head of Budget Agency stated that a reconciliation is being conducted on the relevant records to ensure proper control.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the results of the reconciliation for audit. (2020/152)*

520. In addition, the Ministry was still to recover rent amounting to \$1.1M from six tenants for varying periods between 2015-2020.

Ministry's Response: The Head of Budget Agency stated one tenant has since paid rent amounting to \$75,000. The Ministry is still to recover the amount of \$1.025M from five tenants.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency take action to collect the outstanding, and submit the evidence for audit. (2020/153)*

Prior Year Matters

Capital Expenditure

Contract Administration and Management

Lethem Power Company

521. A contract was signed on 3 June 2019, in the sum of \$25.5M for the supply of five 600A, and one 1200A vacuum circuit breakers. A mobilisation advance of \$5.1M was paid to the contractor on 27 June 2019. The intended completion date of ten weeks after the signing of the contract was extended, resulting in a new completion date of 31 October 2020.

522. At the time of this report, which was over two years since the contract was signed, the supplier is yet to deliver the vacuum circuit breakers. In addition, no evidence was seen to indicate that efforts were made to recover the advance payment from the supplier. Further, 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 supplier has defaulted several times with regard to delivery of the VCBs, but there was no other bid to consider had the contract been terminated. Knowing the difficulty in getting such items, which have to be manufactured upon order, HECI persisted with the contract rather than terminating it. The supplier stated that the factory that is manufacturing the VCBs had been closed for a period due to issues related to the Covid-19 pandemic. The new delivery date for the VCBs is end of October 2021.

Additionally, as of August 2020, HECI no longer come under the Ministry of Public Works and has been transferred to the Office of the Prime Minister.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency pursue the delivery of the VCBs outstanding. (2020/154)*

Hinterland Electrification

523. 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.

524. It should be noted that up to the time of audit in 2021, which was over thirty-five 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 after going through the procurement process twice, only one bid was received. The first process had yielded no bids. The towers required manufacturing overseas, and the supplier had indicated several times that there were issues with the design and manufacturing. Since it was the only bid, HECI persisted with the contract rather terminate it.

Eventually, due to infrastructure development in Port Kaituma, a route was developed where power can be delivered without having to use the towers. That being the case and considering the challenges that the contractor was facing, the scope of works on the contract was changed in October 2020; to diverting the distribution line through the new route. The contractor has since completed the works, and the goal of delivering power to the other side of the river in a safe manner was achieved.

Additionally, as of August 2020 HECI no longer come under the Ministry of Public Works and has been transferred to the Office of the Prime Minister.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the relevant documentation authorising the change, as well as the new scope of works for scrutiny. (2020/155)*

Dredging

- *Acquisition of spares*

525. A contract was signed on 1 April 2019 in the sum of \$351.381M. Subsequently, a variation was approved by NPTAB on 4 July 2019, for a sum of \$400.204M, giving a revised contract sum of \$751.585M. A supplementary contract was signed for the sum of \$400.204M. The entire contract sum was paid to the supplier although the contract stated that eighty percent of the contract sum should be paid on the signing of the agreement.

526. The contract documents provided did not state the type, specifications, quantity and cost of items as per contract. Spares amounting to \$449.958M were verified as having been received, leaving a value of \$301.627M in spares still to be delivered.

Ministry's Response: The Head of Budget Agency stated that procedures are now in place to ensure that the requirements of the contract are adhered to and that all payments are clearly recorded.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take urgent action to have the outstanding spares delivered; and submit the evidence for audit. (2020/156)*

- *Docking and rehabilitation of MT Setter*

527. A contract was signed in the sum of \$27.157M for the docking and rehabilitation of MT Setter. The entire contract price was paid to the contractor in 2019. It was observed that a bank guarantee was not provided for payments made, as documentation certifying the percentage completion of work was not seen. This is a clear breach of the payment schedule of the contract.

Ministry's Response: The Head of Budget Agency stated that procedures are now in place to ensure that the requirements of the contract are adhered to and that all bank guarantees are in order.

528. In August, 2020, the Department stated that the works had not yet started, even though, one year had elapsed after the final payment was made. Up to the time of reporting in September 2021, evidence was not submitted to indicate the status of the works.

Ministry's Response: The Head of Budget Agency stated that no maintenance records for the M.T. Setter is available for the years 2019 and 2020. However, maintenance log is now in place.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the logs for audit. (2020/157)*

- *Docking and rehabilitation of ML David P.*

529. A contract was signed on 27 November, 2019 in the sum of \$12.949M, for the docking and rehabilitation of ML David P. The entire contract price was paid to the contractor in 2019. The bank guarantee expired since 15 January, 2020. As a result, the Department was not in a position to levy on the said bank guarantee, should the contractor default. In addition, documentation certifying the percentage completion of work was not seen. This is a clear breach of the payment schedule of the contract.

530. In August, 2020, the Department stated that the works had not yet started, even though, one year had elapsed after the final payment was made. Up to the time of reporting in September 2021, evidence was not submitted to indicate the status of the works.

Ministry's Response: The Head of Budget Agency stated that no maintenance records for the M.L. David P. are available for the years 2019 and 2020. However, maintenance records are now in place. In addition, MARAD had intended to have the vessel docked in 2019; however, 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 submit the logs for audit. (2020/158)*

Miscellaneous Roads/Drainage

531. A contract for the rehabilitation of 1st Avenue, La Parfaite Harmony, West Bank Demerara, Region №. 3, was awarded on 24 December 2019. A mobilisation advance of \$1.324M was paid since December 2019; whilst, 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.

Ministry's Response: The Head of Budget Agency stated that the commencement order was not immediately issued to the contractor after the contract was awarded. This was an oversight on the part of the Ministry.

532. 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.

Ministry's Response: The Head of Budget Agency stated that the revised scope of works was issued to the contractor, indicating a change in project location and scope. This was because the proposed road was found to be in fair condition with minor defects to the asphaltic surface. As such, the Ministry decided to rehabilitate other roadways within the environs.

533. 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.

Ministry's Response: The Head of Budget Agency stated that despite several interventions by the Ministry, up to the time of preparation of the termination of the contract notice on 6 July 2021, no work was done. Based on agreement dated 20 May 2021; between the contractor and the Government of Guyana under section 1.5 states '... various Ministries & Departments and servants/ agents shall forebear from taking any steps to recover monies, debts and liabilities of the company until the expiry of seven (7) years from the date hereof.'

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the Agreement dated 20 May 2021 between the contractor and the Government of Guyana. (2020/159)*

534. A contract for the rehabilitation of West Minister Primary School Road, West Bank Demerara, Region №. 3, was awarded on 24 December 2019 in the sum of \$9.493M. The mobilisation advance of \$1.424M was paid since December 2019; whilst, 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.

Ministry's Response: The Head of Budget Agency stated that the commencement order was not immediately issued to the contractor after the contract was awarded. This was an oversight on the part of the Ministry.

535. 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.

Ministry's Response: The Head of Budget Agency stated that a revised scope of works was issued to the contractor to suit site specific conditions.

536. 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.

Ministry's Response: The Head of Budget Agency stated that despite several interventions by the Ministry, up to the time of preparation of the termination of the contract notice on July 6th, 2021, no work was done. Based on agreement dated May 20, 2021; between the contractor and the Government of Guyana under section 1.5 states '... various Ministries & Departments and servants/ agents shall forebear from taking any steps to recover monies, debts and liabilities of the company until the expiry of seven (7) years from the date hereof.'

Hinterland Roads

537. 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.

538. 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 was not inclusive in the Bill of Quantities; and the contracts and supporting documents are available for audit scrutiny.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit for audit examination, the complete signed contract document, which includes the Technical Specifications. Also, the complete contract document for Civil Works and the final payment should be submitted for a comprehensive analysis to be done by the Audit Office. (2020/160)*

Ferry Vessels - India

539. 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.

540. The sums of \$200M and \$1.133 billion were allotted for the provision of ocean-going passenger and cargo ferry equipped with facilities for refrigerated cargo, and crane for the years 2019 and 2018, respectively. The entire allocations remained unspent, each year. Further, budgetary allocations for this Project was not provided for in 2020.

541. The Ministry had indicated that the allocations were 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, resulting in an impasse. After more than four years of the project's initiation, the intended benefits of improved facilities and services continued to be delayed.

Ministry's Response: The Head of Budget Agency stated that after months of being stalled, the procurement of the New Ocean-Going Passenger and Cargo Ferry Vessel for the North West District was revived in September 2020. Subsequently, all the technical discussions were concluded and a contract signed in January of 2021. Production of the vessel has commenced and according to the latest progress report, the ferry is scheduled to be delivered to Guyana by October 2022.

Special Audit

Durban Park Jubilee Stadium

542. 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:

543. 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

544. As can be noted in the table above, payment vouchers to support expenditure incurred by the Ministry totalling \$70.610M were not produced for audit examination. As such, the completeness, accuracy, and validity of this amount could not be determined.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency submit the outstanding payment vouchers for audit. (2020//161)*

545. 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.

546. 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.

547. 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.

Ministry's Response: The Head of Budget Agency stated that the position remains the same.

Recommendation: *The Audit Office once again 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. (2020/162)*

Other Matters

548. 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.

549. Cabinet, at a meeting held on 5 August 2021, approved the writing off of \$7.713M. The Ministry subsequently wrote to the Finance Secretary on 10 August 2021, requesting the sum be written-off.

Ministry's Response: The Head of Budget Agency stated that the comments are noted.

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. (2020/163)*

550. The sum of \$72.264M was paid for the supply and delivery of three 'motion scales'. The supplier was required to deliver the scales within ninety days of signing the contract, as payment should have been 50% advance payment within thirty days of signing of the contract and the balance on delivery. However, as at 31 December 2016, the full contract sum was paid to the supplier. At the time of reporting, more than four years after the contract was signed, the scales are still not supplied to the Ministry.

551. 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. It should be noted that the Ministry have since written to the Ministry of Foreign Affairs and International Cooperation seeking assistance to resolve this issue.

Ministry's Response: The Head of Budget Agency stated that the observations are correct. The scales are not in the possession of the Ministry. The matter was subsequently forwarded to the Attorney General's Chamber for advice. The Attorney General Chambers and the Minister of Legal Affairs have begun proceedings against Nev PRO Realisation Ltd of Jamaica and the former Minister of Public Works et al. for breach of contract.

552. A contract was awarded for the supply, delivery and installation of a new telephone network at the Ministry, in the sum of \$12.470M. The contract was required to be completed within ninety days of the signing of the contract, as payment should have been 50% advance payment within thirty days of signing of the contract and the balance on delivery and issuance of the provisional acceptance certificate. As at 31 December 2016, the full contract sum was paid to the contractor. At the time of reporting, more than four years after the contract was signed, the new telephone network is yet to be installed at the Ministry. The Ministry has since written (28 July 2021) to the Ministry of Legal Affairs seeking assistance to resolve this issue.

Ministry's Response: The Head of Budget Agency stated that the observations are correct. A further letter was dispatched to the Ministry of Legal Affairs on August 20, 2021.

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. (2020/164)*

553. 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.

554. 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. The Head of Budget Agency had stated that this matter was still engaging the attention of the High Court and has not seen any significant change.

Ministry's Response: The Head of Budget Agency stated that the observations are correct.

555. 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 despite a reminder letter being sent to contractor in January 2020, there has been no further recoveries for the fiscal year ended December 31, 2020. Therefore, the contractor's indebtedness remains at \$100M.

However, based on agreement dated May 20, 2021; between the Contractor and the Government of Guyana under section 1.5 states '... various Ministries & Departments and servants/agents shall forebear from taking any steps to recover monies, debts and liabilities of the company until the expiry of seven years from the date hereof.'

556. 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 had stated that 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.

Ministry's Response: The Head of Budget Agency stated that despite a reminder letter being sent to contractor in January 2020, there has been no further recoveries for the fiscal year ended December 31, 2020. Therefore, the contractor's indebtedness remains at \$112M.

However, based on agreement dated 20 May 2021; between the Contractor and the Government of Guyana under section 1.5 states '... various Ministries & Departments and servants/ agents shall forebear from taking any steps to recover monies, debts and liabilities of the company until the expiry of seven (7) years from the date hereof.'

557. The sum of \$14.806M advanced to a contractor for the upgrading of highway from Triumph to Mon Repos, was still not recovered. The Advance Payment Bond expired on 12 December 2015; while, the Performance Bond which covered \$32.892M, also expired in December, 2015. The Head of Budget Agency had stated that the company was dissolved and advice was sought from the Ministry of Legal Affairs. However, the company won judgement in the matter, thus making the collection of \$14.806M a virtual impossibility.

Ministry's Response: The Head of Budget Agency stated that this response remains the same for 2020. DIPCON Contracting 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 once again recommends that the Head of Budget Agency seek approval from the Ministry of Finance to bring closure to this matter. (2020/165)*

Follow-up on the Implementation of Prior Year Audit Recommendations

558. The table below summarises the prior year matters as contained in the Auditor's General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 50 recommendations; 24 were not implemented, 5 were partially implemented and 21 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/221	Contracted employees	√		
2019/222	Misallocation of expenditure			√
2019/223	Breach of Section 34 of FMA Act			√
2019/224	Breach of Section 80 (1) (3)(c) & (4), FMA Act			√
2019/225	Breach of Section 43 of FMA Act			√
2019/226	Breach of Section 31 (3) FMA Act			√
2019/227	Breach of Section 43 of FMA Act	√		
2019/228	Slow implementation of works	√		
2019/229	Breach of Procurement Act	√		
2019/230	Slow implementation of works	√		

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/231	Slow implementation of Programme activities	√		
2019/232	Slow implementation of Programme activities	√		
2019/233	Slow implementation of Programme activities	√		
2019/234	Slow implementation of Programme activities	√		
2019/235	Slow implementation of Programme activities	√		
2019/236	Breach of Section 43 of FMA Act			√
2019/237	Poor contract administration		√	
2019/238	Slow implementation of Programme activities			√
2019/239	Breach of Section 43 of FMA Act			√
2019/240	Breach of Section 31 of FMA Act	√		
2019/241	Lack of requisite supporting documents			√
2019/242	Breach of Section 31 of FMA Act	√		
2019/243	Breach of Section 31 of FMA Act	√		
2019/244	Breach of Section 31 of FMA Act	√		
2019/245	Breach of Procurement Act	√		
2019/246	Poor contract administration		√	
2019/247	Poor contract administration		√	
2019/248	Poor contract administration	√		
2019/249	Overpayment on construction works			√
2019/250	Slow implementation of Programme activities	√		
2019/251	Slow implementation of Programme activities		√	
2019/252	Slow implementation of Programme activities	√		
2019/253	Breach of Section 43 of FMA Act			√
2019/254	Poor contract administration		√	
2019/255	Misallocation of expenditure			√
2019/256	Breach of Section 43 of FMA Act			√
2019/257	Slow implementation of Programme activities	√		
2019/258	Slow implementation of Programme activities			√
2019/259	Slow implementation of Programme activities	√		
2019/260	Breach of Section 80 (1) (3)(c) & (4), FMA Act			√
2019/261	Outstanding Rent			√
2019/262	Poor contract administration			√
2019/263	Payment vouchers not submitted	√		
2019/264	Lack of supporting documentation			√
2019/265	Stolen Cash			√
2019/266	Non-delivery of assets			√
2019/267	Overpayment on construction works			√
2019/268	Overpayment on construction works			√
2019/269	Overpayment on construction works			√
2019/270	Overpayment on construction works			√

AGENCY 38
MINISTRY OF LABOUR

559. The Ministry of Labour is a new Ministry and captures three months of expenditure (October to December) for the fiscal year 2020 for two programmes. Programme 1 captures two sub-programmes - Strategic Direction and Management, and Administrative Support Services while Programme 2 captures four sub-programmes - Industrial Relation, Recruitment and Placement, Occupational Safety and Health and Co-operatives. Previously this agency was captured under Programme 493 - Labour Administration under the Ministry of Social Protection.

Current Year Matters

Current Expenditure

Employment Costs

560. The sum of \$56.880M was budgeted for Employment Costs for the period October to December 2020. According to the Appropriation Accounts, amounts totalling \$31.840M were expended as at 31 December 2020.

561. During the period under review two employees severed employment with the Ministry, however, an examination of the personal file and paysheets revealed one employee was overpaid net salaries totalling \$165,671. In addition, the related deduction of \$21,820 was also overpaid to the Guyana Revenue Authority. At the time of reporting the overpayments were not recovered.

Ministry's Response: The Head of Budget Agency indicated the Ministry has taken action and has written to the former employee to refund the Ministry for the overpayment.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the overpayments are recovered and that measures are put in place to prevent reoccurrence.* (2020/166)

Vehicle Spares and Service

562. According to the Appropriation Accounts, the sum of \$2.194M was expended on Vehicles Spares and Service for seven vehicles under the control of the Ministry for the period October to December 2020. In addition, the sum of \$5.102M was expended by Ministry of Social Protection for the period January to September 2020 for six of the seven vehicles. An analysis of the expenditure for the six vehicles is shown in the table below:

No.	Vehicle No.	Description	Amount Expended MoL \$'000	Amount Expended MoSP \$'000	Amount Expended \$'000
1	PPP 4200	Land Cruiser Prado	242	2,411	2,654
2	PRR 2836	Toyota Tundra	735	1,094	1,829
3	PTT 609	Toyota Land Cruiser	246	863	1,109
4	PSS 1522	Toyota Rav 4	648	282	930
5	PSS 1370	Land Cruiser Prado	160	250	410
6	PYY 3778	Land Cruiser Prado	118	203	320
Total			2,149	5,102	7,251

563. As can be noted from the table above, the expenditure incurred on maintenance for the six vehicles were exceedingly high. Moreover, three out of the six vehicles under the Ministry's control were highlighted in the Auditor General's Annual Report for 2019 to have incurred high maintenance costs as detailed in the table below. As such, it would appear that these vehicles may be uneconomical to maintain.

Vehicle Number	Description	Amount Expended 2019 \$'000	Amount Expended 2020 \$'000	Total Amount \$'000
PTT609	Toyota Prado Land Cruiser	2,510	1,109	3,619
PRR2836	Toyota Tundra	530	1,829	2,359
PSS1370	Toyota Prado Land Cruiser	597	410	1,007
Total		3,637	3,348	6,985

Ministry's Response: The Head of Budget Agency indicated that the vehicles which are now under Ministry of Labour from October 2020, incurred high maintenance costs for the years 2019 and 2020. And the amount expended for vehicle spares and service from October to December 2020 was \$2.194M. This was due to the fact that all of the vehicles under the Ministry are aged and have been in service for a very long time. The Ministry is taking steps to upgrade its fleet of vehicles with newer and efficient models for the coming fiscal year 2022. However, the current vehicles must be maintained to allow the Ministry to carry out its functions which require numerous inspections and visits to various entities and Regions.

564. Additionally, it was found that two of the seven vehicles listed below were registered to Ministry of Public Infrastructure and Ministry of Social Protection. However, the Ministry of Labour was unable to provide any documented evidence of the transfers or any form of approval to control the usage of those vehicles, in keeping with the Stores Regulation 1993, Section 27(2).

Vehicle No.	Registered To	Type of Vehicle
PWW 2487	Ministry of Public Infrastructure	Toyota Prado Land Cruiser
PYY 3778	Ministry of Social Protection	Toyota Prado Land Cruiser

Ministry's Response: The Head of Budget Agency indicated that steps will be taken to obtain the transfer documents from the respective agencies for the two vehicles identified in the Report.

Recommendation: The Audit Office once again recommends that the Ministry monitor the cost for maintaining the above vehicles and consider approaching the Ministry of Finance with a view of obtaining the necessary funds to replace them since this is likely to result in significant cost savings. (2020/167)

Fuel and Lubricants

565. According to the Appropriation Accounts, the sum of \$665,904 was expended on Fuel and Lubricants for the period under review. However, an examination of the fuel slips revealed that fuel to the value of \$665,904 were uplifted in 2021. As a result, the Appropriation Accounts would have been overstated by the said amount.

Ministry's Response: The Head of Budget Agency explained that the Ministry of Labour will take corrective action to ensure this does not recur.

Recommendation: The Audit Office recommends that the Head of Budget Agency desist from purchasing fuel beyond its consumption capacity and comply with the Cash Basis of Accounting. (2020/168)

Subsidies and Contributions to Local Organisations

566. During the period under review, the sum of \$165.532M were allotted for Subsidies and Contributions to Local Organisations. According to the Appropriation Accounts, amounts totalling \$165.165M were expended as shown in the table below:

No.	Entity	Amount Released \$'000	Year of Last Audit	Financial Statement Received
1	Board of Industrial Training	144,882	2015	2016
2	Guyana Agricultural General Worker Union	1,298	2019	2020
3	Guyana Public Service Union	1,298	2005	2006 to 2016
4	Guyana Teachers Union	1,298	1989	-
5	General Workers Union	649	2001	-
6	Guyana Trade Union Congress	500	2003	-
7	Clerical & Commercial Workers Union	432	2003	-
8	National Association of Agricultural Commercial & Industrial Employees	432	2015	2016
9	Guyana Bauxite & General Workers Union	216	1999	-
10	Guy Postal & Tele Workers Union	216	2003	2004 to 2015 & 2017
11	Guyana Labour Union	216	2013	2014 to 2018
12	National Union of Public Service Employees	216	2001	-
13	Printing Industry & Allied Workers Union	216	2000	-
14	University of Guyana Workers Union	216	Unknown	-
15	Union of Agricultural & Allied Workers	216	2006	2007 to 2009
16	University of Guyana Senior Staff Association	216	1994	-
17	Amalgamated Transport and General Workers Union	216	2003	-
18	The People United and General	216	-	Private Auditor
19	National Mine Workers Union of Guyana	216	-	Private Auditor
20	Federation of Independent Trade Unions (FITUG)	500	-	Private Auditor
21	Guyana National Cooperative Union Ltd	6,000	-	Private Auditor
22	National Advisory Council on Occupational Health and Safety	4,000	-	Private Auditor
23	Labour Market Information System Commission	1,500	-	Private Auditor
Total		165,165		

567. These entities are subject to separate financial reporting and audit. Of the twenty-three entities, six are audited by private auditors and seventeen are required to be audited by the Audit Office. However, as can be noted from the table above, for those entities that are required to be audited by the Audit Office, fifteen were in arrears in terms of financial reporting.

Ministry's Response: The Head of Budget Agency explained that the Ministry of Labour, through the Permanent Secretary, has written to the agencies which are required to be audited by the Audit Office to have their outstanding financial statements submitted to the Auditor General. The Trade Unions and other Organisations listed in the report are now required to submit their audit reports and financial statements before any subvention can be released as per the Finance Circular. Previous communication and attempts to get audit reports and financial statements from those entities have proved unsuccessful except for GAWU which has submitted their 2020 statements for audit.

Recommendation: *The Audit Office recommends that for those agencies that are required to be audited by the Audit Office, the Head of Budget Agency follow-up with the defaulting agencies to have the outstanding Financial Statements submitted for audit. (2020/169)*

Other Matters

568. The Ministry was in breach of Section 43 of the FMA Act which stipulated that all unspent balances to be returned and surrendered to the Consolidated Fund at the end of the fiscal year. As at, 7 September 2021, there were two direct payment cheques totalling \$1.507M still to be uplifted by the respective payees for 2021.

Ministry's Response: The Head of Budget Agency stated that efforts will be made to contact the payees with regards to the two still at the Ministry of Finance to uplift their payments.

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 and to ensure that payments are processed in a timely manner before the end of the year. (2020/170)*

Examination of Contracts

569. An examination of eight contracts valued at \$16.945M selected for audit examination, revealed the following unsatisfactory observations:

- a) Evaluation Reports were not presented for six of the contracts examined. As such, the basis of award could not be determined.
- b) Works completion certificate, general conditions of the contracts, schedule of works, contract duration and defects and liability period were not presented for audit scrutiny.

Ministry's Response: The Head of Budget Agency indicated that all contracts for future works will have the relevant clauses and conditions incorporated to meet the requirements.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure there is adherence to the Procurement Act at all times. (2020/171)*

Stores and Other Public Property

570. According to the Capital Appropriation Accounts, the sum of \$24.988M was expended on the acquisition of furniture and equipment for 2020. However, the Ministry fail to keep Master and Sectional Inventories of the capital items under its control. This is in breach of Section 24 of the Stores Regulations 1993.

Ministry's Response: The Head of Budget Agency indicated that the Ministry is currently working to complete the Master and Sectional Inventories of capital items and the Audit Office will be informed when this activity is completed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that there is full compliance with the Stores Regulations as it relates to Master and Sectional Inventories. (2020/172)*

AGENCIES
49 - MINISTRY OF SOCIAL PROTECTION
39 - MINISTRY OF HUMAN SERVICES AND SOCIAL SECURITY

571. The Ministry of Human Services and Social Security is a new Agency which replaced the Ministry of Social Protection. As such, expenditure for the first nine months (January to September 2020) was budgeted for as Agency 49 – Ministry of Social Protection while the last three months (October to December 2020) was budgeted under the new Agency 39 – Ministry of Human Services and Social Security. This is a combine report of the two Ministries and captures current and capital expenditures and revenue for the first nine months for Ministry of Social Protection and the last three months for Ministry of Human Services and Social Security.

Current Year Matters

Current Expenditure

Fuel and Lubricants

572. The sum of \$41.638M was budgeted for fuel and lubricants for the period under review. According to the Appropriation Accounts, amounts totalling \$35.301M were expended as at 31 December 2020. Included in the sum were amounts totalling \$26.369M which were paid to the Guyana Oil Company (GUYOIL) for the supply of fuel and lubricants.

573. Audit examination of the records with respects to expenditure relating to fuel and lubricants revealed that the requisition forms used in the approval of fuel and lubricants for the Ministry’s vehicles were prepared by the Ministry. These requisition forms were computer generated with the numbering manually written. As such, without the requisition form being pre-numbered as a control mechanism, it can be easily replicated and the risk of unauthorised collection of fuel. Additionally, the requisition forms submitted for audit were the duplicate forms returned from GUYOIL, which does not have any evidence who approved the acquisition of fuel and lubricants, while in some instances the Ministry’s Administrative Assistant stamp were seen on the requisition forms. As such, it could not be ascertained whether all purchases were made with the requisite approvals.

Ministry’s Response: The Head of Budget Agency stated that the internal audit division of the Ministry of Finance conducted an investigation into the use of fuel which was previously authorised by the previous Administrative Assistant, whose contract has not been renewed. The Ministry now utilises a pre-printed requisition book which eliminates the possibility of replicated numbers.

574. In addition, for the period under review, invoices totalling \$9.131M from the Guyana Oil Company were submitted for audit scrutiny. However, according to the IFMIS Report, the total payments made to the Guyana Oil Company were \$26.369M, resulting in a difference of \$17.238M.

Ministry’s Response: The Head of Budget Agency indicated that a Transportation Officer was hired in January 2021 and is tasked with completing the monthly reconciliation of the prepayments made to GUYOIL.

Recommendation: *The Audit Office recommends that the Ministry put systems in place to improve the internal controls regarding purchase of fuel from GUYOIL so as to better manage the system of accounting for fuel and lubricants. (2020/173)*

575. An examination of GUYOIL statement revealed that fuel and lubricants totalling \$330,450 were issued to five vehicles as shown in the table below, which were not recorded on the list of vehicles under the Ministry. The Ministry did not provide any evidence that these vehicles were authorised to collect fuel from GUYOIL.

Vehicle №	№. of Transactions	Amount \$
PVV 1585	1	204,846
PSS 2521	1	58,645
PVV 1854	2	41,802
PRR 1828	2	13,230
PKK 6455	2	11,927
Total	8	330,450

Ministry's Response: The Head of Budget Agency explained that the Ministry has written to GUYOIL indicating the approved list of driver, vehicles, and authorised signatories.

Recommendation: *The Audit Office recommends that the Ministry put systems in place to ensure that only authorised vehicles can uplift fuel on behalf of the Ministry. (2020/174)*

576. For the period under review, it was observed that the Ministry failed to keep a Motor Vehicle Inventory. In addition, Log Books for thirty-four vehicles were not presented for audit scrutiny.

Ministry's Response: The Head of Budget Agency stated that the Ministry commenced keeping Log Books in 2021, which did not exist for some vehicles or were not properly maintained for others in 2020. It was further stated that in 2020 the motor vehicle inventory list was not updated but in 2021 the Ministry has a complete list of all vehicles as well as Log Books for each.

Recommendation: *The Audit Office recommends that the Ministry take immediate steps to ensure that the Stores Regulations is complied with, as it relates to log books. (2020/175)*

577. An examination of log books presented for fourteen motor vehicles revealed there were partial submission in respect of nine, while for the three log books submitted there was no information recorded. In addition, the books were not properly written up to include pertinent information, such as, the fuel and lubricant supplied, signature of authorising officer, the journeys undertaken and miles travelled, driver's signature were not always recorded.

Ministry's Response: The Head of Budget Agency stated that a Transportation Officer was hired in January 2021 and logbooks are now being kept.

Recommendation: *The Audit Office recommends that the Ministry take immediate steps to ensure that the Stores Regulations is complied with, as it relates to log books. (2020/176)*

578. According to the Appropriation Accounts, amounts totalling \$28.853M were expended on vehicle spares and maintenance by Ministry of Human Services and Social Security and Ministry of Social Protection. An examination of the records revealed that there were fourteen vehicles with high spares and maintenance cost, which amounted to \$13.172M. In addition, seven out of the fourteen vehicles listed below were highlighted in the 2019 Auditor General’s Report to have incurred high vehicle spares and maintenance costs. As such, it would appear that these vehicles may be uneconomical to maintain. The table below give details of the costs associated with spares and maintenance of each vehicle for 2020:

№	Vehicle №	Type	Amount \$'000
1	PPP 4200	Prado	2,411
2	PVV 5353	Grand Vitara	1,426
3	PNN 5101	Land Cruiser	1,220
4	PRR 2836	Pick up	1,094
5	PVV 8079	Prado	864
6	PTT 609	Land Cruiser	863
7	PWW 1958	Pitbull Bus	811
8	PVV 5121	Pitbull Bus	717
9	PPP 4777	Prado	705
10	PVV 5102	Noah	705
11	PTT 1184	Pitbull Bus	631
12	PPP 5198	Frontier	621
13	PVV 9288	Pitbull Bus	599
14	PLL 4570	Nissan Frontier Double Cab.	505
Total			13,172

Ministry’s Response: The Head of Budget Agency indicated that the Ministry requested an audit into the maintenance and location of vehicles. The findings revealed that the maintenance costs were high, and the Head of Budget Agency has since obtained a list of pre-qualified contractors who can maintain the vehicles, instead of using only a few selected contractors who were invoicing the Ministry at a high cost.

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. (2020/177)*

579. Additionally, examination of the vehicle historical records revealed that the total vehicle spares and maintenance costs for the period under review was \$17.861M. However, the Appropriation Accounts reflected amounts totalling \$28.853M as expended, resulting in a difference of \$10.992M. It would appear that the historical records were not updated and as such the Ministry would not have a true picture of the individual cost of spares and maintenance for each vehicle to effectively monitor or determine whether it will be cost-effective to retain or dispose of the vehicles.

Ministry’s Response: The Head of Budget Agency indicated that previously there were no proper records kept for the maintenance of vehicles. However, these records are now being kept for each vehicle by the Transportation Officer.

Recommendation: *The Audit Office recommends that the Ministry ensure that the Stores Regulations is complied with at all times. (2020/178)*

580. Further, it was found that six vehicles were registered to various Ministries, but was under the Management of the Ministry of Human Service and Social Security. However, the Ministry was unable to provide any documented evidence of the vehicles transfer or any form of approval to control the usage of those vehicles, in keeping with the Store Regulation 1993, Section 27 (2) which states “*All transfers of permanent stores from one Ministry to another shall require the authority of the Finance Secretary who shall inform the Auditor General of all such transfers.*” Table below shows the agency in which the vehicles are registered.

N ^o	Vehicle N ^o	Registration
1	PGG 93	Genesis Complex Inc
2	21344	Ministry of Culture, Youth and Sport
3	PPP 1828	Ministry of Culture, Youth and Sport
4	PRR 2944	Ministry of Culture, Youth and Sport
5	PLL 534	Ministry of Education
6	PLL 4570	Ministry of Health

Ministry’s Response: The Head of Budget Agency indicated that the Ministry have sent letters to the Permanent Secretaries of the various Ministries to commence the process of transferring the vehicles.

Recommendation: *The Audit Office recommends that the Ministry ensure that the Stores Regulations is complied with at all times. (2020/179)*

Maintenance Works

581. During the period under review, the sum of \$157.201M was allotted for maintenance work for the period under review. According to the Appropriation Accounts, amounts totalling \$140.850M were expended. Included in this sum is a contract for \$8.851M was awarded the National Procurement and Tender Administrative Board (NPTAB) on 17 December 2019 for the rehabilitation of reinforced concrete drains, Hadfield Street, Palms Georgetown. According to the contract register, a payment of \$5.637M was made to the contractor in 2020, leaving a remaining balance of \$3.213M on contract sum. However, at the time of this report, the Ministry did not provide any supporting documentation to confirm the status of the works.

Ministry’s Response: The Head of Budget Agency indicated that the Engineer cannot locate any documents to confirm the status of this said project. The Ministry contacted the Consultant who was overlooking this project to get a copy of the works completion certificate. He indicated that his files were in a building which has since been burnt.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the status of the work for audit. (2020/180)*

Old Age Pensions & Social Assistance

582. The sum of \$19.929 billion was budgeted for Old Age Pension and Public Assistance for the period under review. A Supplementary Allotment of \$2.500 billion was received for the COVID-19 relief for household initiative while there were allotment transfers totalling \$3.940M revising the Total Funds Available to \$22.425 billion. According to the Appropriation Account the sum of \$22.424 billion was expended as at 31 December 2020. Included in the sum of \$22.424 billion is the amount of \$7 billion which was expended on COVID-19 relief as at 31 December 2020.

583. The old Age Imprest Bank Account №. 0163200314003 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 2020 totalling \$1.450 billion, according to the Cash Book presented for audit is reflected in the table below:

Description	Amount \$'000
Cash at Bank	6,014
Cash in Hand (cheques)	0
Vouchers at Acct. General 2020	29,476
Vouchers to process	252,628
Vouchers to enter	150,512
Advance outstanding	192
Guyana Post Office Corporation	568,325
Unreconciled difference	115,931
Consolidation Fund	326,922
Total	1,450,000

584. According to the Cash Book summary as shown in the table above, the sum of \$568.325M was indebted by Guyana Post Office Corporation (GPOC) to the Ministry. Whereas an examination of the reconciliation statement received from GPOC for the month of December 2020 revealed that GPOC was indebted to the Ministry in the sum of \$498.285M.

Ministry's Response: The Head of Budget Agency explained that the Ministry's Imprest Cash Book is balanced daily. Guyana Post Office Corporation (GPOC)'s statement is submitted by the 15th of every month for the previous month. Therefore, at no given time will the Cash Book amount owed by GPOC match GPOC's statement submitted for a particular month. As a result, any difference reflected would be coupons honored by GPOC which were received in January.

585. In addition, included in the total of \$1.450 billion is an unreconciled difference of \$115.931M which is an amount that is recorded in summary of the cash book, this amount was mentioned in the 2019 Auditor General's Report. At the time of this report, the amount of \$115.931M remained unreconciled.

Ministry's Response: The Head of Budget Agency indicated that the Ministry has sought the Auditor General's assistance to have this unreconciled amount audited.

Recommendation: *The Audit Office recommends that the Head of Budget Agency 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. (2020/181)*

586. An examination of the December 2020 reconciliation done by the Ministry against the GPOC monthly reconciliation statement revealed an overstatement of Coupons totalling \$10.360M, which relates to the years 2014 to 2016 and an understatement of Coupons in 2017 of \$38,000. At the time of this report the Ministry did not provide any evidence to suggested that efforts were made to have the overstatement and understatement of Coupons rectified.

Ministry's Response: The Head of Budget Agency explained that the Ministry has sent letters to the Guyana Post Office Corporation (GPOC) dated 19 July, 2018, 30 August, 2018, 07 February, 2019, and September, 2021 to have the overstatement, and understatement of Coupons rectified. GPOC has not responded to date.

Other Matters

587. During the period under review, the Ministry maintained a Bank Account No. 962956887186 at Republic Bank Limited to facilitate transactions for various projects at the Ministry. The closing balance of this account as at 31 December 2020 was \$48.088M. At the time of this report, the Ministry did not submit a cash book and bank reconciliation statements for audit examination for the period under review.

Ministry's Response: The Head of Budget Agency explained that while there are cash books based on projects in the Ministry, a main cash book to facilitate reconciliation did not exist. The Ministry is now working towards ensuring that this main cash book is put in place and reconciliation done monthly.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure this account is reconciled earliest, and the results submitted for audit. (2020/182)*

Capital Expenditure

588. The sum of \$64.590M was budgeted in 2020 to execute the capital programmes of the Ministry. According to the Appropriation Accounts, the sum of \$64.566M was expended for the period under review.

Technical Assistance – Guyana Nonreimbursable Technical Cooperation No. ANT/JF-16525-GY (Institutional Strengthening to Guyana Social Safety Net)

589. On the 15 January 2018 the Government of Guyana (GoG) and the Inter American Development Bank (IDB), acting in its capacity as Administrator of the Japan Special Fund entered into an agreement whereby the IDB agreed to commit the sum of US\$600,000 while the 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. According to the project agreement, the period of execution of the project shall be thirty (30) months, from the effective date of this agreement. This grant is subject to separate reporting and audit at the end of the project life.

Prior Year Matters

590. 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 explained that the Ministry made contact with the consultant who was overlooking this project. He indicated that during the physical verification exercise, it was identified that the breakdown of payment being used was based on a forecasted payment certificate dated December 31, 2018. The works were completed on February 19, 2019 and a revised as - built payment certificate was prepared and submitted to the Ministry detailing the actual works completed.

Recommendation: *The Audit Office once again recommends that the Ministry make every effort to recover the overpayment and put proper systems in place to avoid future recurrences. (2020/183)*

591. Thirty-nine Cheque Orders valued at \$7.350M for the year 2019 remained outstanding at the time of this report.

Ministry's Response: The Head of Budget Agency stated that the Accounts Department has worked towards clearing all outstanding cheque orders for 2019 and have retired some of the cheque orders. However, this exercise is continuing, and all efforts will be put in place to ensure that this does not reoccur.

Recommendation: *The Audit Office once again recommends that the Ministry: (i) implement measures to ensure Cheque Orders are cleared within the stipulated time-frame; and (ii) take action to clear the outstanding Cheque Orders and submit same for audit. (2020/184)*

592. Audit examination of a sample of beneficiary's files under the Sustainable Livelihood and Entrepreneurial Development (SLED) Projects 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 Projects has commenced and a separate report will be issued. It should be noted that this project has since been transferred to the Ministry of Local Government and Regional Development.

Ministry's Response: The Head of Budget Agency noted the comment.

Follow-up on the Implementation of Prior Year Audit Recommendations

593. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 12 recommendations; 1 was not implemented, 5 were partially implemented and 6 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/393	Circularised Instruction	√		
2019/394	Circularised Instruction	√		
2019/395	Staff vacancies	√		
2019/396	Reconciliation of record for pensions		√	
2019/397	High maintenance costs for vehicles		√	
2019/398	Breach of Procurement Act – no contract		√	
2019/399	Breach of FMA Act 2003 – unspent amounts		√	
2019/400	Circularised Instruction - Cheque Order		√	
2019/401	Breach of Stores Regulations – marking of assets	√		
2019/402	Shortfall in Expenditure	√		
2019/403	Shortfall in Expenditure	√		
2019/404	Overpayment of Construction Works			√

AGENCY 40
MINISTRY OF EDUCATION

Current year matters with recommendations for improvements in the existing system

Current Expenditure

Goods and Services

School Feeding Programme

594. The Ministry for the period under review was allotted \$712.038M for Dietary of which \$68.860M was transferred by means of a virement in December to Print and Non-Print, Maintenance of building, Maintenance of other infrastructure and Telephone and internet charges, whilst \$2.263M was transferred to Dietary from Cleaning and extermination services, adjusting the allotment for Dietary to \$645.441M. According to the Appropriation Account as at 31 December 2020, amounts totalling \$624.769M were expended resulting in a shortfall of expenditure for dietary in the sum of \$20.672M. Similarly, in 2019 a shortfall of \$587M was recorded.

Programmes	Approved Allotment \$'000	Virements \$'000	Adjusted/ Revised Allotment \$'000	Amount Expended \$'000	Difference \$'000
402-Training and Development	33,684	(8,000)	25,684	25,190	494
403- Nursery Education	439,568	(60,860)	378,708	367,637	11,071
404- Primary Education	219,705	0	219,705	212,980	6,725
405- Secondary Education	1,698	0	1,698	1,653	45
406- Post Secondary / Tertiary Education	17,383	2,263	19,646	17,309	2,337
	712,038	(66,597)	645,441	624,769	20,672

Ministry's Response: The Head of Budget Agency explained that the shortfall in expenditure on dietary was as a result of the lockdown for Covid 19. While in 2019 the shortfall was as a result of non-expansion of the various school feeding programs.

Recommendations: *The Audit Office recommends that Ministry conduct a review the areas where there were shortfalls in the school feeding programmes since there would have been changes due to the pandemic and a revision of aspects of the programmes may be required. (2020/185)*

595. Further, audit examination revealed that there were seven contracts totalling \$577.877M awarded by NPTAB for the purchase of food items. As at 31 December 2020, amounts totalling \$152.951M were recorded in the contract register as being paid to the contractors, thus, resulting in outstanding payments of \$424.926M, for six of the seven contracts awarded. Similarly, in 2019 amounts totalling \$381.871M remained outstanding.

Ministry's Response: The Head of Budget Agency explained that the amounts remain outstanding represent seven (7) contracts which were for providing supplies for the school feeding programs. However, because of the closure of schools during the pandemic the suppliers were paid for supplies received.

Recommendations: *The Audit Office recommends that Ministry conduct a review the areas where there were shortfalls in the school feeding programmes since there would have been changes due to the pandemic and a revision of aspects of the programmes may be required. (2020/186)*

596. Section 29 of the Stores Regulations requires that Log Books be maintained for all motor vehicles, plant, machinery and equipment. Of the seventy-four vehicles owned and operated by the Ministry, fifty-four were serviceable vehicles of which forty-seven were required to maintain Log Books, however, only thirty-two Log Books were presented for audit examination. Of the Log Books presented, only twelve were properly written up to reflect the purchase of fuel and authorised journeys. Similarly, in 2019 of forty-five vehicles only twenty-two logbooks were presented for audit of which seven were properly written up.

Ministry's Response: The Head of Budget Agency explained that efforts are being made to retrieve the remaining logbooks.

Recommendations: *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. (2020/187)*

597. Further, Section 26 of the Stores Regulations requires that historical records are maintained for all vehicles, plant and equipment. Audit checks carried out on thirty-two historical records presented for audit examination revealed that they were not properly maintained for the period under review, despite the Ministry expending \$33.629M on vehicle spares and maintenance for the repairs and servicing of vehicles.

Ministry's Response: The Head of Budget Agency explained that the Ministry has implemented a system to have all historical records updated.

Recommendations: *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. (2020/188)*

Maintenance of Buildings

598. On the 31 December 2019, the Ministerial Tender Board (MTB) awarded a contract in the sum of \$7.975M for the rehabilitation of building at the New Central High School. The works entails the reconstruction of internal timber stairs, installation of pine and hard wood doors and door frames, shopfront glass and aluminum windows, ceiling, flooring, roof and plumbing works, tiling and painting to the building. Further, examination of the contract document revealed that the contract agreement was dated 4 January 2020, whilst the commencement date, duration and defects liability period was not stated and as such it could not be determined when the works were to commence and complete. However, as at 31 December 2020 the contractor was paid a total sum of \$5.255M with a withheld retention sum of \$583,900 still to be paid by the Ministry.

599. A physical verification carried out on the 9 June 2021, revealed that the works were incomplete and based on the measurements and calculations, an overpayment of \$1.621M was discovered. See details in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate G\$	Amount Overpaid G\$'000
	Bill №. 3: Carpentry & Joinery Works						
3.1.7	Allow for sanding and lacquering of stair well	150	100	Sq.yd	50	2,600	130
	Wooden Doors						
3.2.1	Provide and install wooden panel door complete with all ironmongery and the likes. Rates inclusive for installing, mitering the corners, ensuring 1'x 2" door jambs & 2"x 6" door frames are in place and the likes						
3.2.1.3	34"x 80" pine doors	20	3	No	17	20,000	340
3.2.1.4	36"x80" Hard wood Kabakali Door (External)	1	0	No	1	55,000	55
3.2.1.5	60"x80" Hardwood kabakali Door (External)	3	0	No	3	11,000	330
	Front Façade (Shop Front Glass Type)						
3.3.1	Provide and install front façade shop front type glass for eastern section of building lower flat. Rates inclusive for supplying and fixing the frame with all necessary screws, bolts, water sealant, rubbers, mortar fixing to building and likes as directed by the supervisory engineer. (refer to DWG)						
3.3.1.1	- 39'x84" Glass Front (With Frame & the likes)	364	0	Sq.yd	364	1,500	546
3.6	<u>Windows:</u> Allow for the provision of installing new windows to specified openings on Ground Flat of Building.						
	30"x48" Casement Aluminum Kind Windows	42	32	no	10	22,000	220
TOTAL OVERPAID							1,621

600. Our inspections further revealed that \$931,000 out of the total amount overpaid was as a result of the engineer certifying incomplete works as being completed. These incomplete works were the installation of external hardwood doors and framed glass front windows. Additionally, it was observed that the quantities listed and paid for aluminum casement windows appear to be excessive, since that quantity of windows could not be identified on the building at the time of the verification.



Lacquer not applied to stair case



Fixed glass shop front windows not installed

601. Further it was explained by the Ministry's engineer that the overpayment recorded in relation to doors installed to the building, was as a result of the doors being stolen, however, to substantiate this theft a police report was not presented for audit verification.

Ministry'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.

Recommendations: *The Audit Office recommends that (i) the Ministry follow up with this matter with the view of recovering the overpayments and (ii) the Ministry desist from certifying and making payments for incomplete works. (2020/189)*

602. The Ministerial Tender Board on the 31 December 2019 awarded a contract in the sum of \$7.839M for the Rehabilitation of Building, at the New Central High School for the Raising of Lower Flat and Foundation Installation. The works entails the construction of a section of reinforced concrete foundation, columns and beams, capping of section of concrete floor and installation of HBC walls along with repairs to guard hut roof and electrical works. Further, examination of the contract document revealed that the contract agreement was dated 2 January 2020 and the final payment certificate was dated August 2020, with the defect's liability period of three months, commencing in September 2020 and expiring in December 2020. As at 31 December 2020 total payments made to the contractor was \$7.813M.

603. Physical verification carried out on the 9 June 2021 revealed that the works were completed and based on the measurements, inspections and calculations, the payments made for works completed were fair and reasonable. However, these works were of a capital nature and should have been charged to capital expenditure in keeping with circularised instructions and not charged to the recurrent expenditure budget.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry desist from using current budgetary allocations for completing capital works. (2020/190)*

604. The Ministerial Tender Board on the 8 December 2020 awarded a contract in the sum of \$2.970M for repair work to wall and partition for staffing at 21 Brickdam, Accounts Department. The works entails the supply and installation of single unit work stations, single unit glass curtain and Perspex partition walls and associated adjustments to the existing space to accommodate the installations. Further examination of the contract document revealed the contract was signed on the 8 December 2020 and according to the works completion/ certification report the works were completed on the 24 December 2020 and the contractor was paid the full amount of \$2.970M.

605. Physical verification carried out on the 9 June 2020 revealed that the measurements, inspection and calculations and the payments made for works completed were fair and reasonable. However, the works undertaken were of a capital nature and should been charged to capital expenditure in keeping with circularised instructions and not charged to the recurrent budget.



Ministry'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 Ministry desist from using current budgetary allocations for completing capital works. (2020/191)*

606. On the 25 March 2020 a contract was awarded by the Ministerial Tender Board in the sum of \$2.898M for repair works at the Ministry of Education 21 Brickdam, Accounts Department. The works entails construction of mass concrete foundation, columns and beams, installation of hollow block walls and rendering along with the removal and relocation of air-conditioning units and windows. Further, examination of the contract document revealed that the date the contract was signed was not inserted on the contract agreement, only the month and year was recorded as April 2020. Also, the commencement date, duration and defects liability period could not be determined. According to the Ministry, the contract was terminated and contractor received payment of \$1.121M for works completed at termination. However, a termination letter was not seen.

607. Physical verification carried out on the 9 June 2021 revealed that the works have since been completed, however it was unclear as to who completed the work after the contract was terminated and at what cost, and whether or not the remaining balance of \$1.777M from the terminated contract was utilised by the Ministry elsewhere.

608. It was further noted that the works completed were of a capital nature that comprises the construction of new reinforced concrete foundation along with newly constructed columns and beams and should be charged to capital expenditure in keeping with circularised instructions and not the recurrent budget.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry ensures that all pertinent information is inserted when signing contracts and desist from using current budgetary allocations for completing capital works. (2020/192)*

609. On the 31 December 2019 the Ministerial Tender Board awarded a contract in the sum of \$4.700M for the rehabilitation of building New Central High School, Smyth Street, Georgetown through a single source method of procurement when open tendering would have been required. The work entailed the painting, decorating and tiling works to the ground floor of the building. Further, no signed contract agreement or engineer's estimate was presented for audit examination and as such the start and completion date and defects liability period for the works could not be determined. However, the contractor received one payment of \$3.339M for works completed.

610. Physical verification carried out on the 9 June 2021 revealed that the works were completed however, it was observed that the application of four coats of paint to the block walls were not consistent and appears to be thinner in some areas while in other areas thicker.



Poor quality of painting work observed

Ministry's Response: The Head of Budget Agency acknowledged the finding and indicated that the matter will be investigated and an update will be submitted to the Audit Office.

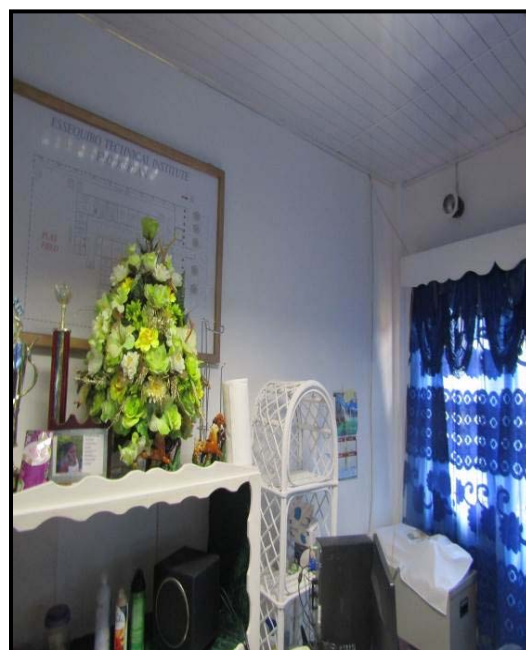
Recommendations: *The Audit Office recommends that the Ministry ensure proper monitoring and supervision of all contracts awarded. (2020/193)*

611. On the 22 October 2020 the Ministerial Tender Board awarded a contract in the sum of \$2.950M for the repairs and maintenance of Essequibo Technical Institute, Essequibo, Region №. 2 to the lowest of four quotations submitted. The works entails the installation of timber members, PVC ceiling, electrical works and painting to the principal's office. Further, examination of the contract document revealed that the contract was signed on the 23 October 2020, however, the start date, completion date and defects liability period could not be determined from the documents examined. As at 31 December 2020 the contractor received one payment for the full sum of \$2.950M for works completed.

612. Physical verification carried out on the 9 June 2021 revealed that the works were completed, based on the measurements taken on site, inspection and calculations it was obvious that the Ministry failed to adequately measure and quantify the electrical works completed, which resulted in payments being made significantly above current market rates for works of similar nature.

613. The works completed and paid under Bill №. 1; Item 1.6 – Electrical in the lump sum of \$730,000, was in fact measurable and quantifiable. However, no breakdown of this sum was seen, further, checks of the actual works completed revealed that the payment of this sum was exorbitant. Based on our assessment of the electrical works completed, and using current market rates, the total value of the electrical works is estimated to cost only \$448,000, while the contractor was paid \$730,000. Details of our assessment is presented in the table below:

Item	Description	Unit	Qty	Rate G\$	Amount G\$
1.6(b)	Electrical				
a	Apply one coat and two finish coats oil paint to all expose timber surface	Sum			40,000
	Quantified Works				
b	Supply and install 110/220 volts, 4 feet double lamp complete with parabolic reflectors, bulbs etc. and terminate	No	4	50,000	200,000
c	Supply and install 2.5mm flat PVC cable to accommodate lighting etc.	m	100	700	70,000
d	Supply and install 16mm x25mm PVC trunking to walls of principal office	Lgths.	5	3,500	17,500
e	Upgrading to 4 x8 Electrical panel by installing 2# double pole 20 Amps breakers to panel	No	1	50,000	50,000
f	Install ¾" PVC conduits to accommodate wiring in ceiling	Lgths.	5	3,500	17,500
g	Supply and install two gang switches and make functional	No	1	10,000	10,000
h	Supply and install single gang switch and make functional	No	1	8,000	8,000
I	Supply and install double pin 6"x3" two gang switches and make functional	No	2	17,500	35,000
	Actual Estimated Value of Electrical Works completed				448,000



Completed works in Principal's Office

Ministry'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.

Recommendations: *The Audit Office recommends that the Ministry ensure proper monitoring and supervision of all contracts awarded and ensure that measured work valuations are prepared. (2020/194)*

614. The Ministerial Tender Board on the 14 December 2020 awarded a contract to the lowest of five quotation in the sum of \$2.939M for the repairs and maintenance in the lower flat of the technology building at the Essequibo Technical Institute, Region №. 2 of which no engineer's estimate was seen. The works entails the construction of an enclosed area under the building with HCB kerb wall, sand filling and capping of concrete floor, installation of HCB walls, PVC ceiling, windows, doors and painting of building. Further examination of the contract document revealed that the contract was signed on the 14 December 2020, however the start and completion date and the defects liability period could not be determined from the document.

615. Physical verification carried out on the 9 June 2021 revealed that the works were completed and based on the measurements taken on site, inspection and calculations the quantities corresponded with the quantities listed and paid for in the payment voucher and valuation presented for examination.

616. However, the works completed under this contract was of a capital nature and should have been charged to capital expenditure in keeping with circularised instructions and not the recurrent budget.



Newly enclosed ground floor area

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry desist from using current budgetary allocations for completing capital works. (2020/195)*

Maintenance of Other Infrastructure

617. The Ministerial Tender Board on the 29 December 2020 awarded a contract in the sum \$2.454M to the lowest quoted price of four quotations for the enhancement of the parking lot at the Ministry of Education, 26 Brickdam, Georgetown. The works entails installation of paving stones to the parapet area and installation of angle iron and steel grate over concrete drains along with painting works. Further, examination of the contract document revealed that the contract was signed on the 29 December 2020, however, the commencement date, completion date and defects liability period could not be determined from the examined document neither was there an engineer's estimate.

618. Physical verification carried out on the 9 June 2021 revealed that the contractor was overpaid amounts totalling \$578,198 based on the measurements and calculations. See details in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate	Amount Overpaid G\$
	Bill №. 2 – Excavation and Earth Works						
2.3	Excavate area in order to facilitate parking lot base n/e 10"	45	29.5	CY	15.4	3,000	46,458
2.4	Level and compact bottom of excavated area to receive white sand fill with the aid of levelling pickets	190	107	SY	83	180	14,940
	Bill №. 3 – Concrete & Block Works						
3.3	Pavement blocks inclusive of filler material	180	104	SY	76	6,800	516,800
TOTAL OVERPAID							578,198

619. In addition, it was also observed that the contractor failed to adhere to the specifications of the contract whereby Bill №. 4: required that the contractor fabricate grill drain cover using 1" diameter bar and 4" angle iron however, the contractor instead completed the works using smaller member, namely, 5/8" diameter bars with 2.5" angle iron. The Ministry accepted this change and paid the same amount to the contractor. Also, the payment certificate was certified by the Superintendent of works on the same date the contract was signed by the contractor and awarded at the MTB, on the 29 December 2020.

620. Further it was noted that the payment was approved by the Head of Department on the 18 December 2020, eleven days before the contract was awarded at the MTB and signed by the contractor. It was further noted that the works completed under this contract were of a capital nature and should have been charged to capital expenditure in keeping with circularised instructions.



Newly Constructed parking lot

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that (i) the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts, (ii) desist from using current budgetary allocations for completing capital works and (iii) Recover all overpaid sums. (2020/196)*

621. The Ministerial Tender Board on the 13 November 2020 awarded a contract in the sum of \$2.997M for the repairs to fence at Chateau Margot Nursery School, Region №. 4. The procedure for the award of this contract could not be ascertained whether it was in accordance with the regulations set out in the Procurement Act of 2003, since there was no evidence of the works being publicly advertised, the time for the submission of bid and the closing date are unknown. Also, the engineer's estimate was not seen. Further examination of the contract document revealed that the contract was signed on the 13 November 2020 and according to the Certificate of Final Completion the works commenced on the 16 November 2020 and was completed on the same date. It was however observed that a work completion/certificate report signed, by both the headmistress of the school and the engineer indicated that the works were completed on the 3 March 2021 and the contractor received one payment of the full sum of \$2.997M.

622. Physical verification carried out on the 7 June 2021 revealed that the works were completed and based on measurements taken on the site, inspection and calculations, the quantities reasonably correspond with the quantities listed and paid for on the payment vouchers and valuations presented and examined. However, the works completed under this contract were of a capital nature, since a completely new concrete fence was constructed using funds allocated under the recurrent budget not in keeping with circularised instructions.



Newly constructed concrete fence

Ministry’s Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts and desist from using current budgetary allocations for completing capital works. (2020/197)*

Other Findings

623. The Ministerial Tender Board for the period under review awarded three contracts on the same date for a total sum of \$20.514M to complete works on the same building. The Ministerial Tender Board limit being \$8M it is of the view that the Ministry was involved in contract splitting to facilitate the awarding of the contracts by the Ministerial Tender Board, in breach of the Section 14 of the Procurement Act of 2003 which clearly states 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*”. See details of the contracts below:

No.	Contract	Contract Sum G\$’000	Date of Award by Ministerial Tender Board
1.	Rehabilitation of Building New Central High School	4,700	31 December 2019
2.	Rehabilitation of Building, New Central High School – Raising of Lower Flat & Foundation Installation	7,839	31 December 2019
3.	Rehabilitation of Building, New Central High School	7,975	31 December 2019
	Total (Value of Contracts Split and awarded by the Ministry)	20,514	

624. Further, examinations revealed that the National Procurement and Tender Administration Board (NPTAB) awarded a contract for works to be done on the same building seventeen days prior to the splitting and awarding of the three contracts listed above, resulting in four different contractors working on the same building at the same time.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry comply with the Procurement Act. (2020/198)*

Print and Non-Print Material

625. The budgeted expenditure for print and non-print for the period under review was \$683.138M. During the year, the sum of \$67.493M was transferred by way of virement from Transport travel and postage, Cleaning and extermination services, Dietary and Training increasing the approved allotment for Print and Non-Print materials to \$750.631M. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$734.218M were expended resulting in a shortfall in expenditure of \$16.413M. Similarly, in 2019 a shortfall of \$28.515M was recorded.

Ministry's Response: The Head of Budget Agency explained the shortfall was as a result of adjustment of work program being made to engage learner in the printing and distribution of worksheets. No printing was done for the third term.

Recommendations: *The Audit Office recommends that the Head of Budget Agency ensure that measures are implemented to achieve its anticipated levels of expenditure. (2020/199)*

626. Further, audit examination revealed that during the year the Ministry awarded thirty-eight contracts totalling \$556.236M at the Ministerial Tender Board (MTB) and National Procurement Tender Administration Board (NPTAB) to twenty-one contractors, for the purchase of text books, exercise books and printing of work sheets. Three contracts totalling \$3.922M were awarded at MTB while thirty-five contracts totalling \$552.315M was awarded at the NPTAB. As at 31 December 2020, the full amount was paid for contracts awarded at MTB and amounts totalling \$505.485M were verified in the IFMIS as paid on the thirty-five contracts awarded at NPTAB, with an outstanding balance of \$46.830M on one contract. Similarly, in 2019 outstanding payments recorded were \$9.674M.

Ministry's Response: The Head of Budget Agency explained that. annual running contracts are awarded to service contractors and payments are only made based on supplies and invoices on quantity supplied.

Recommendations: *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. (2020/200)*

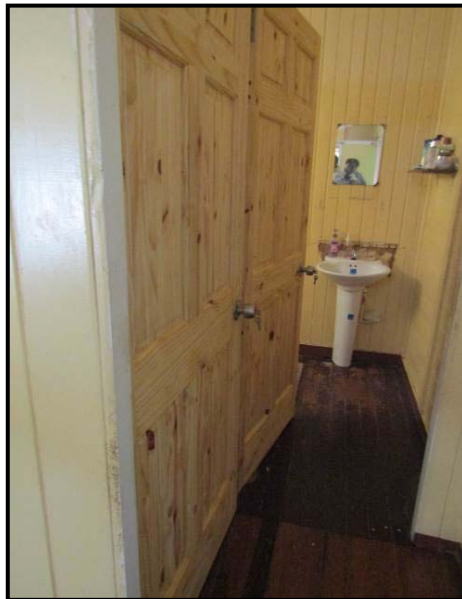
Education Subventions and Grants

627. The Ministry budgeted \$4.940 billion under its six recurrent programmes for Education Subventions and Grants for the period under review. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$4.841 billion were expended. The physical verification of the contracts awarded and the works done during the year are as follows:

628. On the 31 December 2020, a contract was awarded at the Ministerial Tender Board (MTB) in the sum of \$1.933M for the Repairs to Living Quarters Queen's College. Further, examination of the contract document revealed that the contract was signed on 2 December 2020 for the sum of \$1.982M, twenty-nine days before the award of the contract at the MTB, which is a breach of Procurement Act of 2003. Also, the contract was signed for \$49,139 more than the contract sum at the award of the contract on the 31 December 2020.

629. In addition, the works for this contract was certified satisfactorily completed by the Superintendent of Works on the 28 December 2020, three days before the award of the contract at MTB, and the full sum of \$1.943M which was approved for payment on the 17 December 2020, fourteen days before the award of the contract at the MTB and twelve days before the works were certified satisfactorily completed was paid to the contractor on the 29 January 2021.

630. Physical verification of the works carried out on 7 June 2021 which comprise the removal of old windows and replacing with new aluminum sliding windows, installation of new doors, repairs to cupboard and tiling works, painting of the building and rain water installations revealed that the works were completed. However, two of the windows installed were smaller than that which was specified in the quotation, while none of the internal pinewood panel doors installed were painted, as specified in the contract, despite, the works were certified satisfactorily completed by the Superintendent of Works on the 28 December 2020.



Unpainted pine wood panel doors

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to revise the procedure and avoid such recurrences.

Recommendations: The Audit Office recommends that (i) the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts, and (ii) Recover all overpaid sums. (2020/201)

631. A contract awarded on the 14 December 2020 at the Ministerial Tender Board (MTB) in the sum of \$2.918M for the Repairs to Valley Linden Technical Institute (Admin Building, Mechanical and Welding Workshop). Further, examination of the contract document revealed that the contract was signed on the 7 December 2020, seven (7) days before the award by the MTB, which is a breach of the Procurement Act of 2003 also, the date of commencement of the works and engineer's estimate were not seen. However, a final valuation of works completed totalling \$2.918M was seen along with the final payment certificate which was prepared and certified for payment on the same date the contract was signed 7 December 2020.

632. In addition, there were no engineer's estimate seen and as such, it is unclear as to how the Ministry determined that the contractor's quoted prices were fair and reasonable at the time, while the contractor did not cater for any defect's liability period.

633. Physical verification carried out on the 8 June 2021 revealed that an overpayment of \$821,000 was made to the contractor based on the measurements and calculations of the completed works. See details below:

Description	Qty Paid	Qty Found	Unit	Diff	Rate G\$	Amount Overpaid G\$
Repairs to Concrete Drain						
Remove all damaged zinc between valley area where drain is to be constructed.	120	85	CU. YD	35	1,000	35,000
Provide and fix form board to bottom and sides for concrete drain between valley	1,000	600	BM	400	280	112,000
Provide and fix 3/8" main bars and stirrups for reinforce concrete drain	2,800	1,600	LBS	1200	160	192,000
Provide and place 1:2:4 mix concrete for drain between valley	12	4.5	CU. YD	7.5	40,000	300,000
Provide and fix in place new zinc sheet to damage sections of valley area, secure with screws	150	85	CU. YD	65	2,800	182,000
Total Overpaid						821,000



Completed works at Linden Technical Institute

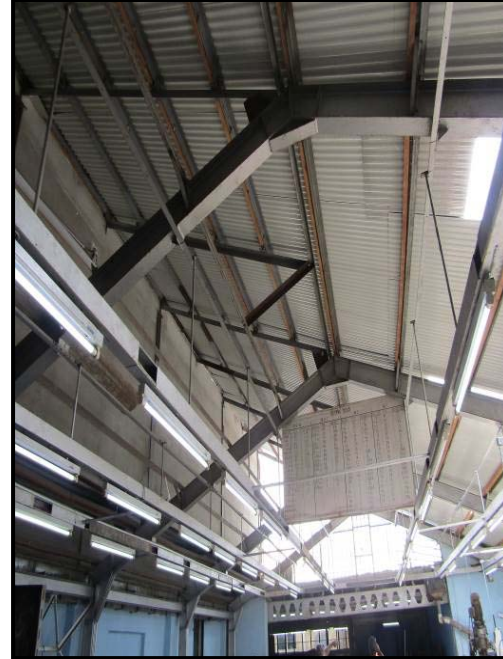
Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to revise the procedure and avoid such recurrences.

Recommendations: *The Audit Office recommends that (i) the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts, and (ii) Recover all overpaid sums. (2020/202)*

634. The Ministerial Tender Board (MTB) on the 21 December 2020 awarded a contract for the Repairs to Roof Linden Technical Institute (Admin Building, Mechanical and Welding Workshop) in the sum of \$2.985M. Further, examination of the contract document revealed that the contract was signed on the 7 December 2020, and the final payment certificate was prepared and certified for payment on the same day, fourteen days before the award of the contract at the MTB which is a breach of the Procurement Act of 2003. In addition, the date of commencement of the works could not be determined from the examined documents, neither was there an engineer's estimate. However, the final valuation attached to the payment voucher valued the completed works at \$2.985M, that was paid to the contractor on the 25 January 2021 less the withholding tax.

635. A physical verification carried out on the 8 June 2021 of the completed works, based on the measurements and calculations an overpayment of \$120,000 was discovered. See details below:

Item	Description	Qty Paid	Qty Found	Unit	Diff.	Rate G\$	Amount Overpaid G\$
	Repairs Works to Roof						
	Provide and install 2"x4" HW. Purlines fix and secure to existing Z purlines using ½" x3" bolts and nuts.	2600	2300	BM	300	400	120,000
TOTAL OVERPAID							120,000



Completed Works to Roof at Linden Technical Institute

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to revise the procedure to avoid such recurrences.

Recommendations: *The Audit Office recommends that (i) the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts, and (ii) Recover all overpaid sums. (2020/203)*

636. The Ministerial Tender Board on the 31 December 2020 awarded a contract in the sum of \$2.895M for the repairs and maintenance works to roof over the computer lab Library at the Linden Technical Institute. Examination of the contract documents and payment voucher revealed that the Ministry was in breach of the Procurement Act of 2003, since the date the contract was signed was not recorded on the contract document, nevertheless the final valuation of the completed works was dated 29 December 2020, two days before the date the contract was awarded at the MTB, also, the works completion certification was signed on the 30 December 2020 before the date the contract was awarded.

637. The physical verification carried out on the 8 June 2021 on the completed works, measurement and calculations reflect no discrepancies.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to revise the procedure to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts. (2020/204)*

638. The Ministerial Tender Board on the 21 December 2020 awarded a contract in the sum of \$2.942M for the repairs and maintenance works to roof over the computer lab and library at Linden Technical Institute. Further, examination of the contract document and payment vouchers revealed that the contract was signed on the 2 December 2020, nineteen days before the contract was awarded at the MTB and certified completed on the 12 December 2020 nine days before the contract was awarded by the MTB which is a breach of the Procurement Act of 2003, also, the date of commencement of works could not be determined from the examined documents nor was an engineer's estimate seen.

639. Physical verification carried out on the 8 June 2021 on the completed works, measurement and calculations reflected no discrepancies.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that systems will be put in place to revise the procedure to avoid such recurrences.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Procurement Act of 2003 as it relates to the awarding and signing of contracts. (2020/205)*

Others

640. The Ministry continues to breach the FMA Act, at the time of reporting in September 2021 fifteen cheques were on hand totalling \$23.947M which has since become stale dated. These cheques were refunded to the Consolidated Fund on the 8 September 2021.

Ministry's Response: The Head of Budget Agency explained that steps have been take to have all the outstanding cheques refunded.

Recommendations: *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. (2020/206)*

641. According to Section 34 of the Stores Regulations the Ministry is required to maintain a gift register to record all gifts received. However, audit checks carried out revealed that the Ministry for the period under review did not maintain a gift register notwithstanding the Ministry received gifts during the year.

Ministry's Response: The Head of Budget Agency explained that a gift register will be implemented.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Stores Regulations of 1993 as it relates to the maintenance of a Gift register to record all gifts received. (2020/207)*

642. The Ministry for the period under review issued 210 advances to the value of \$18.233M through its Imprest Account. An examination of a sample of twenty-five advances revealed that eight advances were cleared late on an average of 6 to 81 days after the allowed 14 days. However, as at 31 December there were no outstanding advances.

Ministry's Response: The Head of Budget Agency explained that corrective action will be taken to have them cleared promptly.

Recommendations: The Audit Office recommends that the Ministry continue in its efforts to ensure that advances are cleared within the stipulated time-frame. (2020/208)

Capital Expenditure

Shortfall of Expenditure

643. Amounts totalling \$3.328 billion allotted under six programmes for the year under review. According to the Appropriation Accounts, the Ministry expended \$2.394 billion, thus resulting in a shortfall of \$933.399M, representing approximately 28% of total funds allotted. The table below gives a detail summary of the shortfall.

Programme	Description	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000	Shortfall %
401	Policy Development and Administration	962,851	426,442	536,409	56
402	Training and Development	361,595	360,058	1,537	0.43
403	Nursery Education	55,853	55,477	376	7
404	Primary Education	106,909	104,829	2,080	2
405	Secondary Education	1,115,895	913,685	202,210	18
406	Post-Secondary/Tertiary Education	724,632	533,845	190,787	26
Total		3,327,735	2,394,336	933,399	28

644. The Shortfall at Programme 401 – Administrative Buildings was mainly as a result of the Health Sciences faculty building at UG not being constructed under the Guyana Education Sector Improvement Project and the COVID 19 Accelerated Programme not achieving all the detailed activities stated in its profile.

Recommendations: The Audit Office recommends that amounts are expended as budgeted to ensure the intended benefits are realised for each Programme. (2020/209)

Programme 401 – Policy Development and Administration

Administrative Buildings -1215000

645. The sum of \$54.851M was allotted in the budget to improve accommodation thus making provision for the: (i) payment of retention, (ii) completion of extension at Examination Division, Georgetown and (iii) rehabilitation of building. According to the Appropriation Accounts, as at 31 December 2020, amounts totaling \$49.673M was expended as recorded in the IFMIS resulting in a shortfall in expenditure of \$5.178M. The details are shown in the table below:

Description	Amount \$'000
Extension of Building Examination Division QC Compound	21,423
Payment of Raising of RC Compound MOE 26 Brickdam	271
Rehab of Admin Building Phase II Georgetown Smyth Street	21,076
Overhauling of Switchgear Room Generator Room etc. MOE 26 Brickdam	6,903
Total	49,673

646. The National Procurement Tender Administration Board (NPTAB) on the 14 December 2020 awarded a contract in the sum of \$48.714M for the Repairs to Admin Building Phase II Smyth Street, Georgetown. Further, examination of the contract document revealed that the contract was signed on the 15 December 2020 and the expected duration of the works to be completed is five months, however the commencement date could not be determined from the documents examined neither was an Engineer's Estimate seen.

647. The Physical verification of the works was done on the 9 June 2021, approximately six months after the contract was signed and the works were incomplete and still ongoing, while, no extensions to the duration of the contract was seen. Further, based on the measurements and calculations, overpayment totalling \$8.235M was discovered at the time. See details below:

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate G\$	Amount Overpaid G\$'000
	Bill №. 3 carpentry & Joinery Works						
3.6	Cubicles Installation (GF, SF& FF)						
3.6.1	Complete cubicle with L-shaped desk, drawers & CPU stand, guess chair space, 24"x78"x72"x72" mid glass (secretary)	3	0	No	3	190,000	570
3.6.2	Complete cubicle with L-shaped desk, drawers & CPU stand, guess chair space, 84"x84"x48"x72"	44	0	No	48	120,000	5,280
	Additional Works Bill:						
	25"x45" Casement aluminum Kind windows – custom order to Second floor and first floor	53	0	No	53	45,000	2,385
TOTAL OVERPAID							8,235



Ongoing works at Smyth Street

Ministry'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.

Recommendations: *The Audit Office recommends the Ministry ensure (i) contracts are properly supervised and monitored, (ii) deliverables are in keeping with the contractual obligations and (iii) all overpaid sums are recovered. (2020/210)*

Furniture and Equipment -2607100

648. Amounts totalling \$19.675M were budgeted for the purchase of furniture and equipment for the period under review to improve operational efficiency. According to the Appropriation Accounts as at 31 December 2020, amounts totaling \$19.588M were expended. Physical verification carried out at the Stores, Accounts department, Transport department, Human Services Department and Buildings Unit on a sample of furniture and equipment purchased by the Ministry during the year revealed the following discrepancies:

- (a) Items were not marked as property of the Ministry.
- (b) Items were not seen in the department that it was issued; instead they were in other departments.
- (c) There was no Sectional Inventory seen in the Accounts Department, Buildings Unit, Procurement Department, Human Resource Department, Field Audit Department, Stores and the Computer Room to record all items in that department and the movement of items.

Ministry's Response: The Head of Budget Agency explained that the marking of assets is an ongoing process.

Recommendations: *The Audit Office recommends that the Ministry ensure the Stores Regulations, 1993 with regards to the maintenance of Master and Sectional Inventories is complied with at all times, and all assets are marked as property of the Ministry. (2020/211)*

649. Further examination revealed that the Ministry for the period under review did not maintain a Permanent Stores Register to record the purchase of all capital items in keeping with the Stores Regulations 1993.

Ministry's Response: The Head of Budget Agency Acknowledge the findings and a Permanent Stores Register will be implemented.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Stores Regulations of 1993 as it relates to the maintenance of a permanent stores register. (2020/212)*

Guyana Education Sector Improvement Project -2609400

650. On the 22 June 2017, the International Development Association (IDA) and the Government of Guyana (GoG) entered into an Agreement to improve the education delivery and facilities in Guyana. During the year the sum of \$400M 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 Sciences building at the University of Guyana, Turkeyen and (iii) Project administration and evaluation. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$193.555M were expended. This project is subject to separate financial reporting and audit. The last audit report was issued on the 22 June 2021, for the year ended 31 December 2020.

COVID-19 Accelerated Programme-2609900

651. The Ministry in its budget allotted \$500M to improve education delivery making provision for the: (i) development and production of learning packages, (ii) interactive radio, television and web-based lessons, (iii) sensitisation programme and psychosocial support, (iv) hygiene hubs, sanitary facilities, and personal protective equipment for learners and teachers and (v) training. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$175.272M were expended.

Ministry's Response: The Head of Budget Agency explained that the COVID AFP, in its initial phase, was plagued with environmental constraints that served to delay the procurement of goods and service alike. Some of these constraints included:

- an extended period with a disbanded National Procurement and Tender Administration Board, followed by delays associated with a newly constituted board;
- re-tendering of activities
- disruptions and delays in the supply chain due to COVID 19; and
- inability to access educators for training or learners for assessment, due to pandemic driven sustained closure of schools, coupled with unequal access to devices and/or connectivity.

Challenges notwithstanding, the COVID AFP has been able to conclude all but two (2) procurement processes: the purchase of software licenses, which has been undertaken by UNICEF and is at the preparation for award stage; the other is the procurement of the nursery home- based learning packages, which is awaiting approval of award from Cabinet.

Programme 402- Training and Development

Teachers' Training Complex (CPCE)- 1215100

652. The sum of \$21.060M was allotted to the Ministry for the period under review to make provision for: (i) payment of retention, (ii) providing sinks, steriliser chamber, furniture and equipment to improved training, operational efficiency and accommodation. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$19.795M were expended resulting in a shortfall of \$1.265M. See details of expenditure in the table below:

Description	Amount \$'000
Construction of shed, walk way and extension CPCE	155
Purchase of sinks, equipment, furniture	17,040
Purchase human body spray steriliser	2,600
Total	19,795

653. A Sample of twelve payment vouchers totalling \$18.542M were examined for the purchase of furniture, equipment, human body spray steriliser and the payment of retention for the construction of shed, walkway and extension at C.P.C.E. However, at the time of writing in August the items were verified as received by the C.P.C.E and brought to account in their records. The items were not marked as property of CPCE.

Ministry's Response: The Head of Budget Agency stated that items of Permanent Stores marking is on-going.

Recommendations: *The Audit Office recommends that the Head of Budget Agency comply fully with Section 28 of the Stores Regulations. (2020/213)*

Buildings- National Library – 1217400

654. The sum of \$8.196M was budgeted by the Ministry to make provision for the (i) completion of fences at New Amsterdam and Linden Libraries, (ii) providing sanitary blocks and equipment, for the improvement to the facilities and operational efficiency. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$8.151M were expended. The accounts of the National Library are subject to separate financial reporting and audit. The details of the expenditure are shown in the table below:

Description	Amount \$'000
Construction of Fence National Library Linden Branch	2,840
Construction of Fence National Library New Amsterdam Branch	1,697
Rehabilitation of building Buxton Branch Library	1,381
Rehabilitation National Library Golden Grove	1,495
Repairs and maintenance of National Library	407
Purchase of photocopier	215
Purchase of fan	116
Total	8,151

Resource Development Centre – 2607200

655. The Ministry was allotted \$325.019M to improve operational efficiency and facilities by making provision for the: (i) Completion of upgrading to electrical system, (ii) New learning channels utilising a digital platform, (iii) Scanners, laptops, projectors, printers, tables, transmitters and solar panels. According to the Appropriation Accounts as at 31 December 2020, amounts totalling \$324.809M were expended, as recorded in the IFMIS. The details of the expenditure are shown in the table below:

Description	Amount \$'000
Supply Installation and Delivery of TV Studio Broadcasting System	210,451
Purchase of Equipment	69,504
Purchase of Vehicles	29,005
Replacement of Existing Electrical Power Distribution Network	15,746
Purchase of Gasoline	103
Total	324,809

656. On the 22 December 2020 a contract was awarded in the sum of \$210.451M at the NPTAB for the Supply and Delivery and Installation of Equipment for Television Studio, Broadcast System and Managed Solutions for the Guyana Learning Channel. The contract was divided into three Lots, where Lot 1 provision was made for digital cameras and accessories, Lot 2 provision was made for data storage devices and Lot 3 provided for ATSC digital free to air multi-channel television system. An examination of the payments revealed that the works were completed and the final payment was made to the contractor on the 2 January 2021. Physical verification of a sample of the equipment purchased was done, however they were not marked to be identified as the property of NCERD.

Ministry's Response: The Head of Budget Agency explained that the items of Permanent Stores marking is on-going.

Recommendations: *The Audit Office recommends that the Ministry adheres to the Stores Regulations 1993 and ensure that all assets are marked as the property of the Ministry. (2020/214)*

Programme 404 - Primary Education

Primary School – 1215400

657. The Ministry for the period under review budgeted \$66.754M to make provision for: (i) payment of retention, (ii) completion of building – David Rose Special School, (iii) information technology laboratories and (iv) construction of sinks and troughs to improve facilities and accommodation for primary school students. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$64.743M were expended as recorded in the IFMIS resulting savings of \$2.011M. Details of the expenditure are shown in the table below:

Description	Amount \$'000
Extension of David Rose Special School	38,089
Construction/Repairs to Water Trough at St. Stephen, Grahams Hall, Thomas Moore, St. Sidwell, St. Margarets, Sophia, North Georgetown, FE Pollard, Winfer gardens, St. Ambrose, Comenius, St. Angela, St. Agnes, St. Gabriels, Stella Maris, St. Pius, Smith Memorial, JE Burnham, Enterprise, Tucville, St. Annes, Agricola, Redeemer, Bel Air, West Ruimveldt, South Ruimveldt Primary Schools	18,434
Refurbishing/construction of IT labs at South Ruimveldt, Thomas Moore, Den Amstel, Stella Maris and Bel Air Primary Schools	4,860
Construction of Overhead Bridge at St. Angela's Primary School	1,856
Construction walking Area at South Ruimveldt Primary School	1,355
Reconstruction of roof and Stairs at Bel Air Primary School	149
Total	64,743

Ministry's Response: The Head of Budget Agency acknowledged the findings of the audit.

658. On the 5 August 2019 the National Procurement Tender Administration Board (NPTAB) awarded a contract in the sum of \$61.016M for the extension of building at David Rose Special School. the work of this contract entails the construction of a two-storey reinforced concrete building, complete with plumbing, electrical and rain water installations, carpentry and joinery works, construction of septic tank, painting and finishes. Further examination of the certificate of practical completion, the start date of the contract was 21 September 2019 with a completion date of 21 September 2020 and a defects liability period of six months.

659. The contract document was not presented for audit verification and as such the date the contract was sign could not be determined, also the tender evaluation report was not presented for audit examination as such the procedure undertaken to tender and award of this contract could not be ascertained as to whether it was in accordance with the Procurement Act of 2003.

660. As at 31 December 2020 the contractor received payments totalling \$56.802M for works completed. At the time of reporting in September 2021 the final accounts and the releases of the retention sum was still pending.

661. Physical verification carried out on the 31 August 2021 of the completed works, measurements and calculations the following overpayment of \$120,000 was discovered at the time. See details in the table below:

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate G\$	Amount Overpaid G\$
	Bill №. 10 Electrical Works						
10.22	Distribution Panel 36 way – complete with breakers and accessories	3	1	Nr.	2	60,000	120, 000
	Bill №. 12 Plumbing Works						
TOTAL OVERPAID							120,000



Leak observed on ceiling in washroom on the ground floor



Unpainted gable section of building

Ministry's Response: The Head of Budget Agency explained that the Ministry will follow-up and present all contract documents for audit and recover the overpaid sum of \$120,000.

Recommendations: *The Audit Office recommends that the Ministry follow-up and present all contract documents for audit verification and recover all overpaid sums. (2020/215)*

Programme 405- Secondary Education
Secondary School -1215500

662. The sum of \$291M was budgeted by the Ministry for the period under review to make provision for: (i) payment of retention, (ii) completion of science laboratories and smart classrooms, (iii) provision for Yarrowkabra Secondary and St. Rose’s High Schools, (iv) Construction of sanitary block at West Ruimveldt Secondary school and (v) construction of sinks and troughs to improve the facilities and accommodation for students. According to the Appropriation Account as at 31 December 2020, amounts totalling \$290.971M were expended as recorded in the IFMIS. Details are shown in the table below:

Description	Amount \$’000
Construction of Yarrowkabra Secondary School	210,778
Construction of St. Roses High School	26,524
Construction/Repairs to water trough at Lodge, West, South and North Ruimveldt, Houston, Sophia, Adult Education, North Georgetown, St. Ignatuis, Carmel, St. Georges, Bishops, St Winefride’s, New Campbellville, Houston, St. Stanislaus, Christ Church, St. Barnabas Special, Brickdam, New Central, Tutorial, Richard Ismael, Freeburg and Ascension High/Secondary Schools	25,148
Construction/Refurbishing of Science labs at Brickdam, Tucville, St. Mary’s, Plaisance, Christianburg Wismar, West Ruimveldt and Waramadong Secondary Schools	16,253
Extension of Special Needs, Dolphin Secondary and St. Joseph High School	5,794
Rehabilitation of Queens College and Ascension Secondary School	2,755
Repairs to room at Christianburg Wismar and East Ruimveldt Secondary school	1,770
Consultancy and design for Christ Church Secondary School	999
Rehabilitation of Reinforced Concrete trestle at Central High School	656
Construction of Reinforced Concrete Parking	294
Total	290,971

663. The National Procurement Tender Administration Board (NPTAB) on the 31 December awarded a contract for the construction of a secondary school at Yarrowkabra Linden Highway in the sum of \$826.758M from a total of five bids received, however, no details regarding the advertisement, duration for submission of bids or Tender Evaluation Report or Engineer’s Estimate was seen. The works of this contract entails the construction of ten building blocks, security guard hut and external works. The blocks are Block A – Administration, Block B- Multi Purpose Hall, Block C- Home Economics, Block D – Laboratories, Block E - Classrooms, Agri- Science etc., Block F- Classrooms, Block G Classrooms and Library, Block H - Visual Performing Arts, Block J- Industrial Technology and Block K - Classrooms and Computer Laboratory. With each block fully outfitted with plumbing electrical, air conditioning, rainwater installations, painting and finishes while external works include perimeter fencing, drains, water trestle, septic tanks, internal paths and paving.

664. Further, examination revealed that the letter of acceptance was issued to the contractor on the 31 December 2019 and the contract was signed on the same date, with a duration of twelve months for completion and a defects liability period of twelve months. As at 31 December 2020 the contractor received advance payment of \$162.045M in three parts, representing 19.6% of the contract sum followed by one interim payment of \$53.794M. See details of each payment in the table.

Item	Description of Payment	Payment Voucher #	Date Inputted into I.F.M.I.S.	Amount G\$'000	Date when cheque uplifted by Contractor
2019					
1	Const. of Yarrowkabra Sec. Sch.	40020173	31/12/2019	26,041	17/01/2020
TOTAL PAYMENT FOR 2019				26,041	
2020					
2	Const. of Yarrowkabra Sec. Sch.	400006171	30/01/2020	98,940	04/02/2020
3	Const. of Yarrowkabra Sec. Sch.	400001056	20/02/2020	37,064	03/03/2020
4	Interim Payment Cert. # 1	400005771	30/07/2020	53,794	04/09/2020
TOTAL PAYMENT FOR 2020				189,798	
CUMULATIVE PAYMENT AT 31 DECEMBER 2020				215,838	

665. Physical verification carried out on the 31 August 2021 revealed that the works were incomplete, and the contractor has demobilised and vacate the site. The site was secured by personnel attached to a private security firm which was contracted by the Ministry. However, the works completed at the time of the physical verification includes clearing, levelling and compacting of the site, construction of reinforced concrete foundations and columns for Blocks C, D, E, F, G and J.

666. The representative from the Supervising Consultant present at the time of the physical verification confirmed that the Contract was terminated. In addition, the Advance Payment Guarantee and Performance bond were expired on 31 December 2020, while the advance payment was not recovered.



Construction of Yarrowkabra Secondary School

Ministry's Response: The Head of Budget Agency acknowledge the findings and explained that the contract was terminated and the requested documents will be submitted.

Recommendations: *The Audit Office recommends that the Ministry follow-up and present the termination letter and valuation at termination of contract for audit verification. (2020/216)*

667. The National Procurement and Administrative Board (NPTAB) on the 23 April 2018 awarded a contract to the lowest of four bids in the sum of \$352.710M for the construction of St. Roses High School, at Camp and Church Street, Georgetown, Region №. 4. The work of the contract entails 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. Further, examination revealed that the Engineer's Estimate was for \$450.666M, and the notification of award was issued on the 24 April 2018 to the contractor. The contract was signed on the 8 August 2018 with duration of eighteen months for completion and a defects liability period of three months.

668. According to SCC Clause 1.1, the contractual start date was seven days from the signing of the contract, however, on 17 August 2019 the NPTAB granted an approval to extend the scope of the contract with an increase of \$59.595M to the contact sum increasing the contract sum to \$412.304M, the increase was due to changes made to the initial foundation design, whereby a deeper foundation using timber piles will be constructed. However, at the time of reporting it was noted that the contract duration was extended by twenty months, resulting in a revised completion date of 23 August 2021.

669. The contract was terminated on the 2 November 2020 by the Government of Guyana as a result of poor performance by the contractor in expediting the works. At the time of termination, the contractor had received two advance payment of \$52.906M and \$28.963M in 2018 and 2019 respectively, along with several interim payments. However, at the time of writing in September 2021 only \$13.606M or 16.6% of the total advanced payment to the contractor had been recovered leaving an outstanding balance of \$68.262M still to be repaid by the contractor. Shown in the table below are the payments made to the contractor as at 31 December 2020.

Item	Description	Amount \$'000	Remarks
1	Mobilisation Advance # 1	52,906	Received by Contractor on 23 August 2018
2	Valuation №. 2	5,186	
Total Payments in 2018		58,093	
3	Valuation №. 3	1,379	No Breakdown attached to Valuation
4	Valuation №.4	855	Insurances
5	Payment	549	Security Charges
6	Payment	575	Security Charges
7	Valuation №. 5	375	Security Charges
8	Valuation №. 6	494	Security Charges
9	Valuation №. 7	503	Security Charges
10	Payment	516	Security Charges
11	Valuation №. 9	549	Security Charges
12	Valuation №. 8	516	Security Charges
13	Mobilisation Advance # 2	28,963	Received by Contractor on 10 January 2020
Total Payments in 2019		35,274	
14	Valuation №. 2	19,637	Performed Works
15	Valuation №. 3	2,449	Performed Works
16	Payment	354	Security Charges
17	Valuation №. 4	2,906	Performed Works
Total Payments in 2020		25,345	
Cumulative Payments as at 31/12/2021		118,711,657	

670. Physical verification carried out on the 2 September 2021 revealed that the contractor has demobilised and vacated the site. Further the Advance Guarantee №. 1 dated 6 August 2018 for the sum of \$52.906M and Advance Guarantee №. 2 dated 23 December 2019 for the sum of \$29.554M had since been expired on 1 March 2020 and 31 March 2020 respectively before the date of termination of the contract on the 2 November 2020. The performance bond valuing \$105.813M was valid at the time of termination, however, at the time of reporting in September 2021 there was no evidence that the Ministry had levied on the bond that has since expired on the 1 March 2021.



St. Roses High School

Ministry's Response: The Head of Budget Agency acknowledges the findings and the required documents will be provided for audit verification.

Recommendations: *The Audit Office recommends that the Ministry supply all outstanding documents relating to the termination of this contract for verification. (2020/217)*

President's College – 1215600

671. The sum of \$29.395M was budgeted by the Ministry for: (i) payment of retention, (ii) upgrading of Information and Communication Technology (ICT) infrastructure, (iii) provision of sanitary block, furniture and equipment to improve the operational efficiency and accommodation and enhance education delivery. According to the Appropriation Account as at 31 December 2020 amounts totalling \$28.080M were expended. This entity is subject to separate financial reporting and audit. The last audit report was issued on the 24 August 2021 for the year ended 2013. The details of the expenditure for the year 2020 are shown in the table below:

Description	Amount \$'000
Construction of Baseball Court	396
Construction of Sanitary Block	2,335
Construction of Guard Hut and Gate	582
Construction of eating area	229
Construction Linden technical institute	2,000
Construct and deliver GTI	2,200
Purchase of printer, copier, water dispenser, fume hood, towel dispenser and mattress	2,838
Payment for fiber optic internet connectivity	17,500
Total	28,080

Ministry's Response: The Head of Budget Agency explained that the Ministry executed several projects during the reporting period which included Basketball Court, Staff Sanitary Block, Security Hut and Eating Area.

Guyana Secondary Education Improvement Project – 2607500

672. On the 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 \$750M was budgeted during the year for the purpose of:(i) construction of Secondary Schools at Parfaite Harmonie, Westminster and Good Hope;(ii) strengthening capacity of Secondary Schools Mathematics Teachers; and (iii) institutional strengthening to improve facilities, education and training. According to the Appropriation Account as at 31 December 2020 amounts totalling \$549.727M were expended. This project is subject to separate financial reporting and audit. The last audit report was issued on the 22 June 2021 for the year ended 31 December 2020.

University of Guyana Turkeyen -1216000

673. The sum of \$213.256M was allotted for: (i) payment of retention, (ii) completion of teaching and learning centre, language institute and upgrade of electrical system, (iii) provision for human resources and bursary building, pump house and sewerage system, to improve educational delivery, operational efficiency and accommodation. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$212.241M were expended. This entity is subject to separate financial reporting and audit. The last audit report was issued on the 6 January 2020 for the year ended 31 December 2015. The table below show the details of the expenditure for the year 2020:

Description	Amount \$'000
Electrical Upgrade UG	19,591
Construction of Students and Teachers Learning Complex UG Turkeyen	9,494
Rehab of Sewerage Treatment Plant etc. UG Turkeyen	139,064
Construction of Bursary and Personnel Building UG	29,341
Design and Supervision	1,300
Rehabilitation Work at UG Language Building	9,829
Construction of pump house UG Turkeyen	3,622
Total	212,241

University of Guyana Berbice – 1216100

674. The sum of \$8M was allotted for the provision of building to improve the facilities. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$1.671M were expended, for the repairs and maintenance of University of Guyana Berbice Campus as recorded in the IFMIS, resulting in the shortfall in expenditure of \$6.329M.

Ministry's Response: The Head of Budget Agency explained the Ministry made budgetary allocation for continuation of works at the University Facility at Berbice Campus, however no substantial works were accomplished for this project and the Ministry took measures to hasten the project outcome.

Recommendations: *The Audit Office recommends that the Ministry ensure that all amounts budgeted are expended in accordance with its submission. (2020/218)*

Technical Institutes/ Centre's – 1217901 and 1217902

675. The sum of \$258.439M was allotted for building and furniture and equipment making provision for: (i) payment of retention, (ii) electrical system – Guyana Industrial Training Centre and dormitory – Linden technical Institute, (iii) provision for tools, furniture and equipment. According to the Appropriation Accounts as at 31 December 2020 amounts totalling \$160.954M were expended as recorded in the IFMIS, resulting in a shortfall in expenditure of \$97.485M. the details are shown in the table below:

Description	Amount \$'000
Buildings	30,063
Furniture and Equipment	130,891
Total	160,954

Ministry's Response: The Head of Budget Agency explained that the Ministry made budgetary allocation for continuation of works to the Linden Technical Institute. However, as a result of the Termination of the Project at Linden Technical Institute the Ministry budgetary provision was severely impacted.

Recommendations: *The Audit Office recommends that the Ministry ensure that all amounts budgeted are expended in accordance with its submission. (2020/219)*

676. The NPTAB on the 30 May 2018 awarded a contract to the lowest evaluated bidder in the sum of \$398.273M for the construction of Dormitory - Linden Technical Institute at Mackenzie Linden, Region No. 10. The contract entails the construction of six reinforced concrete buildings, with Block A and F are the Canteen and Administrative Buildings respectively and Block B, C, D and E being Dormitories, all complete with plumbing, electrical and rein water installation, painting and tiling, along with landscaping works, boundary fence six (6) no electrical rooms and a guard hut.

677. Further, examination of the contract document revealed that the contract was signed on the 9 July 2018 with a duration of eighteen months for completion and a defects liability period of twelve months. The commencement date of the contract being 6 September 2018 with corresponding contractual completion date as 6 March 2020, however an approved extension of six months revised the completion date to 16 August 2020.

678. At the time of reporting the contractor received two advance payments of \$59.741M and \$49M along with ten interim payments. According to valuation number 10 dated 21 July 2020 \$27.435M or 25% of the total advance was recovered. See details of payment in the table below:

Item	Description of Payment	Amount \$'000
1	Advance Payment	59,741
2	Valuation # 1	8,078
Total Payment in 2018		67,819
3	Valuation # 2	8,780
4	Valuation # 3	3,832
5	Valuation # 4	6,632
6	Valuation # 5	6,216
7	Valuation # 6	5,557
8	Valuation # 7	4,215
9	Valuation # 8	13,126
10	Mobilisation Payment # 2	49,000
Total Payment in 2019		97,358
11	Valuation # 9	14,862
12	Valuation # 10	5,588
Total Payment in 2020		20,450
Cummulative Total		371,254

679. In September 2021 it is unclear if the works were completed since no completion certificates were seen and no further payment beyond July 2020 was noted, however 46.6% of the contract sum was expended. No follow up physical verification was done in 2021 for this project.

680. Examination of Valuation №. 9 and №. 10 revealed that the payments were made based solely on the measured works claim submitted by the contractor for the respective periods. No evidence was seen whereby the Ministry vetted any of the payment requests to ensure that they were accurate and reasonably represented the works completed at the time. Even more concerning was a correspondence from the Ministry to the contractor dated 30 March 2020, informing the contractor that the Ministry was experiencing challenges with the supervising consultant and that in the interim, the Ministry had approved a supervising consultant to oversee all on site day to day construction works. It is unclear who appointed this individual, what was his qualifications and designation and on what level of authority he was functioning on site. Therefore, the processing of payments by the Ministry based solely on the contractor's submissions, without formal supervision on site to verify and certify payments was not a very good practice.

681. In addition, the Performance Bond expired on 31 January 2021 and it was unclear at the time of reporting if it was extended.

682. 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 & \$49.000M totalling \$108.741M or 27.3% of the Contract sum. The second Advance Payment is a clear breach of the Contract and should 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 stated that “*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*”.

683. Examination of the Advance Bond and Guarantee revealed that both expired on 31 January 2020 and 31 August 2020 respectively, and it was unclear at the time of reporting if the Bonds were ever extended.

Ministry’s Response: The Head of Budget Agency explained that the advance first advancement payment made to the Project was mainly to commence immediate implementation of the works giving the project start date. Whilst the second advance payment was used mainly for further implementation of the project which was covered under a bond that was lay over to the Audit Department.

Recommendations: *The Audit Office recommends that the Ministry (i) ensure that the relevant Bonds are valid (ii) adhere to the conditions of contract in relation to the issuing of advance payments and (iii) provide updates on the status of the works under the contract. (2020/220)*

Skill Development and Employability Project – 2608100

684. On the 23 May 2017, the Caribbean Development Bank (CDB) and the Government of Guyana (GoG) enter into agreement to enhance training and services in Guyana. The sum of \$217M was budgeted during the year for the purpose of: (i) study and design of hospitality institute; (ii) upgrade 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 to enhance training and services. According to the Appropriation Account as at 31 December 2020 amounts totalling \$143.954M were expended. This project is subject to separate reporting and audit, the last audit report was issued on the 22 June 2021 for the year ended 31 December 2020.

University of Guyana Modernisation Project – 2609600

685. The Caribbean Development Bank (CDB) and the Government of Guyana (GoG) enter into an Agreement to improve the quality and access to education and training in Guyana. The sum of \$16.8M was budgeted during the year to make provision for study, design and construction of a state-of-the-art library facility for University of Guyana Turkeyen. According to the Appropriation Account as at 31 December 2020 amounts totalling \$4.209M were expended. This project is subject to separate financial reporting and audit.

Follow up on the Implementation of Prior Year Audit Recommendations

686. The table below shows the prior year matters as contained in the Auditor’s General 2019 Report and action taken by the Head of Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 20 recommendations; 14 were not implemented, 6 were partially implemented and 0 was fully implemented.

Rec. №	Category of Findings	Fully Implemented	Partially Implemented	Not Implemented
2019/286	Circularised Instructions			√
2019/287	Employment Cost - transfer of employees to permanent establishment		√	
2019/288	Employment cost -pay change directives			√
2019/289	Shortfall of Expenditure			√
2019/290	School Feeding Programme – expenditure monitoring		√	
2019/291	Stores Regulations- log books			√
2019/292	Stores Regulations – Historical records			√
2019/293	Fuel and Lubricants – vehicle uplifting fuel not belonging to the Ministry		√	
2019/294	Print and Non-Print – monitoring of expenditure		√	
2019/295	Cheques on hand as at 31 December 2020			√
2019/296	Audit of statutory agencies/submission of the outstanding financial statements			√
2019/297	Uncleared /Outstanding Cheque Orders			√
2019/298	Shortfall in Capital expenditure			√
2019/299	Secondary Schools – contracts awarded for construction without multi-year approval.		√	
2019/300	Construction of St Roses -not completed			√
2019/301	Construction of Linden Technical institute not completed			√
2019/302	All assets are marked and recorded in the Permanent stores register			√
2019/303	Contracts are properly supervised and monitored.		√	
2019/304	Overpayments on Contracts			√
2019/305	Stolen Mini Bus PNN 9513 assigned to Carnegie School of Home Economics			√

AGENCY 44
MINISTRY OF CULTURE, YOUTH AND SPORTS

687. The Ministry of Culture, Youth and Sports, captures three months of expenditure for the fiscal year 2020 for four programmes. Programme 1- Policy Development and Administration captures three sub-programmes - Policy Development and Administration, Administrative Support Services and Strategic Planning, Programme 2 - Culture captures three sub-programmes - Preservation and Conservation, Community Development and National Commemoration and Celebration, Programme 3 – Youth captures one sub-programme - Youth Services and Programme 4 - Sports captures one sub-programme - Sports. The first nine months of expenditure for this Ministry was captured under Agency 05 - Ministry of the Presidency under Programmes 058 - Cultural Preservation and Conservation, 059 - Youth and 05A - Sport.

Current Year Matters

Current Expenditure

Subsidies and Contributions to Local Organisations

688. The sum of \$244.640M was budgeted for Subsidies and Contribution to Local Organisations for the period 1 October 2020 to 31 December 2020. According to the Appropriation Accounts, amounts totalling \$234.185M were expended. Including in this sum, were amounts totalling \$135.176 which were disbursed to two entities under the control of the Ministry. These entities are subject to separate financial reporting and audit. However, both of the entities 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.

Agency	Amount Received	Audit Reports		Financial Statements	
	\$'000	Last Audited	Laid in National Assembly	Received by Audit Office	Not Received by Audit Office
National Sports Commission	106,738	2016	2010	2017-2020	-
National Trust of Guyana	28,438	2020	2014	-	-
Total	135,176				

Ministry’s Response: The Head of Budget Agency indicated that the Financial Statements for National Trust 2015 to 2018 has been audited, noted by Cabinet and awaits to be laid before the National Assembly, however Cabinet approval for 2019 and 2020 is still pending. Efforts are being made to have the audited financial statements for National Sports Commission for the years 2011- 2016 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. (2020/221)*

AGENCY 45
MINISTRY OF HOUSING AND WATER

Current Year Matters (October to December 2020)

Current Expenditure

Fuel and Lubricants

689. Amounts totaling \$1.356M were budgeted for Fuel and Lubricants for the period under review. According to the Appropriation Account the full sum was expended. However, an audit examination of the Fuel Register and Guyana Oil Company (GUYOIL) statements revealed amounts totalling \$503,427 was owing to the Ministry by GUYOIL as at 31 December 2020.

Ministry's Response: The Head of the Budget Agency stated the Ministry made a prepayment to the Guyana Oil Company (GUYOIL) of \$1.322M where \$829,339 was utilised and a balance of \$503,427 remaining. This overpayment catered for vehicles that were intended to be transferred to the Ministry of Housing and Water from the Ministry of Local Government and Regional Development, after the splitting of the Ministry of Communities, however, this was not done.

Recommendation: *The Audit Office recommends that the Head of the Budget Agency desist from the practice of prepaying for large quantities of fuel beyond its consumption needs. (2020/222)*

Subsidies and Contribution to Local Organisations

690. The sum of \$1.300 billion was allocated for subsidies and contribution to local organisations. According to the Appropriation Accounts, the full was expended during the year under review. Details of the expenditure are shown in the table below:

Details	Amount \$'000
Electricity charges for Guyana Water Incorporated (GWI)	530,000
Subvention - Local Government Commission	70,000
Subsidies - Guyana Association of Municipalities	700,000
Total	1,300,000

691. According to the Integrated Financial Management Information System (IFMIS) seven payments totalling \$530.000M were paid to the Guyana Power and Light (GPL) Incorporated and two payments totalling \$70M were paid for the Subvention for Hinterland Operations by the Ministry on behalf of the Guyana Water Incorporated (GWI). Eight payments totalling \$700M were paid to the Central Housing and Planning Authority (CH&PA). It should be noted that GWI and CH&PA are subjected to separate financial reporting and audit.

Agency	Amount Received	Audit Reports		Financial Statements	
	\$'000	Last Audited	Laid in National Assembly	Received by Audit Office	Not Received by Audit Office
Guyana Water Incorporated	600,000	2017	2016	2018-2019	2020
Central Housing and Planning Authority	700,000	2018	2017	2019-2020	N/A
Total	1,300,000				

Ministry's Response: The Head of Budget Agency acknowledges this statement.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensure that the outstanding audited reports are laid in the National Assembly. (2020/223)

Capital Expenditure

692. The sum of \$2.541 billion was allocated for capital programs. During the period under review, a supplementary provision in the sum of \$2 billion was approved, bringing the total funds available to \$4.541 billion. According to the Appropriation Accounts, amounts totalling \$4.439 billion were expended, resulting in a shortfall of \$102M on the projects planned for 2020. Details of allotment and expenditure are shown in the table below:

Description	Total Allotment \$'000	Supplementary Provision \$'000	Total Funds Available \$'000	Total Expenditure \$'000	Difference \$'000
Programme 1	5,000	0	5,000	4,997	3
Programme 2	1,870,615	2,000,000	3,870,615	3,801,098	69,517
Programme 3	664,985	0	664,985	632,994	31,991
Total	2,540,600	2,000,000	4,540,600	4,439,089	101,511

Infrastructure Development and Buildings

693. The sum of \$1.721 billion was allocated for (i) provision for electrical hardware, LED street lights and recreational facilities; (ii) upgrading of roads in Prospect, Perverserance, Little Diamond, Parfaite Harmonie, Herstelling, Eccles and Zeelught; and (iii) provision for land preparation and construction of roads and bridges in Recht-Door-Zee, Annandale, Cummings Lodge, Prospect, Little Diamond, Great Diamond, Providence, Lethem and Amelia's Ward. There was an approved supplementary provision in the sum of \$2 billion revising the total funds available to \$3.721 billion. According to the Appropriation Accounts, the full sum was expended during the year. Details of the expenditure are shown below:

Description	Amount \$'000
Infrastructure works	2,152,012
Construction and upgrade of roads and bridges	739,030
Payment for land	450,000
Procurement of Electrical Line Hardware materials and Conductors	184,935
Land Preparation works	80,449
Installation of Pure Water Distribution Network	58,941
Procurement of services, supply and installation of led street lights	22,405
Emergency works	12,270
Supply and Delivery of Wallaba poles & Timber product	9,878
Procurement of works and construction of electrical distribution network	9,486
Upgrading of recreational facilities	1,210
Total	3,720,616

Adequate Housing & Urban Accessibility

694. The sum of \$150M was allocated for (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. Amounts totalling \$80.483M were expended as at 31 December 2020. This project is funded by the Inter-American Development Bank (IDB) and is subject to separate financial reporting and audit.

695. On 21 June 2012, 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 No. 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 20 April 2020 for the period 1 January 2020 to 31 December 2020.

Water Supply Improvement Project

696. On 4 September 2018, the Government of Guyana and the Caribbean Development Bank (CDB) signed Loan Agreement No. 20/SFR-GUY for “Water Supply Improvement Project.” The sum of \$30M was allocated to (i) improve water supply 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 institutional strengthening. As at 31 December 2020, the full amount was refunded to the Consolidated Fund and was re-budgeted for in 2021.

Hinterland Water Supply

697. The sum of \$130M was provided for Hinterland Water Supply for (i) provision for mains, pump station and new services in Port Kaituma; (ii) expansion of water supply in Mabaruma, Barbina and Wanina; (iii) provision for distribution networks in Shulinab and Shea; (iv) provision for administration; and (v) purchase of all-terrain vehicles (ATVs). According to the Appropriation Account the full amount was expended. Details of the expenditure are shown below:

Description	Amount \$'000
Purchase and supply of vehicles and materials	84,263
Drilling of water well, upgrade of water supply system and construction of spring box catchment	31,008
Dismantling of existing reservoir & rehabilitation of metal trestle	5,792
Reimbursement of monies for site visits	5,687
2% withholding tax-Truck Smark-dismantle of existing reservoir	114
Agreement between Mayor & town council & GWI	357
Installation of electricity at Mabaruma, Barabina pump station and Port Kaituma	2,779
Total	130,000

Coastal Water Supply

698. The sum of \$142M was provided for the Coastal Water Supply for (i) drilling of well at Uitvlugt; (ii) completion of wells at Vergenoegen, Pouderoyen and Westminister; (iii) provision for hydrants in East Canje, Fort Ordinance and №. 2 Village; and (iv) provision for smart meters and bulk flow meter for La Parfaite Harmonie, Friendship/Providence and Mon Repos/Beterverwagting. According to the Appropriation Account the sum of \$144.999M was expended. Details of the expenditure are shown below:

Description	Amount \$'000
Procurement of Mechanical meters for areas including Eccles, Friendship, Providence, Mon Repos/ BV areas etc.	56,518
Completion of well at Vergenogen, Pouderoyen & West Minster	35,937
Installation of Hydrants in Regions 2, & 3- Anna Regina, Parika and Vreed-en-Hoop	29,013
Drilling of Well at Uitvlugt	20,531
Total	141,999

Urban Sewage and Water

699. The sum of \$228.370M was allocated for (i) purchase of pipes; (ii) provision for transmission lines at Cemetery and Vlissengen roads; and (iii) provision for intake line to new water treatment plant in Bartica. According to the Appropriation Account the sum of \$228.370M was expended. Details of the expenditure are shown below:

Description	Amount \$'000
Procurement of Mechanical meters for Georgetown, Linden, New Amsterdam and Corriverton	103,953
Procurement of submersible pumps, fittings and service connection materials	57,308
Procurement of pipes and fittings for transmission line extension, distribution network & Service connection to Five Mile Housing Scheme Bartica	29,033
Upgrading of transmission line Vlissengen Rd. (Shelterbelt to Lamaha St.) Phase 1 (including road reinstatement)	16,913
Installation of intake line from Raw Water Line to New Water Treatment Plant	15,465
Procurement of pipes to be installed in Albuoystown, Georgetown	5,698
Total	228,370

Water Supply & Infrastructure Improvement Programme

700. The sum of \$134.614M was provided for (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. Amounts totalling \$132.625M were expended as 31 December 2020. This project is funded by the IDB and European Union (EU) and is subject to separate financial reporting and audit.

701. On 10 October 2014, the Government of Guyana and the Inter-American Development Bank IDB signed Loan Agreement Nos. 3242/OC-GY, 3243/BL-GY & GRT/EX-14520-GY 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 to 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 €10,675,000 from the resources of the Non-Reimbursable Financing Agreement No. 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 the new completion date was 31 December 2020.

AGENCIES
43 - MINISTRY OF PUBLIC HEALTH
47 - MINISTRY OF HEALTH

702. The Ministry of Health is a new Agency which replaced the Ministry of Public Health. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 43 – Ministry of Public Health, while the last three months (October to December) was budgeted under the new Agency 47 – Ministry of Health.

Current Year Matters

Current Expenditure

Overpayment of Salaries

703. Sixty-four employees were overpaid net salaries amounting to \$13.474M. The related deductions amounting to \$1.709M were also paid over to the relevant agencies. Included in the net salaries overpaid are amounts totalling \$6.111M, which represented duplicated payments for non-taxable allowances to thirty-four employees. Moreover, the sums were paid for uniform, station, transportation, ration, vacation and on-call allowances, and gratuity. Up to the time of reporting in September 2021, a sum of \$8.116M was recovered, leaving net salaries totalling \$5.358M still to be recovered.

704. In addition, overpayments of net salaries and statutory deductions amounting to \$10.033M were also made for the period 2011 to 2019. Recoveries amounted to \$2.912M, leaving an unrecovered sum of \$7.121M, 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
2019	1,237	145	1,382	0	1,382
Total	8,145	1,888	10,033	2,912	7,121

Ministry's Response: The Head of Budget Agency stated that the Ministry will continue to take action to recover the outstanding amounts.

Recommendation: The Audit Office once again recommends that the Head of Budget Agency continue its efforts to recover the outstanding amounts, and submit the results for scrutiny. (2020/224)

Office and Field Materials

Drugs and Medical Supplies

705. The sum of \$8.070 billion was allotted under Line Item 6221 - Drugs and Medical Supplies. Allotment transfers to this Line Item totalled \$52.959M, resulting in an increased revised allotment of \$8.123 billion. An analysis of the payments revealed that amounts totalling \$8.122 billion were paid, as summarised in the table below.

Suppliers/Payees	Amount \$'000
New GPC Inc.	4,363,836
Western Scientific Company	1,804,166
Caribbean Medical Supplies Inc.	383,233
PAHO	378,324
Meditron Inc.	198,655
<i>GBTI-Water Street</i>	<i>178,054</i>
Roche Diagnostic	72,994
Ansa McAl Trading Limited	72,387
Trans-Continental	68,124
Massy Gas Products Guyana Ltd	62,511
Linden Hospital Complex	62,459
GK Inc.	53,331
DiaMed	49,886
Led Guyana	48,395
Medipharm Inc.	45,586
K & P Project Management Company	35,717
Kings Pharmaceuticals & Supplies	34,800
Regium International Inc.	34,330
Agatha General Consultant and Adv. Serv. Inc.	19,050
Cepheid HBDS	14,251
Marva Prefero Import & Export	14,075
Khalama AT Chemicals Company Inc.	13,419
Scientific Supplies Tech.	13,124
Cunjahs Distribution Construction & Décor Services	12,650
Regal Stationery & Computer Centre	10,950
BPI Guyana Inc.	10,384
Logistics Gyexpress Inc.	10,178
Portal	9,406
GUYBIZ Establishment	8,249
Jamars Associates	8,000
Cares Worth Medical Centre & Pharmacy	7,770
El Dorado Trading	6,000
MEDB Inc.	6,000
Purchases under \$6M	21,560
Adjustments	(9,658)
Total	8,122,196

706. The table below provides a status as of 2 September 2021, in relation to the sum of \$8.122 billion expended.

Particulars	Amount \$'000
Goods paid for and received	4,696,858
Goods paid for and not received	1,567,910
Payment vouchers not submitted	1,851,112
Payments on hand	6,316
Total	8,122,196

707. As can be noted from the table above, drugs and medical supplies valued \$1.568 billion were paid for, but not yet received. However, only the sum of \$551.819M was covered by bank guarantees. As a result, should the suppliers default on the supply of goods amounting to the difference of \$1.016 billion, the Ministry could encounter difficulties recovering this sum.

Ministry's Response: The Head of Budget Agency stated that the Ministry have located payment vouchers totalling \$1.818 billion, which will be handed over for audit scrutiny. Steps will be taken to locate the outstanding payment vouchers and submit.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to ensure that drugs and medical supplies paid for are delivered as intended. (2020/225)*

708. Further, the receipt of drugs and medical supplies totalling \$1.851 billion, could not be verified. Moreover, 118 payment vouchers processed for this sum were not presented for audit as of 2 September 2021.

Ministry's Response: The Head of Budget Agency stated that the Ministry is in the process of reconciling this information to provide better clarity.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency submit the payment vouchers in a timely manner to facilitate verification. (2020/226)*

709. At the time of reporting, the Ministry still had on hand, ten cheques drawn for sums totalling \$217.354M for the supply of drugs and medical supplies up to the time of this report in September 2021. In addition, one cheque drawn for the sum of \$2.468M in 2019, was also on hand. As a result, the Ministry would not have been able to replenish its stock as planned.

Ministry's Response: The Head of Budget Agency stated that in relation to the ten cheques, a reconciliation is being done to determine the status of deliveries; after which, appropriate action will be taken. In relation to the cheque drawn in 2019, the Ministry is awaiting the supply of the items.

Recommendation: *The Audit Office recommends that the Head of Budget Agency expedite the reconciliation process and submit the results for scrutiny. (2020/227)*

710. Also, three cheques drawn in 2017 for amounts totalling \$9.872M, and for which goods valued \$1.783M had been supplied, were still on hand at the time of reporting in September 2021.

Ministry's Response: The Head of Budget Agency stated that the Ministry is currently taking steps to close these contracts and pay out those cheques.

Recommendation: *The Audit Office recommends that the Head of Budget Agency expedite the process and submit the results for scrutiny. (2020/228)*

711. In July 2021, physical counts of a sample of thirty-one items were done at the Central Stores Unit (CSU), Kingston. A comparison of the physical count with the bin card balances revealed differences for twenty-nine items, which is approximately ninety-four percent of the sample of items counted. Of the differences, twenty and nine instances indicated shortages and excesses. This is an indication that proper control may not have been exercised over the receipt and issuance of these items at CSU.

Ministry's Response: The Head of Budget Agency stated that the shortages reported on the nineteen products, is due to the delayed dispatch of supplies and sign off of the voucher by the receiving officer that is necessary for updating the bin cards. In some cases, there is delay in adding the received items to bin cards, an issue that is currently being resolved.

The CSU has now instituted the new warehouse manager to be responsible for all receipts and the stores clerks to monitor and validate the receipts and picks for immediate update of the bin cards to eliminate variances in the future.

On the 15th July 2021, the CSU has started to do dispatches with the MOH vehicle in and around Georgetown. This is usually done on the non- dispatching days of Mondays, Wednesdays and Fridays. This intervention brought down the facilities awaiting dispatch and has improved the bin card updates.

The excesses are being investigated and can only be attributed to data entry error, when products are rationed and the request quantities is recorded instead of the rationed issued quantity.

712. In addition, on 4 August 2021, a sample of thirteen drugs and medical supplies were counted and compared to the balances in the electronic records management system 'Management and Control System (MACS)' at the Materials Management Unit (MMU), Diamond. Shortages and excess were noted for twelve and one of the items, respectively. Further, the entire stock on hand was expired for one type of drug; whilst, another had significant quantities expired. This is an indication that proper control was not exercised over the receipt and issuance of these items at MMU.

Ministry's Response: The Head of Budget Agency stated that the one expired product at location, was simply that product was stored at offsite and MMU had not removed all the expired products from that location at the time of the audit. The reasons for the shortages are the same as mentioned in the Ministry's response to the preceding finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency monitor the systems implemented, and conduct periodic stock counts, which will aid in highlighting deficiencies that can then be corrected. (2020/229)*

713. It should be noted that physical counts of forty-nine types of drugs with a total of 178 batches at MMU and New GPC Bond, were done in August 2020. A comparison of the physical count and balances reflected in the MACS had 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. 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.

Ministry's Response: The Head of Budget Agency stated that the small quantities of expired products stored among usable drugs was due to human error, as these products are stored in a 40ft Refo Container. The recent need to merge the two refo-containers into one to accommodate COVID-19 vaccines, may have led to this oversight when removing expiries recently.

As for the shortages, MACS is a live system and if the picks are not confirmed in MACS "live" and are then dispatched due to haste in supplying the needs of a health facility, the MACS proposed stock on hand will not align with the physical count. Unfortunately, this practice had happened especially in cases of emergencies to various regions due to flood relief and COVID-19 outbreaks. The MMU has assigned an M&E officer to monitor and assure all picks are confirmed before they are dispatched.

Another reason for this variance, is the dispatches are not closed in the MACS and are delayed due to staff being overburdens with dispatches. The MMU has reshuffled the supervisors to ensure that all dispatches are closed soonest after dispatch.

Recommendation: *The Audit Office recommends that the Head of Budget Agency monitor the systems implemented, and conduct periodic stock counts, which will aid in highlighting deficiencies that can then be corrected. (2020/230)*

714. It should be mentioned that a physical count of two types of drugs on 14 September 2020, revealed a difference of 165,300 packets of the drugs, when compared with the balances contained in MACS. It was recommended in my report for 2019 that the Ministry investigate the differences, and submit the results for audit. However, up to the time of this report, the results of such an investigation were not submitted.

Ministry's Response: The Head of Budget Agency stated that the drug reported here is Sprinkles and were expired since 31/01/20; 28/02/20; 30/06/20 and 31/07/20, and reflects the remainder of expired products that were stored off site. What was reported as a variance were already dumped, for which verifications is being done. MOH internal auditors investigated the variances and submitted a report with recommendations that the MMU is currently implementing.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the investigation report for scrutiny. (2020/231)*

715. Further, this is an indication that the Ministry continued to breach Section 39 of the Stores Regulation of 1993, which states that *"It shall 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, copied to the Auditor General..."*

Ministry's Response: The Head of Budget Agency stated that the Ministry will take action to comply with Section 39 of the Stores Regulations.

Maintenance of Buildings

716. The sum of \$136.150M was allotted for the maintenance of buildings. There was an allotment transfer of \$25.109M, resulting in a revised allotment of \$161.259M. Amounts totalling \$155.203M were expended. Physical inspections were carried out and the pertinent documents were examined. The findings for each project are reported below.

717. MMU Bond, Diamond: A contract in the sum of \$7.956M was awarded to the lowest of four bidders by the Ministerial Tender Board on 11 March 2020. The contract, which was signed on the said date, entailed the general repairs and maintenance roof work at the Bond. However, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit. The following unsatisfactory matters were also noted: -

- a) The contractor was paid the entire contract sum on the same day the contract was signed. However, based on the scope of works, it was improbable for the works to have been completed in one day. As such, the works may have been falsely certified as having been completed, to facilitate the payment. This appeared to be a breach of Section 31 (3) of the FMA Act, which stipulate 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 –*
- b) *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*
- c) *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment”.*

- ii. An offence may also have been committed based on the prescriptions of Section 85 (a) of the said Act, which states that an official who “*falsifies any account, statement, receipt or other record issued or kept for the purposes of this Act, the Regulations, the Finance Circulars or any other instrument made under this Act...is guilty of an indictable offence...*”.
- iii. The payment voucher for the entire contract sum of \$7.956M was prepared on 3 March 2020; that is, nine days before the contract was awarded and signed. This reinforces the notion that Section 31 (3) of the FMA Act may have been breached, and consequently an offence committed.
- iv. Further, the said condition is an indication that the procurement process may not have been transparent, as intended by the Procurement Act 2003. Moreover, the basis on which the payment was prepared before the contract was awarded is unknown.
- v. In addition, a measured works valuation was not attached to the payment voucher. Further, included in the sum of \$7.956M was an amount of \$0.500M, paid as a provisional sum. However, the specific details of how the sum was utilised was not stated. In addition, the sum of \$3.070M was paid for the “*...removal of roofing sheeting and replace with new sheeting*”. However, the gauge of the roofing sheets was not specified. As a result of these deficiencies, we were unable to conduct a fair and reasonable assessment of the works completed and thus, could not determine whether the Ministry received full value for the sum of \$7.956M.

Ministry’s Response: The Head of Budget Agency stated that the observations have been viewed with much concern and as a consequence an investigation was launched to determine how this alleged irregularity occurred. It has already been established that the date of the Tender Board Award appears to be inaccurate.

Efforts are currently being made to contact the members of the MTB to determine the exact date of this award. Further efforts are also being made to contact the supervising engineer to determine when the works were actually executed. A full report on the findings upon completion.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure:*

- (i) *The Ministry following documents are to be submitted for audit:*
 - a. *Signed contract document;*
 - b. *Commencement order;*
 - c. *Method used and evidence for selection of contractor; and*
 - d. *Breakdown for the provisional sum of \$0.5M.*
- (ii) *Works contracts, bills of quantities and specifications are properly prepared in accordance with the appropriate building and civil works standards, so that acceptable materials, quality of works and value for money can be achieved.*
- (iii) *The Ministry adhere to the stipulations of the FMA Act.*

(iv) Appropriate disciplinary action be taken against any culpable officer(s) for any breaches, wrongdoing and/or negligence of their duties. (2020/232)

718. MMU Bond, Diamond – Phase 2: On 9 June 2020, a contract was awarded in the sum of \$6.624M to the lowest of four bidders by the MTB for the general repairs and maintenance roof work. The contract was signed on 3 July 2020. However, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit.

719. The entire contract sum was paid on 10 July 2020. However, a measured works valuation was not attached to the payment voucher. Further, included in the sum paid was an amount of \$2.806M, which was paid for the "...removal of roofing sheeting and replace with new sheeting". However, the gauge of the roofing sheets was not specified. As a result of these deficiencies, we were unable to conduct a fair and reasonable assessment of the works completed; and thus, could not determine whether the Ministry received full value for the sum of \$6.624M.

720. General Administration Building: A contract for \$2.726M was awarded to the lowest of four bidders by the MTB on 2 April 2020 for electrical works to the new Department. The contract was signed on 11 April 2020. However, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit.

721. The entire contract sum was paid on 13 May 2020. However, a measured works valuation was not attached to the payment voucher. The sum of \$2.726M included an amount of \$0.300M, paid as a provisional sum. However, the specific details of how the sum was utilised was not stated. As a result, we were unable to conduct a fair and reasonable assessment of the works completed and thus, could not determine whether the Ministry received full value for the sum of \$2.726M.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledges the observations, and recognises that the contract document used at that time did not provide the information requested. However, the Ministry has already taken steps to correct this situation and current contracts now provides this information. Notwithstanding the foregoing efforts will be made to contact the supervising engineer to provide the details of this project.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the signed contract document and commencement order. (2020/233)*

Warrants received for the Procurement of Drugs and Medical Supplies

722. The Ministry received twenty-two warrants totalling \$2.817 billion from the ten Administrative Regions for the procurement of drugs and medical supplies for the various health facilities in the Regions. The sum of \$2.699 billion was expended by the Ministry, as summarised in the table below.

Region №.	№. of Warrants	Amount Issued \$'000	Amount Expended \$'000	Unspent Balance \$'000
1	1	160,000	155,070	4,930
2	5	308,960	308,960	0
3	2	527,930	428,930	99,000
4	3	740,000	733,530	6,470
5	2	199,000	199,000	0
6	2	450,000	450,000	0
7	4	98,000	98,000	0
8	1	33,000	33,000	0
9	1	170,000	162,566	7,434
10	1	130,000	130,000	0
Total	22	2,816,890	2,699,056	117,834

723. Lists of the drugs and medical supplies in support of the amounts warranted to the Ministry were not provided for audit. Further, as can be noted in the table above, \$117.83 4M worth of drugs and medical supplies were not procured. Of this sum, \$99M was in relation to Region №. 3. As a result, we could not determine whether the Regions received the quantities of drugs and medical supplies in relation to the Warrants issued.

Ministry's Response: The Head of Budget Agency stated that the Ministry would have delivered more drugs and medical supplies to all regions combined than the warrants received. This is so because the Ministry supplies drugs and supplies continuously prior to budget allocations and as the needs arises throughout the year. Most times, the amount required is more than what the warrant represents. In the case of the \$99M for Region 3, the \$99M would have been shifted to support another region, but it would be difficult to link the \$99M to line items delivered.

Subsidies and Contributions to Local Organisations

724. The sum of \$10.891 billion was budgeted for Subsidies and Contributions to Local Organisations. Amounts totalling \$10.868 billion were expended, of which, \$10.718 billion was transferred to the Georgetown Public Hospital Corporation under Programme 434 – Regional and Clinical Services to offset administrative and operational costs. The Corporation also received a capital subvention of \$292.950M for the (i) payment of retention, (ii) provision for COVID-19 initiatives, (iii) provision for design and consultancy services and upgrading of electrical system, (iv) construction of mental health ward and bridge, and (v) purchase of furniture, medical and non-medical and equipment.

725. The Corporation is subject separate financial reporting and audit. However, up to the time of reporting in September 2021, financial statements were not submitted for the year 2020. This constitute a breach of Section 80 (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 stated that financial statements for the year 2020 is available for submission and will be made available for audit verification in the coming weeks.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure financial statements are submitted within the stipulation four months after the close of the financial year. (2020/234)*

Stores and Other Public Property

726. The Ministry continued to breach Section 24 of the Stores Regulations of 1993. Moreover, Master and Sectional Inventories were not updated to reflect the assets acquired during the period under review. As a result, we could not determine whether all assets owned by the Ministry were properly accounted for.

Ministry’s Response: The Head of Budget Agency stated that the Ministry is currently at a 65% completion of the Master list and 100% completion for the Sectional Inventory. The Ministry will continue to complete the master list and report to the AG Office when done.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure all assets acquired are accounted for in the Master Inventory. (2020/235)*

727. The Ministry also did not fully comply to Section 28 of the Stores Regulations 1993. Moreover, the Ministry had not marked all of its assets as required, and make them readily identified Government property.

Ministry’s Response: The Head of Budget Agency stated that the Ministry is currently working to ensure all items are accounted for and validated by the AG Office.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure all assets are marked to identify them as Government property. (2020/236)*

Other Matters

Accounting for Expenditure

728. The Ministry continued to breach the provisions of Section 43 of the Fiscal Management and Accountability Act (2003). At the time of reporting, there were fifty cheques on hand.

Ministry's Response: The Head of Budget Agency stated that of the 593 cheques, 543 were paid out, leaving a total of fifty on hand. Of the fifty on hand, ten is to be returned to the Consolidated Fund and four is to be paid. The remaining thirty-six cheques are currently awaiting completion of deliveries of goods and completion works.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency to refund unspent funds at the end of the year. (2020/237)*

729. Further, forty-two cheques drawn prior to 2020 for a sum of \$54.453M, was still on hand at the time of the report in September 2021, as summarised in the table below.

Years	No. of Cheques	Amount \$'000
2016	4	2,428
2017	14	23,644
2018	11	11,843
2019	13	16,538
Total	42	54,453

Ministry's Response: The Head of Budget Agency stated that the Ministry continues to reconcile each year where cheques are on hand to clear accordingly.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency take action to resolve this situation. (2020/238)*

Cheque Orders

730. The Ministry continued to be tardy in the clearing of Cheque Orders, which is in contravention of Circular No. 14/2018 dated 23 October 2018. Moreover, 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, an examination of the cheque order register revealed that 130 cheque orders drawn in 2020 for sums totalling \$53.744M were not cleared as of 14 September 2021.

731. Further, 308 cheque orders drawn during the period 2015 to 2019 for sums totalling \$94.921M were still outstanding at the time of reporting in September 2021. As a result, we could not determine whether the Ministry received full value in relation to the said sums. See summary in the table below:

Years	No. of Cheque Orders	Amount \$'000
2015	35	6,308
2016	4	709
2018	115	30,628
2019	154	57,276
Total	308	94,921

Ministry's Response: The Head of Budget Agency stated that the Ministry has commenced a reconciliation exercise to verify each voucher and reinforce the process of holding officers accountable for timely submission of bills and updating of cheque orders register.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure that cheque orders are cleared within the stipulated timeframe; as well as submit for audit, the evidence when the outstanding cheque orders are cleared. (2020/239)*

Linden Hospital Complex

732. During 2020, the Ministry of Public Health transferred to the Linden Hospital Complex, amounts totalling \$257.697M from its current allocations. 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 prior years.

Ministry's Response: The Head of Budget Agency stated that the Ministry have not made a policy decision at this time to make Linden Hospital a Subvention Agency. As such, funding for this hospital is done from MOH through Programme 4.

733. Further, 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 the basis on which the Complex was operating as a Subvention Agency.

Ministry's Response: The Head of Budget Agency stated that the Ministry have not yet made a policy decision on the functioning of a board at Linden Hospital. As such, the operation of the hospital is managed by the Ministry by way of a Chief Executive Officer.

734. An examination of the payment documents and related records of the Complex in relation to the utilisation of the \$257.697M 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.

Capital Expenditure

Shortfall of Expenditure

735. The sum of \$6.806 billion was allotted under the Ministry's seven Capital Programmes. Amounts totalling \$6.185 billion were expended. This resulted in a shortfall of \$620.902M, which represented approximately nine percent of the sum allocated. The table below gives a summary of the shortfall.

Prog. №.	Description	Total Funds Available \$'000	Expenditure \$'000	Shortfall \$'000	Percentage (Shortfall)
431	Policy Development & Administration	156,400	65,384	91,016	6.83
432	Disease Control	4,090,577	3,601,431	489,146	11.96
433	Family Health Care Services	493,510	491,545	1,965	0.40
434	Regional & Clinical Services	2,028,193	2,001,562	26,631	1.32
435	Health Sciences Education	7,246	6,978	268	3.70
436	Standards & Technical Services	13,400	2,531	10,869	81.12
437	Disability & Rehabilitation Services	17,073	16,066	1,007	5.90
Total		6,806,399	6,185,497	620,902	9.12

736. Further, there were significant shortfalls within Programmes. The particulars of these shortfalls are detailed in the subsequent paragraphs.

Programme 1 - Policy Development & Administration

737. The table below provides a summary of expenditure for this Programme.

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Percentage
1216200	MoPH - Buildings	141,400	60,708	80,692	57.07
2405600	Land and Water Transport	10,000	0	10,000	100
2508900	Office Furniture and Equipment	5,000	4,676	324	6.48
Total		156,400	65,384	91,016	58.20

Buildings

738. The sum of \$141.400M was allotted for (i) provision for Ministry's Head Office Complex, and (ii) provision for building and consultancy services at Head Office and electrical works. Amounts totalling \$60.708M were expended, resulting in a shortfall of \$80.692M, which is more than half of the sum allotted. This is an indication that the Ministry have not executed its anticipated level of activities under this Programme. As a result, the intended benefits of improved facilities, operational efficiency, and health services were delayed.

Ministry's Response: The Head of Budget Agency stated that the Ministry has commenced the process of reconciling these shortfalls and will provide an update to the AG Office when completed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the activities of the Ministry are implemented so that the intended benefits are realised. (2020/240)*

739. The table below provides a summary of the expenditure.

Particulars	Amount \$'000
Head Office Complex	17,356
Design review and supervision work	14,192
Rehabilitation works to New Amsterdam Department	7,586
Extension and remoulding of space for the budget dept	5,667
Supply and installation of lighting MMU – Diamond	4,922
Remoulding of Secretariat for PS office	4,577
Remoulding of office space	4,498
Demolishing and installing existing floor tiles at DCMO	1,910
Total	60,708

740. A contract for the construction of the Ministry’s Head Office Complex was awarded to the lowest of eight bidders in the sum of \$356.826M in 2017. The contract sum was approximately thirty-five percent below the Engineer’s Estimate of \$546.751M. The contract was signed on 8 November 2017, with a duration of 365 days, and a defects liability period of twelve months. The order to commence was issued on 17 July 2018, with the commencement date being 19 July 2018. As such, the works should have been completed by July 2019. However, three extensions were granted, resulting in a new completion date of 31 May 2020.

741. According to correspondence dated 31 October 2020 addressed to the contractor from the Attorney’s General Chambers, the contract was terminated with “immediate effect”, owing to a fundamental breach of contract by the contractor. On 5 November 2020, the Ministry issued the contractor with a notice of termination of contract and instructed that works cease immediately and the site be vacated by 9 November 2020.

742. An examination of the Performance Bond dated 23 November 2017, revealed that it expired since 24 November 2019. As a result, the Ministry may encounter difficulties levying on this Bond, which is the security the Ministry had in the event the contractor “...failed to perform its contractual obligations fully and properly in accordance with the contract or that the contract has been terminated”. It should be noted that the Bond had guaranteed coverage of \$36.549M.

743. At the end of December 2020, amounts totalling \$321.900M, which is approximately ninety percent of the contract sum, were paid to the contractor. Included in the sum paid is an amount of \$71.365M, which was advanced to the contractor. However, only \$36.549M was recovered. On 20 February 2020, the Ministry approved the contractor’s request to defer the repayment of the advance until Interim Payment Certificate № 9. The basis for this approval was unclear since the contractor’s performance was poor and efforts should have been made to secure the best interest of the Ministry.

744. The Ministry may encounter difficulties levying on the Advance Bond, as the terms and conditions of the Bond states that, “This guarantee shall expire, at the latest, upon our receipt of a copy of the Interim Payment Certificate indicating that eighty (80) percent of the Contract Price has been certified for payment”.

745. Valuations were not prepared for the eight payments totalling \$250.535M, which required such. Instead, summary sheets were attached to the payments. As a result, the specific items paid for could not be determined. This is a breach of Section 31 (3) of the FMA Act, which stipulate 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 –*

- b. 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*
- c. in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment”.*

746. Further, included in the sum of \$250.535M were amounts totalling \$33.330M that were paid for ‘variation works’ on the first interim payment, which was made in 2018. However, approvals for the works were not seen. In addition, a breakdown of the works was also not seen. Moreover, lump sum payments were made for four items amounting to \$26.408M, as summarised in the table below. As a result, the measurement, quantification, and examination of the rates used for the ‘variation works’ could not be 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

747. It should be noted that the Audit Office had recommended that the Head of Budget Agency submit the detailed breakdown of the above works for scrutiny. However, up to the time of this report in September 2021, the breakdown of the works for the four items was not submitted.

748. A physical inspection on 14 June 2021, revealed that works were incomplete. Further, the contractor had demobilised and vacated the site. A summary of the incomplete works is listed below:

- 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 (panelling of internal-gypsum, and external walls-glass)

Ministry's Response: The Head of Budget Agency stated that a letter was referenced by the previous PS as to the reason for granting approval of delaying the repayment of the mobilisation advance until Interim Payment Certificate #9. However, the letter dated 7 May 2019 Ref # MOPH-HO-032 could not be located.

Also, Efforts are being made to locate the vouchers to validate the breakdown of works.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the Ministry:*

- (i) *Submit for audit, the final account, which is accepted by the Ministry, consultant and contractor.*
- (ii) *Conduct reviews of preliminary designs, estimates, bills of quantities and all other relevant information before tendering and awarding contracts.*
- (iii) *Effectively administer contracts, so that matters relating to variations/change orders, extensions of time etc., can be adequately addressed and dealt with in a timely and economical manner and in keeping with the conditions of contract.*
- (iv) *Take appropriate disciplinary action against the culpable officer(s) for any wrongdoing and/or negligence of their duties, or any other such malfeasance. (2020/241)*

749. A contract was awarded in the sum of \$7.586M to the lowest of four bidders by the MTB on 9 June 2020 for repairs and rehabilitation works to the New Administration Department – MOH. The contract was signed on 31 December 2020. However, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledges the observation of the Auditor General and recognises that the contract document used at that time did not provide the information requested. However, the Ministry has already taken steps to correct this situation and current contracts now provides this information. Notwithstanding the foregoing, efforts will be made to contact the supervising engineer to provide the details of this project.

Recommendation: The Audit Office recommends that the Head of Budget Agency submit the signed contract document and commencement order, for audit. (2020/242)

Land and Water Transport

750. The entire sum of \$10M allotted for the purchase of delivery truck remained unspent. As such, the Ministry was unable to improve its health services as planned under this Programme.

Ministry's Response: The Head of Budget Agency stated that the Ministry had placed an open tender for the purchase of the truck. However, the tender process was annulled due to the cost being above the allotted sum, and specification offered was not a match. The Ministry however, budgeted for two trucks in 2021, of which delivery is in process.

Programme 2 – Disease Control

751. The table below provides a summary of expenditure for this Programme:

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Percentage
1216200	Buildings	718,257	693,577	24,680	3.44
2405600	Land and Water Transport	52,000	50,781	1,219	2.35
2508900	Office Furniture and Equipment	33,193	22,236	10,957	33.01
2509000	Equipment – Medical	221,257	188,967	32,290	14.01
4402700	HIV/TB/Malaria Programmes	145,870	145,870	0	0
4405200	COVID-19	2,920,000	2,500,000	420,000	14.39
Total		4,090,577	3,601,431	481,146	11.96

Land and Water Transport

752. An allotment of \$52M was made for the purchase of all-terrain vehicles (ATVs) and ambulances. Amounts totalling \$50.781M were expended, as summarised in the table below.

Particulars	Amount \$'000
Three Ambulances	38,916
Seven ATV's	11,865
Total	50,781

753. At the time of reporting in September 2021, the ambulances were neither paid for nor received by the Ministry.

Ministry's Response: The Head of Budget Agency stated that full payments can only be made to the suppliers after the items would have been received. As of 1 September 2021, the supplier of the ambulances indicated that they are awaiting the clearance of their container from the wharf, have the proper paperwork in place, and then have the ambulances delivered. They have provided the ETA as 30 September 2021.

Recommendation: The Audit Office recommends that the Head of Budget Agency submit the relevant documents for scrutiny and verification, when the ambulances are received. (2020/243)

Equipment – Medical

754. The sum of \$221.257M was allotted for the purchase of equipment. Amounts totalling \$188.967M were expended, resulting in a shortfall of \$32.290M, which is approximately fifteen percent of the allotment. As a result, the Ministry was unable to fully improve its health services under this Programme, as planned.

Ministry's Response: The Head of Budget Agency stated that the Ministry was not able to expend this sum due to unexpected delays in the procurement process.

HIV/TB/Malaria Programmes

755. 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.

756. 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 USD\$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.

757. The second Grant: № 1607 – GUY-H-MOH was entered into for ‘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.

758. 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 are 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 (iv) reduce TB/HIV related mortality to 3% per 100,000 by 2021. The activities of this Grant are to be implemented from 1 April 2019 to 31 March 2022.

759. The entire sum of \$145.870M allotted under this Programme in 2020 for HIV/AIDS, tuberculosis, and malaria interventions were expended. According to the Grant Agreements, the Projects are subject to separate reporting and audit. The last audited financial statements for the Grants related to HIV/AIDS, and tuberculosis interventions were for the year 2020, and were issued on 20 March 2021.

760. In relation to the Grant for the malaria intervention, an audit covering the financial year 2020 was still on-going at the time of reporting in September 2021.

Programme 3 - Family Health Care Services

761. The table below provides a summary of expenditure for this Programme.

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Percentage
1216200	Buildings	17,000	17,000	0	0
2508900	Office Furniture and Equipment	3,366	1,754	1,612	47.89
2509000	Equipment – Medical	6,085	5,732	353	5.81
4403200	Maternal & Child Health Improv	466,063	466,063	0	0
4504300	Technical Assistance	996	996	0	0
Total		493,510	491,545	1,965	0.40

Equipment – Medical

762. The sum of \$6.085M was allotted for the purchase of equipment. Amounts totalling \$5.732M were expended. At the time of reporting in September 2021, a solar fridge valued \$0.465M had not been delivered, as a result, the intended use and benefits of the solar fridge could not be realised.

Ministry's Response: The Head of Budget Agency stated that the supplier had indicated that due to the global pandemic, the manufacturing stage was delayed and the item will be delivered late September 2021.

Maternal and Child Health Improvement

763. 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.

764. On 5 June 2020, the Government of Guyana and the Inter-American Development Bank signed an Amendatory Contract whereby IDB agreed to commit the sum of US\$1.2M from the resources of the Project to be applied as a special measure for the preparation and response to the COVID-19 pandemic. This includes resources being used to purchase medical equipment and supplies, as well as communications, to strengthen the healthcare network.

765. 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.

766. The sum of \$466.063M 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 29 April 2021, for the year ended 31 December 2020.

767. A key finding in the audit report stated that the objectives of the Project will not be met by the stipulated timeframe. Moreover, cumulative expenditure at the end of 2020 was only US\$4.299M; that is, approximately fifty-six percent Project Budget, even though approximately eighty percent of the Project's life was completed. Further, should the Project be extended, additional resources will have to be spent on administration, evaluation and auditing expenses.

768. The Project's Management response stated that steps have been taken by the Ministry and IDB to extend the Project Cycle, and that internal analysis revealed that there would be adequate funding to cater for administration expenses for an additional year. The Project's Management also stated that the delay in completion of major activities of the Project were primarily due to the effects of, and restrictions imposed for the COVID-19 Pandemic.

Programme 4 - Regional & Clinical Services

769. This Programme was allotted the sum of \$2.028 billion for the year 2020. Sums totalling \$2.002 billion were expended, resulting in a shortfall of \$26.631M. The expenditure is summarised in the table below.

Project Code	Title	Total Funds Available \$'000	Total Expenditure \$'000	Shortfall \$'000	Percentage
1216200	MoPH - Buildings	1,344,632	1,341,676	2,956	0.22
1216300	Georgetown Public Hospital	292,950	292,950	0	0
2405600	Land and Water Transport	3,500	0	3,500	100
2508900	Office Furniture and Equipment	32,348	28,810	3,538	10.94
2509000	Equipment – Medical	344,763	338,126	6,637	0.02
4402800	Modernisation of Primary Health Care System	10,000	0	10,000	100
Total		2,028,193	2,001,562	26,631	1.31

Buildings

770. A contract in the sum of \$259.712M was awarded by NPTAB on 25 November 2019 for the construction of Ruimveldt Polyclinic Wellness Centre. The contract was signed in November 2019; however, the day was not inserted. In addition, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledges the observation and would submit that under the special condition in the contract the project duration and defects liability were stated. However, a copy of the letter of commencement could not be located. It is however understood from the letter of acceptance that the contractor would have 7 days to provide a work plan - which could only be validated after a commencement date is issued.

Further, from the SCC the date of completion is determined after the letter of commencement should be issued. Therefore, from the above and granted the unavailability of the stated supporting documents an estimated start date could be determined.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit for audit, the tender evaluation report, commencement order, Advance Payment and Performance Guarantees, insurances, contractor's work programme and most recent monthly progress report. (2020/244)*

771. A physical verification on 16 June 2020 revealed that works were ongoing at the site. Moreover, the foundations, perimeter and internal walls, roof and ceiling, were completed; while, plumbing, electrical networks, painting, tiling and external works were in progress.

772. As at 31 December 2020, payments totalling \$203.501M were made, of which \$153.501M was paid in 2020. This payment includes a lump-sum amount of \$35M, which was paid in 2020. There was no breakdown of measured works to indicate the items and quantities of works paid for. As a result, we could not determine whether the payments made at the time were fair and reasonable and in keeping with the terms and conditions of the contract. This constitutes a breach of Section 31 (3) of the FMA Act.

Ministry's Response: The Head of Budget Agency stated that the observations have been viewed with much concern and as a consequence an investigation has launched to determine how this alleged irregularity occurred. Although the payments were located, a detail breakdown could not be verified. The Ministry concurs with the findings and have since put measures in place to validate measured works.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure measured works valuations are prepared and attached to payment vouchers, so that payments made can be correlated with works completed to avoid overpayments; and also, the results of the investigation be submitted for scrutiny. (2020/245)*

773. The NPTAB awarded a contract on 16 August 2019 in the sum of \$295.280M for completion works to Port Kaituma Hospital Complex – Region № 1. Payments totalling \$294.184M were made, of which \$145.379M was paid in 2020.

774. A valuation dated 5 June 2020 attached to the last payment on the contract stated that total value of works completed was \$385.747M, which is \$90.467M more than the contract sum. However, no approvals or supporting variation orders for an increase in the contract sum was noted. Therefore, it is unclear at the time of reporting in September 2021, if further payments are due to the contractor. It should be note that the unpaid amount on the contract sum was \$1.096M.

775. Further, included in the amount paid are the sums of \$74.991M and \$91.450M, which were paid for variations and additional works, respectively. However, no variation orders or approvals were seen for these changes to quantities and scope of works. As such, we were unable to determine the basis for the changes, who instructed the changes, and whether or not the changes and additional works were undertaken in keeping with the terms and conditions of the contract.

776. An analysis of the total payments on the contract revealed that the original scope of works was reduced by \$61.913M, which is approximately twenty-one percent of the contract sum as summarised in the table below:

Bill №.	Description of Works	Contract Amount (\$) (A)	Actual Amount (\$) (B)	Difference (\$) (A-B)	Variance %
1	Preliminaries	14,280,450	14,205,446	(75,004)	(0.53)
2	Provisional and Prime Cost	15,400,000	14,421,275	(978,725)	(6.36)
3	Hospital Building	41,886,191	23,725,912	(18,160,279)	(43.36)
4	Administrative Building	22,361,750	6,518,130	(15,843,620)	(70.85)
5	Water Supply	26,242,456	15,876,728	(10,365,728)	(39.50)
6	Electrical Works	14,000,000	11,725,375	(2,274,625)	(16.25)
7	Floor Finishes	23,049,440	21,623,840	(1,425,600)	(6.19)
8	External Works	92,532,295	95,806,128	3,273,833	3.54
9	Perimeter Fence	31,466,411	15,403,107	(16,063,304)	(51.05)
Total		281,218,993	219,305,941	(61,913,052)	22.02

777. This indicated that significant changes were made to the scope of works under the contract. Included in these changes were the instances where the priced Bills of Quantities for the Administrative Building was reduced by approximately seventy-one percent; while, works under the Hospital Building was reduced by approximately forty-three percent. These changes appeared to reflect poor planning in the initial assessment of works to be done to the facilities, along with inadequately prepared Bills of Quantities to sufficiently address the actual scope of works which was required.

Ministry's Response: The Head of Budget Agency stated that approval for the additional works was received from NPTAB on 14 July 2020 for the sum of \$83,267,704. This sum was owed to the contractor at the end of 2020. The payment was made to the contractor on 31 March 2021. The supporting documents were located and will be provided for validation.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the Ministry:*

- (i) *Submit for audit, the tender evaluation report, commencement order, Advance Payment and Performance Guarantees, insurances, practical completion certificate, and approval for additional and variation works.*
- (ii) *Should conduct needs assessments of the facilities, onsite inspections and involve all relevant medical and technical personnel and stakeholders to determine the scope of works and requirements of the works to be executed. (2020/246)*

778. On 14 November 2017, a contract in the sum of \$362.920M was awarded by NPTAB for the construction of CSU Storage Bond. The contract was signed in on 20 November 2017. An increase in the contract price by \$176.170M was approved by NPTAB in February 2019, resulting in a revised contract sum of \$539.090M. However, the commencement date for the works, duration, completion date and defects liability period could not be determined from the documents presented for audit.

Ministry's Response: The Head of Budget Agency stated that the Ministry acknowledges the observation and would submit that the information which could not be determined are referenced in the SCC of the contract, the letter of acceptance to the contractor and the letter of commencement to the contractor. These documents could not be located.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that the Ministry submit for audit, the tender evaluation report, signed contract document, commencement order, Advance Payment and Performance Guarantees, insurances, practical completion certificate, and final completion certificate with measured works valuation. (2020/247)*

779. As at December 2020, payments totalling \$539.070M were made. Included in this sum was an amount of \$26.935M, which was paid as a lump sum in 2020. Moreover, there was no breakdown of measured works to indicate the items and quantities of works paid for. As a result, we could not determine whether the payments made at the time were fair and reasonable and in keeping with the terms and conditions of the contract. This constitutes a breach of Section 31 (3) of the FMA Act.

Ministry's Response: The Head of Budget Agency stated that the observations have been viewed with much concern and as a consequence an investigation has launched to determine how this alleged irregularity occurred. Although the payments were located, a detail breakdown could not be verified. The Ministry concurs the findings and have since put measures in place to validate measured works.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submit the results of the investigation for scrutiny. (2020/248)*

780. In addition, an examination of the payment certificate indicated that the total value of works at the time was \$571.857M, which was \$32.767M more than the revised contract sum. However, an approval to further increase the contract price or additional works was not seen. As such, we could not ascertain what works were undertaken for the sum of \$32.767M. It should be noted that the balance on the revised contract price was only \$0.020M.

Ministry's Response: The Head of Budget Agency stated that Ministry. The Ministry concur with the findings and have since put measures in place to ensure all additional/variation works are approved.

781. A physical verification on 15 June 2020 revealed that works on the building were completed, and the building was occupied.

Georgetown Public Hospital Corporation

782. An allotment of \$292.950M was made under Programme 474 – Regional and Clinical Services for the Georgetown Public Hospital Corporation. The amount was allocated for (i) payment of retention, (ii) provision for COVID-19 initiatives, (iii) provision for design and consultancy services and upgrading of electrical system, (iv) construction of mental health ward and bridge, and (v) purchase of furniture, medical and non-medical equipment. The entire amount was expended, as summarised in the table below.

783. The Corporation is subject to separate financial reporting and audit. The status of its audit was covered earlier in this report under ‘Subsidies and Contributions to Local Organisations’. Notwithstanding this, we sought to verify medical equipment totalling \$17.489M. The items were brought to account in the records of the Corporation.

784. However, we were unable to physically verify the items. Moreover, items valued \$10.449M and \$3.3M were reportedly in the COVID ICU and operating theatre, respectively; where access was restricted. Further, items amounting to the difference of \$3.740M could not be located at the stated locations.

Ministry’s Response: The Head of Budget Agency stated that the Ministry is working to locate the items and submit the results for verification when completed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency the relevant information/documents be forwarded when available, to enable scrutiny and verification.* (2020/249)

Land and Water Transport

785. The entire allotment of \$3.500M provided for the purchase of boat and outboard engine remained unspent. It was explained that the boat and outboard engine were not procured; since, the Ministry the Vaccine Alliance – GAVI Programme donated one boat and engine under the Regional Health Service portfolio to further support the immunisation activities in Region № 7.

Office Furniture and Equipment

786. The sum of \$32.348M was allotted for the purchase of furniture and equipment. Amounts totalling \$28.810M were expended. Included in the sum expended is an amount of \$1.280M, which was expended on the acquisition of eight laptop computers. The computers were recorded as having been received by the Ministry. However, only four were physically verified.

Ministry’s Response: The Head of Budget Agency stated that the Ministry is currently in the process of validating the location of the remaining items and will update the AG Office when complete.

Modernisation of the Primary Health Care System

787. On 19 July 2017, a Memorandum of Understanding was signed between the Government of the Cooperative Republic of Guyana and Exim Bank of India. The Exim Bank of India agreed to provide to the Government, an aggregated sum of US\$17.5M for financing the upgrade of three regional hospitals. The entire sum of \$10M allotted for the design, rehabilitation and construction of primary health care facilities at West Demerara, Bartica and Suddie Regional Hospitals, remained unspent.

788. It should be noted that the sum of \$650M allocated in 2019 was also not utilised. Whilst, only \$0.735M of the \$310M provided in 2018 was expended. The Head of Budget Agency had stated that the Ministry of Finance was working on modalities to resolve this issue.

Ministry's Response: The Head of Budget Agency stated that project commenced with the selection of a consultant to design and supervise in 2020; however, the stage to initiate payments were done in 2021. As such the funds are budgeted to be deducted starting in 2021.

Programme 6 - Standards & Technical Services

Equipment - Medical

789. The sum of \$13.400M was allotted for the purchase of equipment. Amounts totalling \$2.531M were expended, resulting in a shortfall of \$10.869M, which is approximately eighty-one percent of the allotment. 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 stated that the Ministry had conducted a competitive bidding process for the medical equipment that was approved under the Programme Six budgetary allocation that amounted to \$13.400M. During the evaluation process it was observed that the qualified bidder tendered below the budgetary estimated cost for blast freezers and did not bid for the solar refrigerator.

790. Further, the sum of \$2.531M was paid for two blast freezers. However, up to the time of reporting, the freezers were not received by the Ministry.

Ministry's Response: The Head of Budget Agency stated that the supplier had indicated that due to the global pandemic, the manufacturing stage was delayed and will be deliver late September 2021.

Prior Year Matters

Current Expenditure

Maintenance of Building

791. 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 stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency take action to recover the overpayment. (2020/250)*

Capital Expenditure

Equipment – Medical

792. Items valued \$18.830M were issued to the Regional Health Services in 2019. The RHS claimed that the 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. The Head of Budget Agency had stated that the Regional Health Services will provide the necessary information. This information was not yet submitted for audit.

793. A total of 208 items purchased in 2018 at a total cost of \$50.759M were still not verified as having been received by the Ministry.

Ministry's Response: The Head of Budget Agency stated that the Ministry will re-conduct an internal audit to verify locations and ownership of the items in question and report back to the AG.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency expedite the process and submit the information for scrutiny. (2020/251)*

Buildings

794. The sum of \$2.291M overpaid on two contracts in 2018 was still not recovered by the Ministry. This included amounts 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 the Food and Drugs Department, Turkeyen, East Coast Demerara.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: The Audit Office once again recommends that the Head of Budget Agency take action to recover the overpayments. (2020/252)

Contract Observations

795. We still could not determine the correctness, accuracy and validity of payments amounting to \$444.685M made in 2017 and 2018, as summarised in the table below. Moreover, 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 stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: The Audit Office once again recommends that the Head of Budget Agency submit the breakdown of completed works, for audit. (2020/253)

796. Physical verifications were done of the works summarised in the table below. 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
4	Site Development Works - Port Kaituma Hospital Complex	16,510	413	16,510	Internal roads and roadside drains

797. We had recommended that the Ministry submit details of the work done to enable audit scrutiny. However, this was yet to be submitted.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency submit the details of the work done to enable audit scrutiny. (2020/254)*

798. A contract for the construction of Doctors' accommodation, Port Kaituma Hospital Complex was signed in 2016 in the sum of \$58.341M. Physical verification of the works on 30 August 2017 revealed that actual works measured only \$14.768M, which is approximately 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.

799. In 2017, the Head of Budget Agency indicated that the contract was terminated. We had recommended that the Ministry present for audit, the letter of termination to the contractor, and to recover any amounts overpaid on the contract. Up to the time of reporting in September 2021, the updated position on this contract was not provided.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency present for audit, the letter of termination, and to recover any amounts overpaid. (2020/255)*

800. A contract in the sum of \$50.915M was signed on 29 December 2015, for the construction of a new generator building and installation of generator, electrical cabling and main distribution and control at Port Kaituma Hospital Complex. The contract duration was six months, defects liability period was twelve months, and start date was twenty-one days after signing the contract. Approval was granted in October 2016 for an increase in the price of the contract in the sum of \$28.961M, giving a revised contract sum of \$79.876M.

801. As at 31 December 2016, amounts totalling \$77.879M were paid to the contractor. At Physical verification in August 2017 revealed that the works remained incomplete and valid performance bond/mobilisation bonds were not presented for audit scrutiny. It should be noted that included in the \$77.879M is an amount of \$36.404M, which is approximately forty-six percent of the revised contract sum, that was paid as a second advance. However, this was in breach of the contract, since only one advance payment was specified in the contract. Moreover, payments after the initial advance should have been based on measured works.

802. We had recommended that the Ministry provide the updated performance/mobilisation bonds, as well as, supporting documentation for the second advance payment. However, up to the time of reporting in September 2021, these were not submitted.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the Auditor General.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency present for audit, copies of the updated performance bond/mobilisation bonds, and the supporting documentation for the second advance payment. (2020/256)*

803. On 29 December 2015, a contract for \$40.963M was awarded for the construction of an Infectious In-Patient Facility at Port Kaituma Hospital Complex. The duration and defects liability period were six months, and the start date stated was twenty-one days after the signing of the contract. As at 31 December 2016, the contractor received amounts totalling \$39.938M.

804. Physical verification carried out on 30 August 2017, revealed that the works were incomplete and the contractor had demobilised from the site. Approvals for extension of time were not presented for audit. In addition, there were no breakdown/details attached to the payment voucher. There was also no evidence that liquidated damages were deducted from payments made, despite the works being significantly delayed. The warranty certificate for termite treatment was also not presented for audit. We had recommended that the Ministry present all documentation for audit. However, up to the time of reporting in September 2021, the documentation had not been submitted.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the AG.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency present all documentation for audit. (2020/257)*

805. A contract in the sum of \$52.771M was awarded by NPTAB for the construction of a Nurses Hostel at Port Kaituma Hospital Complex in August 2016. 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.

806. During 2016, amounts totalling \$36.939M, which is approximately seventy percent of the contract sum, 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.

807. In a letter to the contractor dated 4 July 2017, the Ministry highlighted the fact that the contract had expired and the works were approximately five percent 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. We had recommended that the Ministry present for audit verification, all documentation relating to the termination of the contract. However, up to the time of reporting in September 2021, the documents had not been submitted.

Ministry's Response: The Head of Budget Agency stated that the Ministry will initiate a re-verification process for the project in question in order to provide a comprehensive response to the AG.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency present for audit, all documentation for the termination of the contract. (2020/258)*

Follow-up on the Implementation of Prior Year Audit Recommendations

808. The table below summarises the prior year matters as contained in the Auditor's General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 66 recommendations; 32 were not implemented; 5 were partially implemented and 29 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/327	Contracted employees	√		
2019/328	Overpayment of salaries			√
2019/329	Employees not registered with NIS	√		
2019/330	Employees without TIN numbers	√		
2019/331	Outstanding supplies	√		
2019/332	Outstanding supplies		√	
2019/333	Cheques on hand		√	
2019/334	Outstanding supplies			√
2019/335	Variances between stock-in-hand and records			√
2019/336	Expired drugs			√
2019/337	Expired drugs	√		
2019/338	Reconciliation of stock not done			√
2019/339	Breach of Section 39 of FMA Act			√
2019/340	Breach of Section 40 of FMA Act			√
2019/341	Utility registers not up-to-date	√		
2019/342	Breach of Section 24 of Stores Regulations		√	
2019/343	Breach of Section 28 of Stores Regulations		√	
2019/344	Breach of Section 43 of FMA Act			√
2019/345	Uncleared cheque orders		√	
2019/346	Breach of Section 39 (13) of Income Tax Act	√		
2019/347	Poor maintenance of contract register	√		
2019/348	Functionality of Linden Hospital Complex			√
2019/349	Shortfall in expenditure			√
2019/350	Poor contract administration			√
2019/351	Poor contract administration			√
2019/352	Poor contract administration			√
2019/353	Poor contract administration			√
2019/354	Poor contract administration			√
2019/355	Breach of Section 14 of Procurement Act	√		
2019/356	Breach of Section 42 of Procurement Act	√		
2019/357	Shortfall in expenditure	√		
2019/358	Non-delivery of items			√
2019/359	Shortfall in expenditure	√		
2019/360	Shortfall in expenditure	√		
2019/361	Shortfall in expenditure	√		
2019/362	Non-delivery of items			√
2019/363	Shortfall in expenditure			√
2019/364	Non-delivery of items	√		
2019/365	Breach of Section 34 of FMA Act	√		
2019/366	Shortfall in expenditure	√		
2019/367	Slow implementation of activities			√
2019/368	Non-submission of documents	√		

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/369	Shortfall in expenditure	√		
2019/370	Breach of Section 34 of FMA Act	√		
2019/371	Breach of Section 14 of Procurement Act	√		
2019/372	Shortfall in expenditure	√		
2019/373	Items not verified			√
2019/374	Project not implemented			√
2019/375	Shortfall in expenditure	√		
2019/376	Non-delivery of items			√
2019/377	Breach of Section 34 of FMA Act	√		
2019/378	Non-delivery of items			√
2019/379	Shortfall in expenditure	√		
2019/380	Breach of Section 34 of FMA Act	√		
2019/381	Non-delivery of items	√		
2019/382	Non-delivery of items	√		
2019/383	Overpayment on contract			√
2019/384	Overpayment on contract			√
2019/385	Non-submission of documents			√
2019/386	Non-submission of documents			√
2019/387	Non-submission of documents			√
2019/388	Non-submission of documents			√
2019/389	Non-delivery of items			√
2019/390	Non-delivery of items	√		
2019/391	Non-delivery of items			√
2019/392	Non-delivery of items			√

AGENCIES
54 - MINISTRY OF PUBLIC SECURITY
51 – MINISTRY OF HOME AFFAIRS

809. The Ministry of Home Affairs is a new Agency which replaced the Ministry of Public Security. As such, expenditure for the first nine months (January to September) was budgeted for as Agency 54 – Ministry of Public Security, while the last three months (October to December) was budgeted under the new Agency 51 – Ministry of Home Affairs.

Current Year Matters

Current Expenditure

Employment Costs

Overpayment of Salaries

810. An examination of a sample of fifty-nine Personal Files and the related Payroll revealed overpayment of net salaries totalling \$279,490 to four Officers for the year 2020. It should be noted that net salaries totalling \$175,289 was recovered from two Officers while \$104,201 was still to be recovered. In addition, the related deductions amounting to \$95,256 were also overpaid to various deduction agencies. Similarly, overpayment of net salaries totalling \$2.146M and related deductions totalling \$1.521M were still to be recovered for the years 2016 to 2019.

Ministry's Response: The Head of the Budget Agency explained that efforts are being made to recover the remaining overpayment for 2020. The Ministry also sent a letter to the Minister of Legal Affairs for its intervention regarding the remaining \$2.146M overpaid in the years 2016, and 2019 and is awaiting a response.

Recommendation: *The Audit Office recommends that the Ministry continue its efforts to recover the overpayments. The Ministry is also encouraged to seek the advice of the Finance Secretary on the way forward in relation to the overpayment for the year 2016. (2020/259)*

Goods and Services

Fuel and Lubricants

Guyana Fire Service (GFS)

811. Amounts totalling \$46.180M were expended for the purchase of fuel and lubricants for the Guyana Fire Service. Audit examination of the Internal Stores Requisition (ISRs) revealed that there was a lack of segregation of duties for requesting, authorising, issuing and collecting fuel at Rosehall, Melanie and La Grange fire stations. Also, there were fifty-seven instances where authorised signature on ISRs for approving issuance of fuel were not seen.

Ministry's Response: The Head of Budget Agency acknowledged the findings and indicated that efforts will be made to have officers trained in the Stores Regulations.

Recommendation: *The Audit Office recommends that the Head of Budget Agency fully comply with the Stores Regulations. (2020/260)*

Stores and Other Public Property

812. Historical records were not presented for the vehicles controlled by Policy Development and Administration and the Guyana Fire Service contrary to Section 26 of the Stores Regulation 1993, which states “*The Permanent Secretary shall ensure that historical records of vehicles, plant and equipment in Form 16 are maintained.*”

813. A vehicle listing was submitted with thirty-two vehicles, however, only nine Historical Record were submitted for vehicles under Policy Development and Administration. Further, it was indicated on the list that four vehicles were on loan to the Police Force, however, the date these vehicles were loaned were not stated and there was no correspondence to this effect.

Ministry’s Response: The Head of Budget Agency explained that Historical records were maintained for the vehicles controlled by Policy Development and Administration. The outstanding records will be submitted. In relation to the other Historical Records the Guyana Fire Service is in the process of locating these to submit to the Auditors.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the Stores Regulations. (2020/261)*

Log Books

Guyana Prison Service (GPS)

814. A list of motor vehicles, equipment and machinery was submitted for audit showing seventy - four vehicles and equipment under the control of GPS. However, only forty-nine log books were presented and an audit examination revealed the following:

- a) There were nine motor vehicles and equipment that had missing period and no annotation was stated; and
- b) The odometer reading was not recorded for ATV CJ 8527.

Ministry’s Response: The Head of the Budget Agency indicated that the Guyana Prison Service is in the process of updating the log books; and efforts will be made to avoid recurrence.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the Stores Regulations. (2020/262)*

Guyana Prison Service (GPS)

815. Section 29 of the Stores Regulation 1993, 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.*” Audit examination of the vehicles’ listing revealed that there were 106 serviceable vehicles that required log books of which twenty-six 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 Guyana Fire Service. Further, of the eighty log books submitted a sample of thirty-one was examined and it was observed that nine motor vehicle and equipment had missing period and no annotations were stated.

Ministry’s Response: The Head of Budget Agency notes the comments of the Audit Office and indicated that efforts will be made by the Guyana Fire Service to update the log books.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the Stores Regulations. (2020/263)*

Accounting for Stores

816. Audit checks in June 2021 for a sample of ten items each at the Guyana Forensic and Laboratory, Guyana Fire Service and Customs Anti-Narcotics Unit revealed that Bin Cards were not maintained contrary to Section 19 of the Stores Regulations 1993, 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...*”. Subsequently, at the time of reporting in September 2021 these records were updated.

Ministry’s Response: The Head of Budget Agency acknowledge the finding and indicated that the Ministry will ensure that Bin Cards are maintained at the Guyana Forensic and Laboratory, Guyana Fire Service and Customs Anti-Narcotics Unit.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the Stores Regulations. (2020/264)*

Other Matters

Consolidated Fund – Unexpended Balance

817. Section 43 of the Fiscal Management and Accountability 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.*”. In this regard, audit checks at the Ministry in September 2021, revealed that there were twenty-five stale dated cheques to the value of \$589,651M still on hand in respect of the year 2020. Of the twenty-five cheques on hand, five to the value of \$388.060M were sent to MOF to be updated for payment to the payees. As a result, the Appropriation Accounts were overstated by the said amount. Similarly, the Ministry’s Appropriation Accounts were overstated by \$1.041 billion in 2019.

Ministry's Response: The Head of the Budget Agency acknowledged the finding and explained that a number of these cheques were for goods/services already delivered.

Recommendations: *The Audit Office recommends that the Ministry comply with the Fiscal Management and Accountability Act. (2020/265)*

Outstanding Cheque Orders

818. 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 Registers revealed that 44 Cheque Orders valued at \$31.890M issued during the year were still outstanding as at September 2021. Forty-three Cheque Orders valued at \$30.768M relates to current expenditure while one valued at \$121,865 relates to capital expenditure. As a result, it could not be ascertained whether the Ministry received full value for all moneys expended. Similarly, nineteen and 133 Cheque Orders amounting to \$6.283M and \$301.438M remained outstanding with respect to the years 2017 and 2019 respectively.

Ministry's Response: The Head of the Budget Agency explained that the remaining will be cleared shortly and submitted to Audit Office. In addition, the nineteen cheque orders valued at \$6.283M and one hundred thirty-three valued at \$301.438M for the year 2017 and 2019 respectively will be cleared and submitted to Audit Office shortly.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the circularised instructions issued for clearing of cheque orders. For the cheque orders relating to 2017 and 2019, the Head of Budget Agency is advised to determine the reasons for the delay in clearing these cheque orders. (2020/266)*

Unpresented Payment Vouchers

819. During the year, 132 Payment Vouchers totalling \$741.316M were not presented for audit examination. One hundred Payment Vouchers totalling \$12.085M and thirty-two totalling \$729.231M were in relation to current and capital expenditure, respectively. Similarly, in 2019, fifty-two payment vouchers totalling \$49.664M were still not presented. 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.

Ministry's Response: The Head of the Budget Agency explained that the Ministry is in the process of locating all unpresented Payment Vouchers for submission to State Audit.

Recommendations: *The Audit Office recommends that the Ministry fully comply with the Stores Regulations. (2020/267)*

Capital Expenditure

Buildings

Guyana Police Force

820. The sum of \$1.044 billion was budgeted for the (i) payment of retention; (ii) construction of Divisional Headquarters at Golden Grove, Fort Wellington, Mabaruma, Mahdia and Anna Regina; (iii) rehabilitation of Special Branch, Brickdam, Leonora, Matthews Ridge, Lethem and Cove and John Police Stations; and (iv) provision for consultancy. According to the Appropriation Accounts, amounts totalling \$1.043 billion was expended. Physical verification revealed that construction of divisional headquarters at Fort Wellington, Anna Regina, Diamond and rehabilitation of Leonora Police, Special Branch, Admin Building at Camp Street were completed and physically verified.

Design and supervision services for the rehabilitation of Mabaruma Divisional Headquarters

821. A contract for the design and supervision services for the rehabilitation of Mabaruma Divisional Headquarters was awarded by the NPTAB in the sum of \$2.113M in the year 2019. Amounts totalling \$8.633M was paid to the contractor as at December 2020. According to the Letter of Award from NPTA, a total of seven (7) bids were received. The Letter of Acceptance was issued on 15 April 2019 and the contract was signed on the 17 April 2019, with six (6) weeks duration for Design, Preparation of BOQ, Tender Document, etc., and four (4) months Construction Period. The defects liability period was six (6) months. In addition, an approval for increase in contract sum by \$6,696,625 from \$2,112,500 to \$8,809,125 was noted and Addendum No. 1 dated 18 December 2020 made the following changes to the terms of engagement.

- The Design consultancy services was adjusted to include for the complete design and complete supervision of the facility; and
- Increase in contract sum from \$2,112,500 to \$8,809,125.

822. Further, audit examination of relevant documents revealed the following:

- a) The Payment Voucher No. 54A000865 was not signed by the Accounting Officer, however, the cheque was still prepared and the payment was uplifted by the consultant, without this requisite signature.
- b) It was observed that there was no breakdown/details/scheduled periods or basis for payments of the 10% supervision costs under the original contract. It is unclear if the supervision cost was to be paid as a lump sum.

- c) Examination of the payments entered into IFMIS revealed that the entire contract sum was processed for payment to the consultant in 2020, despite the fact that the consultancy services would have still been in progress and the contractual date for completion was in the following year, until 17 April 2021. As such, full payment was approved and processed before the services were completed.

Ministry's Response: The Head of the Budget Agency explained the this may have been an oversight and efforts will be made to avoid a recurrence. However, the consultant did not receive full payment.

Recommendations: *The Audit Office recommends that the Head of Budget Agency ensure that proper procedures are in place to monitor payments on contracts. (2020/268)*

Land and Water Transport

Police Force – Component 2405900

823. The sum of \$428.125M was allotted for the purchase of vehicles, backhoe, motorcycles, all-terrain vehicles (ATV) and bicycles. A Supplementary Provision of \$6.525M was approved, resulting in the total funds available amounting to \$434.650M. According to the Appropriation Accounts, the full sum was expended as shown in the table below:

Description	Amount \$'000
50 Four-door Pickups	356,625
48 Motor Cycles and 1 ATV	21,149
5 Cars	19,270
2 Hiace Buses	13,868
2 SUVs	12,289
1 New Toyota Land Cruiser	11,425
1 Bicycle	24
Total	434,650

824. A contract was awarded to the lowest responsive bidder by NPTAB and a Cabinet No Objection in the sum of \$399M for the procurement of fifty (50) 4-door pickups. The contract was signed 18 November 2020. Six cheques totalling \$356.625M were cut, however, three cheques totalling \$199.5M representing 50% of the contract sum was paid, while, three totalling \$157.125M was still on hand at September 2021 of which two totalling \$149.580M have since become stale dated. Nonetheless, rollover approval was granted on 31 December 2020 for the balance of \$44.687M to be paid in 2021 for the pickups. At the time of this report in September 2021, the pickups were received and forty nine of the fifty were registered.

Ministry's Response: The Head of Budget Agency acknowledges the finding and explained that cheques will be updated and paid to the supplier.

Recommendation: *The Audit Office recommends that the Ministry put corrective measures in place to avoid such delays. (2020/269)*

Guyana Fire Service – Component 2406100

825. A physical verification of vehicles was done in June 2021 at the Guyana Fire Service and it was observed that four water tenders, numbers 105 and 106 which was purchased; and numbers 100 and 104 which were donated in 2019 have not yet been registered with the Guyana Revenue Authority as property of the Ministry. At the time of reporting in September 2021, three of the water tenders were registered.

Ministry's Response: The Head of the Budget Agency explained that for Water Tenders number 100, the Guyana Fire Service identified a difference on the chassis number and is in the process of clarifying with the broker, GRA and the supplier.

Recommendations: The Audit Office recommends that follow up with the GRA and the broker to finalise the registration process. (2020/270)

Equipment and Furniture

826. The sum of \$107.405M was budgeted for nine components for the purchase of equipment and furniture for the year 2020. Approval was granted on 31/12/2020 for inclusion of programme for project code 2608200 and change of programme for project codes 2608600 and 2609200. According to the Appropriation Accounts, amounts totalling \$106.705M was expended as shown in the table below:

Project Code	Description	Budget \$'000	Expenditure \$'000
2608200	Office Equipment and Furniture	20,000	19,877
2509500	Equipment and Furniture - Police	17,426	17,426
2608300	Equipment - Police	30,000	30,000
2608600	Tools and Equipment - Prisons	10,000	9,821
2608800	Communication Equipment - Fire	1,360	1,360
2608900	Tools and Equipment - Fire	15,000	14,219
2609000	Office Equipment and Furniture - Fire	7,500	7,500
1700200	General Register Office (GRO)	1,000	695
2609200	Customs Anti-Narcotics Unit (CANU)	5,119	5,807
Total		107,405	106,705

Guyana Police Force \$47.426M

827. The sum of \$47.426M was expended for the purchase of equipment and furniture for the Guyana Police Force. Audit examination of the records revealed capital items to the value of \$38.387M was delivered while capital items to the value of \$9.039M was not delivered. Similarly, capital items to the value of \$1.787M and \$6.984M for the years 2019 and 2017, respectively, were still not delivered at the time of reporting.

Ministry's Response: The Head of the Budget Agency explained that the items to the value of \$9.039M, \$1.787M and \$6.984M will be delivered to the Guyana Police Force shortly.

Recommendations: The Audit Office recommends that the Ministry write the suppliers about the breaches in contract, inform the NPTAB and thereafter seek the advice of the Attorney General on the way forward. (2020/271)

828. In addition, a physical verification of capital items delivered to the Ministry for outstanding purchases to the value of \$38.387M could not be verified since they were not marked. Further, the year for which the items were purchased could not be determined. As a result, the Ministry is in breach of Section 28 of the Stores Regulations and the completeness, accuracy and validity of the transactions could not be ascertained.

Ministry's Response: The Head of Budget Agency explained that the Guyana Police Force is in the process of marking the items for the value of \$38.387M.

Recommendations: *The Audit Office recommends that the Ministry maintain a register for outstanding supplies with all pertinent details which will enable timely decision making, proper monitoring and tracking of outstanding purchases and subsequent delivery. (2020/272)*

Foreign Funded Projects

829. The sum of \$468.369M was budgeted for two foreign funded projects under the Ministry which are subject to separate financial reporting and audit. According to the Appropriation Accounts, amounts totalling \$409.481M were expended as shown in the table below:

Funding Agency	Description	Expenditure \$'000
Inter-American Development Bank (IDB)	Citizen Security Strengthening Programme	403,792
Caribbean Development Bank (CDB)	Technical Assistance - Enhancing Citizen Security - Trafficking in Persons (TIP)	5,689
Total		409,481

Prior Year Matters

Capital Expenditure

Guyana Prison Service

830. In 2019, 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, assets valuing \$64.021M were still not received. In addition, the capital items were not in use and could not be physically verified since they were still in containers at the Lusignan and Georgetown Prisons as shown in the images below:



Lusignan Prison



Georgetown Prison

Ministry's Response: The Head of the Budget Agency explained that of the \$64.021M, items to the value of \$54.635M were delivered. However, these items were kept in the containers for safe keeping and are awaiting reconstruction of the Camp Street and Lusignan Prisons. The remaining items to the value of \$9.386M, the export license was denied by the United States Department of Commerce and the money will be refunded shortly.

Recommendations: *The Audit Office recommends that proper documentation be retained for these items and that they are properly secured till completion of the Camp Street and Lusignan Prisons. The Ministry is also advised to follow up on the amount of \$9.386M to be refunded. (2020/273)*

Other Matters

831. According to information from the Ministry of Finance, 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 Ministry of Home Affairs remained unreconciled.

Ministry's Response: The Head of the Budget Agency explained that the two accounts in the name of the Ministry are not in use by the Ministry. The Ministry of Finance advised that these two Accounts were there since the implementation of the IFMAS in 2003 hence it is not prudent for these Accounts to be closed, but to be carried forward each year.

832. Overpayments on contracts totalling \$6.552M were still to be recovered for the three projects shown in the table below:

Year	Project	Amount \$'000
2018	Completion of Fire Station - Mabaruma	4,338
2012	Rehabilitation of Police Station, Kamarang	960
2010	Remedial works, Albion Police Station	1,254
Total		6,552

Ministry's Response: The Head of the Budget Agency explained that the completion of Mabaruma Fire Station at the time of the Audit was ongoing and the final payment was not prepared. With respect to overpayment on the rehabilitation of the Albion and Kamarang Police Station, the matters were being addressed by the Ministry of Legal Affairs.

Recommendations: The Audit Office recommends that the Ministry follow up on these projects. (2020/274)

Special Investigation - 2015

833. The Audit Office in collaboration with the GPF investigated 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

834. The table below shows the prior year matters as contained in the Auditor General’s 2019 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 19 recommendations; 3 were not implemented; 8 were partially implemented and 8 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/446	Breach of circularised instructions - contracted employees	√		
2019/447	Breach of circularised instructions - contracted employees	√		
2019/448	Overpayment of salaries and deductions	√		
2019/449	Payment of travelling allowance without valid insurances	√		
2019/451	Breach of Stores Regulations – Historical Records and Log Books		√	
2019/452	Breach of Stores Regulations – Bin Card & Stores Ledger and non-maintenance of Master Inventory		√	
2019/453	Breach of Stores Regulations – Disorderly Storage of Items		√	
2019/454	Breach of Stores Regulations – Bin Cards, disorderly Storage of items		√	
2019/455	Breach of FMA Act - Cheques of Hand	√		
2019/456	Breach of circularised instructions - Cheque Orders			√
2019/457	Unpresented Payment Vouchers		√	
2019/459	Breach of Stores Regulations – Stores Documents not seen on Payment Vouchers	√		
2019/460	Breach of Stores Regulations – Marking of Assets (PD&A)	√		
2019/461	Breach of Stores Regulations – Marking of Assets (Police Force)			√
2019/462	Non-delivery of assets (Police Force)		√	
2019/463	Non-delivery of assets (Prison Service)		√	
2019/464	Non-delivery of assets (Fire Service)	√		
2019/465	Non-reconciliation of Deposit Account			√
2019/466	Overpayment on construction works		√	

Programme 2 - Guyana Police Force (October to December 2020)

Current year matters with recommendations for improvements in the existing system

Current Expenditure

Employment Costs

Overpayments

835. For the year under review 176 officers severed employment with the Guyana Police Force for various reasons. An examination of a sample of personal files and other related records revealed fourteen instances where officers were overpaid net salaries totalling \$1.308M. In addition, the related deductions of \$91,423, \$84,498 and \$164,298 were also overpaid to GRA, NIS and other deduction agencies respectively. Similarly, for the years 2010 to 2012, 2017, 2018 and 2019 the Force is still to recover outstanding amounts totalling \$12.396M, which were over-paid to employees and deduction agencies as shown in the table below. These overpayments were as a result of pay change directives not being forwarded in a timely manner to the Central Accounting Unit of the Force.

Year	Net Salaries \$'000	Deductions \$'000	Total \$'000
2019	1,795	524	2,319
2018	6,133	1,822	7,955
2017	187	46	233
2012	671	363	1,034
2011	290	67	357
2010	498	-	498
Total			12,396

Police Force's Response: The Force explained that efforts are ongoing to recover overpayments. The Force has also engaged on a Policy decision in respect of members of the Force whose services are terminated and were overpaid salaries that Divisional Branch Commanders are to be surcharged for their negligence.

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. (2020/275)*

Stores and Other Public Property.

836. The Force presented a list detailing thirty-four vehicles that were left at workshops across the country to be repaired for various reasons. It was observed that twenty-five vehicles were at the workshop in excess of eighteen months while seven were between nine to sixteen months. The remaining four vehicles were proposed to be boarded. A similar situation was observed in 2019 where vehicles were in workshop in excess of eighteen month.

Police Force's Response: The Force explained that the majority of the vehicles were not repaired because the contractors encountered difficulties to source the required spare parts to fix the vehicles. The vehicles will be collected by the Transport workshop in view of having them boarded.

Recommendations: The Audit Office recommends that the Guyana Police Force urgently review the status of these vehicles and take the appropriate action. (2020/276)

837. Further, amounts totalling \$139.821M 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 one hundred and forty-seven vehicles, revealed that sixty-six vehicles incurred high maintenance cost totalling \$60.439M.

Police Force's Response: The Force explained that the substitute parts such as engine, gear box, suspension etc that are required to maintain the Chinese vehicles were costly. The company that manufactures these vehicles has since closed its operations hence substitute parts that were sourced are costly.

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. (2020/277)

838. Section 29 of the Stores Regulations and circularised instructions requires Log Books to be maintained for all motor vehicles, plant, machinery and equipment owned/ or operated by the Force. However, of the 378 serviceable vehicles/equipment owned and controlled by the Force, Log Books were not presented for 128 vehicles. In addition, there were partial submissions in respect of 121 vehicles.

Police Force's Response: The Force explained that instructions were given through the Transport officer to have all logs updated and submitted for auditing purposes.

Recommendations: The Audit Office recommends the Force comply fully with the Stores Regulation. (2020/278)

Other Goods and Services

839. A sample of Payment Vouchers selected for stores verification revealed the following:

- It was observed that items supplied were brought to account in the Goods Received Book, however entries for all items were not made in the Stock Ledgers and Bin Cards as required by the Stores Regulations.
- Four payments totalling \$5.063M were made for the acquisition of toilets sets plumbing materials, paint and solar batteries. According to the supporting documents the items were delivered, however, no evidence was seen that the items were brought to account in the Goods Received Book, Stock Ledgers and Bin Cards. As a result, it could not be determined whether the items were actually received.

Police Force's Response: The Head of Budget Agency explained that efforts are ongoing to update stock ledgers and bin cards.

Recommendations: *The Audit Office recommends that the Force fully comply with the Stores Regulations. (2020/279)*

Travelling and Subsistence

Payment Voucher 54F001566 - \$2,703,620

840. A payment voucher 54F001566 dated 17 March 2020 was prepared in the sum of \$2,703,620 for Grocery for General and Regional Elections 2020 under line item 6261 Local Travelling and Subsistence. The payment was made out to Finance Officer - GPF. An examination of the payment voucher revealed that the amounts were expended for the supply of chicken, eggs and pork. However, none of the receipts seen had the address and contact numbers for the suppliers. As such the validity of the transaction could not be determined.

841. Further, eleven payments totaling \$7.200M were made to the Commanders of various divisions within the Force. The sums were expended for the purchase of items such as chicken, vegetables, seasoning etc. for meals supplied to ranks who worked during the General and Regional Elections. An examination of the payment vouchers and receipts revealed that 82% of the receipts totaling \$5.944M lacked pertinent information such as name of supplier/payee, address and telephone number. As such, the authenticity of the transactions could not be determined.

Police Force's Response: The Force explained that the observation has been noted and measures put in place to prevent future occurrence. SOCU is investigating these matters of financial irregularities.

Recommendations: *The Audit Office recommends that in view of the foregoing, based on our examination of the documentation provided, the Head of the Budget Agency is advised to investigate this transaction further and take the appropriate action. (2020/280)*

Payment Voucher 54F001006 - \$10M

842. Included in the amounts expended under Line item 6261 Local Travelling and Subsistence was a payment for \$10M for meals for ranks for General and Regional Elections. The payee was recorded on the payment voucher as "Finance Officer –GPF" which indicated that the cheque was encashed by the Finance Officer and the amounts expended afterwards.

843. The cheque for this amount was processed on the 20 February 2020 on PV №. 54F001006 dated the 20 February 2020. In order for this payment voucher to be processed in the IFMIS, there should have been documentation to justify the processing of the PV such as an approved letter/memo from the responsible officers requesting the sums from the Finance Office and justifying the request for payment along with a budget/proposal for the sums to be expended. However, no such documentation was seen. As such, we were unable to ascertain the basis the payment voucher was prepared and processed.

844. Further, a perusal of the payment voucher presented revealed that the supporting documents consisting of sixteen receipts totalling \$7,728,225 and Requisition for Advances and Authority for Issue of Steamer Fare in the sum of \$2,272,000 were inadequate to substantiate the expenditure purportedly incurred. Further, a summary of sub vouchers and the approved sub vouchers along with delivery notes/invoices/bills/list of items bought were not seen. The table below shows the details on the documentation that were presented with the payment voucher:

Date	Name of Payee/Supplier	Amount \$	Description on the receipt	Address/ Contact details
RECEIPTS				
7-9 March 2020	S. Padmore	608,000	Supplied to TSU 1,600 pounds of chicken @\$380 per lb (4 receipts)	Not stated
20 March 2020	Not Legible	381,745	No description	Not stated
16 March 2020	K. Mohamed	328,425	Goods supplied to FAPC on 9 March 2020	Not Stated
17 March 2020	K. Mohamed	242,600	Goods supplied to FAPC Mess on 10 March 2020	Not stated
9 March 2020	Not legible	753,980	No description	Not stated
12 March 2020	Not legible	721,980	No description	Not stated
17 March 2020	C.Lall	529,225	Goods supplied (perishables items. Greens & Vegetables)	Not Stated
10 March 2020	C. Lall	1,231,175	Goods Supplied FAPC Mess	Not Stated
10 March 2020	C.Lall	386,900	Goods Supplied TSU Mess	Not stated
7 March 2020	C.Lall	1,315,575	Goods Supplied	Not stated
17 March 2020	C.Lall	242,600	Greens and Vegetables	Not Stated
17 March 2020	C.Marshall	25,000	25 bottles of local hot pepper sauce	Not stated
20 February 2020	Rosemary Bakery	180,000	600 loaf of homemade bread	2 Ave Bartica
5 March 2020	Shanta's Puri Shop	5,400	Supply Puri	Bill seen from Shanta's Puri Shop however the amounts and details were superimposed
10 March 2020	Humphrey's Bakery & Farm Products	733,000	Being paid for Pastries supplied. (No breakdown seen).	Address and contact number seen .
Not legible	Ansa macal	42,620	Water&Gingeng	Address and contact number seen
TOTAL		7,728,225		

Requisition for Advances and Authority for Issue of Steamer Fare

Date of Advance/ Authority for issue of Steamer Fares	Name of Officer signed to collect	Amount	Details on the Requisition for Advance and Authority for Issue on Steamer Fare	Remarks
29 Feb	S. Chapman	300,000	Transportation provided for ranks to Madhia from Georgetown	No bills/receipts seen to clear advance
27 Feb 2020	S. Chapman	952,000	For ranks to perform duty at Lethem police for election day from Georgetown	No bills and receipts seen to clear advance. (Advance form attached)
20 Feb 2020	Selwin Booker	220,000	Providing transportation on elections day (freighting of food stuff) Georgetown to Madhia	No bills and receipts seen to clear advance.
27 Feb 2020	S. Chapman	600,000	For ranks to perform duty at MadhiaPolice station for election day from Georgetown	No bills and receipts seen to clear advance. (Advance form attached)
3 March 2020	Signature illegible	100,000	Provide meals for emergency duty Regional Division 5	No bills and receipts seen to clear advance.
6 March 2020	Kevon Denny	100,000	Provide meals for TSU #2 Riot Unit in Region #5&6	No bills and receipts seen to clear advance.
Total		\$2,272,000		

845. In relation to the amount of \$7,728,225 shown at the table above, it was observed that three generic receipts totalling \$1,857,705 had no description or details as to what the amounts represented and the names of the payees were not legible. The receipts also had no address or contact details.

846. In addition, seven generic receipts totalling \$4,034,000 were paid for goods supplied, however, there were no description of the goods supplied. The receipts also had no address or contact details. Five of the seven receipts appear to be from the same supplier however, on each receipts the signatures were different. The amount of \$608,000 was paid for 1,600 pounds of chicken. This receipt also had no address or contact details. The details on the receipt for \$5,400 from Shanta's Puri shop were superimposed.

Recommendations: *The Audit Office recommends that in view of the foregoing, based on our examination of the documentation provided, the Head of the Budget Agency is advised to investigate this transaction further and take the appropriate action. (2020/281)*

847. With respect to the receipt of \$733,000 from Humphrey's Bakery, the details were stated as being paid for pastries supplied @FAPC&TSU Mess and the bill numbers were stated. However, these bills were not provided to verify the dates, description of items, prices and quantities supplied.

848. In relation to the amount totalling \$2,272,000 which was disbursed through advances, it should be noted that whenever an advance is taken it is required to be cleared with approved vouchers along with bills and receipts. However, as shown in the table no such documents were provided to substantiate the cost incurred for transportation and meals.

Police Force's Response: The Force explained that this transaction will be forwarded to SOCU to investigate.

Recommendations: *The Audit Office recommends that in view of the foregoing, based on our examination of the documentation provided, the Head of the Budget Agency is advised to investigate this transaction further and take the appropriate action. (2020/282)*

Utilities

849. Amounts totalling \$410.221M were expended on the three utilities for the Police Force. However, the respective registers were not maintained for the period under review. As such, the completeness, accuracy and validity of these payments cannot be determined.

Police Force's response: The Force explained that the Utilities registers are now maintained.

Recommendations: *The Audit Office recommends that Force ensure that the utilities registers are maintained at all times given the size and logistics of the Guyana Police Force. (2020/283)*

Rehabilitation works SWAT Building, Rabbit Walk.

850. On the 21 November 2019, a contract was awarded at the National Procurement and Tender and Administration Board in sum of \$9.927 M for the Rehabilitation works SWAT Building, Rabbit Walk. The Engineer's Estimate was \$12. 421M. The contract was signed on 15 November 2019, with a duration of three months for completion and defects liability period of three months. In addition, the mobilisation bond was not seen. The period and date for the submission of bids were seen however, it was noted that bids were opened on 23 April 2019 where, a total of twenty-two bids were received and the contract was awarded to Tender Number 4. As at 31 December 2020, the Cumulative sum of \$9.729M was paid to the contractor.

851. A physical verification on 24 August, 2021 revealed that the works were completed and based on the physical measurements taken on site, inspection and calculations, our quantities reasonably correspond with all quantities listed and paid for in the Valuation presented and examined, we are of the view that the works were completed and paid for as per specifications and schedules.

Police Force's Response: The Head of Budget Agency explained that the outstanding document will be submitted.

Recommendations: The Audit Office recommends that the Mobilisation Bond be presented for audit. (2020/284)

Extension of Guyana Police Force Finance Department.

852. Two contracts were awarded by the Ministerial Tender Board on the 31 December 2019 and 14 Jul 2020 in the sum of \$4.801M and \$1.367M respectively. The contracts were for the Extension of Guyana Police Force Finance Department. No details were seen regarding the advertisement of the projects and the signed contract documents, tender evaluation reports and the engineer's estimates were not presented for audit. However, the period and date for the submission of bids were seen. As at 31 December 2020 amounts totalling \$4.705M and \$1.367M were paid to the contractor.

853. A physical verification on 01 September, 2021 revealed that the works were complete and based on the physical measurements taken on site, inspection and calculations, our quantities reasonably correspond with all quantities listed and paid for in the Valuation presented and examined, we are of the view that the works were completed and paid for as per specifications and schedules.

854. However, based on our physical verification it was observed that a completely new extension to the building was constructed, using funds allocated under 6242 – Maintenance of Buildings, despite these construction works being capital in nature.

Police Force response: The Head of Budget Agency explained that corrective action will be taken.

Recommendations: *The Audit Office recommends that the Ministry immediately desist from using current budgetary allocations for executing capital works and to submit the signed contract document, tender evaluation report and the engineer's estimate.* (2020/285)

855. An examination of the Contract Register and MTB awards revealed that thirty-three transactions totaling \$44.446M were split to avoid NPTAB adjudication. This is in contravention to Section 14 of the Procurement Act, which stipulates that "*Aprocuring 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 there under*". The table below provides a summary of the thirty-three transactions.

Name of Contractor	No of Transactions	Amount \$ '000	Line Item
ARK Imports and hardware supplies	2	2,552	6222
P&P Investment	5	7,478	6222
Quality Service and Supplies	2	2,983	6222
Tony's Traders	2	2,883	6222
Supergraphics	2	2,943	6222
Andrew's Enterprise	7	9,657	6222
Albert's Mechanic Shop	8	8,950	6264
Norma Bunbury Printing and Contracting Services	5	7,000	6284
Total	33	44,446	

Police Force's Response: The Head of Budget Agency explained that the items supplied and services rendered were urgently needed for the smooth flow and functioning of the organisation.

Recommendation: The Audit Office recommends that the Force comply with the Procurement Act. (2020/286)

Cheques on Hand at year end

856. Ten cheques totalling \$2.214M were still on hand at 22 June 2020, these cheques have since become stale dated and should have been refunded to the Consolidated Fund in keeping with the requirements of Section 43 of the Fiscal Management and Accountability Act. In the circumstances the Appropriation Account was overstated by the said amount.

Police Force's Response: The Head of Budget Agency explained that these cheques will be updated and paid over to the Consolidated Fund.

Recommendation: The Audit Office recommends that the Force comply with the requirements of the Fiscal Management and Accountability Act. (2020/287)

Other Matter

857. It was observed that contrary to the Stores Regulations, the Finance Office is not maintaining a Stores Ledger to independently monitor the stores operation.

Police Force's Response: The Head of Budget Agency indicated that findings have been noted and systems will be put in place to improve stores operations.

Recommendations: The Audit Office recommends that the Force fully comply with the Stores Regulations. (2020/288)

858. Payment vouchers are required to be retained and secured for audit and other checks and balances purposes. However, it was observed that many payments vouchers presented for audit were torn and generally in poor condition. This is for both the cover vouchers and supporting documents.

Police Force's Response: The Head of Budget Agency indicated that finding has been noted and corrective measures will be taken.

Recommendations: *The Audit Office recommends that the Force put measures in place to have payment vouchers properly stored. (2020/289)*

Prior Year Matters

Examination of contracts for supplies

859. In 2019, four contracts totalling \$123,344M were awarded to the same supplier under several line items and the full contract sums were paid to the supplier in January 2020. Audit Checks as at the 22 October 2020 revealed that items totalling \$22.193M were still outstanding. Deliveries were made during 2021 totalling \$8.045M hence reducing the balance to \$14.148M as at 29 June 2021, as shown below:

No	Date of contract	Contract Sum \$	Date paid	Supplies outstanding as at 22 October 2020	Deliveries made as at 29 June 2021	Outstanding Deliveries as at 29 June 2021
2	03-Dec-19	7,961,500	02-Jan-20	831,720	685,120	146,600
3	17-Dec-19	25,003,480	06-Jan-20	15,058,600	4,230,480	10,828,120
4	27-Dec-19	14,821,260	06-Jan-20	6,302,200	3,129,160	3,173,040
Total	47,786,240			22,192,520	8,044,760	14,147,760

Police Force Response: The Force explained that the supplier was written to in relation to him failing to deliver the contracted items that he was paid for and the letter carbon copy to the relevant agencies.

Recommendations: *The Audit Office recommends that the Force inform the NPTAB about this supplier breaching his contractual obligations and seek advice from the Attorney General since the contractor received the full contract sums. (2020/290)*

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

860. In my previous report mention was made of an alleged fraud committed at the Finance Office GPF. The matter involved apparent collusion between officers in the processing of twenty-one payments in IFMIS system without any evidence of the physical payment vouchers. Three cheques amounting to \$12.565M were subsequently drawn for the twenty-one entries. All of the payments were made out to O/C F Division. The cheques were not encashed. It must be noted that at the time of audit in September 2021, the court matter was ongoing.

Missing payment vouchers and duplication of payment

861. An examination of the payments made under line item 6261 -Fuel - revealed 2 identical payments for amounts of \$17,080,767. One payment was made out to GUYOIL and the other, a cheque payment to O/C F Division for purchase of fuel as shown at table below. At the time of reporting the matter was engaging the attention of the court.

Date	PV Number	Cheque №.	Amount \$	PAYEE	Description
26/03/2019	54F01073	07-220072	17,080,767	GUYOIL	Purchase of fuel
26/03/2019	54B0001073	07-220086	17,080,767	O/C F Division	Purchase of fuel

Recommendations: *The Audit Office recommends that the results be provided at the conclusion of these investigations. (2020/291)*

Follow-up on the Implementation of Prior Year Audit Recommendations

862. The table below summarises the prior year matters as contained in the Auditor General's 2019 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 14 recommendations; 7 were not implemented; 1 was not partially implemented and 6 were fully implemented.

Recommendation №.	Category of Finding	Recommendation		
		Fully Implemented	Partially Implemented	Not Implemented
209/467	Circularised Instructions			√
2019/468	Overpayment of salaries and deductions			√
2019/469	Breach of Stores Regulations Maintenance of Stores Records			√
2019/470	Maintenance of vehicles			√
2019/471	Breach of the Procurement Act, Stores Regulation and MOF Circular	√		
2019/472	Breach of Stores Regulations Maintenance of Stores Records	√		
2019/473	Circularised Instructions	√		
2019/474	Non-Delivery of items		√	
2019/475	Breach of Stores Regulations Maintenance of Stores Records			√
2019/476	Breach of the Procurement Act, FMA Act and Finance Circulars	√		
2019/477	Processing of payments without preparing of payment vouchers	√		√
2019/478	Breach of the FMA Act			√
2019/479	Contract Register not properly written up	√		
2019/480	Registers not maintained to monitor utility charges			√

AGENCY 52
MINISTRY OF LEGAL AFFAIRS

Current Year Matters

Current Expenditure

Employment Costs

863. The Ministry still had three key vacancies during the period under review as advertised in the Public Service Commission Staff Vacancy Circular №. 1/2019. These vacancies included critical posts such as, one Monitoring and Evaluation Officer, one Principal Parliamentary Counsel and one Assistant Chief Parliamentary Counsel.

Ministry's Response: The Head of Budget Agency indicated that in addition to persons who probably applied to the Public Service Commission (PSC) to fill these vacancies, the Ministry received one application to fill the Monitoring and Evaluation Officer position which was forwarded to the PSC who subsequently informed the Ministry that the person was not qualified for appointment. In the interim, a staff performs some of the duties of this position. Kindly note too that in spite of these vacancies, the Ministry of Legal Affairs was still able to execute its mission in an efficient and effective manner.

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 will have an adverse effect on the operations of the Ministry. (2020/292)*

864. An examination of the employment details inclusive of the payroll, revealed that arrears salary was paid to one officer for May – August 2017 totalling \$4.559M. However, the required Pay As You Earn (PAYE) in the sum of \$1.122M was not deducted and paid over to Guyana Revenue Authority (GRA).

Ministry's Response: The Head of Budget Agency indicated that the Ministry acknowledges the Auditor's finding. However, the officer was informed and advised to make payment directly to the Guyana Revenue Authority.

Recommendation: *The Audit Office recommends that the Ministry ensure that the officer submits evidence of payment. (2020/293)*

Fuel and Lubricants

865. Amounts totalling \$5.929M were budgeted by the Ministry for the purchase of Fuel and Lubricants. According to the Appropriation Account, the full amount was expended as at 31 December 2020. However, during the period under review the State Asset Recovery Agency (SARA) ceased to be operational on the 13 November 2020. As such, amounts totalling \$1.323M owing to SARA by the Guyana Oil Company (GUYOIL) was transferred to the Ministry of Legal Affairs (MOLA) account by GUYOIL.

866. Hence, GUYOIL was indebted to the Ministry in the sum of \$4.111M (\$1.323M+\$2.788M) as at 31 December 2020. This was due to prepayments made for fuel. As a result, the Appropriation Accounts of the Ministry was overstated by the said sum of \$4.111M.

Ministry's Response: The Head of Budget Agency indicated that the Ministry acknowledges that the stated amount was transferred to its account as at December 31, 2020. As such, GUYOIL continues to supply fuel and lubricants to the Ministry's fleet of vehicles.

Recommendation: *The Audit Office recommends that the Ministry comply fully with the accounting system used by Government. (2020/294)*

Others

867. The sum of \$96.802M was budgeted for the Account Area – Others (6284) for the period under review. Allotment transfers totalling \$5.366M were made which resulted in total funds available of \$102.168M. According to the Appropriation Account, amounts totalling \$102.167M were expended. An audit examination of the records of the Ministry revealed that they have one Solicitor General, one Deputy Solicitor General, two Assistant Solicitor Generals and seven State Counsels in its employment. However, amounts totalling \$42.199M were expended on Legal Fees/Retainer Agreements to four Law Firms and eight external attorneys at law. Similarly, amounts totalling \$99.143M were also expended on legal fees in 2019.

Subsidies and Contributions to Local Organisations

868. The sum of \$292.274M was budgeted for the operations of SARA. Allotment transfers totalling \$48.011M were made which resulted in a revised total funds available of \$244.264M. However, on the 13 November 2020, the operations of this unit came to an end. As at 31 December 2020, amounts totalling \$244.263M were expended on salaries, benefits and allowances, rental of buildings and payment of security. In addition, SARA operated a bank account №.01630003120 – Official Recovery of State Assets Funds. As at the 31 December 2020 an amount of \$2.806M was the closing balance.

Capital Expenditure

Justice Sector Programme-1501500

869. 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 to contribute to the financing and execution of the Support for the Criminal Justice System Program. The general objective of the Program 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 Program will come to an end on the 20 August 2022. This project is subject to separate financial reporting and audit. The last audit report was issued on 29 April 2021 for the period ended 31 December 2020.

Prior Year Matters

Current Expenditure

870. At the time of reporting in September 2021, 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: In its continued struggle to recover the sum owed, the Ministry was advised by its State Solicitor, Public Trustee/Official Receiver that any other effort to recover the sums due and owing will exceed the amount the Ministry is attempting to recover in legal fees, legal filing of documents, publishing of notices, judicial time and resources. As a consequence, a request was made to the Finance Secretary for the sum owed to be written-off, considering too that most of the former tenants have either migrated while some are deceased.

Recommendation: *The Audit Office once again recommends that the Ministry makes every effort to conclude this issue. (2020/295)*

Follow-Up on the Implementation of Prior Year Audit Recommendations

871. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 7 recommendations; 2 were not implemented, 1 was partially implemented and 4 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/405	Circularised Instruction	√		
2019/406	Circularised Instruction	√		
2019/407	Circularised Instruction		√	
2019/408	Breaches of Procurement Act	√		
2019/409	Budget Preparation			√
2019/410	Budget Preparation	√		
2019/411	Court Matter			√

AGENCY 53
GUYANA DEFENCE FORCE

Current Year Matters

Current Expenditure

Goods and Services

Fuel and Lubricants

872. The sum of \$504M was allotted under Line Item 6231 – Fuel and Lubricants. The allocation was increased through an allotment transfer of \$4M, giving a total revised allotment of \$508M. The full sum was expended, as summarised in the table below:

Particulars	Amount \$'000
Purchase of Gasoil (diesel)	172,822
Purchase of Motor Gasolene (MOGAS)	130,221
Purchase of Aviation Fuel	90,957
Purchase of Cooking Gas	38,499
Warrants Issued	29,983
Purchase of Lubricants	29,859
Purchase of Fuel for Eteringbang	15,162
Reimbursement of Impress	333
Purchase of Kerosene	185
Refund of Expenses - Imprest	(33)
Total	507,988

873. Audit examination and analysis revealed that amounts totalling \$476.649M were paid to six suppliers for the supply of fuel and lubricants. The table below provides a summary of payments:

No.	Name of Supplier	Amount \$'000
1	Guyana Oil Company Limited	373,905
2	Massy Gas Products	40,999
3	Rubis Guyana	38,499
4	Stephen Edwards	15,162
5	Air Services Limited	4,052
6	Trans Guyana Airways	4,032
Total		476,649

874. Contractual agreements were not seen for three suppliers (Guyana Oil Company Limited, Rubis, Guyana Inc., and Massy Gas Products). As a result, the terms and conditions of service of agreement between the Force and these suppliers could not be determined.

Defence Force's Response: The Head of Budget Agency stated that the Force acknowledges this anomaly. However, previously, no contractual agreements were entered into for the supply of fuel, Gas-LPG and aviation fuel. It was customary in the past to purchase from these suppliers on a single source approval. Contracts are now prepared for all suppliers.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure that the Force comply fully with the Procurement Act. (2020/296)

875. The sum of \$373.905M was paid to Guyana Oil Company Limited (GUYOIL) for the supply of fuel and lubricants, as summarised in the table below:

Particulars	Amount \$'000
Purchase of Gasoil (diesel)	172,822
Purchase of Motor Gasolene (MOGAS)	130,221
Purchase of Aviation Fuel	44,904
Purchase of Lubricants	25,807
Purchase of Kerosene	184
Refunds (Price Adjustment)	(33)
Total	373,905

Gasolene and Diesel

876. The Force purchased fuel in bulk and retail quantities. As it related to bulk purchases, the Force makes prepayments to GUYOIL based on estimated consumption. 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 drivers of the tankers delivering the fuel 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.

877. The sum of \$303.043M was expended for the purchase of gasoil (diesel) and gasolene, of which amounts totalling \$191.161M were paid for fuel in bulk. Ten payment vouchers processed for amounts totalling \$188.589M, which represented approximately ninety-nine percent of the bulk purchases, were submitted for audit.

878. An analysis of the ten payment vouchers and its supporting documents revealed that a motor vehicle with registration number GHH 7538, uplifted 285,200 and 184,000 litres of gasolene and diesel valued \$38.806M and 28.649M, respectively. Audit enquiries revealed that the said vehicle was neither owned by the Guyana Defence Force nor GUYOIL. In addition, there was no contractual agreement for this vehicle to uplift fuel on behalf of the Force.

879. Further, 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 under scrutiny by special investigators.

880. Stock ledgers were submitted for Camp Ayanganna. However, the receipts of fuel from the said vehicle were 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.

881. Similar findings were reported in 2019, as set out below:

- a. The sum of \$547.219M was expended for the purchase of gasoil and gasolene, of which amounts totalling \$528.692M were 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.
- b. It was evident on 103 invoices that vehicle bearing registration number GHH 7538 uplifted 887,800 litres of fuel valued \$181.567M. As reported earlier, 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.
- c. 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 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.
- d. 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 Headquarters. As gleaned from each of the twenty-six instances, the quantity of fuel delivered was twice the storage capacity of the reservoir. 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. The table below provides a summary of the twenty-six deliveries valued at \$50.112M:

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

- e. Further, based on the invoice dates, on one day, approximately 1,000 gallons of gasolene 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 gasolene was delivered in excess of the Force's storage capacity at its Coast Guard Headquarters, Ruimveldt.

- f. 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.
- g. The 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.

882. 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. The Government of Guyana has also commissioned a forensic audit into the issues.

Defence Force's Response: The Head of Budget Agency stated that the Guyana Defence Force is still awaiting the outcome of the investigation by the Guyana Police Force, and also the findings from the forensic audit conducted by the Government of Guyana however, the system has since been reviewed and the following measures were implemented to improve accountability in this regard:

- i. Quarterly reconciliation of fuel purchased.
- ii. Segregation of duties.
- iii. Quarterly internal audit verification to ensure compliance.
- iv. Regular supervisory checks.
- v. Supply of fuel to the Force is initiated by correspondence to suppliers through the COLAQ's Office.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure all systems implemented are monitored and prompt action taken to correct deficiencies. (2020/297)*

Aviation Fuel

883. The Guyana Defence Force purchased aviation fuel valued \$90.957M from four suppliers, as summarised in the table below:

No.	Particulars	Amount \$'000
1	Guyana Oil Company Limited	44,904
2	Rubis Gas Inc.	40,999
3	Air Services Limited	4,032
4	Trans Guyana Airways	1,022
Total		90,957

884. Aviation fuel is supplied directly to the Force's fleet of aircrafts. 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 receipt and utilisation of the said fuel. A similar situation was reported for 2019.

Defence Force's Response: The Head of Budget Agency stated that the Force acknowledges the findings. Records for aviation fuel were implemented in January 2021.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure the records are properly maintained, and secured for submission to facilitate audit scrutiny. (2020/298)*

885. The Force did not submit for audit, log books for 104 of the 254 vehicles and equipment that required the maintenance of log books. Compared to 2019, this issue has worsened, when forty log books were not submitted for 2019. This is a breach of Section 29 of the Stores Regulation 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".

886. Further, partial submissions were made for twenty of the 150 vehicles and equipment for which log books were submitted. In the circumstances, it could not be determined whether all journeys undertaken were authorised and were in the interest of the Force.

Defence Force's Response: The Head of Budget Agency stated that the Force is making every effort to locate and present the log books for audit verification.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force submit the log books for audit scrutiny as soon as they are located. (2020/299)*

887. An examination of thirty log books submitted by the Force revealed the following discrepancies:

- a) the amount of fuel collected was not recorded in eighteen;
- b) odometer readings were not recorded in four; and
- c) the signature of the checking officer was not evident in twenty-eight.

Defence Force's Response: The Head of Budget Agency stated that the Guyana Defence Force acknowledges the findings and has since embarked on continuous remedial training for all drivers and operators so as to improve record keeping and appropriate use of log books. Also, disciplinary actions will be taken against errant drivers.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure that log books are properly written up to reflect pertinent information. (2020/300)*

Vehicle Spares & Services

888. The sum of \$336.154M was budgeted under Line Item 6264 – Vehicle Spares & Services. There was an allotment transfer of \$6.8M, resulting in a revised allotment of \$342.954M. The sum of \$342.937M was expended. An analysis of the maintenance costs for thirty vehicles is summarised in the table below:

Range	No of Vehicles	Total Cost \$'000	Average Cost \$'000
Below \$0.5M	9	2,673	297
\$0.5M - \$1M	9	6,933	770
\$1M - \$1.5M	6	7,254	1,209
\$1.5M - \$2M	4	6,693	1,673
Above \$2M	2	4,967	2,484
Total	30	28,520	951

889. As can be seen in the table above, some vehicles had relatively high maintenance costs. Noteworthy, is a Toyota Hilux 8th Gen. Pick-up acquired in May 2017, which had maintenance costs of \$2.931M and \$2.650M in 2020 and 2019, respectively.

Defence Force's Response: The Head of Budget Agency stated that among the Force's fleet, are a number of aged vehicles which incur high maintenance costs due to workload and terrain conditions. Efforts are being made to dispose of these inefficient vehicles and acquire newer models.

Recommendation: The Audit Office once again recommends that the Administration of the Defence Force assess the maintenance costs of its fleet of vehicles and equipment, with a view of disposing those that are uneconomical to maintain. (2020/301)

Utility Charges

890. Amounts totalling \$331.816M were expended under this account area. A Utility Register was not maintained for telephone charges. However, a print-out of telephone numbers and amounts paid were placed in file jackets on a monthly basis. Thus, verification was a tedious and time-consuming process. Further, a comparison of the payments with the Electricity and Water Charges Registers revealed differences, as shown in the table below. As a result, we could not determine consumption as per account.

Particulars	Electricity Charges \$'000	Water Charges \$'000
Payments	298,351	42,409
Less: Amount as per Register	180,639	37,177
Difference	(117,712)	(5,232)

Defence Force's Response: The Head of Budget Agency stated that among the Utility Register for Telephone Charges was previously maintained; however, since GTT ceased to provide paper bills and is now submitting statement of accounts, the register was discontinued. However, this anomaly was noted, and steps have been taken to correct this deficiency.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure its Utility Registers are properly maintained, including the recording of all pertinent information. (2020/302)*

Accounting for Expenditure

891. The Force continued to breach Section 43 of the Fiscal Management and Accountability Act. 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”. As of 8 September 2021, nineteen cheques drawn in 2020 for sums amounting to \$137.849M were still on hand at the Sub-Treasury’s Department.

Defence Force’s Response: The Head of Budget Agency stated that:

- (i) four cheques are direct payments and are at the Sub-Treasury awaiting payees to uplift;
- (ii) one cheque is to be updated and refunded to the Consolidated Fund; however, the approval from the Accountant General is pending;
- (iii) ten cheques are to be updated and paid to the contractors for vehicles purchased and supplied to the Force;
- (iv) one cheque is in relation to the payment of Value Added Tax for boots purchased and is to be updated and paid over to GRA; and
- (v) three cheques are for overseas transactions, which are not completed.

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 by returning unexpected balances to the Consolidated Fund at the end of the year. (2020/303)*

Other Matters

Cheque Orders

892. Audit examination of the cheque order register revealed that 108 cheque orders valued at \$2.465 billion issued during 2020, were still not cleared as at 15 July 2021. As a result, it could not be ascertained whether the Force received full value for all monies expended. Similarly, in 2019, forty-one cheque orders valued at \$592.281M, and issued during the year 2019 were still outstanding at the time of reporting in July 2021. 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 Budget Agency stated that sixty-nine and thirty-seven cheque orders were cleared for 2020 and 2019, respectively, and that every effort is being made to have the remaining cleared soonest.

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; and (ii) take action to clear the outstanding cheque orders, and submit same for audit. (2020/304)*

Inter-Departmental Warrants

893. Sixty-four Inter-Departmental Warrants totalling \$164.354M were issued to Region Nos 1, 2, 6, 7, 8 and 9 to off-set expenditures on behalf of the Force. An examination of the related financial returns revealed that amounts totalling \$160.367M were expended, resulting in an unexpended balance of \$3.987M.

894. Further, an examination of the IFMIS revenue report revealed that the sum of \$188,584 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 \$188,584. It should be noted that Miscellaneous Revenue is reported on by the Ministry of Finance. A similar situation existed in 2019.

Defence Force's Response: The Head of Budget Agency stated that the Force concurred with the audit findings and that every effort is being made to prevent a recurrence.

Recommendation: *The Audit Office once again recommends that the Administration of the Defence Force 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. (2020/305)*

Central Bank Account

895. The Force operates a "Central Bank Account", held at Republic Bank (Guyana) Limited. The account was purportedly established to assist the Force in emergency and welfare matters. The source of funding for the bank account are as follows:

- a) Government - for specific projects or operations.
- b) Staff - Salary deductions towards their respected unit funds.
- c) Fines - Penalties instituted to soldiers for wrong-doings.

896. Eighty-seven sub-accounts are being operated using this Central Bank Account. The SOPs state that the "*Unit Commanders are the authority for funds to be withdrawn from their unit accounts, however, the Chief of Staff and Quartermaster General have overriding authority over these funds*".

897. The Force received the sum of \$16.079M on 27 November 2020 from the Guyana Fire Service for the supply of dry and fresh ration. The ration was to be used by the Fire Service to prepare meals during training of the Service's recruits.

898. The Force established a sub-account, 'Dietary Support Account' on 27 November, 2020; that is, the same day the payment was received from the Fire Service. The Dietary Support Account was credited with the \$16.079M, which was subsequently deposited into the Central Bank Account on 30 November 2020.

899. We could not determine the cost of ration supplied to the Fire Service, due to poor record keeping. Further, from the ration issue vouchers, we also could not determine whether the items supplied to the Fire Service were in relation to the \$16.079M. The \$16.079M was paid as part of a contract signed on 30 December 2019. ‘Condition 8’ of the contract states that the “...*purchaser shall make payment available no later than two weeks after all goods are delivered...*”. However, the ration issue vouchers submitted were all dated before 30 December 2019.

Defence Force’s Response: The Head of Budget Agency stated that this arrangement is being reviewed with the aim of being discontinued.

900. Notwithstanding the above, it must be underscored that ration issued by the Force would have been bought from funds appropriated for the Force. As such, ration issued to another Agency would constitute a breach of Section 34 of the FMA Act, which states that “...*the purpose of the expenditure of the money stipulated in a drawing right shall be consistent with an appropriation or the purpose of the application as set out in the applicable legislation*”.

Defence Force’s Response: The Head of Budget Agency stated that the Force acknowledges this breach of the FMA Act and that efforts are being made to avoid a recurrence.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure Section 34 of the FMA Act is fully complied with. (2020/306)*

901. In addition, the funds received should have been paid over as revenue to the Consolidated Fund, instead on being deposited into the Central Bank Account”. This is contrary to Section 46 (2) of the FMA Act, which states that “...*an official shall not deposit public moneys into any account other an official bank account*”.

Defence Force’s Response: The Head of Budget Agency stated that the amount was withdrawn from the Central Bank Account and deposited in the Consolidated Fund on 7 July 2021.

Recommendation: *The Audit Office once again recommends that the Administration of the Defence Force ensure Section 46 (2) of the FMA Act is fully complied with. (2020/307)*

902. An analysis of the Dietary Support Account for the period under review revealed the following:

Particulars	Amount \$'000	Total \$'000
<u>Receipts</u>		
Fire Service	16,079	
Ministry of Public Works	259	
Adjustment	50	
Total		16,388
<u>Less: Payments</u>		
Salary Advances	5,310	
Transfer of Funds to Coast Guard	500	
Incentive for Band	500	
Fire Assistance	200	
Payment for VAT for Military T-Shirts	162	
Maintenance of Band	150	
Transportation Costs	150	
Electrical Works	107	
Female Accommodation – BCS	100	
Omission of Transaction	50	
Admin. Fees	49	
Total		7,279
Balance		9,110

903. As can be noted in the table above, the funds were used for various purposes. This is a breach of Section 48 of the FMA Act, which states that “A Minister or an official shall not in any manner misuse, misapply, or improperly dispose of public moneys”.

Defence Force’s Response: The Head of Budget Agency stated that Force acknowledges the breach and measures were implemented to avoid recurrences.

Recommendation: The Audit Office once again recommends that the Administration of the Defence Force ensure Section 48 of the FMA Act is fully complied with. (2020/308)

904. It should be noted that the balance on the Dietary Support Account as of 25 February 2021 was \$11.029M; whilst, the bank statement of the Central Bank Account reflected a balance of \$177.644M as at 28 February 2021.

Capital Expenditure

Shortfall in Expenditure

905. The sum of \$670.090M was budgeted for the Force to execute its capital programme in 2020. During the year, there was an approved Supplementary Allotment in the sum of \$2.180 billion; thus, giving a revised allotment of \$2.850 billion. Amounts totalling \$2.745 billion were expended, resulting in a shortfall of \$105.159M, as summarised in the table below:

Description	Approved Allotment \$'000	Supp. Allotment \$'000	Revised Allotment \$'000	Expenditure \$'000	Shortfall \$'000
Buildings – GDF	222,791	0	222,791	222,726	65
Marine Development	75,000	0	75,000	41,011	33,989
Air, Land, & Water Transport	200,000	2,180,000	2,380,000	2,315,143	64,857
Pure Water Supply	12,500	0	12,500	12,496	4
Agriculture Development	12,299	0	12,299	6,060	6,239
Equipment	100,000	0	100,000	99,997	3
National Flagship – Essequibo	47,500	0	47,500	47,498	2
Total	670,090	2,180,000	2,850,090	2,744,931	105,159

Marine Development

906. The sum of \$75M was allotted for the (i) payment of retention, and (ii) provision for boat, outboard engines, and equipment. Amounts totalling \$41.011M were expended, resulting in a shortfall of \$33.989M, which is approximately forty-five percent of the Approved Allotment. It should be noted that the boat was not acquired. As a result, the benefits as intended from improved facilities and transportation would not have been achieved. See summary of expenditure in the table below:

Description	Amount \$'000
Purchases	37,835
Construction and rehabilitation works	3,078
Withholding taxes	98
Total	41,011

Defence Force's Response: The Head of Budget Agency stated that approval was not granted to acquire the boats.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure it implements all activities planned so that the intended benefits can be attained. (2020/309)*

Air, Land and Water Transport

907. The sum of \$200M was allotted for the purchase of tractor, ambulances, boats, outboard engines, and drone. There was an approved Supplementary Allotment in the sum of \$2.180 billion; thus, increasing the funds available to \$2.380 billion. Amounts totalling \$2.315 billion were expended, as summarised below:

Description	Amount \$'000
Purchase of one Bell Helicopter	2,068,584
Purchase of three Double Cab Land Cruisers	45,866
Purchase of four Reconditioned 4-door Sedans	31,231
Purchase of two Single Cab Land Cruisers	27,226
Purchase of one Land Cruiser Ambulance	20,615
Purchase of two Toyota Hiace Minibus	17,728
Purchase of one Tractor with Accessories	16,875
Purchase of one Hydraulic Jack, etc.	15,734
Purchase of one Minibus Ambulance	13,382
Training	11,182
Fees and Expenses for Ferry Flight	10,683
Purchase of five ATV's	9,553
VAT – Purchase of Drones	7,404
Purchase of one Weather Radar Antennae	5,923
Wiring System Service	5,773
Construction of four Wooden Boats	5,664
Purchase of Indicators, etc.	1,720
Total	2,315,143

908. The National Procurement and Tender Administration Board awarded a contract in the sum of US\$9.500M on 14 December 2020 for the procurement of one Bell 412 EPI Aircraft, and US\$500,000 as miscellaneous fees for the cost of fuel, ferrying pilots, landing and navigation charges, airfare for GDF Pilots and Engineers, personnel allowances, customs fees and aircraft insurance by direct contracting/single source. The contract was signed on 4 December 2020 between the supplier and the Force; that is, ten days before approval was granted by the NPTAB, which is a breach of Section 42 of the Procurement Act. The Bell 412 EPI Aircraft, which was acquired new and have a seating capacity for thirteen persons, was received by the Guyana Defence Force on 15 March 2021.

Defence Force's Response: The Head of Budget Agency stated that the Force noted the concern and action will be taken to avoid a recurrence.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force desist from awarding contracts before receiving approval from Tender Boards. (2020/310)*

909. The only bidder was awarded a contract in the sum of \$130.759M on 31 December 2020 for the procurement of eleven motor vehicles. The vehicles included three double-cab Land Cruisers, two single-cab Land Cruisers, four reconditioned four-door Sedans, one Land Cruiser Ambulance, and one Minibus Ambulance. Ten transactions amounting to \$132.122M were processed, which gives a difference of \$1.363M more than the contract sum.

Defence Force's Response: The Head of Budget Agency stated that the difference in price is due to error on the invoice which resulted in the cheques being overstated; however, a reconciliation will be done before the contractor is paid.

910. Two and eight cheques valued \$27.226M and \$104.896M were drawn on 31 December 2020, and 4 January for 31 December 2020, respectively. Up to the time of reporting in September 2021, only \$27.226M was paid for the two Single Cab Land Cruisers, which were received by the Force. It should be noted that the three double-cab Land Cruisers and two of the four reconditioned four-door Sedans have also been received. However, the eight cheques drawn for a total of \$104.896M were still on hand.

Defence Force's Response: The Head of Budget Agency stated that the cheques are being updated for payment.

911. Further, the contract stated that fifty percent deposit should be made with "firm order". However, as can be noted, the payments were not made for the remaining nine vehicles. In addition, the delivery period was stated as four months after signing of contract. However, the date of the contract could not be determined; since, a date was apparently affixed, superimposed, and then struck out. As a result, the deadline for delivery could not be determined.

Defence Force's Response: The Head of Budget Agency stated that although the award by the NPTAB for these vehicles were given on 31 December 2020, the approval was received in February 2021, and the contract signed in March 2021.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force ensure that the requisite information be inserted on contracts, and that the terms and conditions of the contract be properly administered to safeguard non-compliance and possible liability. (2020/311)*

912. The contract for the supplying and delivery of two New Toyota Hiace Minibuses was awarded by the National Procurement and Tender Administration Board on 31 December 2020 in the sum of \$17.728M to the lower of two bidders. Two payments amounting to the contract sum were processed on 31 December 2020. However, the contract was signed on 13 January 2021. This is a breach of 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”.

Defence Force’s Response: The Head of Budget Agency stated that Force acknowledges this breach of the FMA Act and efforts are being made to avoid a recurrence.

Recommendation: The Audit Office recommends that the Administration of the Defence Force ensure full compliance with Section 31 (3) of the FMA Act. (2020/312)

913. Notwithstanding the above, the full amount was paid to the supplier and the vehicles were delivered and registered on 21 and 26 April 2021, respectively.

Other Matters

Payment Vouchers

914. Despite repeated requests, the Force has still not submitted ninety payment vouchers processed for amounts totalling \$333.036M, as summarised in the table below.

Project Code	Title	Total Expenditure \$’000	PVs Not Submitted	Amount \$’000	Percentage of Expenditure \$’000
12001	Buildings	222,726	8	32,960	15
12003	Marine Development	41,011	6	16,024	39
24046	Air, Land & Water Transport	2,315,143	21	186,192	8
28001	Pure Water Supply	12,496	2	356	3
28002	Agriculture Development	6,060	2	5,671	94
51002	Equipment	99,997	44	48,642	48
51003	National Flagship – Essequibo	47,498	7	43,191	91
Total		2,744,931	90	333,036	12

915. As can be noted in the table above, the unrepresented payment vouchers were significant when consideration is given to the value and/or percentage of total expenditure under the respective categories. As a result, we could not verify the correctness, accuracy and validity of the \$333.036M. Further, this limited the scope of the audit. Similarly, seventeen payment vouchers totalling \$69.447M had not been produced for the 2019 audit in 2020.

Defence Force’s Response: The Head of Budget Agency stated that at the time of the audit, the Force was not the custodian of these vouchers. In addition, all direct payments are done by the Ministry of Finance.

Recommendation: The Audit Office once again recommends that the Administration of the Defence Force collaborate with the Accountant’s General Department to locate and submit all payment vouchers for audit. (2020/313)

Prior Year Matters

Current Expenditure

Employment Costs

916. The Force had still not recovered the balance of \$383,603 representing net salaries that were overpaid to three employees who were ‘struck-off’ the payroll during 2018. 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 Budget Agency stated that all efforts are being made to recover all overpayments of salaries. In addition, this exercise is ongoing and is engaging the Force’s Legal Department.

Recommendation: *The Audit Office once again recommends that the Administration of the Defence Force continue its efforts in pursuing recoveries of the overpayments. (2020/314)*

Capital Expenditure

917. The Force was still to recover the sum of \$25.529M overpaid on a contract for the extension of offices at the Civil Defence Commission Headquarters. The contract was awarded in 2019 for a sum of \$69.684M, of which amounts totalling \$61.458M were paid. The Civil Defence Commission via correspondence to the Force dated 9 March 2021, recommended that the Guyana Defence Force terminate the contract; since, several attempts by the Commission to negotiate with the contractor to recommence work on the project, proved futile. The Commission also stated that the recommendation to terminate the contract was made after technical and legal consultations were sought.

Defence Force’s Response: The Head of Budget Agency stated that the Civil Defence Commission is still to recover the sum overpaid. In addition, the Commission has also indicated that a report was submitted to the Office of the Prime Minister for guidance.

918. The Force was still to recover sums totalling \$13.189M on the following three contracts:

No.	Description	Amount Overpaid \$’000
1	Construction of timber wharf, approaching and floating raff – Coastal Battalion, New Amsterdam	9.331
2	Water storage facility – Air Station London, Timehri	2.187
3	Kitchen mess hall building – Air Corps, imehri	1.671
Total		13.189

Defence Force's Response: The Head of Budget Agency stated that the matters regarding the recovery of overpayments on the contracts for (i) construction of a timber wharf, approach and floating raft at the Guyana Defence Force Coastal Battalion, New Amsterdam, (ii) construction of a water storage facility at Air Station London, Timehri, and (iii) completion of kitchen mess hall building at Air Corps, Timehri, are engaging the attention of the Force's Legal Department.

Recommendation: *The Audit Office once again recommends that the Administration of the Defence Force continue its efforts in pursuing recoveries of the overpayments on the projects reported above. (2020/315)*

919. A Sky-van with registration number 8R-GWJ was 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 flew on 21 July 2019, which was just one month after it was received by the Force. It was reported that parts from the aircraft were used to maintain another Sky-van bearing registration number 8R-GBW. Furthermore, according to the list of the Force's fleet of aircraft submitted for audit in September 2020, this aircraft was deemed to be unserviceable.

920. The Head of the Budget Agency had 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.

921. The Audit Office had recommended 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, and submit the results for audit. (2020/)

Defence Force's Response: The Head of the Budget Agency stated that:

- (i) the Skyvan 8R-GWJ is currently unserviceable and awaiting the procurement of spares needed to return it to service. Skyvan engines are required by the manufacturer to be sent to an approved facility, after completion of specified flight hours, for the following maintenance actions: 1800 Hours-Hot Section Inspection; 5400 Hours - Overhaul.

The aircraft was hangered in 2019 for an engine to be sent for Hot Section Inspection and a 1200 Inspection commenced on the aircraft. During the inspection components were identified as being worn and in need of replacement. Further, during 2020, some components were removed from 8R-GWJ to replace components on Sky-vans 8R-GBW and 8R-GGK which had to be overhauled (due to flight hour requirement) or which had become unserviceable.

This action was done so as to ensure the continuous serviceability of two Sky-vans. The removed components and those which have to be replaced due to being worn, have been ordered from suppliers and the Force await the availability of funding to procure the items.

922. 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. However, the aircraft was deemed unserviceable according to the list submitted by the Force for its fleet.

923. The Audit Office had recommended 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, and submit the results for audit.

Defence Force's Response: The Head of the Budget Agency that the Islander 8R-GKR is awaiting the completion of two structural repairs and the procurement of spares needed to return the aircraft to service. The need to effect the repairs was identified during the 1,000-hour maintenance Inspection. The inspection also identified components which were worn and have to be replaced.

Further, during 2019 some components were removed to replace components on Islander 8R-GMN in order to keep the aircraft serviceable while the items were procured. The progress to return the aircraft to service has been stymied by the following factors: insufficient budgetary allocation, and delay in manufacturing of required parts due to effects of COVID at Manufacturer's factory.

Recommendation: *The Audit Office recommends that the Administration of the Defence Force inform the Audit Office when the Skyvan 8R-GWJ and Islander 8R-GKR have been repaired, and submit the relevant documents for scrutiny. (2020/316)*

Follow-up on the Implementation of Prior Year Audit Recommendations

924. The table below summarises the prior year matters as contained in the Auditor’s General 2019 Report, and the actions taken by the Head of the Budget Agency regarding the recommendations made by the Audit Office. It should be noted of the 34 recommendations; 13 were not implemented, 4 was partially implemented and 17 were fully implemented.

Rec. №	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/412	Breach of Section 31 (3) of FMA			√
2019/413	Irregularities – Receipt of fuel		√	
2019/414	Overpayment for fuel	√		
2019/415	Unaccounted aviation fuel			√
2019/416	Overpayment for jet fuel	√		
2019/417	Breach of Section 14 of Stores Regulations	√		
2019/418	Partial submission of PVs requested			√
2019/419	Breach of accounting system of Gov’t	√		
2019/420	Breach of Section 29 of Stores Regulations			√
2019/421	High maintenance cost of vehicles			√
2019/422	Breach of Section 14 of Procurement Act	√		
2019/423	Shortfall in current expenditure	√		
2019/424	Breach of Section 42 of Procurement Act			√
2019/425	Unserviceable aircraft		√	
2019/426	Unserviceable aircraft		√	
2019/427	Breach of Section 43 of FMA			√
2019/428	Breach of Section 34 of FMA	√		
2019/429	Outstanding cheque orders		√	
2019/430	Refunds on Warrants credited incorrectly			√
2019/431	Documentation not provided	√		
2019/432	Breach of Section 19 of Stores Regulations	√		
2019/433	Overpayment on contract			√
2019/434	Unapproved variation orders	√		
2019/435	Overpayment on contract	√		
2019/436	Non-delivery of items	√		
2019/437	Breach of Section 14 of Procurement Act	√		
2019/438	High maintenance cost of vessel	√		
2019/439	Breach of Procurement Act	√		
2019/440	Vouchers not cancelled	√		
2019/441	Overpayment of salaries			√
2019/442	Payment vouchers not submitted	√		
2019/443	Overpayment on contract			√
2019/444	Overpayment on contract			√
2019/445	Overpayment on contract			√

AGENCY 71
REGION 1 – BARIMA/WAINI

Current Year Matters

Current Expenditure

Employment Costs

925. The Regional Administration continues to operate without the requisite personnel as was advertised in the Public Service Commission Staff Vacancy Circular №. 1/2019 dated 27 June 2019. There was a total of twenty-five vacancies yet to be filled at the time of reporting in September 2021. 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 indicated that the statement is true and correct and is waiting on PSC to fill the 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 Regional Administration and in particular the level of control needed to ensure adequate checks and balances. (2020/317)*

926. Unpaid net salaries totalling \$2.139M were refunded to the Consolidated Fund for eighteen employees during the year 2020; however, the related deductions of \$250,875 paid to the various agencies were not recovered.

Region's Response: The Head of Budget Agency indicated that efforts are being made to recoup monies via letters that was paid over to other Agencies.

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. (2020/318)*

Office and Field Supplies

927. Amounts totalling \$1.007 billion were allocated under this Accounting Area. This allocation was revised through virements for the sum of \$9.066M increasing the total budgeted allotment to \$1.016 billion. As at 31 December 2020, amounts totalling \$1.016 billion were expended. Included in this amount is the sum of \$219.012M which was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221 for 2020. The Regional Administration expended \$59.012M and issued one Inter-Departmental Warrant to the Ministry of Health (MoH) for the Ministry to procure Drugs and Medical Supplies on behalf of the Regional Administration.

928. With respect to the IDW issued to the MoH, the Warrant №. 1/2020 was issued on 21 October 2020 for \$160M. A Financial Return was received from the MoH in the sum of \$155.070M, reflecting an unspent amount of \$4.930M. The list of drugs required to accompany the Warrant sent to the MoH was presented for audit inspection and it was noted that the listing was valued at \$219.012M, despite the warranted amount of \$160M. It was unclear how the Regional Administration would have sent a listing that valued more than that of the warranted amount.

929. Further, the cost listing of Drugs and Medical Supplies received by the Regional Administration from Materials Management Unit (MMU) was requested for audit scrutiny at the time of audit in July 2021, however, none was presented. Nevertheless, a listing was subsequently submitted by the Regional Administration on 10 September 2021 for the items supplied from MMU and an examination of this listing revealed the following:

- a) the items supplied to the Region, as stated on the cost listing summary, were valued at \$198.236M, despite the amount of \$155.070M expended on the warrant sent to MoH;
- b) there were thirty-six items listed for which no unit price nor total value were quoted, however, the quantity of the items dispatched were recorded;
- c) a reconciliation was not done. As a result, it could not be determined whether the full value was received for the sum warranted to the MoH; and
- d) the listing submitted bore no evidence of signature/stamp to indicate that it is a document that was prepared by MMU. In this circumstance, it could not be determined if the listing is authentic.

Region's Response: The Head of Budget Agency indicated that the Region would have supplied the list of drugs ordered from the MoH and subsequently the MMU would have supplied the costing of the drugs supplied. This costing amounted to \$198.236M which amounted to more than what was sent.

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 MoH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoH. (2020/319)*

930. The amount of \$59.012M expended by Regional Administration was for the procurement of Drugs and Medical Supplies from local suppliers whenever the requisite items are not available from 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. However, upon request on 22 July 2021, no 'nil' lists were presented for audit scrutiny.

Region's Response: The Head of Budget Agency indicated that the Regional Administration notes the concern. However, would like to mention that all drugs are purchased from a nil on the CRIV returns. These CRIV returns and nil list are available for 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. (2020/320)*

931. According to the Appropriation Accounts, amounts totalling \$262.696M were expended on Fuel and Lubricants for 2020. Included in this amount is the sum of \$126.595M which was expended under Programme 712 – Public Works. This amount included the purchase of fuel and lubricants for the Mabaruma Power House. Audit examination of Payment Vouchers, other related documents, stores records and the operations of the Power House revealed that:

- a) amounts totalling \$95.069M were expended for the purchase of 2,678 drums of dieseline for the Power House during 2020;
- b) the Regional Administration continued to purchase fuel over its storage capacity even though this matter was highlighted in the 2017 and 2018 Auditor General's Reports;
- c) during 2020, the Regional Administration prepared two Requisitions to Purchase (RTP) №.102212 & 102211 on 21 December 2020 and 25 December 2020 for 200 and 150 drums of diesoline respectively for the Mabaruma Power House. These payments were made on Payment Vouchers №.5211 and 4652 dated 31 and 23 December 2020. The fuel was delivered in full by the supplier to the Power House on 21 and 25 December 2020, however, the total storage capacity at the Power House is 201 drums;
- d) taking the average consumption of fuel by the Power House of sixteen drums per day, then a total of eighty drums would have been consumed over five days for which the purchases were effected (21 December 2020 and 25 December 2020), thus leaving a storage capacity of only eighty drums. It is unclear on what basis the Regional Administration managed to store the excess of seventy of the 150 drums of fuel received on 25 December 2020;
- e) no record was kept at the Power House to reflect the balance of fuel on hand at any given time which impeded the verification of a physical count;
- f) one of the fuel containers (plastic) with a storage capacity of five drums or 225 gallons was placed next to a vented wall, inside of the Power House building. This container had a hose leading to it from the metal tanks, which feeds the generator engines; and
- g) at the time of audit on the 22 of July 2021 the container was filled with diesoline. It was also noted that a section of the top of the container was cut/removed, allowing easy access to the container to any person from the outside, through the vented wall. It was unclear why a section of the top of the container was removed. This breach of security measure, can lead to theft of fuel.



Image showing fuel container placed next to vented wall



Image showing section of the fuel container cut/removed

Region's Response: The Head of Budget Agency indicated that: (a) during the aforementioned period the additional fuel were stored in drums loaned to us by the supplier. Fuel was procured taking into consideration that the Christmas and New Year holidays lead in to the weekend and service providers /workers don't normally work during that period and to avoid a shortfall excess fuel was procured; (b) two fuel meters were procured to accurately record the fuel usage, meters are to be installed shortly after GNBS calibration and certification; and (c) the cut section of the tank is a service entrance and provides a doorway for workers to get in to the tank to clean and maintain them. Nevertheless, the service entrance is now secure with padlocks.

Recommendation: The Audit Office recommends that the Regional Administration take steps to ensure that: (a) fuel is purchased within the requisite storage capacity; (b) a fuel book is implemented to reflect the balance of fuel on hand at the Power House at any given time; and (c) all containers used to store fuel are properly secured. (2020/321)

Maintenance Works

932. Amounts totalling \$549.683M were budgeted for Maintenance Works. The sum of \$2.059M was transferred via virements giving a revised allotment of \$551.742M. As at 31 December 2020, the sum of \$551.722M was expended as follows:

Line Item	Description	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	281,199	281,197
6251	Maintenance of Roads	52,000	52,000
6252	Maintenance of Bridges	18,500	18,499
6253	Maintenance of Drainage & Irrigation	27,600	27,590
6254	Maintenance of Sea & River Defences	23,900	23,900
6255	Maintenance of Infrastructure	79,880	79,879
6264	Vehicle Spares & Maintenance	53,905	53,900
6282	Equipment Maintenance	14,758	14,757
Total		551,742	551,722

Other Matters

933. 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 twenty-eight Cheque Orders totalling \$35.948M in respect of transactions for the year 2020 that remained outstanding at the time of reporting in September 2021. Similarly, 187 Cheque Orders valued at \$402.304M for the period 2015 to 2018 remained outstanding. As a result, it could not be ascertained whether the Regional Administration received full value for all sums expended.

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 the Budget Agency indicated that the Regional Administration is in the process of clearing the outstanding Cheque Orders.

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. (2020/322)

Regional Tender Board

934. The Procurement Act of 2003 Section 10 requires the Procuring Entity to maintain various records of its procurement proceedings. The requisite records to be maintained are outlined under *Subsection (1) to (4)*. However, upon request at the time of audit in July 2021, none of the requisite records were presented for audit scrutiny for procurement proceedings that took place during the period January 2020 to 19 October 2020. Audit checks revealed that for this period, there were no awards of Capital contracts nor were there any awards for Maintenance contracts for; buildings, roads, bridges, drainages & irrigation, sea and river defences and other infrastructures. Nevertheless, there were other areas of expenditure that required procurement proceedings and for which the required records ought to be kept. Hence, it was difficult to ascertain whether the basis of the award and procurement process was done in keeping with the Procurement Act of 2003.

Region's Response: The Head of the Budget Agency indicated that the Regional Administration acknowledge the finding but would like to state that the Accounting Officer at the time abandon the post at the result of National & Regional Election held in the year 2020.

Recommendation: *The Audit Office recommends that the Region comply fully with the Procurement Act 2003 and in particular Section 10 (1) to (4) to ensure the requisite records be maintained in procurement proceedings. (2020/323)*

935. According to the regulations made under the Procurement Act - 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 RDC breached the aforementioned regulations since the three-quote method of procurement was utilised for ten instances totalling \$51.669M for items, when these purchases should have been publicly advertised and adjudicated by the Regional Tender Board due to the value exceeding the limit of \$3M.

Region's Response: The Head of the Budget Agency indicated that the Regional Tender Board erred in adjudicating.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the requirements of the Procurement Act. (2020/324)*

Capital Expenditure

936. Amounts totalling \$324.695M were budgeted for capital works to be executed by the Regional Administration. According to the Appropriation Accounts, the sum of \$323.453M was expended on seventy-one contracts as at 31 December 2020, leaving an unspent amount of \$1.242M. The table below gives details of the following:

Description	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Buildings	250,745	250,033	55
Agriculture Development	5,000	4,656	02
Public Works	68,950	68,764	14
Total	324,695	323,453	71

937. 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.

Buildings

938. The contract for the rehabilitation of Mabaruma Regional Hospital Complex was awarded in the sum of \$11.996M to the most responsive of four bidders. As at 31 December 2020, the full sum of \$11.996M was paid to the contractor. An examination of the payment voucher and other supporting documents revealed the following:

- a) the Contract Agreement was signed on 30 November 2020 and the duration period of the contract as specified on *clause 5* of the Special Conditions of Contract (SCC) is eight weeks or fifty-six days. Taking into consideration the date the contract was signed and the duration period of the contract, then this contract would have been rolled over in the year 2021. In the circumstance, the Regional Administration should have sought approval for Roll Over from the Ministry of Finance before signing the contract. This practice violates Section 55(1) of the FMA Act 2003.
- b) the Contract Agreement for the project was signed on 30 November 2020, however, the Contractor submitted an account for payment on 11 November 2020. It could not have been determined how the Contractor would have requested payment before signing the Contract Agreement;
- c) defects liability period of six months as specified on Clause 11.3 of the SCC was not enforced by the Regional Administration, since, the full contract sum was paid to the contractor on 11 December 2020, which is also eleven days after the signing of the contract;

- d) despite a “Job Satisfactory Completed” stamp seen on the supporting document by the Regional Engineer, the stamp did not provide a date for which the contract works were inspected. With the date of inspection not known, then it cannot be determined whether the contract works were completed within the contract duration period and whether it was possible to enforce *Clause 4* of the SCC, which provides for *liquidated damages at 10% for delayed work*.

Region’s Response: The Head of Budget Agency indicated that corrective action will be taken to avoid future reoccurrences.

Recommendation: *The Audit Office recommends that the Regional Administration fully adhered to the FMA Act 2003. (2020/325)*

Public Works

939. The contract for the construction of a reinforced concrete bridge at Thomas Hill main access road was awarded in the year 2019 for the sum of \$7.222M. The basis of award for this contract could not have been determined, since the RTB minute was not presented for audit scrutiny. The contractor received a 30% mobilisation advance payment in the sum of \$2.167M, even though the General Conditions of Contract (GCC) *Clause 3.1* specified that mobilisation advance shall be at the rate of 10% of the contract price. An advance bond guarantee was required to cover the advance, however, upon request, none was submitted for audit scrutiny. The contract was terminated by the Regional Administration with effect from 11 November 2020, due to the contractor delay work for more than twenty-eight days without being authorised by the Engineer. The Regional Engineer has indicated that no work was done by the contractor and the contractor was required to repay the mobilisation advance. Audit checks revealed that there was no evidence that the contractor repaid the mobilisation advance of \$2.167M, either in cash or the Regional Administration levied on the advance bond guarantee, if any.

940. The contract was re-awarded to a new contractor in December 2020 in the sum of \$5.500M. At the time of audit in July 2021, a physical inspection for the existence of the bridge was done and it was observed that the bridge was completed.



Image showing the completed Thomas Hill bridge

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the mobilisation advance paid to the first contractor.

Recommendation: *The Audit Office recommends that the Regional Administration recover the overpayment made to the contractor and forward same to the Audit Office for verification. (2020/326)*

941. The contract for the construction of a reinforced concrete bridge at Mora Moruca was awarded in the year 2019 for the sum of \$10.381M. The basis of award for this contract could not have been determined, since the RTB minute was not presented for audit scrutiny. The Contractor received 30% mobilisation advance payment in the sum of \$3.114M in keeping with *Clause 3.1* of the *GCC*. An Advance Bond Guarantee was required to cover the advance, however, upon request, none was submitted for audit scrutiny. The contract was terminated by the Regional Administration with effect from 11 November 2020, due to the contractor delay work for more than twenty-eight days without being authorised by the Engineer. The Regional Engineer has indicated that no work was done by the contractor and the contractor was required to repay the mobilisation advance. Audit checks revealed that there was no evidence that the contractor repaid the mobilisation advance of \$3.114M, either in cash or the Regional Administration levied on the advance bond guarantee, if any.

942. The Project was re-awarded to a new contractor in December 2020 in the sum of \$5.200M. Budgetary allocation for this Project was catered for under Sub Head 11002-Bridges in the National Estimates of 2020. However, the first part payment in the sum of \$2.940M to the new contractor was expended under Sub Head 19026-Infrastructure Development and not Sub Head 11002-Bridges. It is unclear on what basis/reason the Regional Administration would have paid for this Project under Sub Head 19026-Infrastructure Development.

Region's Response: The Head of Budget Agency indicated that efforts will be made to recover the mobilisation advance paid to the first contractor.

Recommendation: *The Audit Office recommends that the Regional Administration recover the overpayment made to the contractor and forward same to the Audit Office for verification. (2020/327)*

Prior Year Matters

Current Expenditure

Employment Costs

943. 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. (2020/328)*

Office and Field Supplies

944. 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 Good 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 investigations communicated to the Audit Office. (2020/329)

945. 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. (2020/330)

Maintenance Works

946. 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 recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2020/331)

Capital Expenditure

947. 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 No. 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 indicated that efforts are being made to recover the amounts overpaid.

Recommendation: The Audit Office recommends that the Regional Administration take steps to recover the overpayments and put proper systems in place to avoid recurrences. (2020/332)

Follow-up on the Implementation of Prior Year Audit Recommendations

948. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 21 recommendations; 9 were not implemented, 4 were partially implemented and 8 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2020/481	Circularised Instructions			√
2020/482	Circularised Instructions			√
2020/483	IDW Drugs and Medical Supplies			√
2020/484	Breaches of FMA Act 2003		√	
2020/485	Breaches of Procurement Act 2003			√
2020/486	Breaches of FMA Act 2003	√		
2020/487	Virement Transfers		√	
2020/488	Shortfall in Capital Expenditure		√	
2020/489	Overpayment of salaries			√
2020/490	Breaches of Stores Regulations		√	
2020/491	Breaches of Stores Regulations	√		
2020/492	Breaches of Stores Regulations			√
2020/493	Breaches of Procurement Act 2003	√		
2020/494	Overpayment of construction works			√
2020/495	Breaches of Stores Regulations	√		
2020/496	Cheques Orders			√
2020/497	Circularised Instructions	√		
2020/498	Overpayment of construction works	√		
2020/499	Overpayment of construction works			√
2020/500	Breaches of Procurement Act 2003	√		
2020/501	Breaches of Stores Regulations	√		

AGENCY 72
REGION 2 – POMEROON/SUPERNAAM

Current Year Matters

Current Expenditure

Employment Costs

949. An audit examination of twenty-eight leavers for 2020 revealed that four persons were overpaid salaries amounting to \$430,648 in respect of three dismissals and one retirement. At the time of reporting in September 2021, the Regional Administration had recovered net salaries totalling \$177,298 from two officers, leaving \$253,350 outstanding. Similar situations occurred in 2015-2018 where net salaries totalling \$171,957 were overpaid to employees and the related deductions amounting to \$193,425 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, 2017 and 2018.

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	3,691	36,980	61,718
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	3,691	193,425	365,382

Region's Response: The Head of Budget Agency indicated that letters were continuously written to the bank, deduction agencies and former employees. One deduction agency made a refund (\$3,691) for 2015.

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. (2020/333)*

950. The Regional Administration had twenty-five vacancies 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 Deputy Regional Executive Officer, one Regional Health Officer, one Chief Accountant and one Accountant. 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 a Deputy Regional Executive Officer has been appointed with effect from 2021-05-10 on contract/gratuity terms while the position of a Regional Health Officer was filled by the Ministry of Health with effect from 2021-03-01 and recommendation has been made to the Ministry of Public Service for acting appointment for the positions of Chief Accountant and Accountant.

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. (2020/334)*

Office and Field Supplies

951. The sum of \$692.892M was budgeted for the procurement of Office and Field Supplies, of which amounts totalling \$644.930M were expended during the year under review.

Drugs and Medical Supplies

952. The sum of \$357.309M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221. According to the Appropriation Account amounts totalling \$357.143M were expended as at 31 December 2020. Of this sum, amounts totalling \$48.183M were expended directly by the Regional Administration; whilst, five Inter-Departmental Warrants (IDW) totalling \$308.960M were issued to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on half of the Region.

953. The Inter-Departmental Warrants, Nos. 1 to 5 of 2020 were issued on 20 March 2020, 4 May 2020, 24 June 2020, 13 July 2020 and 13 November 2020 to the MoH in the sum of \$16.125M, \$18.000M, \$16.072M, \$15.898M and \$242.865M respectively. Financial Returns were received from MoH indicating that the entire amounts were expended. However, the cost was not stated on the documentation that accompanied the deliveries nor was a reconciliation submitted. As a result, it could not be determined whether the full value was received for the sums warranted to the MoH.

Region's Response: The Head of Budget Agency indicated that a follow up letter was done to the Permanent Secretary of the Ministry of Health for a reconciliation to be done by Materials Management Unit (MMU) for the amount warranted to the Ministry.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoH is submitted for audit inspection and this is reconciled with that received from the MMU with respect to quantity and cost. (2020/335)*

954. In relation to the \$48.183M expended by the Regional Administration, this amount was expended via the processing of 124 Payment Vouchers. Examination of the vouchers and supporting documentations presented revealed the following discrepancies:

- a) a 'nil' list from Material Management Unit (MMU) was not attached to the Payment Vouchers. As a result, with the absence of such documentary evidence it could not have been ascertained whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU.
- b) a total of fifty-three Payment Vouchers to the value \$16.014M was procured by the Region for items not requested from MMU.

Region's Response: The Head of the Budget Agency acknowledged this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures a 'nil' list is obtain from MMU before purchases are made. (2020/336)*

Fuel and Lubricants

Special Audit for the period August, 2019 to May 2020

955. An audit examination on the Internal Stores Requisitions (ISRs) for the period August, 2019 to May 2020 revealed that the Regional Administration issued a total of 13,075 liters of gasoline totalling \$2.575M and 572 bottles of Super Outboard Oil (SOB) totalling \$769,277 for several Ministers and ministry officials to visit various Amerindian communities, as detailed below:

- a) there were sixteen instances from the 19 September 2019 to 31 December 2019 where the Region utilised 3,982 liters of gasoline totaling \$820,292 and 175 bottles of SOBs totalling \$233,625; and
- b) similarly, for the period 1 January 2020 to 17 May 2020 there were seventeen instances where the Region utilise 9,093 liters of gasoline totalling \$1.755M and 397 bottles of SOBs totalling \$535,652.

956. Additionally, the Regional Hardware Stores only received six written requests in relation to the said fuel and lubes for the various visits for the period 9 December 2019 to 1 April 2020.

Date	Requested		Purpose	Requested by
	Gasoline	SOB		
09/12/2019	75 gallons	-	Ministerial Liaison Officer visit to Manawarin	Regional Ministerial Liaison Officer
20/02/2020	1080 litres	45 units	Minister Visit Akawini and Wakapoa	Regional Engineer (Acting)
20/02/2020	615 litres	27 units	Minister visit Karawab, Arpiacco and Kabakaburi	Regional Engineer (Acting)
21/02/2020	540 litres	24 units	Minister visit Akawini and Wakapoa	Regional Engineer (Acting)
28/02/2020	270 litres	12 units	Follow up Visit Akawini	Regional Engineer
01/04/2020	615 litres	27 units	To transport Ministerial team in Pomeroun River	Regional Engineer

957. An audit examination of the Log Books presented revealed that even though the Regional Administration had given assurance previously that corrective action would have been taken as it relates to the maintenance of Log Books, the situation remained the same for the year 2020, whereby Log Books were not properly written up and maintained, as detailed below. In the absence of this pertinent information, it could not be determined whether the journeys undertaken were properly authorised and whether there was effective control over the use of these vehicles:

- a) odometer readings were not recorded indicating the distance of the journey covered;
- b) fuel usage and lubricants received were not recorded; and
- c) signature of officer authorising journey was not stated

Region's Response: The Head of Budget Agency indicated that 70% of our vehicles are over 10 years old, as such, their odometers are defective and cannot be repaired but requires replacement. The Regional Administration is currently procuring universal odometers. Corrective action is being taken, hence, training programmes for Drivers/ Operators was done in the latter quarter of 2020 to have log books updated, Significant improvement is seen from the year 2021 where fuel received and used is recorded and every journey is authorised by signature.

Recommendation: The Audit Office recommends that the Head of Budget Agency implement measures to prevent recurrences. (2020/337)

Maintenance Works

958. Amounts totalling \$466.884M were allotted for the repairs and maintenance of buildings and infrastructure within the Region. During the period under review the Regional Administration increased its expenditure through virements totalling \$17M thereby giving a revised allotment of \$483.884M. As at 31 December 2020, amounts totalling \$460.071M 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 Building	109,757	15,000	124,757	109,992
6251	Maintenance of Roads	69,911	0	69,911	69,887
6252	Maintenance of Bridges	7,778	0	7,778	7,778
6253	Maintenance of Drainage & Irrigation	182,323	0	182,323	182,294
6254	Maintenance of Sea & River Defense	3,823	0	3,823	3,823
6255	Maintenance of Other Infrastructure	56,278	0	56,278	49,281
6264	Vehicle Spares & Maintenance	25,058	2,000	27,058	26,986
6282	Equipment Maintenance	11,956	0	11,956	10,030
Total		466,884	17,000	483,884	460,071

959. A sample of ninety-seven Payment Vouchers totalling \$81.538M were examined. In addition, a sample of ten projects totalling \$44.991M were selected for physical verification by the Works and Structures Department of the Audit Office of Guyana. The physical verifications were completed and revealed that the works were completed within the general specifications and amounts totaling \$44.225M were paid to the respective contractors.

960. The Regional Administration expended \$22.881M for the purchase of lumber, cement and hollow blocks. Audit examination of the relevant records pertaining to the items purchased above, revealed that the quantity delivered to the Public Works department could not be verified, since records are not being properly maintained. As a result, it was difficult to ascertain the quantity of items received and issued by the said department. The table below shows the quantity issued as immediate use by the Regional Hardware Store as compared to the quantity recorded as being received at the Public Works Department.

Item	Unit	Quantity Recorded as Issued from Stores to Public Works Department	Quantity recorded in the Gate Log Book	Quantity recorded in Public Works Department Ledger
Lumber	BM	89,382	43,643	Not recorded
Cement	Sack	1,080	645	Not recorded
Hollow Blocks	Each	23,250	1,026	Not recorded

Region's Response: The Head of Budget Agency indicated that the Public Works Department will implement a monitoring system and have a dedicated store staff reassigned to give accountability for stock received and distributed.

Recommendation: *The Audit Office of Guyana recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Store Regulations. (2020/348)*

Stores and Other Public Property

Public Hospital – Suddie

961. Section 6 of Store Regulations requires the Regional Administration maintain several forms, registers, books and ledgers to manage items of stores under their control. However, the Regional Administration was in breach of this regulations since an examination on the Ration Stores located at Public Hospital Suddie revealed the following:

- a) there were nineteen instances where new (first time) items purchased were not recorded in the Ledgers;
- b) no evidence of reconciliation between the Stock Ledgers and Bin Cards were seen;
- c) there were twelve instances where the physical stock was more than that recorded in the Bin Card and eight instances where the physical stocks were less than that recorded in the Bin Card; and
- d) eighty-seven items were found in the Drugs Bond that were expired at the time of audit.

Region's Response: The Head of Budget Agency indicated that a temporary Ledger Clerk is now assigned to enter all items in the Stock Ledger. Reconciliation is being carried out on a weekly basis. Items were also supplied from MMU with short shelf life and as such items were expired.

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. (2020/349)*

Other Matters

Unserviceable Items

962. The Regional Administration has again failed to dispose of a number of unserviceable Machinery/Equipment/Vehicles that are located at the Operation and Maintenance compound and a storage yard located in Lima, even though a valuation report was completed by the Ministry of Public Infrastructure for most of these items in 2017.

Region's Response: The Head of Budget Agency indicated that the items are now being assessed by technical personnel in order to be disposed.

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. (2020/350)*

963. 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-three living quarters owned by the Regional Administration. However, an audit examination of the House Rent Register revealed that seventeen are occupied by persons for which there was no documentation to substantiate their entitlement to rent-free quarters. A similar situation existed in 2019.

Region's Response: The Head of Budget Agency indicated that three employees have commenced payments and letters were sent to the ten employees to either commence payment or vacate. To date two persons have vacated from H-36 and E-28. Two officers are entitled to rent free quarters H-14 and A-34, one is a health staff and her service is required twenty-four hours within the hospital and provision is made for this in the regulation (public rule) and one officer has been transferred into the region. Living quarter, A-18 is to be repaired.

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. (2020/351)*

Economic Fund/Economic Project

964. The Regional Administration operated three special projects account Nos. 685-235-4, 685-233-9 and 590-047-7 held at Republic Bank Limited for economic affairs (Reserve Fund), Economic Project (State House) and West Bury. Audit checks revealed that amounts from these accounts were used as advances to facilitate activities within the Regional Administration. An examination of the Cash Book revealed that there were 258 outstanding advances totaling \$21.479M, as shown in the table below:

Accounts	Bal. as at 31/12/ 2020		No. of Outstanding Advances as at 31/12/2020	Value \$'000
	Cash \$'000	Bank \$'000		
West Bury				
- West Bury	34	1,439	13	1,314
Total	34	1,439	13	1,314
Economic Project (State House)				
- State House	-	230	9	347
- Toll Fees	-	953	4	960
- Essequibo Nite	44	6,847	38	9,972
- Flavour of Region # 2	-	48	-	-
- Amerindian Pageant	-	9	-	-
Total	44	8,087	51	11,279
Economic Affairs (Reserve Fund)				
- Kayman Sankar (Rental of State Lands)	83	1,337	117	4,791
- Sale of Tender	-	25	11	578
- Charity Marketing Centre	-	964	11	949
- Mash	-	95	3	143
- Rental of Unifloat	-	271	2	104
- Water Users	-	717	1	271
- Guyana Geology and Mines Commission	-	-	-	-
- Rental of Stage	-	298	3	53
- Rental of Sewage Truck	-	4,373	46	1,997
Total	83	8,080	194	8,886
Grand Total	161	17,606	258	21,479

Region's Response: The Head of Budget Agency indicated that to date twenty-one advances are fully cleared and two partly cleared in the sum of four hundred and forty-three thousand nine hundred and ninety-one dollars were recouped and continuous refunds are ongoing.

Recommendation: *The Audit Office recommends that 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. (2020/352)*

965. In addition, four advances totalling \$253,335 were outstanding in respect of the year under review, which were issued for offsetting personal expenses, retirement of imprest and refund of Payment Vouchers.

Region's Response: The Head of Budget Agency indicated that clearing of outstanding advances have commenced and same will be cleared by September, 2021.

Recommendation: *The Audit Office recommends that the Regional Administration put measures in place to ensure all outstanding advances are cleared in a timely manner. (2020/353)*

966. Further, it was observed that even though it is required that an Officer clear all outstanding advances before being issued another, there was one Officer who has two outstanding advances for the year 2020. A similar situation existed in 2017 and 2018.

Region's Response: The Head of Budget Agency indicated that advances were taken to do refunds on fuel orders, since unexpended amount on Cheques paid to GUYOIL are not refunded in a timely manner. This was necessary to retire the Cheque Orders to Sub Treasury within the thirty days' period.

Recommendation: *The Audit Office recommends that 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. (2020/354)*

967. Audit checks at Charity Secondary School dormitory revealed that Stock Ledgers are not properly written up, in that pertinent information such as items received and issued are not recorded. In the absence of these information, it was impossible to determine whether there was proper accountability for items received and issued for the period under reviewed.

Region's Response: The Head of Budget Agency indicated that the Stock Ledger at Charity is presently being updated.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/355)*

968. The Procurement Regulations states the limit for requesting of quotation is \$3M. However, the Regional Administration breached the regulations when they awarded eight contracts totalling \$47.136M to various suppliers by means of obtaining quotations instead of subjecting these contracts to open tendering. (see table below)

Contract №.	Description of Works	Contract Sum \$'000	Total Payments \$'000	№. of Quotes	Bases of award
1	Construction of Screening Room at Public Hospital Suddie.	4,403	4,400	4	Lowest Responsive bidder
421	Fumigation, Disinfect and Sanitising of all Schools in Pomeroon -Supenaam Region	6,700	6,700	3	Lowest Responsive bidder
419	Cleaning of Black tanks at all schools in Pomeroon-Supenaam Region	5,475	5,475	3	Lowest Responsive bidder
590	General Repairs to RDC Boardroom, Anna Region	7,152	7,150	5	Lowest Responsive bidder
598	General Repairs to Living quarters RDC H-17 PHS	4,502	4,052	5	Lowest Responsive bidder
593	Maintenance of Roads at Richmond, Essequibo Coast	5,324	5,322	5	Lowest Responsive bidder
591	Maintenance of Access Road at Queenstown	4,785	4,785	5	Lowest Responsive bidder
596	General Repairs to Dredge Creek Primary School.	8,795	8,791	5	Lowest Responsive bidder
	Total	47,136	46,675		

Region's Response: The Head of the Budget Agency indicated the following:

- a) one was emergency works carried out and completed March 2020 to screen all persons entering the Public Hospital Suddie. This is a reinforced concrete structure and will continue to be used after COVID 19 as a Triage area for Accident and Emergency;
- b) two was a result of COVID 19 and was required to be done before the opening of schools; and
- c) five was awarded by the then Chairman of the Regional Tender Board.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Procurement Act at all times. (2020/356)

Capital Expenditure

Building

969. The sum of \$118.510M was budgeted for (a) payment of retention; (b) provision for sanitary facilities at Lima, Sommerset and Berks Nursery School and Charity Secondary School; (c) construction of water troughs; (d) provision of oxygen supply system at Oscar Joseph District Hospital; (e) construction of screening room; and (f) rehabilitation of building and isolation room. As at 31 December 2020, amounts totalling \$109.658M were expended as detailed below:

Description	Amount Allocated \$'000	Amount Expended \$'000	Difference
Buildings – Education (10)	87,929	80,304	7,625
Buildings – Health (4)	30,581	29,354	1,227
Total	118,510	109,658	8,852

970. Three projects totaling \$33.808M were selected for physical verification by the Works & Structures Department. The physical verifications were completed and revealed that the works were completed within the general specifications and amounts totaling \$27.809M were paid to the respective Contractors, resulting in a balance of \$5.999M which was approved on the 31 December 2020 to roll over and paid in 2021.

Miscellaneous Drainage & Irrigation (D&I)

971. The sum of \$38.500M was budgeted for the (a) construction of revetments at Charity, Riverstown Creek and Dartmouth and (b) construction of culvert at Lima Sands. As at 31 December 2020, the works were completed and amounts totaling \$31.858M were expended on six contracts as summarised below:

Description	Amount Expended \$'000
Construction of revetments (3)	18,705
Rehabilitation of timber bridge (1)	2,691
Upgrading of access dam (1)	7,334
Construction of box culvert (1)	3,128
Total	31,858

972. A contract for the construction of timber revetment at Riverstown Creek was awarded by the Regional Tender Board on the 16 October 2020 to the lowest responsive of eleven bidders in the sum of \$10.791M. The Engineers Estimate was \$13.950M. This contract was subsequently terminated due to 'failing to correct defects' on 30 December 2020. In addition, two payments totalling \$4.341M were prepared for works completed at the time of termination. However, the cheque in the sum of \$2.636M was still on hand at Sub-treasury as at June 2021. At the time of reporting in September 2021, it was unclear if the RDC levied on the Performance Bond and recovered any sums following the termination of the Contract.

Region’s Response: The Head of Budget Agency indicated that the Contractor was paid a Mobilisation Advance and a Final payment after contract was terminated due to “failing to correct defective works”. Contractor continued working even though he was issued a termination letter. Works were certified by the Regional Engineer and Engineers from the Ministry of Local Government & Regional Development. In addition, the Regional Administration could not recover any sums with respect to the Performance Bond since the contractor failed to provide Original Bond.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act and FMA Act. (2020/357)*

Public Works

973. The sum of \$58.500M was budgeted for the (a) upgrading of roads at Affiance, Charity, Adventure and Dartmouth, (b) construction of bridge at Charity, (c) construction of bridge at Charity Secondary School Dormitory and (d) provision for landing at Dredge Creek Health Post as at 31 December 2020, amounts totalling \$56.223M were expended as shown below:

Description	Amount Allocated \$’000	Amount Expended \$’000	Difference \$’000
Bridges (4)	14,500	12,542	1,958
Roads (6)	44,000	43,681	319
Total	58,500	56,223	2,277

974. A contract for the upgrading of Brummel Street, Dartmouth was awarded by the Regional Tender Board on 16 October 2020 to the fourth most responsive of nine bidders in the sum of \$8.275M, on the grounds that two were awarded other contracts at the same sitting and the other was inexperienced and did not undertake projects of similar nature. The Engineer’s Estimate was \$9.297M. This contract was terminated with effect from 30 December 2020 for ‘failing to carry out corrective works within the specified period that was outlined’. The Contractor received a payment to the value of \$1.434M at the time of termination.

Region’s Response: The Head of Budget Agency indicated that this contract was terminated for ‘failing to carry out corrective works within the specified period that was outlined’ by the contractor.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act. (2020/358)*

975. Up to the time of reporting in August 2021, it was unclear if the RDC levied on the Performance Bond and recovered any sums following the termination of the Contract.

Region’s Response: The Head of the Budget Agency indicated that the Regional Administration could not recover any sums with respect to the Performance Bond.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act. (2020/359)*

Capital Purchases

976. The sum of \$100.055M was allotted for the (a) purchase of furniture and equipment; (b) purchase of tractor and equipment; and (c) purchase of boats and outboard engines. As at 31 December 2020, amounts totaling \$99.664M were expended on the acquisition of the above-mentioned items.

Prior Year Matters

Current Expenditure

Stores and Other Public Property

Oscar Joseph District Hospital

977. A physical stock count on the 31 December 2019 at the Oscar Joseph District Hospital Ration Store for a sample of fifty items revealed:

- a) Ten instances where the physical stock was more than the Ledger, and
- b) Eight instances where the physical stock was less than the Ledger.

Region's Response: The Head of Budget Agency indicated that the issues have since been corrected.

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. (2020/360)*

Other Matters

978. 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 (RTB) as it relates to the award of contracts.

Region's Response: The Head of Budget Agency indicated that the minutes in question is for the period January – July 2020 and for which no records were kept.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all Evaluation Reports are properly secured and submitted for audit examination. (2020/361)*

979. 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 in table below.

Contract №	Description of Works	Contract Sum \$'000	Total Payments \$'000	№ 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	10,662	10,291	5	Lowest Responsive Bidder
65	Rehabilitation of Charity Secondary School (Building # 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

980. A contract was awarded to the value 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 on 5 July 2019 with a closing date of Tuesday 30 July 2019.

981. 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.

982. In addition, Payment Voucher №. 6789 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 7 February 2020 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 ever started.

Region’s Response: The Head of Budget Agency indicated that the project for the construction of Abram Zuil Secondary School is now awarded and works are ongoing.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Procurement Act. (2020/362)*

983. The Regional Administration had still not recovered amounts totaling \$3.226M that, were overpaid on the following projects for the years 2016 - 2018.

Year	Description	Amount Overpaid \$'000
2016	Repairs to Teacher's Qtr. Good Hope Annex	114
2017	Repairs to Water Trestle Karawab Health Center	381
2018	Landfilling Anna Regina Secondary School	420
"	General repairs to Wakapoa Health Centre	110
"	General repairs to Hackney Health Post, Lower Pomeroun River	1,179
"	General repairs to Bridge Eastern Entrance, Public Hospital Suddie.	1,022
Total		3,226

Region's Response: The Head of Budget Agency reminders were sent to contractors to recover the overpayments.

Recommendation: *The Audit Office recommends that the Regional Administration pursue vigorously the recovery of the overpaid sums. (2020/363)*

984. The Regional Administration had still not recovered amounts totaling \$3.174M, that were overpaid on the following projects for the years 2017 - 2018.

Year	Description	Amount Overpaid \$'000
2017	Extension of Suddie Primary School Annex	767
2018	Construction of Nursery School Mainstay	524
"	Construction of timber revetment at Anna Regina West Embankment	794
"	Construction of timber revetment at Anna Regina East Embankment	796
"	Construction of timber revetment at Charity (Macbull)	293
Total		3,174

Region's Response: The Head of Budget Agency indicated that a reminder was sent to the contractor to recover the overpayment for the project, extension of Suddie Primary School Annex and partial recoveries were made on the following:

- a) construction of timber revetment at Anna Regina West Embankment;
- b) construction of timber revetment at Anna Regina East Embankment;
- c) construction of timber revetment at Charity (Macbull); and
- d) construction of Nursery School Mainstay.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration make every effort to recover the overpayments. (2020/364)*

Follow-up on the Implementation of Prior Year Audit Recommendations

985. The table below summarises the prior year matters as contained in the Auditor’s General 2019 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 21 recommendations; 8 were not implemented, 10 were partially implemented and 3 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/502	Circularised Instructions	√		
2019/503	Circularised Instructions			√
2019/504	Circularised Instructions		√	
2019/505	IDW Drugs and Medical Supplies			√
2019/506	Breaches of the Stores Regulations			√
2019/507	Breaches of the Stores Regulations	√		
2019/508	Breaches of the Stores Regulations	√		
2019/509	Breaches of FMA Act 2003			√
2019/510	Breaches of the Stores Regulations		√	
2019/511	Circularised Instructions		√	
2019/512	Breaches of the Stores Regulations			√
2019/513	Breaches of FMA Act 2003		√	
2019/514	Breaches of FMA Act 2003			√
2019/515	Economic Fund		√	
2019/516	Breaches of Procurement Act		√	
2019/517	Breaches of Procurement Act			√
2019/518	Breaches of FMA Act 2003		√	
2019/519	Overpayment of Salaries		√	
2019/520	Overpayment of Construction Works			√
2019/521	Overpayment of Construction Works		√	
2019/522	Breaches of the Stores Regulations		√	

AGENCY 73
REGION 3 – ESSEQUIBO ISLANDS/WEST DEMERARA

Current Year Matters

Current Expenditure

Employment Costs

986. An audit examination of forty-five leavers for 2020, revealed that five persons were overpaid net salaries amounting to \$335,489; whilst, the related deductions totalling \$39,999 were also overpaid to the various deduction agencies. Similar situations occurred in the years 2015, 2016, 2018 and 2019 where net salaries totalling \$1.969M were overpaid to employees and the related deductions amounting to \$166,314 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, 2018 and 2019.

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
2019	904,338	0	904,338	129,494
Total	1,968,636	520,008	1,448,628	166,314

Region’s Response: The Head of the Budget Agency indicated that letters were written for the recovery of the monies for the Employees.

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. (2020/365)*

987. The Regional Administration still had seventy-three vacancies during the period under review as advertised in the Public Service Commission (PSC) Staff Vacancy Circular No. 1/2019. These vacancies included critical post such as, one Deputy Regional Executive Officer, one Regional Health Officer, one Medical Superintendent, one Senior Obstetrician and Gynaecologist, 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 the Assistant Regional Executive Officer was appointed to act as Deputy Regional Executive Officer; Officers were sent from the Ministry of Health to perform the duties of Regional Health Officer and Medical Superintendent; the other positions are still waiting on the PSC to filled.

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. (2020/366)*

988. The sum of \$130.887M was expended on Benefit and Allowances by the Regional Administration for the year 2020. Audit examination of the Travelling Register and other employment details revealed the following irregularities:

- a) two officers were overpaid a sum of \$151,296 in travelling allowances during the period under review;
- b) a formal approval letter from the Public Service Ministry (PSM) for seven officers who are in receipt of travelling allowances were not seen in their personal files;
- c) a copy of the vehicle insurance for the year 2020 for three officers was not seen in their personal files or the Travelling Register. As a result, it could not be determined whether those officers were in receipt of the correct travelling allowances; and
- d) the type or class of insurance coverages were not stated on the insurance documents provided for one officer. As a result, it could not be determined whether the officer was in receipt of the correct travelling allowances.

Region's Response: The Head of the Budget Agency indicated that:

- a) the Regional Administration recognised the overpayment, the Allowances were adjusted and the overpayments will be recovered via payment plan with effect from August 2021.
- b) the Regional Administration had written to the Public Service Ministry requesting copies of the letter of approvals for placement in the personal files.
- c) the Policies for the five Officers are in their personal files.
- d) the Regional Democratic Council would have calculated the Travelling Allowances based on the value of the Policy, since the category was not stated the minimum allowance was paid.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that allowances are calculated and paid via Public Service Ministry's Circularised Instructions. (2020/367)*

Office and Field Supplies

Drugs and Medical Supplies

989. The sum of \$825.813M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221. The Regional Administration expended \$297.833M using its own procurement procedures, whilst two Inter-Departmental Warrants (IDWs) in the sums of \$240.930M and \$287M respectively were issued to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Region Administration.

990. Inter-Departmental Warrant №. 2/2020 and №. 3/2020 were issued on 23 October and 12 November, 2020 respectively. Financial Returns were received from the MoH indicating that the entire warranted sum of \$240.930M for warrant № 2/2020 were expended while the sum of \$188M was expended on warrant №. 3/2020 leaving an outstanding balance of \$99M. In addition, the Appropriation Statement for Program 5 Health Services was overstated by the sum of \$99M since it is showing that the entire budgeted sum was expended.

991. In addition, as reported in 2018 and 2019, a similar situation occurred in 2020 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 2020. Moreover, it could not be ascertained whether the full value was received for the sum warranted to the MoH.

Region's Response: The Head of the Budget Agency indicated that letters were sent to the Ministry of Health requesting costing. However, to date no information was received. Verbal communication with the Deputy Permanent Secretary, MoH revealed that the preparation of the costing is in process.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoH is submitted for audit inspection and this is reconciled with that received from the MMU with respect to quantity and cost. (2020/368)*

Fuel and Lubricant

992. The sum of \$43.789M was budgeted for the purchase of Fuel and Lubricant for the year 2020. According to the Appropriation Statements, the sum of \$43.705M was expended as at 31 December 2020 by the Regional Administration. However, examination of the balance confirmation statement received from the Guyana Oil Company (Guyoil) revealed that a sum of \$1.979M is owed to the Regional Administration on account № G-R0009BK as at 31 December 2020.

Region's Response: The Head of Budget Agency acknowledged the finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the FMA Act. (2020/369)*

Maintenance Works

993. Amounts totalling \$758.061M were budgeted for repairs and maintenance works within the Region. As at 31 December 2020, amounts totalling \$748.434M 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	144,477	144,430
6251	Maintenance of Roads	55,533	55,418
6252	Maintenance of Bridges	82,220	81,741
6253	Maintenance of Drainage & Irrigation	238,739	238,733
6255	Maintenance of Other Infrastructure	176,435	176,197
6264	Vehicle Spares and Services	21,223	20,932
6282	Equipment Maintenance	39,434	30,983
Total		758,061	748,434

994. A contract for repairs to internal road Hydronic/Bushy Park was awarded by the Regional Tender Board to the second lowest of three bidders in the sum of \$6.050M. The Evaluation Committee recommended that the contract be awarded to the lowest of the three bidders in the sum of \$5.890M against an Engineer Estimate of \$6.2M. However, the contract was awarded to the second lowest bidder by the Regional Tender Board. The Contract was signed on 2 December 2020. As at 31 December 2020, the sum of \$4.880M was paid to the Contractor. However, at the time of reporting in September 2021, the full contract sum was paid to the Contractor.

995. Based on our physical verification of the completed works, measurements and calculations, the following were discovered:

- a) the Contract was not awarded to the lowest bidder, as recommended by the Evaluation Committee. In addition, no advisory recommendation to the Evaluation Committee, explanations or justifications were seen, therefore, the basis of awarding the Contract to the second lowest bidder instead of the lowest, cannot be determined; and
- b) it was discovered that the Defects Liability Period for this Contract was zero months and as such, the Contractor received full payment for the works on completion, without any sums being withheld in the event of any defective works showing up after completion. As a result, the Regional Administration places itself in a position to incur expenses to perform corrective works which may arise soon after completion and which the contractor may have been liable.

Region's Response: The Head of the Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendations: *The Audit Office recommends that (a) the Regional Administration should improve in the preparation of measured work, valuations and payments should represent actual measured works completed in accordance with the contract or any other approved instructions and (b) the Regional Administration should be guided by the Conditions of Contracts and adhere to the terms and conditions set forth therein. (2020/370)*

996. A contract for corrective maintenance on building at Canal №. 1 Nursery was awarded by the Regional Tender Board to the lowest of four bidders in the sum of \$3.857M against an Engineer's Estimate of \$3.860M. The Contract was signed in March 2020. As at 31 December 2020, the sum of \$3.730M was paid to the contractor. Based on our physical verification of the completed works, measurements and calculations, the following findings were discovered:

- a) a new reinforced concrete sanitary block was constructed under this Contract using funds allocated under 6242 – Maintenance of Buildings, despite these construction works are capital in nature.
- b) examination of the signed Contract Agreement revealed that the date on which the Contract was signed was not inserted in the signed Agreement.
- c) no Retention sum was withheld by the RDC pending the expiration of the Defects Liability Period for the works, despite the fact that the General Conditions of Contract (GCC) Clause 5 – Retention, Sub Clause 5.6 states that “*the percentage of payment to be retained of the value of works done to correct possible defects is 10% of the value of works*”. This therefore constitutes a breach of Contract.

Region's Response: The Head of the Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendations: *The Audit Office recommends that (a) the Regional Administration immediately desist from using current budgetary allocations for completing capital works and (b) the Regional Administration be guided by the Conditions of Contracts and adhere to the terms and conditions set forth therein. (2020/371)*

997. Amounts totalling \$21.223M 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 eight vehicles/machinery/equipment had exceedingly high maintenance costs that amounted to \$6.497M. The table below give details of the costs associated with repairs of each vehicles/machinery/equipment:

Vehicle №.	Description	Amount Expended \$'000	
		2019	2020
PVV 6532	Toyota Bus	870	586
GHH 7689	Canter	578	657
17160	Caterpillar Grader	3,762	917
PMM 6296	Toyota Bus	-	552
PWW 3747	Toyota Bus	-	1,418
PVV 2825	Toyota Bus	-	546
B90B	Backhoe	-	722
	NR Fibre Glass Boat 150HP	1,522	1,099
Total			6,497

Region's Response: The Head of the Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

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. (2020/372)*

Utilities

998. Amounts totalling \$218.943M were expended on Water Charges by the Regional Administration. However, the administration failed to submit an authorised list of water meters that are under their control. As a result, it was difficult to ascertain whether the meters being paid for are authorised meters owned by the Region for the period under review.

Region's Response: The Head of the Budget Agency indicated that at the time of the Audit the Region was not maintaining a record of the Utilities however, a list is now being put together and will be submitted within two (2) weeks.

Recommendation: *The Audit Office recommends that the Head of Budget Agency submits a list of authorised Water Meters for audit verification. (2020/373)*

Stores and other Public Property

999. Physical verification of Drugs and Medical Supplies conducted at the West Demerara Hospital Pharmacy and Bond revealed that there were six instances of shortages and eight instances of excesses from a sample of thirty-two items that were selected for verifications. In addition, the staff at the pharmacy would usually conduct a monthly physically count and update the Bin Cards with whatever balance they obtain and carry that balance over to the new month.

Region's Response: The Head of the Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure the Stores Regulations are complied with at all times. (2020/374)*

1000. The Stores Regulations requires Log Books and Historical Records be maintained for all vehicles, plant, machinery and equipment. The Regional Administration owns and controls fifty-six serviceable vehicles, machinery, equipment for which Log Books and Historical Records are required to be maintained. However, Log Books were not presented for twenty-one whilst Historical Records were not presented for forty-seven serviceable vehicles, machinery and equipment.

Region's Response: The Head of the Budget Agency acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure the Stores Regulations are complied with at all times. (2020/375)*

1001. In addition, the list of vehicles presented for audit contained ten vehicles that were either crashed, not working/unserviceable or not in use. Further, an accident report was presented for only one of the two vehicles listed as crashed. Audit scrutiny revealed that both vehicles were driven by the same driver at the time of the accidents.

Region's Response: The Head of the Budget Agency indicated that systems are now in place to maintain accident reports and an Officer was identified for that responsibility. In addition, accident report for PWV 381 is attached and the matter is at the attention of the Police.

Recommendation: *The Audit Office recommends that the Regional Administration complies fully with the Stores Regulations. (2020/376)*

Other Matters

1002. 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 thirteen Cheque Orders with an aggregate value of \$28.358M in respect of transactions for the year 2020 that remained outstanding at the time of reporting in September 2021. In addition, there were three cheque orders totalling \$8.151M in relation to transactions from the year 2019 that remained outstanding. Further, 378 Cheque Orders that took an average of thirty-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 acknowledged this finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that: (i) the Regional Administration comply fully with Circular No. 02/2019 dated 29 January 2019; and (ii) the outstanding Cheque Orders be submitted for audit. (2020/377)*

1003. 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 failed to provide the relevant records to determine whether the occupants of twenty-two of the fifty-eight 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 letters were sent to the occupants requesting for them to pay rent and also inviting them to a meeting with the Regional Executive Officer to further discuss the issue of entitled occupancy.

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. (2020/378)*

1004. 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 2021, revealed that 602 cheques totalling \$557.130M were printed on the 7 January 2021 for 31 December 2020. However, 412 cheques totalling \$447.700M bore no evidence of the relevant Payment Vouchers and supporting documents to support these cheques at the time. As a result, it could not be determined whether the Administration complied with Section 31 of the FMA Act. Further, the Administration's Appropriation Accounts were overstated by the said sum of \$557.130M.

Region's Response: The Head of the Budget Agency indicated that the Sub Treasury would have attached all the Payment Vouchers and supporting document to support those cheques to date and they were dispatched.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the FMA Act. (2020/379)*

1005. In addition, a further inspection of the Cheque Register at Sub-Treasury's Department in September 2021, revealed that there were four cheques totalling \$562,960 which should have been on hand. However, the following was observed:

- cheque No. 07-503430 valued at \$140,000 was sent to Ministry of Finance (MOF) to be updated;
- cheque No. 07-386710 valued at \$123,520 was updated; and
- cheque Nos. 07-503473 and 07-503545 valuing \$130,000 and \$169,440 respectively could not be located.

Region's Response: The Head of the Budget Agency acknowledged this finding and the Chief Accountant was written to asking to provide an update regarding the two missing cheques within a given time of which she failed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the FMA Act. (2020/380)*

Imprest

1006. The Regional Administration operated an Ordinary Imprest totalling \$1.200M for the year 2020. Audit examination of the Imprest Cash Book, Advance Register and other records revealed that seventeen advances totalling \$746,457 were issued from the imprest account to make payments that should have otherwise been processed through the Preparation/Votes Unit.

Region's Response: The Head of the Budget Agency indicated that issuing of advances for the purposes stated has ceased. Systems are in place to avoid a reoccurrence.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Government's Circularised Instructions. (2020/381)*

1007. In addition, a cash count was conducted on the 27 November 2020 and it was revealed that the Cash Book reflected a balance of \$349,187. However, the actual cash verified was \$319,187 a difference of \$30,000. It was explained by the Supervisor of the Cashier's that this difference was removed from an envelope of a sweeper/cleaner by a senior officer of the Regional Administration and was used for an unknown purpose. It should be noted that no disciplinary action was taken against the Senior Officer.

Region's Response: The Head of the Budget Agency indicated that the sum of \$30,000 was removed from an envelope to continue the work of the Region, since the Imprest had no funds available at the time. In addition, the voucher for the said sum was being processed to recoup the funds and the purpose was known and it was stated on the voucher. In light of this paragraph, the Supervisor of the Cashier and the Principal Assistant Secretary, Finance was written to warning them of the Financial Breach.

Recommendations: *The Audit Office recommends that the Head of Budget Agency:(i) comply fully with both Government's Circularised Instructions and the FMA Act; and (ii) desist forthwith of this practice. (2020/382)*

1008. 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. According to the Cash Book presented for audit, there was an opening balance as at 1 January 2020 of \$9.445M with the sum of \$18.518M being credited and the sum of \$17.501M being debited to the cash book during the year 2020. As at 31 December 2020, a closing balance of \$10.462M was reflected. However, examination of the records presented for audit revealed the following discrepancies:

- a) fifteen advances totalling \$3.709M 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 \$1.482M were paid to eight employees.
- c) advance forms were not completed with complete details of when 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) Bank Statements for the months of January, March to October and December 2020 were not presented for audit verification.
- e) Bank Reconciliations were not done for the year 2020. As a result, the accuracy of the closing bank balance of \$10.462M as at 31 December 2020 as reflected in the cash book could not be relied upon.
- f) the Cash Book presented for audit bore no evidence of supervisory checks.

Region's Response: The Head of the Budget Agency indicated that issuing of advances from the D&I Account has ceased.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure the Regional Administration comply fully with the Government Circularised Instructions. (2020/383)*

1009. According to the regulations made under the Procurement Act of 2003 – Amendment of Schedule 1 and Schedule 2 to the Principle Regulations, Item 2 “*The threshold foreseen in section 27(1) of the Act for use of request for quotations method of procurement shall be \$3,000,000*”. However, there were thirty-five instances totalling \$248.381M where the Regional Tender Board awarded the purchase of Drugs and Medical Supplies to Suppliers using the three-quote method of procurement. These purchases should have been advertised and awarded via the National Competitive Bidding. As such, the Regional Administration was in breach of the Procurement Act. In addition, the contracts mentioned above were all awarded by the RTB without being evaluated and recommended by the Evaluation Committee.

Region's Response: The Head of Budget Agency acknowledged the finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: The Audit Office recommends that the Head of Budget Agency put systems in place to ensure the Regional Administration comply fully with the Procurement Act. (2020/384)

Capital Expenditure

Buildings

1010. Amounts totalling \$127.858M were budgeted for Buildings. According to the Appropriation Accounts, the sum of \$121.990M were expended as at 31 December 2020 for the execution of thirty-six contracts as summarised in the table below:

Programmes	Total Funds Available \$'000	Expenditure \$'000	No. of Contracts
Buildings – Administration	12,000	11,764	3
Buildings – Education	61,692	58,492	22
Buildings – Health	54,166	51,734	11
Total	127,858	121,990	36

Capital Purchases

1011. According to the Appropriation Accounts, the sum of \$65.244M was expended on capital purchases. An examination of these transactions revealed that there were ninety-seven capital items totalling \$8.879M that were purchased during the year 2020 and were still on hand in the Regional Stores at the time of reporting in September 2021, as shown in the table below:

Description	Quantity	Amount \$'000
Water Dispenser	2	96
Ceiling Fan	12	168
White Board	40	600
Solar Battery	36	1,836
Pole Mount Transformer	7	6,179
Total	97	8,879

Region's Response: The Head of Budget Agency acknowledged the finding and indicated that corrective action will be taken to avoid future recurrences.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that all assets purchased are promptly delivered so that value is received for amounts expended. (2020/385)

Prior Year Matters

Office and Field Supplies

1012. 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 indicated that the Regional Administration could not locate the evidence. However; systems were put in place to avoid a reoccurrence through improved maintenance of Bin Cards with the acquisition of a Stores Clerk at the West Demerara Regional Hospital Stores while efforts are being made to locate the evidence.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure full compliance with the Stores Regulations at all times. (2020/386)*

1013. 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 is seeking the list of the nice vouchers so that the Region can request them from the Sub Treasury Department and submit same to the Auditors.

Recommendation: *The Audit Office once again recommends that the Regional Administration make an effort to locate and present these payments for audit examination. (2020/387)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1014. The table below summarises the prior year matters as contained in the Auditor’s General 2019 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 fifteen recommendations; five were not implemented, seven were partially implemented and three were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/523	Circularised Instructions	√		
2019/524	Overpayment of Salaries			√
2019/525	Overpayment of Salaries			√
2019/526	Staff Vacancy			√
2019/527	IDW Drugs and Medical Supplies			√
2019/528	Weak Internal Controls			√
2019/529	Breaches of the Stores Regulations		√	
2019/530	Circularised Instructions		√	
2019/531	Circularised Instructions		√	
2019/532	Breaches of FMA Act	√		
2019/533	Other		√	
2019/534	Breaches of FMA Act	√		
2019/535	Circularised Instructions		√	
2019/536	Breaches of the Stores Regulations		√	
2019/537	Breaches of the Stores Regulations		√	

AGENCY 74
REGION 4 - DEMERARA/MAHAICA

Current Year Matters

Current Expenditure

Employment Costs

1015. An analysis of Employment Costs for the years 2017 - 2020 revealed that the Regional Administration increased its staff by 354 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
2019	2020	2,443	2,609	166
Total				354

1016. Despite this increase in employment, the Regional Administration still had a total of sixty-nine vacancies 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 Deputy Regional Executive Officer, one Regional Health Officer, one Assistant Regional Executive Officer, one Senior Health Visitor, three Education Officers, one Civil Engineer 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 last Circular was №. 1/2019 dated 2019-06-27 and was widely circulated. Some appointment to senior positions were issued by the Commission. However, there are still vacancies within the Region and the Regional Administration will aggressively follow up with the relevant agencies to have to them filled.

Recommendation: *The Audit Office recommends that the Head of Budget Agency 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. (2020/388)*

1017. During the year, there were sixteen leavers of which thirteen were Teachers and three were Public Officers. Audit examination of the relevant Personal Files and Paysheets revealed that it took an average of fourteen days for the resignation to be processed from the Head Master/Mistress to the Accounting Unit. Further, ten persons were overpaid salaries amounting to \$1.245M inclusive of the related deductions totalling \$261,622 overpaid to various deduction agencies. Similarly, amounts totalling \$2.556M remained outstanding as overpaid net salaries to employees with respect to 2015 to 2017 and 2019. The related deductions totalling \$341,000 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 and 2019:

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
2019	1,141	22	1,119	223
Total	3,069	513	2,556	341

Region's Response: The Head of Budget Agency indicated that The Regional Administration will continue to make all efforts to recover overpayment for the prior and current year. The overpayment for 2020 resulted from the late submission of documentation for teachers who resigned or were dismissed.

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. (2020/389)*

Office and Field Supplies

Drugs & Medical Supplies

1018. The sum of \$835.945M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme – Line Item 6221. During the year, an amount of \$24M was transferred to this Account Area via allotment transfer. Thus, increasing the funds available to \$859.945M. As at 31 December 2020, amounts totalling \$859.933M were expended. The Regional Administration expended \$119.933M and issued three Inter-Departmental Warrants (IDWs) totalling \$740M to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1019. With respect to the IDWs, Financial Returns were received from the MoH indicating that amounts totalling \$733.530M were expended. The table below gives details of the IDWs:

IDWs to MoH			Financial Return	
No.	Date	Amount Warranted \$'000	Amount Expended \$'000	Unspent \$'000
2/2020	28/10/2020	586,000	586,000	0
3/2020	02/11/2020	130,000	130,000	0
7/2020	30/12/2020	24,000	17,530	6,470
Total		740,000	733,530	6,470

1020. In addition, as was reported in 2019, a similar situation occurred in 2020 whereby the Regional Administration continued to receive drugs and medical supplies without the cost being 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 2020. As a result, it could not be determined whether full value was received for the sum warranted to the MoH.

Region's Response: The Head of Budget Agency indicated that the cost for drugs and medical supplies received in 2020 from the MMU was not provided. The Department of Health will seek to have the cost attached to each dispatch collected from the MMU so that drugs and medical supplies received can be costed and reconciled.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoH is submitted for audit inspection and this is reconciled with that received from the MMU with respect to quantity and cost. (2020/390)*

1021. In relation to the \$119.933M expended by the Regional Administration, this amount was expended via the processing of sixty-five Payment Vouchers. Examination of sixty-two Payment Vouchers and supporting documentations presented revealed the following discrepancies:

- a) A 'nil' list from MMU was not attached to the Payment Vouchers. As a result, with the absence of such documentary evidence it could not have been ascertained whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU.
- b) Payment Voucher No. 740002236 was prepared and approved on 19 May 2020 bearing Cheque No. 07-399953 dated 27 May 2020 for the purchase of items totalling \$784,000. However, the Payment Voucher could not have been traced to the relevant Stores records such as Goods Received Book, Stock Ledger and Bin Card. As a result, it could not be determined if the items were received.

- c) Three instances totalling \$660,298 where only one quotation was seen attached to the Payment Vouchers. Details are shown in the table below:

No.	PV No.	Payee	Particulars	Amount \$
1	740008319	We Care Health Supplies	Supply first aid kits	89,000
2	740008173	Amazon Supply	Purchase of drugs	355,750
3	740008002	P. Ramsaroop & Sons	Purchase of stationery, etc.	215,548
Total				660,298

- d) Payment Voucher No. 740001065 was prepared and approved on 17 March 2020 for the purchase of items totalling \$5.215M. However, four quotations for the said items were attached to the Payment Voucher. In addition, a quotation from the actual supplier was not seen.
- e) Two instances totalling \$489,340 where the RTP was prepared after the items were received by the Stores.
- f) Three instances where the Delivery Notes indicated that items totalling \$3.727M were received and delivered before the RTPs were prepared.
- g) Payment Voucher No. 740001063 was prepared and approved on 17 March 2020 for the payment of items totalling \$6.120M. In addition, a RTP was prepared on 10 March 2020 for the said items which was subsequently received by the Storekeeper on 08 June 2020. However, the items were recorded in the Goods Received Book on 31 December 2019.

Region's Response: The Head of Budget Agency indicated that a 'nil' list will be requested from MMU and corrective actions will be taken to comply with the Stores Regulations and Procurement Act 2003.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that: (i) the items needed are not available at the MMU before such items are purchased by the Region; and (ii) comply fully with the Stores Regulations and Procurement Act at all times. (2020/391)*

1022. Further, a comparison of the prices paid for drugs and medical supplies procured by the Regional Administration from local suppliers with that of the prices paid by MMU as indicated on the price listing submitted, revealed that for twenty-three items the Regional Administration paid significantly higher prices when compared with MMU's prices. Furthermore, the Region paid in excess of 200% more than MMU's prices for eight of the twenty-three drugs and medical supplies purchased.

Description of item	Unit	Price paid by MMU \$	Price paid by Region \$	Variance \$	Variance %	Quantity of item procured by the region	Savings if procured from MMU \$'000
Acyclovir Tablet 400mg	Each	52	120	68	132	5,500	374
Novolin R (Soluble Insulin)	Each	1,412	5,000	3,588	254	72	258
Lidocaine Inj. 2%	Each	205	500	295	144	450	133
Glucometer Test Strips	Each	31	90	59	190	2,750	162
Gliclazide Tablet 80mg	Each	5	36	31	568	150,000	4,650
Adult Nasal Cannula	Each	134	985	851	635	1,000	851
Gauze (90cm *91m)	Roll	2,241	6,000	3,759	168	334	1,256
Aspirin (Kirkland Signature) 81mg	Each	2	5	3	163	17,885	54
Aspirin (Kirkland Signature) 81mg	Each	2	5	3	163	17,885	54
Amoxicillin Suspension, 125/5mg	Each	319	600	281	88	5,000	1,705
Ramipril 5mg	Each	5	32	27	560	150,000	4,050
Specimen Container- 4 oz.	Each	1,671	3,500	1,829	109	2,000	3,658
Insulin (70/30)	Each	1,444	6,000	4,556	316	1,160	5,285
Glucometer Strip (500 boxes of 50)	Each	31	86	55	177	25,000	1,375
Clopidogrel (75 mg) Tablets 28's	Each	323	880	557	172	100	56
Soluble Insulin	Each	1,412	3,900	2,488	176	48	119
Suxamethonium Inj. (25ml/ml)	Each	190	980	790	416	100	79
Amoxicillin Susp.(125/5ml, 100ml)	Each	259	320	61	24	1,000	61
Ciprofloxacin Eye Drops	Each	172	395	223	130	500	111
Prednisolone Eye Drops	Each	409	860	451	110	500	225
Glucometer Strip	Each	31	128	97	313	50,000	4,850
Novolin 70/30 10ml (Insulin)	Each	1,444	3,590	2,146	149	700	1,502
Amoxicillin 500mg Tablet	Each	8	35	27	322	105,000	2,835
Total							33,703

Region's Response: The Head of Budget Agency acknowledged the finding.

Recommendation: The Audit Office recommends that the Regional Administration ensure items needed are not available at the MMU for supply before such items are purchased by the Region and that these purchases are in keeping with the Procurement Act. (2020/392)

Stock Count – Drugs

1023. The Regional Administration have a total of thirty-one functional health institutions (two hospitals and twenty-nine Health Centers) under its control for which Drugs and Medical Supplies are procured. A physical verification conducted on 2 May 2021 of a sample of 112 drugs and medical supplies at Diamond Diagnostic Centre, Dr. CC Nicholson Hospital, St. Cuthbert's Mission Health Centre and Plaisance Health Centre revealed that there were nine instances whereby the physical stock was less than the ledger; and eleven instances whereby the physical stock was more than the ledger.

Region's Response: The Head of Budget Agency indicated that Drugs and medical supplies were administered to patients and these were not subtracted from the ledger and similarly items were collected but not updated. The Department of Health has noted the comment and commenced the updating of the ledgers to reflect accurate information.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure that the Stores Regulations are fully complied with at all times. (2020/393)*

Expired Drugs

1024. Examination of the Expired Drug Registers at eleven Health Institutions, along with records presented by the Regional Health Department for an additional sixteen Health Institutions revealed the following:

- a) The cost of drugs expired were not recorded.
- b) There were approximately 1,427 items of expired drugs with an estimated cost of \$34.921M at these locations.
- c) Also, there were instances where the duplicated copies of expired drug lists kept by the health institutions were not always visible. Thus, it was difficult to ascertain the type and quantity of expired drugs on hand.



Expired Drugs at Diamond Diagnostic Centre



Expired Drugs at Eccles Health Centre

Region's Response: The Head of Budget Agency indicated that the Department of Health: (i) will endeavour to have the cost attached to the expired drugs with the assistance of the Materials Management Unit, (ii) mechanism were put in place to have expired drugs disposed of and (iii) make visible the duplicated copies of expired drugs so that the type and quantity can be ascertained.

Recommendation: The Audit Office recommends that the Head of Budget Agency: (i) 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 of improper storage; and (ii) dispose of all expired drugs in accordance with the Regulations of the Food and Drugs Department. (2020/394)

Print and Non-Print Materials

1025. The sum of \$117.339M was expended under Line Item 6224 – Print and Non-Print Materials. Included in this sum were amounts totalling \$97.325M, which represented payments made under Programme 4 – Education Delivery for (i) supplying of lesson plans and worksheets for schools, and (ii) printing, copying and binding of documents. Audit examination of a sample of twenty-two Payment Vouchers totalling \$75.634M revealed the following:

- a) Two instances totalling \$5.150M where only one quotation was attached to the voucher. Details are shown in the table below:

No	PV No	Payee	Particulars	Amount \$'000
1	740006577	Cacique Trading	Supply and delivery of flash drives	540
2	740008167	Jahzara Trading	Supply bleach, bounty tissue, garbage bags, etc.	4,610
2	Total			5,150

- b) Two instances totalling \$4.040M where RTPs were not seen. As a result, it could not be ascertained whether (a) the purchases were in accordance with the purposes intended; (b) the purchase order bore approvals from the relevant personnel.

No	PV No	Payee	Particulars	Amount \$'000
1	740003315	Express Trading	Supply 100 infrared thermometers	2,300
2	740003537	M & P Investment	Supply items to DOE for schools	1,740
2	Total			4,040

- c) Payment Voucher No. 740009939 valuing \$341,333 was prepared and approved on 31 December 2020 for printing of Tender Documents. However, a quotation from the actual supplier was not seen.

- d) Payment Voucher №. 740006471 valuing \$7.500M was prepared and approved on 30 November 2020 for the printing of 5,000 Primary Engagement Programme for Primary School. A RTP which was prepared on 24 November 2020 made mention that the Programmes are to be used for 2020 Christmas Term. In addition, the supplier uplifted payment on 29 December 2020. However, according to the Stores Received Note the Programmes were received on 13 January 2021, which is after the Christmas Term would have ended.
- e) PV №. 740005417 valuing \$4.625M was prepared and approved on 27 October 2020 for the payment of printing, copying and binding of 2,910 Grade 3 and 2,840 Grade 1 booklets. In addition, a RTP was prepared and approved on 23 October 2020 for the said items. However, the quotation seen for the supplier selected was dated 15 January 2020, which is approximately nine months before the requisition was prepared.

Region's Response: The Head of Budget Agency acknowledged the findings and corrective actions will be taken to comply with the Stores Regulations and Procurement Act 2003.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the Regional Administration comply fully with the Stores Regulations and Procurement Act at all times. (2020/395)*

Fuel and Lubricants

1026. Amounts totalling \$39M were allotted for the procurement of Fuel and Lubricants for the year under review. As at 31 December 2020, the sum of \$26.641M was expended. According to the confirmation balances reflected on the Guyana Oil Company (GUYOIL) statement, an amount of \$21.885M was owed to the Regional Administration on Account №. G-R0002-RT; whilst, an amount of \$2.148M was also owed to the Regional Administration on Account №. G-R0003-RT. In addition, an amount of \$636,738 was owed to GUYOIL on Account №. G-R0002-BK.

Region's Response: The Head of Budget Agency acknowledged the finding.

Recommendation: *The Audit Office recommends that the Regional Administration desist from the practice of prepaying for large quantities of fuel beyond its consumption needs. (2020/396)*

1027. Further, examination of the fuel slips and other supporting documentations revealed the following discrepancies:

- a) there were twenty-seven instances totalling \$286,022 where ISR's were not attached to the fuel slips; and
- b) there were six instances totalling \$60,943 where the ISR was prepared after the fuel was received.

Region's Response: The Head of Budget Agency: (i) acknowledged the finding; and (ii) indicated that the six instances where Internal Stores Requisition were prepared after fuel was received resulted from emergency purchase whilst on field visits, especially in the outer parts of the Region. The fuel was purchased and bills authenticated, the ISR's were then prepared.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/397)*

Subsidies

1028. Amounts totalling \$26.290M were allotted under this Account Area. As at 31 December 2020, the Regional Administration expended the sum of \$20.773M. Examination of a sample of five payment vouchers and supporting documentations totalling \$1.844M, in relation to Line Item 6302 revealed that there were three instances totalling \$1.098M where the list of persons attending the training sessions were not seen. Details of the Payment Vouchers are shown in the table below:

N ^o	PV N ^o .	Particulars	Amount \$'000
1	740003725	Basic Life Support (BLS) training	378
2	740002635	Basic Life Support (BLS) training	378
3	740002187	Training of persons on case contract tracing and active surveillance for the Corona Virus	342
3	Total		1,098

Region's Response: The Head of Budget Agency acknowledged this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that a list of all participants is attached to the Payment Vouchers. (2020/398)*

Maintenance Works

1029. 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 \$829.603M. During the year, amounts totalling \$13.980M were transferred from this Account Area via allotment transfers. Thus, decreasing the total funds available to \$815.623M. As at 31 December 2020, amounts totalling \$815.337M 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	310,077	(27,229)	282,848	282,835
6251	Maintenance of Roads	61,500	0	61,500	61,500
6252	Maintenance of Bridges	37,000	4,020	41,020	41,020
6253	Maintenance of Drainage & Irrigation	176,000	0	176,000	176,000
6255	Maintenance of Other Infrastructure	206,557	3,229	209,786	209,738
6264	Vehicle Spares & Maintenance	18,225	6,000	24,225	24,015
6282	Equipment Maintenance	20,244	0	20,244	20,229
Total		829,603	(13,980)	815,623	815,337

1030. Audit perusal of the Regional Tender Board (RTB) Minutes revealed that the RTB awarded 230 contracts totalling \$574.160M for the maintenance of buildings, roads, bridges, drainage and other infrastructures.

1031. Of the 230 contracts awarded, 133 totalling \$274.909M were deemed as “*emergency works*”. It was observed that although the works were deemed as “*emergency works*” the Regional Administration had enough time to obtain three quotes and seek approval from the Regional Tender Board for the works to be carried out. Audit checks also revealed the following:

- a) Of the 133 ‘emergency works’ contracts, eighty-one totalling \$164.554M had varying dates of commencement after being awarded as shown in the table below:

No of Contracts	Amount \$'000	Date of Commencement
49	100,206	3 days after
5	13,143	4 days after
6	15,651	5 days after
6	8,960	6 days after
1	1,815	7 days after
5	6,275	10 days after
1	1,733	11 days after
3	8,665	12 days after
1	1,014	13 days after
1	2,984	14 days after
1	634	27 days after
2	3,474	32 days after
81	164,554	

b) There were five contracts totalling \$11.255M where the date of commencement was before the date of award by the Regional Tender Board as shown in the table below:

Contract	Contract Sum \$'000	Line Item	Date of Award	Duration of contract	
				Commence-ment	Completion
Emergency sectional repairs to Peter's Hall door and cleaning of approach to koker door	1,712	6253	06/11/2020	27/10/2020	02/11/2020
Emergency repairs to inlet grill at Huntley Pump Station	2,989	6253	13/11/2020	12/11/2020	17/11/2020
Emergency repairs to roof, plumbing and minor electrical works at Ann's Grove Secondary	2,365	6242	04/12/2020	28/10/2020	06/11/2020
Emergency works to laundry area at Diamond Hospital	1,800	6242	16/12/2020	07/12/2020	11/12/2020
Emergency carpentry repairs and painting at St. Andrew's Primary	2,389	6242	23/10/2020	26/09/2020	02/10/2020
Total	11,255				

Region's Response: The Head of Budget Agency indicated that: (i) the emergency works were necessary to put systems in place in the COVID-19 pandemic. The delay in execution was due to the inclement weather pattern coupled by unavailability of materials; and (ii) the five contracts mentioned in the report were emergency works. Hence, contractors commenced and completed same prior to the award by the Regional Tender Board.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Procurement Act at all times. (2020/399)*

1032. The contract for emergency electrical work at Regional Health Officer, Office Paradise was awarded in the sum of \$649,740 to the sole bidder. As at 31 December 2020, amounts totalling \$663,000 were paid. As can be noted, total payments exceeded the contract sum by \$13,260. However, there was no evidence of approved variation, as such, it was unclear on what basis the Regional Administration prepared the payments in excess of the amounts approved by the Tender Board.

Region's Response: The Head of Budget Agency acknowledged the finding and indicated that efforts will be made to recover the amount overpaid.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Procurement Act. (2020/400)*

1033. According to the regulations made under the Procurement Act of 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*”. However, forty-three contracts totalling \$185.541M were awarded by the RTB using three quote method of procurement. It should be noted that the Engineer's Estimate were above \$3M and the contracts should have been advertised and awarded via the National Competitive Bidding. As such, the Regional Administration was in breach of the Procurement Act.

Region's Response: The Head of Budget Agency indicated that the Regional Administration employed the Restricted Method of procurement to execute the works because time was limited to advertise via the National Competitive Bidding process. The use of the Three-Quote system allowed the Region to execute its work programme.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Procurement Act at all times. (2020/401)*

1034. Amounts totalling \$24.015M were expended on vehicle spares, services and repairs to the Regional Administration fleet of vehicles. However, although Historical Records are maintained, the files were not updated for the period under review to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose of these vehicles. As such, the Regional Administration was in breach of Section 26 of the Stores Regulations.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has commenced the updating of the Historical Files for vehicles so that they can be brought into compliance.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration comply fully with the Stores Regulations. (2020/402)*

1035. Further, an analysis of these costs revealed that ten of the vehicles had significant maintenance costs amounting to \$12.731M for the period under review, as detailed below:

Vehicle No.	Description of Vehicle	Amount Expended \$'000
BRR 9292	David 'G' School Bus	703
GRR 9188	Canter	965
PPP 6238	Pick up	1,272
PPP 7631	Mini-Bus	1,193
PSS 156	Minis-Bus	979
PVV 8345	Pick up	2,084
PWW 5267	Mini-Bus	2,638
PWW 7010	Land Cruiser	1,377
PVV 2896	Pick up	741
PVV 3867	Mini-Bus	779
Total		12,731

Region's Response: The Head of Budget Agency indicated that the maintenance works done to the vehicles were critical for the daily operation of the various programmes.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures 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. (2020/403)*

1036. The Regional Administration was in breach of Section 21 of the Stores Regulations since replaced parts removed from vehicles and equipment were not returned to the Region's Stores. As a result, the authenticity of the parts changed could not be ascertained. In addition, a Register of Used Spare Parts was not maintained. As such, the validity of the payments made for repairs could not be determined.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has ensured a register is in place to record the used parts for vehicles and equipment returned to the Regional Stores.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Stores Regulations. (2020/404)*

Stores and Other Public Property

1037. An examination of the Fuel Slips and Log Books presented revealed that twenty 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 indicated that this is regretted. The Programme Heads have been instructed to ensure that all Log Books for vehicles/equipment under their control provide accurate information regarding the use of fuel and lubricant and are properly authenticated.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Stores Regulations. (2020/405)*

1038. 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) The Regional Administration was in breach of Section 24 of the Stores Regulations since 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.
- b) In addition, the Regional Administration was also in breach of Section 25 of the Stores Regulation since only the list of Government Living Quarters was presented and not the list of all Government Building under the Region's control.

Region's Response: The Head of Budget Agency indicated that: (i) despite the list of vacancies advertised in 2019 by the Public Service Commission, the position of Stock Verifier was not filled. This hindered the maintenance of the Master Inventory. The Regional Administration will follow up to ensure vacancies are filled. The sectional inventories were not updated in 2020. However, the process to update has commenced and will be completed shortly; and (ii) every effort will be made to update the list which is an ongoing exercise.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with Section 24 of the Stores Regulations. (2020/406)*

Regional Stores

1039. The Regional Administration did not fully adhere to the Stores Regulations. A stock count of a sample of thirty items at the Regional Stores revealed the following:

- a) The Bin Cards were not updated for nineteen items, since there were differences between the physical count and Bin Card balance.
- b) The Stock Ledger maintained by the Regional Accounting Unit was not updated, since there were differences between the physical count and Stock Ledger balance for twenty-one items.

Region's Response: The Head of Budget Agency indicated that: (i) the Storekeeper has been instructed to ensure all Bin Cards are properly updated to reflect accurate information and to ensure that there is no recurrence; and (ii) the updating of the Stock Ledgers is ongoing.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures the Regional Administration comply fully with the Stores Regulations. (2020/407)*

Other Matters

Evaluation Reports

1040. 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 RTB during the year. However, Evaluation Reports were not presented in relation to forty-four maintenance works contracts and eighteen capital contracts totalling \$188.920M and \$94.184M respectively. It should be noted that in the absence of the Evaluation Committee documents it could not have been determined whether the award of these contracts was done in a transparent manner by the RTB.

Region's Response: The Head of Budget Agency indicated that Evaluation Reports were done for the works undertaken however, they cannot be located. Every effort is being made to do so.

Recommendation: *The Audit Office recommends that the Head of Budget Agency: (i) comply fully with the Procurement Act; and (ii) locate and submit the Evaluation Reports. (2020/408)*

Government Quarters

1041. 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. Examination of a list presented, revealed that there are 153 Government Living Quarters owned and controlled by the Regional Administration. Of which, 128 are occupied by officers of the Region, nineteen are vacant, and details of occupancy were not stated for six.

1042. However, with respect to the 128 living quarters occupied by officers of the Region, nineteen were entitled to living quarters as stated on the official list submitted. In addition, for the remaining 109 who are not entitled, rent was only being paid by one employee.

Region's Response: The Head of Budget Agency indicated that the Regional Administration is updating the Inventory of all Government Living Quarters and the occupancy to determine entitlement.

Recommendation: *The Audit Office recommends that the Head of Budget Agency 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. (2020/409)*

Cheque Orders

1043. According to Circular №. 2/2019 dated 29 January 2019, 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. Examination of the Cheque Order Register maintained by the Sub-Treasury Department revealed that for a random sample of forty payments totalling \$82.601M made during 2020, the Regional Administration took an average of ninety-five days to clear the Cheque Orders.

1044. With respect to Cheque Order payments made during 2020, thirty-one Cheque Orders valuing \$9.634M remained outstanding as at 14 September 2021. 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) Cheque Orders are cleared upon receipt of items and payments made. The delay in retirement resulted from the items not immediately available from the suppliers especially those of capital items. Additionally, the price increased during the COVID-19 pandemic; and (ii) effort will be made to fully retire the Cheque Orders outstanding. The Finance Secretary was written to in 2016 following the theft of cash valued \$45,000. We are still to receive clearance from Ministry of Finance on the way forward. A follow up letter will be sent.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that: (i) the Regional Administration comply fully with Circular №. 02/2019 dated 29 January 2019; and (ii) the outstanding Cheque Orders be submitted for audit. (2020/410)*

Cheques on Hand

1045. 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 04 January 2021 revealed that there were 301 cheques on hand totalling \$109.574M of which 111 cheques totalling \$54.073M were dated 31 December 2020. Subsequently, on the 06 January 2021, the MoF printed 1,135 cheques totalling \$653.517M for the Regional Administration for the fiscal year 2020. As a result, the Administration's Appropriation Accounts were overstated by the sum of \$763.091M.

Region's Response: The Head of Budget Agency indicated that Cheques were printed when entries were made into the Integrated Financial Management Information System (IFMIS) for goods, services and works. All Cheques could not be disbursed at 31 December 2020 and they were in the custody of the Sub Treasury Department.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure the Regional Administration comply fully with Section 43 of the FMA Act. (2020/411)*

1046. The system for the processing of a Payment Voucher by the Regional Administration requires Payment Vouchers be prepared by a staff of a Department, certified by the Head of Department, approved by the Regional Executive Officer, sent to the Regional Accounting Unit for further examination and certification before being entered into the IFMIS by an authorised Officer. Payment Vouchers are then sent to the Sub-Treasury for examination and approval is obtained from the IFMIS system before a cheque can be cut by the Accountant General Department. However, audit examination on 6 January 2021 revealed that there were 520 cheques on hand totalling \$256.965M which did not have supporting Payment Vouchers attached. As a result, it was difficult to ascertain the basis on which the cheques were cut.

Region's Response: The Head of Budget Agency indicated that the Payment Vouchers for which cheques were printed were in the building of the Regional Administration for finalisation. They were then submitted to the Sub Treasury Department. The entries were done prior to the closure of the IFMIS on 31 December 2020.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration comply fully with the FMA Act. (2020/412)*

1047. At the time of reporting in September 2021, there were still ninety-seven cheques on hand at the Sub-Treasury totalling \$27.686M. 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.

1048. In addition, a follow up exercise was conducted for a sample of eleven cheques on hand totalling \$18.141M. Details are shown in the table below:

Nº	Cheque Date	Cheque Nº	Particulars	Amount \$'000	Remarks
1	06.01.2021	07-501184	Purchase HP Laser Jet	215	Item not delivered
2	06.01.2021	07-500180	Printing Grade 5 Practice booklet	4,860	
3	06.01.2021	07-500238	Supply and delivery of new tablets/ phablets	2,574	
4	06.01.2021	07-500387	Purchase Lenovo monitor	879	
5	06.01.2021	07-500402	Purchase of HP Laser Jet	143	Item not delivered
6	06.01.2021	07-500541	Construction of Supply Health Centre	2,602	
7	06.01.2021	07-501087	Construction of water troughs	3,447	
8	06.01.2021	07-501221	Purchase of tyres, etc.	1,377	Item not delivered
9	06.01.2021	07-500295	Purchase of television	393	Item delivered
10	06.01.2021	07-500433	Purchase of water dispenser	885	Item delivered
11	06.01.2021	07-500908	Supply desktop, PC case to DOE	766	Item not delivered
11	Total			18,141	

Region's Response: The Head of Budget Agency indicated that the cheques will be updated and refunded to the Consolidated Fund.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration comply fully with the FMA Act. (2020/413)*

Missing Vouchers

1049. The Regional Administration was in breach of Section 30 of the Audit Act 2004 in that during the period under review, a sample of 389 Payment Vouchers totalling \$980.247M relating to current expenditure were requested for audit examination. However, twenty-six vouchers totalling \$24.172M or 2.5% were not presented for audit. In addition, for capital expenditure of the 272 Payment Vouchers requested totalling \$448.280M, thirty-three Payment Vouchers valuing \$34.515M or 7.7% were not presented. Similarly, nine Payment Vouchers totalling \$29.122M for current expenditure were still not presented for audit pertaining to 2019 as at September 2021. 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 indicated that all vouchers not presented during the audit are in the sole custody of the Accountant General Sub-Treasury Department for safe keeping.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures 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 vouchers for audit examination. (2020/414)*

Misclassification of Expenditure

1050. An examination of the IFMIS Report for both Current and Capital Expenditure revealed that there were nineteen transactions totalling \$3.149M, which were misclassified. This constituted a breach of Section 34 of the FMA Act which requires that “...the purpose of the expenditure of the money stipulated in a drawing right shall be consistent with the appropriation allotment...”

Region's Response: The Head of Budget Agency indicated that the Regional Administration will ensure that all vouchers be classified with the correct Line Item.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration ensure that all budgetary allocations are expended in the correct manner and approvals for any changes are obtained from the relevant authority. (2020/415)*

Capital Expenditure

1051. The sum of \$455.565M was budgeted for the Regional Administration to execute its capital programme in 2020. According to the Appropriation Accounts the sum of \$455.564M was expended as shown in the table below:

Programme	Description	Amount Budgeted \$'000	Expenditure \$'000
1	Regional Administration & Finance	10,000	9,999
2	Agricultural Development	28,980	28,980
3	Public Infrastructure	87,648	87,648
4	Education Delivery	183,791	183,791
5	Health Services	145,146	145,146
Total		455,565	455,564

Buildings

1052. Amounts totalling \$202.937M were budgeted for Buildings. According to the Appropriation Accounts, the full amount was expended on fifty contracts as at 31 December 2020, as shown in the table below:

Programme	Amount Budgeted \$'000	Expenditure \$'000	No. of Contracts
Buildings – Administration	4,000	4,000	3
Buildings – Education	123,791	123,791	27
Buildings – Health	75,146	75,146	20
Total	202,937	202,937	50

Public Works

1053. Amounts totalling \$87.648M were budgeted for Bridges and Roads. According to the Appropriation Accounts, the full amount was expended on seventeen contracts as at 31 December 2020, as shown in the table below:

Description	Amount Budgeted \$'000	Expenditure \$'000	No. of Contracts
Bridges	21,848	21,848	6
Roads	65,800	65,800	11
Total	87,648	87,648	17

Bridges

1054. The contract for the Construction of 1st bridge at Community Centre road, Enmore was awarded by the Regional Tender Board on 9 December 2020 in the sum of \$4.608M to the lowest of five bidders. The Engineer's Estimate was \$4.900M. The total payments made to date for works completed were \$4.608M. Physical verification of the completed works, measurements and calculations revealed that the contractor was overpaid the sum of \$747,560 as shown in the table on the following page.

Item	Description	Qty Paid	Qty Found	Unit	Diff	Rate	Amount Overpaid (G\$)	
	RC Abutment							
	Concrete Works							
2.02	Provide, pour and cast in situ Structural concrete 3500 Psi at 28 days using 1/4" well graded coarse aggregate: "L" shape beam 14' x 2'-2" x 2'-6"	3	1.82	yd3	1.18	32,000	37,760	
	<u>Provide and install all Reinforcement:BS 4449 , ribbed / corrugated bars including bends hooks,tying wire , distance blocks and spacers</u>							
2.03	Supply and layout 5/8" dia. HT steel bars. As directed by the Regional Engineer	232	161	lb	71	200	14,200	
2.04	Supply and layout 1/2" dia steel bars 8" c/c	235	106	lb	129	200	25,800	
	Steel girders / Beam							
2.09	Provide, fabricate, hoist and bolt in position 19' x 14" x 6 3/4" x 3/8" @ 34 lb "H" steel beam into position 4nr; make allowance for beam deck connection	112	76	L.ft	36	8,500	306,000	
	Deck / slab (28' x 12' x 6") and approach							
3.01	Provide and install 16 guage metal plate decking	37.33	25.56	yd2	11.77	15,000	176,550	
	<u>Provide and install all Reinforcement: BS 4449, ribbed / corrugated bars including bends hooks, tying wire, distance blocks and spacers</u>							
3.03	5/8" dia HT main steel bars @ 8" c/c two direction; rate must include for steel laps as specified	1160	757	lb	403	200	80,600	
3.04	Provide, pour and cast in situ Structural concrete 3636 PSI/25 Mpa at 28 days, using 3/4" well graded coarse aggregate	5.6	5.2	yd3	0.40	35,000	14,000	
	<u>Rail</u>							
3.08	Provide and fix in place new 2" dia. Galvanize railing (3'-6" high) Provide for bends and tee joints, base plate and screws, bolts and nuts with washer	153	105	L.ft.	48	1,500	72,000	
	Asphaltic Concrete Finish							
3.1	Provide and place asphalt prime coat (RC 250) at the rate of 0.27gal/yd2 to Concrete Slab	41.3	0	yd2	41.3	500	20,650	
	TOTAL VALUE OF OVERPAID WORKS CERTIFIED AND PAID							747,560

Region's Response: The Head of Budget Agency indicated that the Final Payment did not capture measured works, a request is being made to revisit the project and consider actual measured works of which will reduce overpayment to \$459,800.

Recommendation: The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration: (i) recover the amount overpaid; and (ii) comply fully with the Procurement Act. (2020/416)

Capital Purchases

1055. Amounts totalling \$136M were budgeted for the purchase of capital items for the Regional Administration. As at 31 December 2020, amounts totalling \$135.999M were expended as shown in the table below:

Programme	Amount Budgeted \$'000	Amount Expended \$'000
Regional Administration & Finance	6,000	5,999
Education Delivery	60,000	60,000
Health Services	70,000	70,000
Total	136,000	135,999

1056. Audit examination of the expenditure and documents pertaining to this Account Area revealed that items valued \$23.878M were not put into use for the year under review. Similarly, items valued \$607,000 and \$12.521M for the years 2018 and 2019 respectively were also yet to be utilised. These items were still kept at the Regional Stores at the time of reporting in September 2021 as shown in the table below:

Years	Description of Item	Quantity	Amount \$'000
2018	Incubator	1	607
	Sub-total		607
2019	Anaesthetic Machine	1	7,815
	Dental Units	2	4,464
	Filing Cabinets	5	242
	Sub-total		12,521
2020	Cannon Desktop 12 Digits Calculator with tape	6	171
	Lasko 16" Stand Fans	3	30
	Commercial Vacuum cleaner	1	35
	Microwave oven	4	72
	Daewoo Refrigerator 4.9 Cu.ft (black)	3	168
	Water Dispenser	3	89
	Battery backup	4	176
	Executive Chair	1	54
	Semi Executive Chairs	6	259
	EPSON VS250 Projector	1	125
	Walk through Sanitiser	1	692
	L. Shape Bow front Desk Mahogany Combination	6	510
	Black walnut & white Bookshelf	10	500
	Nursery Sets	23	1,069
	Four drawers filing Cabinets	7	262
	Samsung 36000BTU A/C Unit	1	667
	Ventilator VG70	2	7,058
	Medical trolley	5	586
	Dental X ray Unit	1	233
	Electro Surgical Unit with Accessories	2	1,684
	VIA Examination Beds	1	2,578
	Examination Beds	11	546
	Nebulizers	31	674
	Privacy Screen	35	978
	Wheel Chairs	10	390
	Whirlpool Dryer	3	342
	Mabe Washing Machine	8	494
12 cu.ft Medical/Laboratory Refrigerator	4	2,800	
Banquet Chairs	113	636	
Sub-total			23,878
Total			37,006

Region's Response: The Head of Budget Agency indicated that the Regional Administration has since taken steps to have the items distributed to the various departments including those procured in 2018 and 2019.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that all assets purchased are promptly delivered and put into use as required. (2020/417)*

1057. In addition, there are ten Black Walnut Bookshelves valued \$500,000 which are also kept at the Regional Stores. Physical verification in June 2021 revealed that although they were not put into use, these bookshelves already have damages as shown in the images below:



Walnut Bookshelves at the Regional Stores with Damages

Region's Response: The Head of Budget Agency indicated that the bookshelves will be repaired and distributed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that all assets purchased are promptly delivered and put into use as required. (2020/418)*

1058. Amounts totalling \$70M allotted for the purchase of Furniture and Equipment under Programme 5 – Health Services. As at 31 December 2020, the full sum was expended. An examination of the Regional Tender Minutes revealed that approval was given by the Regional Tender Board Committee for the purchase of thirty-eight Filing Cabinets totalling \$1.949M with unit price of \$51,300 being the second lowest quotation. However, no explanation was given why it was not awarded to the lowest quotation with unit price of \$46,799.

Region's Response: The Head of Budget Agency indicated that the second lowest quotation was recommended by the Department of Health for the purchase of the filing cabinets because it met the specification required and for timely supply.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration comply fully with the Procurement Act at all times. (2020/419)*

Roll over Contracts

1059. 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 Ministry of Finance (MoF) on the 31 December 2020 for twenty-six capital contracts with contract sums totalling \$179.989M of which amounts totalling \$29.715M to be paid in 2021. 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.

Region's Response: The Head of Budget Agency indicated that the projects were not multi -year but payments rolled over to 2021.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the FMA Act. (2020/420)*

1060. In addition, the Regional Administration was aware in advance that sixteen of the twenty-six contracts submitted for multi-year approval could not have been completed on or before the end of the financial year 2020, 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 indicated that this is acknowledged and unavoidable.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the FMA Act. (2020/421)*

Capital Subvention to Neighbourhood Democratic Councils (NDCs)

1061. The Regional Administration received two IDWs №. 23/2020 dated 11 November 2020 valuing \$42.500M and №. 45/2020 dated 27 November 2020 valuing \$42.500M from Ministry of Local Government and Regional Development for capital fiscal grant disbursement to the seventeen NDCs under the Region's control.

1062. In relation to IDW №. 23/2020, Financial Return indicated that the full amount was expended as at 31 December 2020. Details of the expenditure are shown in the table below:

Details	№ of Contracts	Amount \$'000
Supply of 476 Compact Solar Powered street lights to the NDCs	2	8,092
Deliver & install of 476 Compact Solar Powered street lights	4	8,092
Supply & transport of first grade crusher run to the NDCs	3	22,610
Savings from subvention	0	3,706
Total	9	42,500

1063. Examination of Payment Vouchers and supporting documentation for expenditures shown in the table above, revealed the following:

- a) The Regional Tender Board via RTB Minutes №. 31/2020 awarded a contract for the Supply of 1,275 tons of First Grade Crusher Run at a rate of \$12,000 per ton, and a contract for Transport and Delivery of 1,275 tons of Crusher Run at a rate of \$6,000 per ton. In addition, those awards were terminated and subsequently three contracts were awarded via RTB Minutes №. 37/2020 for the Supply and Transportation of 1,330 tons of First Grade Crusher Run to the NDCs at a rate of \$17,000 per ton. However, no documentations were presented to justify the reason(s) for termination of the initial awards.
- b) Further, the approval for the award of three Contracts via RTB Minutes №. 37/2020 for the Supply and Transportation of 1,330 tons of First Grade Crusher Run to the NDCs at a rate of \$17,000 per ton was done on 18 December 2020. However, the Contract Agreement was entered on 27 November 2020. As such, the approval from RTB was granted after the contract was entered into.

Region's Response: The Head of Budget Agency indicated the following:

- a) Crusher run materials were out of stock from the first supplier. The material was urgently required to repair roadways in the NDC areas. The second supplier was contacted which had the quantity required and as such the procurement was done. This was an oversight in the Regional Tender Board Minutes and should have clearly recorded the correct information.
- b) This is likely a typographical error.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Procurement Act at all times. (2020/422)*

Prior Year Matters

Current Expenditure

1064. 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 indicated that: (i) the contractor has exhausted the works as was instructed for Soesdyke Medex Quarters and a physical verification is requested; (ii) efforts are being made to recover the overpayments made for Repairs to Strathspey Primary School, Emergency Works to Strathavon Primary and Repairs to Cinema Street, Diamond.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2020/423)*

1065. A sample of thirty-four contracts were selected for physical inspection in 2018; 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 indicated that Evaluation Reports were done for all tenders above \$3M. However, the reports cannot be located.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure all Evaluation Reports are properly secured and retained so that they can be submitted for audit examination. (2020/424)*

1066. Similarly, in 2019, 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 or justify the basis of awards for these contracts.

Region's Response: The Head of Budget Agency indicated that the Regional Administration was unable to recover the Evaluation Reports for the sixty-eight maintenance and eighteen capital contracts awarded in 2019. The Procurement procedure will be adhered to regarding the three-quotation limit.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency ensure all Evaluation Reports are properly secured and retained so that they can be submitted for audit examination. (2020/425)*

1067. The Regional Administration still had one cheque on hand valuing \$4.606M for expenditure incurred in 2019. This cheque should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts.

Region's Response: The Head of Budget Agency indicated that this project was still active in year 2020 since approved variation had to be effected. This project is completed and cheque is now available for release.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the FMA Act at all times. (2020/426)*

Capital Expenditure

1068. 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 indicated that the Regional Administration has taken steps to recover the overpayment of \$177,000.

Recommendation: *The Audit Office once again recommends that the Head of Budget Agency make every effort to recover overpayments and ensure that completed works are accurately measured and quantified before payments are made to contractors. (2020/427)*

1069. 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 acknowledged the finding.

Recommendation: *The Audit Office once again recommends that the Regional Administration make every effort to recover the advance payment made to the contractor. (2020/428)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1070. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 20 recommendations; 13 were not implemented, 4 were partially implemented and 3 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/538	Breaches of Circularised Instructions	√		
2019/539	Breaches of Circularised Instructions		√	
2019/540	Overpayment of Salaries		√	
2019/541	IDW Drugs and Medical Supplies			√
2019/542	Breaches of FMA Act 2003			√
2019/543	Breaches of Circularised Instructions			√
2019/544	Breaches of Stores Regulations			√
2019/545	Breaches of Stores Regulations	√		
2019/546	Breaches of Stores Regulations			√
2019/547	Breaches of Procurement Act 2003			√
2019/548	Breaches of Circularised Instructions			√
2019/549	Cheque Orders & Missing Payment Vouchers	√		
2019/550	Breaches of FMA Act 2003		√	
2019/551	Cheque Orders & Payment Missing Vouchers		√	
2019/552	Breaches of FMA Act 2003			√
2019/553	Breaches of Stores Regulations			√
2019/554	Overpayment on Construction			√
2019/555	Breaches of Procurement Act 2003			√
2019/556	Overpayment on Construction			√
2019/557	Overpayment on Construction			√

AGENCY 75
REGION 5 – MAHAICA/BERBICE

Current Year Matters

Current Expenditure

Employment Costs

1071. Audit examination of payroll records revealed that three persons were overpaid net salaries amounting to \$410,474. The Regional Administration was able to recover these overpayments. However, the related deductions totalling \$278,926 remained outstanding.

Region's Response: The Head of Budget Agency indicated that a Cheque for \$4,623 to be uplifted from DPF. Letters were sent to the relevant Deducting Agencies to recover overpayments.

Recommendation: *The Audit Office recommends that the Regional Administration follow -up this matter with the view of recovering the related deductions and ensure that pay change directives are effectively and efficiently communicated in a timely manner to the Regional Accounting Unit. (2020/429)*

1072. An analysis of Employment Costs for the years 2017, 2018, 2019 and 2020 revealed that the Regional Administration increased its staff strength by one hundred and two as shown in the table below:

Year		Actual Staff Strength		Difference
From	To			
2017	2018	1142	1132	(10)
2018	2019	1132	1193	61
2019	2020	1193	1244	51
Total				102

1073. Despite the 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. 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. The position of Engineer has since been filled.

Region's Response: The Head of Budget Agency indicated that the Regional Administration acknowledged the observation. However, these vacancies mentioned were advertised by the Public Service Commission (PSC) but PSC subsequently withdraw the circulars for 2019.

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. (2020/430)*

1074. An examination and comparison of payroll records for 2019 and 2020 revealed that there was an increase in the staff complement by 51. However, the Register of joiners/ new employees and Leavers shows that there were only twenty-six new employees and thirty-six leavers. The actual number of joiners and leavers could not be determined since the register was not up to date.

Region's Response: The Head of Budget Agency indicated that the Regional Administration acknowledged the observation. However, the Register of joiners shows that there were twelve new employees with thirty-eight staff increases.

Recommendation: *The Audit Office recommends that the Regional Administration updates the Staff Register and present same for audit scrutiny. (2020/431)*

Office and Field Supplies

1075. An amount of \$315.197M was budgeted for the procurement of drugs and medical supplies under the Health Services Programme - Line Item 6221. According to the Appropriation Accounts amounts totalling \$314.550M were expended. As at 31 December 2020, the Regional Administration expended the sum of \$115.550M using its own procurement procedures; whilst, two Inter-Departmental Warrants (IDW) totalling \$199M were issued to the Ministry of Health (MOH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1076. The Inter-Departmental Warrants №. 1/2020 and №. 3/2020 for the amounts of \$165M and \$34M respectively were issued to the Ministry on 26 October and 23 November 2020. Financial Returns were received indicating that the full amount was expended. However, the documentation that accompanied the warrant sent to the MoH were not presented for audit. 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 warrants issued. 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 MoH.

Region's Response: The Head of Budget Agency indicated that the Regional Administration acknowledged the observation of the Audit Office and all efforts will be made to present the documentation that accompanied the warrant request sent to MOH to Audit Department as soon as possible.

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 MoH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoH. (2020/432)*

1077. Further, the Dispatch Report generated by the Materials Management Unit (MMU), Ministry of Health was not presented for the period January to December 2020 for drugs and medical supplies sent to the Regional Administration.

Region's Response: The Head of Budget Agency indicated that The Ministry of Health through the MMU has not given the region its dispatch report for the reconciliation of drugs and medical supplies therefore we could not present same for audit.

Recommendation: *The Audit Office recommends that the Regional Administration prepare and submit a reconciliation report for audit inspection. (2020/433)*

1078. An examination of 261 Payment Vouchers totalling \$115.550M revealed the following:

- a) original bills were not attached to twenty-eight Payment Vouchers totalling \$10.123M. As such the authenticity of the bills and transactions could not be determined. A similar situation occurred in 2019;
- b) the date on Requisition to Purchase was not stated on seven Payment Vouchers totalling \$3.793M; and
- c) nine instances totalling \$19.337M where only two quotations were attached to the Payment Vouchers.

Region's Response: The Head of Budget Agency indicated that the observation noted by the Regional Administration and the staff of the Regional Accounting Unit were asked to be more vigilant in their execution of duties at all times.

Recommendation: *The Audit Office recommends that the Regional Administration put systems in place to ensure compliance with the FMA Act and the Regulations. (2020/434)*

1079. An examination of the 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 118 items of expired drugs were destroyed during the year.

Region's Response: The Head of Budget Agency indicated that since the Dispatch Report was not sent by the MMU the cost could not be determined.

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. (2020/435)*

Fuel and Lubricants

1080. The sum of \$33.273M was budgeted for the procurement of Fuel and Lubricants of which the amount of \$32.375M was expended. An examination of Payment Vouchers for Fuel and Lubricants revealed thirty-three instances totalling \$304,296 where 1,832 litres of fuel was not entered in the relevant log books.

Region's Response: The Head of Budget Agency indicated that this observation was noted by the Regional Administration and all efforts will be made to clear all outstanding payments in the current year. Officers were asked to be more vigilant in their execution of duties at all times.

Recommendation: *The Audit Office recommends that the Regional Administration put systems in place to ensure that fuel is properly accounted for and utilised in an efficient manner. (2020/436)*

Utilities

1081. The amount of \$49.240M was expended for the payment of Electricity charges. Audit examination of the records revealed that 126 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. The locations of the meters were not stated in the register. In addition, the Region wrote GPL requesting a reconciliation of electricity accounts. A correspondence was received by the Region and the following observations were made:

- a) the Region has been paying for Meter #ITB0039127 with an outstanding balance of \$87,142 which is located in Region 6. No payments were made on this account for 2020;
- b) similarly, Meter # EIT09821 with an opening and closing credit balance of \$472,686 and \$82,553 respectively was also located in Region 6; and
- c) in addition, the Region was paying for Meter # 12646609 was located in Region 2.

Region's Response: The Head of Budget Agency indicated that the observations were noted by the Regional Administration.

Recommendation: *The Audit Office recommends that the Regional Administration urgently rectify this situation and inform the Audit Office for verification. (2020/437)*

1082. The amount of \$171.900M was expended for the payment of Water Charges. An examination of the Guyana Water Incorporated (GWI) Register maintained by the Regional Accounting Unit revealed that Meter №. 1160820 with the location being the High Dam Health Center had a pre-paid balance of \$310,325. However, this health centre is not operational for the period under review since the Carlton Hall Health Centre was built to replace it.

Region's Response: The Head of Budget Agency indicated that measures to be put in place to rectify the situation.

Recommendation: *The Audit Office recommends that the Regional Administration updates its GWI Register correctly with amounts spent for the current year and urgently rectify the situation. (2020/438)*

Maintenance Works

1083. Amounts totalling \$471.808M were allotted for the repairs and maintenance of buildings, infrastructure and assets within the Region. The sum of \$6.840M was transferred to this Account Area via virements, giving a revised allotment of \$478.648M. As at 31 December 2020, amounts totalling \$456.719M were expended for the line items shown in the table below:

Line Item	Description	Amount Allocated \$'000	Virement Amount \$'000	Revised Amount \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	108,400	0	108,400	107,424
6251	Maintenance of Roads	118,522	0	118,522	117,449
6252	Maintenance of Bridges	39,212	0	39,212	37,173
6253	Maintenance of Drainage & Irrigation	100,191	0	100,191	97,116
6254	Maintenance of Sea & River Defences	12,000	0	12,000	11,966
6255	Maintenance of Other Infrastructure	67,132	0	67,132	60,634
6264	Vehicle Spares and Services	13,486	6,000	19,486	12,625
6282	Equipment Maintenance	12,865	840	13,705	12,332
Total		471,808	6,840	478,648	456,719

1084. Amounts totalling \$97.116M were expended on Drainage and Irrigation Works by the Regional Administration. Audit examination revealed that seventy-one contracts were awarded in this category of which thirty-two contracts totalling \$8.513M were for manual maintenance of canals. Nine contracts totalling \$38.632M or 39.5% was awarded to one contractor while thirty contracts totalling \$50.240M were paid to ten contractors. These projects were not publicly advertised and were awarded using the restrictive method according to the Regional Procurement Tender Administration Board (RPTAB) Minutes. In addition, only three Contractors were invited to bid for sixteen projects, whilst, four Contractors were invited to bid for twenty-three projects. A similar situation occurred in 2018 and 2019.

Region's Response: The Head of Budget Agency indicated that the observations were noted by the Regional Administration.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all contracts awarded are in keeping with the Procurement Act. (2020/439)*

Other Matters

1085. 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 19 January 2021 revealed that there were 758 cheques totalling \$572.172M dated 8 January 2021. As a result, the Administration's Appropriation Accounts were overstated by the said sum of \$572.172M. In addition, the relevant Payment Vouchers and the supporting documentations to substantiate 435 cheques totalling \$403.488M were not presented for audit inspection. As a result, we could not determine whether Section 31 of the FMA Act was fully complied with.

1086. Further, a follow-up check done on 1 September 2021 revealed that twenty-five cheques totalling \$18.507M were still on hand at the Sub-Treasury Department for 2020. The following observations were made:

- a) one cheque for the amount of \$91,350 was unpaid
- b) fifteen cheques totalling \$15.567M were sent to Finance to be updated to make payments for fifteen payment vouchers.
- c) six cheques totalling \$97,889 were sent to be updated and refunded.
- d) three cheques totalling \$2.750M were stale dated for a project that did not commence to date.

Region's Response: The Head of Budget Agency indicated that this observation is noted by the Regional Administration. This was due mainly to the short budget cycle and Payment Vouchers were incomplete.

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. (2020/440)*

1087. 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, twenty Payment Vouchers totalling \$53.749M 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. Similarly, 426 Payment Vouchers totalling \$545.276M were not presented for audit in 2019.

Region's Response: The Head of Budget Agency indicated that the observation was noted. All efforts will be made to locate and present all records to the auditors upon request.

Recommendation: *The Audit Office recommends that the Regional Administration make an effort to locate and present these payments for audit examination. (2020/441)*

1088. 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 thirty-three Cheque Orders totalling \$18.805M were still outstanding at the time of reporting in September 2021.

Region's Response: The Head of Budget Agency indicated that this observation was noted by the Regional Administration. However, all efforts will be made to have the 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. (2020/442)*

1089. 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 Budget Agency indicated that this observation was noted and officers are asked to update the Contract Register with all pertinent information.

Recommendation: *The Audit Office recommends that the Regional Administration ensure the Contract Register is properly and accurately maintained at all times. (2020/443)*

Stores and Other Public Property

1090. 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 cost of items was not quoted in the Stock Ledger;
- c) a physical count carried out on 30 December 2020 revealed that 207 sheets of ply wood, 8,539 BM 2x3 Greenheart and thirteen plastic chairs could not be accounted for;
- 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; and
- e) Master and Sectional Inventories were not updated.

Region's Response: The Head of Budget Agency indicated that the observations were noted. However, all used parts will be disposed as soon as possible. The Store's Clerk attached to the Regional Accounting Unit was asked to be more vigilant in her execution of duties at all times and efforts will be made to rectify the situation.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations. (2020/444)*

Log Books

1091. The Regional Administration failed to present for audit examination forty-five of the sixty-seven 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 situation was observed in 2018.

Region's Response: The Head of Budget Agency indicated that the observations were noted by the Regional Administration and all efforts will continue to be made to locate and present all outstanding Log Books for audit scrutiny. The Regional Administration will continue to inform drivers to properly maintain their log books at all times.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations with respect to the maintenance of Log Books. (2020/445)*

Tender Board

1092. The Region did not engage in Pre-Qualification of bidders for the year 2020. However, the 2017 Pre-Qualifications were used up to August 2020. In addition, the restrictive method of procurement was utilised by the Regional Administration pertaining to Contracts awarded after 15 September 2020. Further, an examination of the RPTAB Minutes revealed that a number of new Contractors were invited to bid and they were awarded projects via the restrictive bidding process. As such it could not be determined what criteria was used to select Contractors to bid for these projects.

Region's Response: The Head of Budget Agency indicated that the observation was noted by the Regional Administration. However, the Contractors submitted their compliances & other documents to the RPTAB and requested to be given a chance to execute works.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that system for awarding contracts is in keeping with the Procurement Act. (2020/446)*

1093. The Procurement Act 2003 Chapter 26 (1) (a) states, 'when the procuring method of restricted tendering is used the procuring entity shall invite all suppliers and contractors to submit tenders. However, audit checks revealed that the RPTAB did not invite all its pre-qualified Contractors to submit tenders for which they were qualified.

1094. Ten contracts totalling \$12.744M for the supply and delivery of crusher run were not publicly advertised and procured via the sole sourcing method. There is a breach in the Procurement Act 2003 Chapter 28 which states that the procuring entity may engage in single-source procurement when (a) the goods or construction are only available 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 or (b) the services by reason of highly complex or specialised nature, are available from only one source.

1095. In addition, an examination of the 19th RPTAB Minutes dated 27 November 2020 revealed that approval was given to purchase crusher run for five Neighbourhood Democratic Councils (NDCs) from Toolsie Persaud Timber Traders Inc. at a cost of \$3.937M via the sole sourcing method of procurement. However, in the 23rd RPTAB Minutes dated 15 December 2020, the Chairman of the Board informed the members that this contract will be terminated since the company has not signed the contract and they unanimously agreed. Correspondences to substantiate the award of this contract to the Supplier was not presented for audit.

Region's Response: The Head of Budget Agency indicated that the observations were noted by the Regional Administration. However, the supplier informed the RPTAB verbally on not being able to supply the crusher run for the Five NDC's.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the system for awarding contracts is in keeping with the Procurement Act. (2020/447)*

1096. Ten contracts totalling \$30.214M were seen where the date on the contract was before the date on the RPTAB Minutes on which the Contracts were awarded.

Region's Response: The Head of Budget Agency indicated that observation noted by the Regional Administration. However, quotations were attached to the Payment Vouchers.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the system for awarding contracts is in keeping with the Procurement Act. (2020/448)*

Capital Expenditure

Buildings

1097. Amounts totalling \$121.281M were allotted for the construction of drains and security hut, rehabilitation of Carlton Hall Primary and Nursery Schools, Bath and Ithaca Primary Schools and Mahaicony, Belladrum and Bygeval Secondary Schools, construction of a fence at DeHoop Primary School, construction and rehabilitation of wards at Mahaicony Diagnostic Centre, construction of incinerators at Fort Wellington and Mahaicony, construction of COVID-19 checkpoints at De Hoop, De Edward and Rosignol villages, provision of gas lines, security huts, tanks and pumps. As at 31 December 2020 the amount of \$121.113M were expended on sixty-nine contracts as shown in the table below:

Programmes	Amount Allotted \$'000	Amount Expended \$'000	No. of Contracts
Buildings - Administration	5,000	5,000	3
Buildings - Education	45,500	45,437	49
Buildings - Health	70,781	70,676	17
Total	121,281	121,113	69

1098. 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. (2020/)

1099. The details of the expenditure are set out in the table below:

Description	Amount \$'000
Remodelling/ extension works at male surgical ward and A&E Unit MDC	29,530
Supply and install 2 medical incinerators	26,141
Renovation works at 2 schools	18,280
Construct trestle and water trough at 36 schools	17,396
Upgrading washing station and construct trestles at 10 schools	5,795
Construct change room, partition fence and security hut at MDC Covid site	4,009
Construct RC drains at RDC compound	3,994
Renovate perimeter fence at De Hoop Primary	3,967
Fabrication/installation of Covid shed/booth at Rosignol and De Edward	1,162
Upgrade guard hut and plumbing network at Experiment Covid Centre	1,139
Construct security huts at 2 officers compound entrances	1,006
Urgent installation of checkpoint hut at Mahaica	588
Supervision of 4 projects	280
Purchase and installation of gas line at Mahaicony Diagnostic Centre	7,826
Total	121,113

1100. An examination of the RPTAB Minutes, Contracts and Payment Vouchers for the remodelling, completion to male surgical ward, A&E unit (349/20) and the Extension of building to include male surgical ward and A&E unit at the Mahaicony Diagnostic Center (350/20) revealed that there was a split in this contract to avoid National Procurement Tender Administration Board (NPTAB) as seen below:

- a) contract №. 350 was for the extension of the building while Contract №. 349 was for the tiling, painting, electrical and plumbing of the building;
- b) both Contracts were awarded on the 25 June 2020 via the 9th RPTAB Minutes;
- c) both were awarded to the same contractor;
- d) both the contracts were signed on the 30 June 2020;
- e) the contract for the extension had a completion date of 7 weeks after the signing, while the contract for the painting had a completion date of 4 weeks after the signing. It is not clear how the painting contract could have been finished before the extension contract, since the painting had to be done after the building was extended.
- f) further an examination of the Accounts Sheet attached give the start and completion date for the painting and tiling contract as 7 July and 4 August respectively. While the extension contract gives the start and completion date as 3 August and 21 September respectively.

Region's Response: The Head of Budget Agency indicated that this observation was noted by the Regional Administration and systems has been put in place to avoid future recurrences.

Recommendation: The Audit Office recommends that the Regional Administration ensure that the system for awarding contracts is in keeping with the Procurement Act. (2020/449)

Drainage and Irrigation

1101. The sum of \$40M was allotted for the rehabilitation of sideline dams at Chester, Brahn/ Kingelly, Golden Fleece and El Dorado/ Foulis. As at 31 December 2020, amounts totalling \$39.368M were expended on five contracts as shown in the table below:

Description	Amount \$'000	No. of Contracts
Rehab of sideline dam Eldorado/Foulis	8,439	1
Rehab sideline dam Brahn/Kingelly	8,412	1
Rehab sideline dam Golden Fleece	8,244	1
Rehab of sideline dam Chester	7,850	1
Rehab of sideline dam Good Faith/ Recess	6,423	1
Total	39,368	5

1102. 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

1103. The sum of \$107.200M was allotted for the construction and rehabilitation of bridges at Jacoba and No. 40 Villages, upgrading and rehabilitation of roads at Hope, Blairmont, Bush Lot, Mahaicony, No. 8 village and Lovely Lass and the purchase of HDPE tubes. As at 31 December 2020 amounts totalling \$106.119M were expended on eleven contracts as shown in the table below:

Description	Amount Allotted \$'000	Amount Expended \$'000	No. of Contracts
Bridges	16,500	15,955	1
Roads	87,200	86,664	10
Agricultural Development	3,500	3,500	-
Total	107,200	106,119	11

1104. 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.

1105. The details of the expenditure under Public Works are set out in the table below:

Description	Amount \$'000
Rehabilitation and upgrading of 6 streets	57,243
Upgrading 3 main entrances	22,135
Rehabilitation of footbridge at №. 37 Village	11,714
Construction of section of sideline dam Lovely lass	7,286
Warrant issued to GDF	4,241
Purchase HDPE tubes	3,500
Total	106,119

Purchases

1106. The sum of \$105.314M was budgeted for the purchase of ambulances, office furniture and equipment and school furniture and equipment. Amounts totalling \$105.280M were expended as shown in the table below. However, due to the current pandemic (COVID-19) affecting the country, physical verification of the assets purchased could not have been undertaken.

Description	Amount \$'000
Vehicles	59,964
Medical Equipment	15,711
Office Equipment	7,217
Furniture for Health	4,885
HDPE Pipes	3,500
Sanitising tunnels	2,460
Generator	2,225
AC Inverters	520
Fog Machine	421
Fire Extinguishers	382
Electrical tools	210
Unpresented Vouchers	7,785
Total	105,280

1107. The contract for the supply and delivery of one Water Ambulance and engine was awarded by the NPTAB reference №. 1231/2020/75 dated 17 July 2020 via the procurement method of Direct Contracting/ single source for the sum of \$27.360M. The contract was signed on the 24 July 2020. Clause 2, of the Contract stated that the Contractor shall complete all works within eight weeks from the date of signing of the contract.

1108. In addition, a cheque for the sum of \$12.312M was paid to the supplier on the 26 November 2020 which represents 45% of the contract sum. Further, a cheque for the sum of \$15.048M dated 8 January 2021 was sent to Ministry of Finance to be updated to be paid as at 8 September 2021. However, at the time of reporting in September the ambulance was not received by the Administration.

Region's Response: The Head of Budget Agency indicated that whilst it was known that the Ambulance was held up at Lethem (GRA) for a prolong period. All requested documentations have now been supplied and released of the Ambulance is now been granted by GRA. Additionally, the contractor had request for an extension of delivery time due to the COVID 19 Pandemic in Brazil

Recommendation: *The Audit Office recommends that the Regional Administration make all efforts to have the Water Ambulance and Engine delivered to the Region from the supplier. (2020/450)*

Prior Year Matters

Current Expenditure

Employment Costs

1109. 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 The Regional Administration wishes to state this matter is still ongoing and all efforts are still being made to recover all outstanding overpayments from both employees and agencies.

Recommendation: *The Audit Office recommends that the Regional Administration follow this issue with the view of recovering the amounts overpaid. (2020/451)*

Capital Expenditure

Agriculture Development

1110. Ten solar batteries with the cost of \$1.006M and two solar panels with the cost of \$80,000 were stolen from the Region's Farm. It was explained that this matter is still engaging the attention of the Guyana Police Force since 2020.

Region's Response: The Head of Budget Agency indicated that Observation Noted by the Regional Administration. However, the matter is still engaging the attention of the Guyana Police Force.

Recommendation: *The Audit Office recommends that the Regional Administration follow up this matter with the police with a view of bringing this matter to a closure. (2020/452)*

Follow-up on the Implementation of Prior Year Audit Recommendation

1111. The table below summarises the prior year matters as contained in the Auditor’s General 2019 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 19 recommendations; 15 were not implemented, 1 was partially implemented and 3 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/558	Breaches of Circularised Instructions	√		
2019/559	Breaches of Circularised Instructions			√
2019/560	Breaches of Circularised Instructions	√		
2019/561	IDW Drugs and Medical Supplies			√
2019/562	Breaches of FMA Act 2003			√
2019/563	IDW Drugs and Medical Supplies			√
2019/564	Breaches of Stores Regulations			√
2019/565	Breaches of FMA Act 2003			√
2019/566	Breaches of Procurement Act			√
2019/567	Breaches of FMA Act 2003			√
2019/568	Breaches of FMA Act 2003			√
2019/569	Breaches of Circularised Instructions			√
2019/570	Breaches of Procurement Act			√
2019/571	Breaches of Stores Regulations			√
2019/572	Breaches of Stores Regulations			√
2019/573	Breaches of FMA Act 2003	√		
2019/574	Breaches of Procurement Act			√
2019/575	Economic Project / Farm		√	
2019/576	Overpayment of Salaries			√

AGENCY 76
REGION 6 – EAST BERBICE/CORENTYNE

Current Year Matters

Current Expenditure

Employment Costs

1112. The Regional Administration continues to operate without the requisite personnel as was advertised in the Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019 dated 27 June 2019. There was a total of thirty-eight vacancies of which the Regional Administration was able to fill one for the post of Transport Officer, leaving thirty-seven yet to be filled. 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 post of Transport Officer was filled with effect from 11 January 2021. The Regional Administration is awaiting the filling of the other 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. (2020/453)*

1113. An examination of a sample of thirty transactions relating to resignations and dismissals revealed that four Officers were overpaid net salaries totalling \$493,869; whilst, the related deductions totalling \$98,008 were overpaid to the various deduction agencies. A similar situation occurred in the years 2015, 2016, 2018 and 2019 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
2019	140	0	140	14
Total	875	293	582	141

1114. In addition, unpaid net salaries totalling \$1.976M were refunded to the Consolidated Fund for twenty employees. However, the related deductions of \$396,037 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. (2020/454)*

Office and Field Supplies

1115. Amounts totalling \$1.458 billion were allocated under this Accounting Area. This Allocation was revised through virements in the sum of \$15.923M revising the total funds available to \$1.474 billion. As at 31 December 2020 the entire sum was expended. Included in this amount is the sum of \$646.401M which was available for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221 for 2020. The Regional Administration expended \$196.401M and issued two Inter-Departmental Warrants to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1116. Warrant Nos. 1 and 4 of 2020 were issued on 8 May and 22 May 2020 for \$50M and \$400M, respectively. Financial Returns were received from MoH indicating that the full amounts were expended. However, the lists of drugs required that should accompany the Warrants to the MoH were not presented for audit inspection. Further, it was noted that for the drugs and medical supplies received from MMU, a listing was subsequently presented for audit scrutiny. The listing submitted, bore no evidence of signature/stamp to indicate that it is a document that was prepared by MMU. It was also noted that the costs of the items were not stated on the listing. As a result, it could not be determined whether value was received for the sum warranted to the MoH.

Region's Response: The Head of Budget Agency indicated that corrective action will be taken in the future to ensure that a list of drugs and medical supplies required is attached to the warrant. MMU was requested to submit the costing of the drugs and medical supplies to the Region valued at \$450M. However, a list of drugs and medical supplies supplied to the Region for the year 2020 was received without the costing.

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 MoH to reconcile the value of the drugs and medical supplies received with that of the sum warranted to MoH. (2020/455)*

1117. The amount of \$196.401M 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 \$29.870M was expended on the procurement of oxygen from a local supplier of which 'nil' lists are not required. However, 'nil' lists were required for the remaining sum of \$166.531M which was utilised to procure drugs and medical supplies locally. However, upon request on the 17 June 2021, 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. (2020/456)

1118. Further, a comparison of the prices paid for drugs and medical supplies procured by the Regional Administration from local suppliers with that of the prices paid by MMU as indicated on the price listing submitted, revealed that for thirteen items the Regional Administration paid significantly higher prices when compared with MMU's prices. Furthermore, the Region paid in excess of 200% more than MMU's prices for eight of the thirteen drugs and medical supplies purchased. In two instances, the Region paid as much as 582% and one instance 423% more than the MMU's price.

Description of Item	Unit	Price paid by MMU \$	Price paid by Region \$	Variance %	Quantity of item procured by Region	Savings procured via MMU \$'000
Insulin 30/70	Each	1,444	4,000	177	600	1,534
Ephedrine 30mg/1ml Inj	Each	216	995	361	1000	779
Clindamycin Injection	Each	172	900	423	300	218
Adrenaline 1mg 1ml Inj	Each	58	195	236	1120	153
Metoclorpramide 10mg/2ml Inj	Each	96	150	56	2000	108
Gentamicin Eye Drop 0.3%	Each	172	350	103	500	89
Oxytocin Injection	Each	179	600	235	200	84
Gauze 90cm	Roll	2,241	5,000	123	20	55
Amikacin 500MG/2ml Injection	Each	190	395	108	200	41
Dexamethasone Eye Drop	Each	119	395	232	150	41
Surgical Gloves size 7	Box 50	970	4,000	312	12	36
Nasogastric Feeding tubes 18Fr/CH	Each	11	75	582	200	13
Nasogastric Feeding tubes 16Fr/CH	Each	11	75	582	200	13
Total						3,164

Region's Response: The Head of Budget Agency indicated that the price paid by the Regional Administration for the purchase of drugs and medical supplies will differ from MMU due to economies of scales.

Recommendation: The Audit Office recommends that the Regional Administration ensure items needed are not available at the MMU for supply before such items are purchased by the Region and that these purchases are in keeping with the Procurement Act. (2020/457)

Maintenance Works

1119. Amounts totalling \$1.311 billion was allocated under this account area. The sum of \$12.896M was transferred via virements giving a revised allotment of \$1.324 billion. As at 31 December 2020, the full sum of \$1.324 billion was expended under the various Line Items as shown below:

Line Item	Description	Budgeted Allocation \$'000	Allotment Transfer-Virement (+/-) \$'000	Revised Allotment \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	364,000	8,013	372,013	372,013
6251	Maintenance of Roads	96,000	0	96,000	96,000
6252	Maintenance of Bridges	68,700	(8,500)	60,200	60,200
6253	Maintenance of Drainage & Irrigation	460,000	11,118	471,118	471,118
6255	Maintenance of Infrastructure	195,500	0	195,500	195,500
6264	Vehicle Spares & Maintenance	79,935	1,265	81,200	81,200
6282	Equipment Maintenance	46,681	1,000	47,681	47,681
Total		1,310,816	12,896	1,323,712	1,323,712

1120. Amounts totalling \$81.200M were expended on vehicle spares, services and repairs to Regional Administration fleet of vehicles. For the period under review, ten vehicles incurred a total of \$28.639M in maintenance costs. Similarly, in the year 2019 the sum of \$54.229M was expended for the maintenance of fourteen vehicles. The table below gives details of the maintenance cost for 2020:

Vehicle No	Description of Vehicle	Amount Expended 2020 \$'000
PVV 1993	School Bus (60-seater)	5,069
PVV 1991	School Bus (60-seater)	4,691
PMM 2967	Pick up (Toyota Vigo)	3,965
PVV 6836	Pick up (Toyota Vigo)	3,054
PTT 9544	Ambulance	2,300
GVV 3429	Canter	2,063
PTT 6113	Ambulance	2,035
PVV 7483	Ambulance	2,017
PSS 2107	Motor Bus	1,737
PLL 2407	Ambulance	1,708
Total		28,639

1121. The exorbitant spending on vehicle spares, services and repairs to the Regional Administration fleet of vehicles were highlighted in the Auditor General's Annual Reports for the years 2017 to 2019. However, the excessive cost of maintenance and repairs continued during 2020. The Regional Administration should have taken more stringent consideration whether it was economical to retain or dispose of these vehicles.

Region's Response: The Head of Budget Agency indicated that: (a) virements were effected to facilitate critical maintenance which were unforeseeable; (b) these vehicles are required for the provision of essential services by the Regional Administration to all stakeholders; and (c) 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. (2020/458)*

1122. Further, it was noted that the Inspection Team of the Regional Administration did not state the date of inspection on the Inspection Report whenever repairs were done on vehicles and checked as satisfactorily completed. In the absence of the date of inspection on the report, it cannot be determined if the works were completed on time in keeping with the contract document and whether the penalty for liquidated damages should have been effected in cases of late completion.

Region's Response: The Head of Budget Agency indicated that corrective action will be taken to avoid future occurrences.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the date of inspection is stated on Inspection Report after works are certified as satisfactorily completed. (2020/459)*

Stores and Other Public Property

New Amsterdam Drugs Bond

1123. Audit inspection at New Amsterdam Drugs Bond on the 22 March 2021 revealed that there were 693 items in respect of Drugs and Medical Supplies that were expired and stored at the Drugs Bond. Some of the items were expired since in the year 2018, with the majority of the items expired during the years 2019 and 2020. It was explained by the Pharmacy Bond Assistant that expired items were received from various Health Facilities across the Region, however, there were no listing/documentation of the expired items handed over by the relevant Health Facilities, nor were there any documentation kept by the Drugs Bond of what was received. This occurrence has restricted the audit scope of tracing what expired Drugs and Medical Supplies came from which Health Facilities and prevented proper checks and balances at these Facilities. It is imperative to note that improper management of stock (Drugs and Medical Supplies) is a factor that can leads to expiry of items.

Region's Response: The Head of Budget Agency indicated that corrective action will be taken to avoid future occurrences.

Recommendation: *The Audit Office recommends that the Regional Administration: (a) dispose the expired items at the earliest possible time; (b) put systems in place to have a balance of items for drugs and medical supplies received against utilisation, so as to avoid the items becoming expired; and (c) ensure that the Stores Regulations are complied with at all times. (2020/460)*

1124. During the course of the inspection and verification of the expired Drugs and Medical Supplies, it was observed that ten items that were not expired, were packed among the expired items. Audit checks to the relevant Bin Cards and a physical stock count revealed that there were no differences of balances for the items. As such, the ten items were not part of the stock of the Regional Drugs Bond and are therefore unaccounted for. The table below gives details of the following:

№.	Description	Unit	Amount	Expiry Date
1	Phenytoin Injection 2ml	Vial	100	September 2021
2	Pentasa 4g/100ml	Each	87	January 2022
3	Xylocaine	Amp	25	November 2022
4	Bloxiverz	Amp	10	September 2021
5	Polymed Endotracheal Tube	Each	7	September 2021
6	Bentadine	Bottle	4	October 2021
7	Conforming stretch Gauze	Roll	4	May 2023
8	Ladencore 1mg/ml	Each	4	December 2021
9	Aminophylline Injection 10ml	Vial	2	May 2021
10	Glibenclamide Tablets 5mg	Box of 100	2	November 2021

Region's Response: The Head of Budget Agency indicated that the items will be brought into account on the relevant Bin Cards.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the Stores Regulations are complied with at all times. (2020/461)*

1125. Audit perusal of Accounting records at the Drugs Bond revealed that eight items of Drugs and Medical Supplies received from the Materials Management Unit (MMU) were received with very short shelf life. The shelf life in some instances were less than two months and in one instance merely eighteen days. It could not have been determined on what basis the Health Officials of Region №. 6 would have accepted Drugs and Medical Supplies with such short shelf life. These items should have been rejected at the issuing stage at MMU. Further examination of Bin cards revealed that for four of the eight items, balances on hand were of large quantities and were slow moving items, which did not need replenishing at the time the items were replenished. However, at the time of the reporting in September 2021, all the items received were expired and packed away for disposal. The table shown below gives details of the following:

Description	Balance on hand at the time of Requisition	Amount Received	Date Received	Expiry Date
Ibuprofen Tablets	9000	16	2020/09/14	December 2020
Erythromycin Tablets	6000	6	2020/09/14	December 2020
Paracetamol Suspension	4240	1200	2020/11/12	December 2020
Doxycyclin Tablets	1000	60	2020/09/14	October 2020
Dimenhydrinate Injection	373	220	2020/11/12	December 2020
Diclofenac Sodium Injection	359	300	2020/09/14	December 2020
Ketoconazole 2% Injection	323	200	2020/11/12	November 2020
Anti-Haemorrhoidal Suppository	190	140	2020/11/12	December 2020

Region's Response: The Head of Budget Agency indicated that corrective action will be taken to avoid future occurrences.

Recommendation: *The Audit Office recommends that the Regional Administration: (a) do not accept either from MMU or locally purchases, items with short shelf life; (b) do not over stock*

slow moving items in large quantities; and (c) ensure that the Stores Regulations are fully complied with at all times. (2020/462)



Expired Drugs and Medical Supplies at New Amsterdam Drugs Bond

Port Maurant Hospital

1126. Audit inspection at Port Maurant Hospital on the 22 March 2021 revealed the following:

- a) six items of Drugs and Medical Supplies received from MMU were not recorded in the Stock ledgers at the Pharmacy Department;

- b) twenty-one items of large quantities were received from MMU with short shelf life. Verification of the items revealed that they were all received in November 2020 and expired in January 2021 with the exception of one item that was expired in December 2020. Further checks revealed that for seven of the items, the entire quantity received from MMU had expired. It should be noted that this wastage could have been avoided had the Health Services Department did a more detailed assessment of the quantity of drugs and medical supplies needed from MMU and not requisition for excessive items and avoid accepting items with short shelf life; and
- c) it was also noted that the Internal Stores Requisitions (ISRs) used for the issuing of drugs and medical supplies from the Main stock to the Sub stock (Stock for prescription issues) within the Pharmacy Department, were not approved by any Senior Personnel. This breach of internal control can lead to fraudulent transactions, since, there is no proper oversight of the movement of items from the Main stock to Sub stock by any Senior Official.

Region’s Response: The Head of Budget Agency indicated that: (a) the items will be brought into account on the relevant Bin Cards; (b) corrective action will be taken to avoid future occurrences; and (c) systems are in place for ISRs to be approved before issue.

Recommendation: *The Audit Office recommends that the Regional Administration: (a) do not accept either from MMU or locally purchases, items with short shelf life; and (b) ensure that the Stores Regulations are fully complied with at all times. (2020/463)*

Regional Tender Board

Procurement Process

1127. The Regional Administration has engaged in prequalification proceedings of Contractors for civil works on the 8, 15 and 22 of January 2019 via Regional Tender Board (RTB) minutes Nos. 1/2019, 2/2019 and 3/2019. One hundred and eighty-three Contractors were evaluated and prequalified by the Regional Tender Board in one or more categories. However, the said Contractors were retained by the Regional Administration in 2020, since, no prequalification of Contractors was done during the year 2020. See summary of prequalified Contractors in table below:

Contract Sum Range	Weeding & Cleaning	Buildings	Drainage & Irrigation	Road Work	Bridges	Electrical & plumbing	Pest Control Service
<0.8M	101	107	60	21	92	87	1
0.8-4.99M	103	122	61	20	104	78	2
5-9.99M	24	46	34	23	43	19	0
10-14M	5	19	18	18	17	9	0

1128. Audit checks revealed that 206 contracts totalling \$615.340M for both capital and current expenditures were not publicly advertised and as such were procured by means of restricted tendering. The Procurement Act 25(2) states that a procuring entity may use a method of procurement other than 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.

1129. It was further stated in the Procurement Act 26 (1) (a) 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. However, audit perusal of the Regional Tender Board minutes revealed that for twenty-nine contracts to the value of \$232.029M, the Regional Tender Board had invited a maximum of five Contractors and in some instances less than five, to submit tenders.

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 25 (2) and 26 (1) (a).

Recommendation: *The Audit Office recommends that the Regional Administration 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. (2020/464)*

Capital Expenditure

1130. Amounts totalling \$322.480M 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 2020 through the execution of seventy-seven contracts as shown in the table below:

Description	Budgeted Amount \$'000	Expenditure \$'000	No. of Contracts
Buildings	165,480	165,480	53
Drainage & Irrigation	50,000	50,000	7
Public Works	107,000	107,000	17
Total	322,480	322,480	77

1131. 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.

Prior Year Matters

Current Expenditure

Other Matters

Procurement

1132. 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.

No.	RTB No.	Contract No.	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. (2020/465)*

1133. The Regional Administration is still to recover an overpayment of \$1.574M 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 was successful at recovering the sum of \$1M on 8 January 2021 from the Contractor and will continue to engage him with a view of recovering the outstanding sum.

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. (2020/466)*

Capital Expenditure

1134. The Regional Administration is still to recover overpayments totalling \$3.074M made on three contracts in the years 2016 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
Total			3,686	612	3,074

Region's Response: The Head of Budget Agency indicated that to date no further overpayment was recovered from these projects. The Regional Administration will continue to engage the Contractors with a view of recovering the full sum overpaid on the stated projects.

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. (2020/467)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1135. The table below summarises the prior year matters as contained in the Auditor’s General 2019 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 19 recommendations; 8 were not implemented, 6 was partially implemented and 5 was fully implemented.

Rec. №.	Categories of Finding	Recommendation		
		Fully Implemented	Partially Implemented	Not Implemented
2019/577	Circularised Instructions			√
2019/578	Circularised Instructions	√		
2019/579	Circularised Instructions			√
2019/580	Overpayment of Salaries		√	
2019/581	IDW Drugs and Medical Supplies			√
2019/582	Breaches of Procurement Act 2003			√
2019/583	Breaches of Procurement Act 2003	√		
2019/584	Breaches of Procurement Act 2003			√
2019/585	Breaches of Procurement Act 2003	√		
2019/586	Breaches of FMA Act 2003		√	
2019/587	Breaches of Procurement Act 2003			√
2019/588	Breaches of FMA Act 2003 – Virements		√	
2019/589	Economic Project – Revenue in Arrears			√
2019/590	Economic Project – Unpresented Payment Vouchers		√	
2019/591	Breaches of Procurement Act 2003	√		
2019/592	Overpayment to service provider - GPL	√		
2019/593	Breaches of Procurement Act 2003			√
2019/594	Overpayment of Construction Works		√	
2019/595	Overpayment of Construction Works		√	

AGENCY 77
REGION 7 – CUYUNI/MAZARUNI

Current Year Matters

Current Expenditure

Employment Costs

1136. An analysis of the employment details revealed that Public Service Commission (PSC) Staff Vacancy Circular №. 1/2019 had advertised a total of seven vacancies. The vacancies included critical posts such as one Medical Superintendent, one District Development Officer II and two District Development Officers I. 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 the medical superintendent position was not considered by Public Service Commission because they said the position should be filled by the Ministry of Health since the person who applied and was recommended is a doctor employed by the Ministry of Health.

Recommendation: *The Audit Office recommends that the Regional Administration review its staffing situation with a view of filling the vacant positions since the level of staffing will have an adverse effect on the operations of the Region. (2020/468)*

1137. Examination of eleven leavers for 2020 revealed that three employees were overpaid net salaries totalling \$883,305 while related deductions totalling \$176,361 were overpaid to various deduction agencies.

Region’s Response: The Head of Budget Agency indicated that the Regional Administration had written the former employees and the 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 view of recovering the overpayments and ensure that pay change directives are communicated in a timely manner to the Regional Accounting Unit. (2020/469)*

Office and Field Supplies

Drugs and Medical Supplies

1138. The sum of \$110.944M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221. The Regional Administration expended \$12.944M and issued four Inter-Departmental Warrants totalling \$98M to the Ministry of Health (MoH) to procure drugs and medical supplies on behalf of the Regional Administration.

1139. Warrant Nos. 1, 2, 3 and 4 of 2020 were issued on the 2 February, 28 May, 22 October and 5 November 2020 for \$10M, \$10M \$34M and \$44M, respectively. Financial Returns were received from the MoH indicating that the full amounts were expended. However, a Statement of Reconciliation was not presented for audit. As a result, it could not be determined whether the full value was received by the Regional Administration for the sums warranted to the MoH. A similar situation existed in 2018 and 2019.

Region's Response: The Head of Budget Agency indicated the Regional Administration is engaging the MoH to have a reconciliation done.

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 MoH. (2020/470)*

Stores and Other Public Property

1140. The Regional Administration did not adhere fully to the Stores Regulations for the period under review. A physical count of the Pharmacy, located at the Bartica Regional Hospital was conducted on the 19 July 2021. However, it was difficult to compare the balances of the drugs via stock count since the Bin Cards and Ledgers were not presented for audit.

Region's Response: The Head of Budget Agency explained the Bin Cards and Stock Ledgers are now updated at the Regional Stores. The records at the Bartica Hospital Stores and Drugs Bond are now being updated and should be concluded by 20 September 2021.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/471)*

1141. Of the ninety-one Log Books which were required to be maintained, only twenty-one were submitted, leaving seventy outstanding as detailed below:

Type of Vehicle /Equipment	Total № of Serviceable Vehicles/ machinery/ Equipment	Log Books Received	№ of Outstanding Log Books
Motor Vehicles	13	2	11
Machine & Equipment	23	4	19
Motor Cycles & ATV	22	7	15
Generators	8	2	6
Water Pump	5	2	3
Grass Cutter	4	2	2
Excavator	1	0	1
Tractor	1	0	1
Power Saw	1	1	-
Boats	13	1	12
Total	91	21	70

Region's Response: The Head of the Budget Agency explained the Regional Administration will be making an effort to have these Log Books available for audit, since most of these Log Books belongs to equipment used in the interior. Systems will be put in place for all Log Books to be returned to the Administration Office at the end of each year and kept for audit inspection.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations with respect to the maintenance of Log Books. (2020/472)

Maintenance Works

1142. Amounts totalling \$496.417M were allotted for the repair and Maintenance of Buildings and Infrastructure, Vehicle Spares and Equipment Maintenance within the Region. During the period under review, the Regional Administration increased its funds available through virements totalling \$20M thereby giving a revised allotment of \$516.417M. As at 31 December 2020 amounts totalling \$495.694M were expended under the various Line Items as shown below:

Description	Amounts Allotted \$000	Total Varied \$000	Revised Allotment \$000	Total Expended \$000
6242 Maintenance of Buildings	162,322	-	162,322	160,677
6251 Maintenance of Roads	66,460	-	66,460	62,488
6252 Maintenance of Bridges	33,409	-	33,409	30,289
6253 Maintenance of Drainage and Irrigation	32,813	-	32,813	32,813
6254 Maintenance of Sea and River Defenses	6,240	-	6,240	6,240
6255 Maintenance of Other Infrastructure	125,508	20,000	145,508	140,312
6264 Vehicle Spares and Service	31,508	-	31,508	29,651
6282 Equipment Maintenance	38,157	-	38,157	33,224
Total	496,417	20,000	516,417	495,694

1143. Amounts totalling \$29.651M were expended for vehicles spares and maintenance for the period under review. An analysis of vehicles spares and maintenance revealed that fourteen vehicles had exceedingly high maintenance costs that amounted to \$5.517M. The table below gives details of the costs associated with repairs of each vehicle and equipment:

No.	Description	Amount \$000 2020
1	PSS 8404	1,057
2	PYY 289	1,093
3	Engine for RDC Boat, Region 7	1,498
4	River ambulance	1,869
	Total	5,517

Region's Response: The Head of Budget Agency explained maintenance cost for vehicles in the interior regions are normally high because of the rough terrain. The cost associated to boats are for boats and engines and in some cases two engines per boat and regular maintenance is normally done.

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. (2020/473)

Cheque orders

1144. 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 thirty-six Cheque Orders totalling \$37.545M in respect of 2020 that remains outstanding at the time of reporting for items not supplied. Similarly, in 2019, forty Cheque Orders totalling \$28.387M remained outstanding.

Region's Response: The Head of Budget Agency indicated that of the thirty-six Cheque Orders thirty-one were cleared and efforts are being made to clear the remaining earliest.

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. (2020/474)

1145. The Master and Sectional Inventories were not presented for audit scrutiny; this is a breach of Section 24 of the Stores Regulations.

Region's Response: The Head of Budget Agency has acknowledged the finding and efforts are being made to employ a staff to ensure Inventories are maintained.

Recommendation: The Audit Office recommends that the Regional Administration ensure that there is strict compliance with the Stores Regulations with regards to the maintenance of Master and Sectional Inventories. (2020/475)

Capital Expenditure

1146. Amounts totalling \$319.986M were allotted for the Regional Administration to execute capital works for the year 2020. According to the Appropriation Accounts, amounts totalling \$319.440M were expended as at 31 December 2020 as shown in the table below:

Programme	Description	Total Funds Available \$'000	Expenditure \$'000	Difference \$'000
1	Regional Administration & Finance	4,500	4,368	132
2	Public Works	79,521	79,518	3
3	Education Delivery	120,058	119,855	203
4	Health Services	110,907	110,700	207
5	Agriculture Development	5,000	4,999	1
Total		319,986	319,440	546

Public Works

1147. The sum of \$ 79.021M was budgeted for Bridges, Roads and Sea and River Defence. As at 31 December 2020 the full amounts were expended under these line items for nineteen contracts as summarised in the table below:

Programs	Total Fund Available \$'000	Expenditure \$'000	No. of Contracts
14021 – Bridges	31,441	31,441	14
14011 - Roads	37,580	37,580	4
15009 – Sea and River Defence	10,000	10,000	1
Total	79,021	79,021	19

1148. 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

1149. The sum of \$162.765M was budgeted for Buildings. As at 31 December 2020, amounts totalling \$162.505M were expended under these line items for seventy-one contracts as summarised in the table below:

Programs	Total Fund Available \$'000	Expenditure \$000	No. of Contracts
12041 – Buildings- Education	80,558	80,404	41
12042 – Buildings- Health	82,207	82,101	30
Total	162,765	162,505	71

1150. 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

1151. Amounts totalling \$73.200M were budgeted for the purchase of capital items for the Regional Administration. As at 31 December 2020, amounts totalling \$72.915M were expended as shown in the table below:

Description	Amount Budgeted \$'000	Amount Expended \$'000
Regional Administration & Finance	4,500	4,368
Public Works	500	497
Education Delivery	39,500	39,451
Health Services	28,700	28,599
Total	73,200	72,915

1152. However, at the time of reporting in September 2021, items totalling \$3.854M were still not received by the Regional Administration as shown in the table below:

Date	Cheque №.	Voucher №.	Description	Amount
				\$'000
11/12/2020	7479537	770003466	35 Table & chairs	1,575
7/1/2021	7504449	770003951	Single bunk bed, double bed,	1,640
23/12/2020	7484175	770003749	2 Double beds	160
17/12/2020	7479528	770003534	2 - 500 capacity eggs incubator	479
Total				3,854

Region's Response: The Head of Budget Agency indicated that the cheque wasn't paid to the supplier. They are now supplying and payments would be made.

Recommendation: The Audit Office recommends that the Regional Administration ensure that all items purchased and paid for are received and properly brought to account in the store's records. (2020/476)

Prior Year Matters

Current Expenditure

Regional Hardware Stores

1153. 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

1154. 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. (2020/477)*

Other Matters

1155. 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. (2020/478)*

Economic Fund/Economic Project

1156. 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

1157. 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; and
- 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.

Recommendation: The Audit Office recommends that the Regional Administration ensure that advances are cleared and records are promptly written up for this project. (2020/479)

Capital Expenditure

Capital Purchases

1158. 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		68	4,856

1159. 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 contractor 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. (2020/480)

Follow-up on the Implementation of Prior Year Audit Recommendation

1160. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 12 recommendations; 5 were not implemented, 3 were partially implemented and 4 were fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/596	Breaches of Circularised Instructions	√		
2019/597	Breaches of Circularised Instructions			√
2019/598	Breaches of Circularised Instructions	√		
2019/599	IDW Drugs and Medical Supplies		√	
2019/600	Breaches of the Stores Regulations		√	
2019/601	Breaches of FMA Act 2003	√		
2019/602	Breaches of Circularised Instructions			√
2019/603	Breaches of Circularised Instructions	√		
2019/604	Overpayment of Construction Works		√	
2019/605	Breaches of Circularised Instructions			√
2019/606	Economic Fund / Economic Project			√
2019/607	Overpayment of Construction Works			√

AGENCY 78
REGION 8 – POTARO/SIPARUNI

Current Year Matters

Current Expenditure

Employment Costs

1161. An audit examination of ten leavers for the year 2020 revealed that three persons were overpaid salaries amounting to \$323,439 in respect of three resignations. At the time of reporting in September 2021, the Administration had recovered salaries totalling \$161,792 from two officers, leaving \$161,647 outstanding. Similarly, the Regional Administration had still not recovered 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 the Budget Agency indicated that letters were written for the recovery of the monies from the Employees.

Recommendation: *The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments. (2020/481)*

1162. The Regional Administration still had seven vacancies as advertised in the Public Service Commission (PSC) Staff Vacancy Circular No. 1/2019 dated 27 June 2019. These vacancies included critical posts such as, one Agriculture Officer, one Planning Officer, one Overseer and two X-Ray Technicians. As a result, these critical vacancies would have an adverse effect on the operations of the Region.

Region's Response: The Head of the Budget Agency indicated that the Regional Administration is awaiting a response from the PSC to fill the 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. (2020/482)*

Office and Field Supplies

Drugs and Medical Supplies

1163. The sum of \$45.192M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221. According to the Appropriation Account the full amounts were expended as at 31 December 2020. The Regional Administration expended \$12.192M using its own procurement procedures; whilst an Inter-Departmental Warrant (IDW) for \$33M was issued to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1164. The Inter-Departmental Warrant №. 1/2020 was issued on 23 October 2020. 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 and 2019. As a result, it could not be determined whether full value was received for the sum warranted to the MoH.

1165. The Regional Administration expended \$12.192M on its own to purchase drugs and medical supplies via ten Payment Vouchers. Examination of the Payment Vouchers and supporting documentations presented revealed the following discrepancies:

- a) a 'nil' list from Materials Management Unit (MMU) was not attached to the Payment Vouchers. As a result, with the absence of such documentary evidence it could not have been ascertained whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU.

Region's Response: The Head of Budget Agency acknowledged these findings and indicated that corrective action will be taken to avoid recurrences.

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.* (2020/483)

Fuel and Lubricants

1166. Amounts totaling \$66.068M were expended on the procurement of Fuel and Lubricants for the year 2020. However, reconciliations of payments made against the fuel & lubricants received by the Regional Administration were not done. An audit examination revealed that a Fuel Register was not maintained by the Administration. As a result, it was difficult to reconcile the amounts paid for as against the amounts actually received. A similar situation existed in 2018 and 2019.

Region'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 Head of the Budget Agency submit the pertinent documentation for the receipt and utilisation of fuel in 2018, 2019 and 2020. (2020/484)

Log Books

1167. Regional Administration owns and controls thirty-three vehicles/machinery/equipment, for which Log Books are required to be maintained for thirty-one. However, only three were submitted for audit examination as shown in the table below. As a result, twenty-eight Log Books remain outstanding at the time of reporting in September 2021.

Type of Vehicle/Equipment	Total №. Of Serviceable Vehicles/Machinery/Equipment	Log Books Received	№. Of Outstanding Logbooks
Motor Cycles	12	0	12
Generator	2	1	1
Motor Vehicles	8	2	6
Machine & Equipment	9	0	9
Total	31	3	28

Region's Response: The Head of the Budget Agency explained that the Regional Administration has put systems in place to avoid a recurrence.

Recommendation: The Audit Office recommends that the Regional Administration ensure that Log Books are maintained for all vehicle and equipment in accordance with the Stores Regulations at all times. (2020/485)

1168. An audit examination of the Log Books presented revealed that even though the Regional Administration had given assurance previously that corrective action would have been taken as it relates to the maintenance of Log Books, the situation remained the same for the year 2020, whereby Log Books were not properly written up and maintained, as detailed below. In the absence of this pertinent information, it could not be determined whether the journeys undertaken were properly authorised and whether there was effective control over the use of these vehicles:

- d) odometer readings were not recorded indicating the distance of the journey covered;
- e) fuel usage and lubricants received were not recorded; and
- f) signature of officer authorising journey was not stated

Region's Response: The Head of the Budget Agency acknowledged the audit findings and indicated that systems will be put in place to avoid such recurrences.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations with respect to the maintenance of Log Books. (2020/486)

Maintenance Works

1169. Amounts totalling \$407.790M were allotted for the Repairs and Maintenance of Buildings and Infrastructure within the Region. During the period under review the Regional Administration decreased its expenditure through virements totalling \$830,000 thereby giving a revised allotment of \$406.960M. As at 31 December 2020, amounts totalling \$406.210M 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 Building	179,883	-5,000	174,883	174,841
6251	Maintenance of Roads	50,000	0	50,000	49,967
6252	Maintenance of Bridges	42,000	0	42,000	41,993
6253	Maintenance of Drainage & Irrigation	21,803	0	21,803	21,587
6254	Maintenance of Sea & River Defense	10,590	0	10,590	10,590
6255	Maintenance of Other Infrastructure	72,014	0	72,014	71,898
6264	Vehicle Spares & Maintenance	19,857	4,170	24,027	23,989
6282	Equipment Maintenance	11,643	0	11,643	11,345
Total		407,790	-830	406,960	406,210

1170. As can be noted the Regional Administration expended \$23.989M and \$11.345M under line items 6264-Vehicle Spares and Maintenance and 6282-Equipment Maintenance respectively, However, audit checks at the Regional Store revealed that they failed to maintain a Spare Parts Register and Historical Files for vehicles, which is in breach of Section 21 and Section 26, of the Stores Regulations. As a result, the validity of the payments made could not be ascertained.

Region's Response: The Head of the Budget Agency indicated that efforts will be made to comply with the Stores Regulations.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with the requirements of the Stores Regulations. (2020/487)

Stores and Other Public Property

1171. 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 on the main Stores located in the compound of the Regional Democratic Council Compound in Mahdia and the additional Storage at the Regional Guest House revealed there were many breaches as highlighted below:

- a) Stock Ledgers and Bin Cards were being maintained by the same person in the Stores;
- b) Stock Ledgers and Bin Cards were not updated. In some instances, the records were last updated in 2017;

- c) a sample of twenty-six items were checked, and it was observed that: (i) there were eight instances where the physical stock was more than that recorded in the Bin Cards and Stock Ledgers; and (ii) there were thirteen instances where the physical stock was less than that recorded in the Bin Cards and Stock Ledgers;
- d) there were four instances where items were not recorded on the Bin Cards or Stock Ledgers;
- e) Master and Sectional Inventories as it relates to Permanent Stores were not presented for audit. As a result, it was difficult to ascertain if they were maintained;
- f) the Regional Administration breached Section 39 of the Stores Regulations;
- g) items were not marked to readily identify them as property of the Regional Administration; and
- h) physical verification of the Stores was conducted on the 19 July 2021 pertaining to Capital purchases for 2020 and it was revealed that the Regional Guest House was being used as a storage facility for assets. In addition, it was also observed that the storage area was not easily accessible; in that assets were not arranged in an orderly manner. Further, works were being conducted on the premises and unauthorised persons had access to the Storage. Moreover, there was no security personnel to safeguard the items stored there.

Region's Response: The Head of Budget Agency acknowledged these findings and indicated that corrective action will be taken to avoid recurrences.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/488)*

Mahdia District Hospital

1172. An audit examination of the Mahdia District Hospital, Drugs Bond revealed the following;

- a) there was no segregation of duties, one person (Pharmacy Assistant) performs the duties of receiving the goods from the suppliers, recording in the ledgers, issuing to the pharmacy and issuing to patients;
- b) no Bin Cards are maintained; and
- c) the Stock Ledgers were not updated; they were last updated in 2017.

Stock Count – Drugs

1173. A physical verification conducted on 20 July 2021 of a sample of thirty drugs and medical supplies at Mahdia District Hospital revealed the following:

- a) eight instances whereby the physical stock was less than the ledger;
- b) Nineteen instances whereby the physical stock was more than the ledger;
- c) three instances where the items could not be traced to the Stock Ledger;
- d) Bin cards were not maintained at the Drugs Bond; and
- e) the Stock Ledger was not updated for the period under review.

Expired Drugs

1174. Examination of the Expired Drug Registers at Mahdia District Hospital revealed the following:

- a) the cost of drugs expired were not recorded; and
- b) there were approximately 161 items of expired drugs.

Region's Response: The Head of Budget Agency acknowledged these findings and indicated that: (i) the Regional Administration will ensure proper segregation of duties; and (ii) full compliance with the Stores Regulation.

Recommendation: *The Audit Office recommends that the Head of Budget Agency take action to correct this situation. (2020/489)*

1175. 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 seventy-two residential living quarters controlled by the Regional Administration. However, an audit examination of the House Rent Register revealed that only six persons are currently paying rents, while there was no documentation to substantiate the entitlement to rent-free quarters for the others. A similar situation existed in 2019.

Region's Response: The Head of Budget Agency explained that: (i) persons were issued with letters indicating that outstanding rent owing will be must be paid; and (ii) the occupation of these living quarters will be examined and corrective action will be taken.

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. (2020/490)*

Cheque Orders

1176. According to Circular №. 02/2019 dated 29 January 2019, 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 Regional Administration failed to adhere to this requirement; since, an examination of the Cheque Order Register revealed fifty-five Cheque Orders totalling \$76.792M were still outstanding for 2020. Similar observations were made in the years 2015-2018; where, 541 Cheque Orders totalling \$540.045M remained outstanding at the time of reporting in September 2021. As a result, it could not be ascertained whether the Regional Administration received full value for the sums expended.

Region's Response: The Head of the Budget Agency indicated that the Regional Administration acknowledged this finding and will make efforts to have the Cheque Orders cleared.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure that all outstanding Cheque Orders are cleared and submit the necessary information to the Audit Office for verification. (2020/491)*

Cheques on Hand

1177. Section 43 of the Fiscal Management and Accountability 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. At the time of reporting in September 2021, there were still thirty cheques on hand at the Sub-Treasury totalling \$9.926M. These cheques should have been refunded to the Consolidated Fund and the necessary adjustments made to the Appropriation Accounts. Similarly, one cheque still remained on hand valuing \$6.950M for 2019. As a result, the Appropriation Accounts were overstated by the said amounts.

Region's Response: The Head of the Budget Agency indicated that efforts are being made to pay over all cheques on hand. However, stale dated cheques will be refunded into Revenue.

Recommendation: *The Audit Office recommends that the Head of Budget Agency 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. (2020/492)*

Dietary

1178. Amounts totalling \$241.696M were expended on Dietary. Included in this sum are amounts totalling \$225.696M, which were expended under Programme 3 – Education Delivery as shown in the table below:

Dormitory	N ^o . of Transactions	Amount Expended \$'000
Mahdia	10	66,275
Paramakatoi	11	81,300
Kato	6	78,121
Total	27	225,696

1179. In relation to the sum of \$81.300M expended for Paramakatoi Dormitory, examination of the Payment Vouchers and other related documents revealed the following discrepancies:

- a) requisitions to Purchase were not attached to any of the Payment Vouchers;
- b) items totalling \$10.401M could not have been traced to the Goods Received Book submitted for audit. As a result, it could not be ascertained if the items procured were actually received and if value was received for the amounts expended as shown in the table below:

PV N ^o	Particulars	Amount \$'000
78A000073	Dietary - Paramakatoi Dorms January 2020	2,140
78A000197	Dietary - Paramakatoi Dorms - Feb 2020	2,140
78A000275	Dietary - Paramakatoi Dorms March 2020	1,531
78A001024	Dietary supplied to Pk Dorms 16/06 to 04/08/2020	2,407
78A001888	Dietary for Paramakatoi Dorms Nov to Dec 2020	2,183
Total		10,401

- c) amounts totalling \$65.465M were paid to a supplier for the supply of dietary items. However, examination of the Goods Received Book revealed that items to the value of \$63.896M were recorded as being received. Thus, resulting in a variance of \$1.569M as shown in the table below:

PV N ^o	Amount paid \$'000	Amount recorded in GRB \$'000	Difference \$'000
78A000327	13,093	12,936	157
78A000456	13,093	13,012	81
78A000295	13,093	12,959	134
78A000758	13,093	12,779	314
78A001640	13,093	12,210	883
Total	65,465	63,896	1,569

1180. In relation to sum of \$78.121M expended for Kato Dormitory, examination of the payment vouchers and other related documents revealed the following discrepancies:

- a) requisitions to Purchase were not attached to any of the Payment Vouchers;
- b) the Goods Received Book submitted did not include information for the month of December 2020. As a result, it could not be ascertained if the items procured for December 2020 were actually received and if value was received for the amounts expended;
- c) amounts totalling \$71.532M were paid to a supplier for the supply of dietary. However, examination of the Goods Received Book revealed that items to the value of \$59.738M were recorded as being received. Thus, resulting in a variance of \$11.794M as shown in the table below:

PV №	Amount paid \$'000	Amount recorded in GRB \$'000	Difference \$'000
78A000326	17,883	16,305	1,578
78A000457	17,883	15,827	2,056
78A000296	17,883	17,077	806
78A001639	17,883	10,529	7,354
Total	71,532	59,738	11,794

- d) Payment Voucher №. 78A001662, with Cheque №. 07-463576 valuing \$5.432M was prepared and approved to facilitate the settlement of an unpaid account for dietary supplied in 2018. However, examination of the Goods Received Book revealed that items to the value of \$5.272M were recorded as being received. Thus, resulting in a variance of \$160,000.

Region's Response: The Head of Budget Agency acknowledged these findings and indicated that the Regional Administration will comply fully with the Stores Regulations.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations. (2020/493)*

Evaluation Reports

Three-Quote Procurement

1181. According to the regulations made under the Procurement Act of 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*”. However, forty contracts totalling \$225.164M were awarded by the Regional Tender Board (RTB) using three quote method of procurement. It should be noted that the Engineer's Estimates were above \$3M and the contracts should have been advertised and awarded via the National Competitive Bidding. As such, the Regional Administration was in breach of the Procurement Act.

Region's Response: The Head of Budget Agency acknowledged these findings and explained that the Regional Administration will comply fully with the Procurement Act.

Recommendation: *The Audit Office recommends that the Regional Administration adhere to the Procurement Act at all times. (2020/494)*

Evaluation Reports & Regional Tender Board

1182. A request was made to the Regional Administration for the submission of Evaluation Reports and RTB Minutes for all current and capital contracts awarded by the Regional Tender Board during the year. However, Evaluation Reports were not presented in relation to forty-two maintenance works contracts totalling \$122.436M. It should be noted that in the absence of the Evaluation Committee documents it could not have been determined whether the award of these contracts were done in a transparent manner by the Regional Tender Board.

Region's Response: The Head of Budget Agency acknowledged this finding and corrective measures have since been implemented for future Evaluation Reports.

Recommendation: *The Audit Office recommends that the Regional Administration present the information on the procurement procedure utilised for the award of the contracts. (2020/495)*

1183. Eight contracts totalling \$24.033M were awarded to seven Contractors. However, no evidence was seen to indicate that these projects were awarded by the RTB although the contract sums were within the limits of the RTB.

Region's Response: The Head of Budget Agency acknowledged this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Procurement Act. (2020/496)*

Capital Expenditure

Buildings

1184. The sum of \$96.588M was budgeted for (a) Completion of Chenapau and Mahdia Primary Schools (b) provision for consultancy for construction of dormitory at Kato, Nursery School at Monkey Mountain and Primary school at Kanapang (c) provision for sinks and cubicles (d) Provision for solar systems at El Paso and Princeville health posts (e) Provision for sinks, sanitary and decontamination facilities, isolation room and trestle, and (f) construction of well. As at 31 December 2020, amounts totalling 95.882M were expended as detailed below:

Description	Amount Allocated \$'000	Amount Expended \$'000	Difference \$'000
Buildings – Education	73,885	73,378	507
Buildings – Health	22,703	22,504	199
Total	96,588	95,882	706

1185. 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

1186. The sum of \$61.699M was budgeted for (a) completion of road from Monkey Mountain to Paramakatoi, and (b) completion of Kanaruk Bridge. As at 31 December 2020, amounts totalling \$24.039M were expended as shown below:

Description	Amount Allocated \$'000	Amount Expended \$'000	Difference \$'000
Bridges	14,039	14,039	0
Roads	47,660	10,000	37,660
Total	61,699	24,039	37,660

1187. A contract was awarded in 2019 for the construction of road from Paramakatoi to Monkey Mountain in the sum of \$71.321M. Amounts totalling \$21.396M were paid to the contractor during 2019 resulting in an amount of \$49.925M being rolled over 2020. The sum of \$47.660M was then budgeted for the completion of this road in 2020. However, as at 31 December 2020 only \$10M was paid to the contractor for works completed. The balance of \$37.660M was not released for payments, since the project is still incomplete, hence, the project was rolled over to 2021.

Region's Response: The Head of Budget Agency acknowledged this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensure proper monitoring and supervision of all contracts awarded. (2020/497)*

1188. 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

1189. Amounts totalling \$40.990M were allotted for the purchase of capital items for the Regional Administration. As at 31 December 2020, amounts totalling \$40.964M were expended. Physical verification of the purchases revealed that items to the value of \$8.736M were not put into use and were still at the Regional Stores/Guest House as shown in the table below:

Description of Item	Quantity	Unit Cost \$'000	Total \$'000
Solar Water Pump	1	235	235
Mistblower	2	125	251
18 liter spray cans	3	25	74
Gasoline Generator	1	183	183
Solar Freezer	2	289	577
Soil Auger	1	18	18
Bee & Hive equipment	2	118	236
Acoushi ants swing fog machine	1	598	598
Industrial Jucier marker	1	298	298
Poultry Plucking machine	1	298	298
Image Projector	1	58	58
Ransom Cement Mixer	1	595	595
Solar Dryer	1	147	147
Chain Saw	1	49	49
Projectors	2	95	190
Smart Board	2	1,181	3,762
24000 BTU Ac systems	8	146	1,167
Total			8,736

Region's Response: The Head of Budget Agency acknowledged this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that all assets purchased are promptly delivered so that value is received for amounts expended. (2020/498)*

1190. In addition, items to totalling \$3.406M were still to be supplied.

1191. Seventeen Payment Vouchers totalling \$20.837M in respect of capital purchases were not presented for audit scrutiny. 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 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 recommends that the Regional Administration ensure that: (i) all items purchased and paid for are received and properly brought to account in the Stores Record; and (ii) 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. (2020/499)

Prior Year Matters

Current Expenditure

1192. 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 the Regional Administration will follow up with the MPL to have the moneys refunded.

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. (2020/500)

Maintenance Work

1193. 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. (2020/501)

1194. 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 Phase 1&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 explained efforts are being made to recover the outstanding monies.

Recommendation: The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2020/502)

Other Matters

1195. 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. (2020/503)*

Capital Expenditure

Public Works

1196. 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.

Recommendation: *The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2020/504)*

1197. 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 stated that efforts are being made to recover the amounts overpaid.

Recommendation: *The Audit Office recommends that the Regional Administration pursue the recovery of the outstanding amounts. (2020/505)*

Capital Purchases

1198. During 2017, amounts totalling \$60.991M were expended on the purchase of capital items. 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. (2020/506)*

1199. 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.

1200. 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 explained this remains the same and necessary steps are being taken to bring closure to this matter.

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. (2020/507)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1201. The table below summarises the prior year matters as contained in the Auditor's General 2019 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 19 recommendations; 17 were not implemented and 2 were partially implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/608	Circularised Instructions			√
2019/609	Staff Vacancies			√
2019/610	IDW Drugs and Medical Supplies			√
2019/611	Breaches of FMA Act 2003			√
2019/612	Breach of Stores Regulations			√
2019/613	Breaches of FMA Act 2003			√
2019/614	Breaches of FMA Act 2003			√
2019/615	Overpayment of Salaries		√	
2019/616	Breach of Stores Regulations			√
2019/617	Breach of Procurement Act			√
2019/618	Overpayment of Construction Works			√
2019/619	Breaches of FMA Act 2003			√
2019/620	Circularised Instructions			√
2019/621	Contract Register		√	
2019/622	Breach of Procurement Act			√
2019/623	Overpayment of Construction Works			√
2019/624	Overpayment of Construction Works			√
2019/625	Breach of Stores Regulations			√
2019/626	Breach of Procurement Act 2003			√

AGENCY 79
REGION 9 – UPPER TAKUTU/UPPER ESSEQUIBO

Current year matters

Current Expenditure

Employment Costs

1202. During the year, six instances were observed where employees who resigned, retired or had their services terminated, however they remained on the Payroll beyond the effective dates resulting in overpaid net salaries of \$803,295. In addition, Pay As You Earn (PAYE) and National Insurance Scheme (NIS) paid over to the respective agencies amounted to \$186,200 and \$58,699 respectively. Similarly, for the years 2015 to 2018, amounts totalling \$2.715M remained outstanding as overpaid net salaries to employees while the related deductions totalling \$492,000 paid over to the various deduction agencies were also not recovered as shown below:

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	40
Total	3,384	669	2,715	492

Region's Response: The Head of the Budget Agency indicated that some of the persons in question would have migrated from the Region and therefore it is difficult to contact them. However, this matter will be raised with the Finance Secretary to determine the way forward.

Recommendation: *The Audit Office recommends that the Regional Administration follow-up this matter with the view of recovering the overpayments. (2020/508)*

1203. Circularised Instructions urge that cash payments of salaries be minimised after the introduction of the Integrated Financial Management Accounting System (IFMAS) in 2004, and that employees be paid under the bank deposit system as stipulated by Circular №. 3/2003 dated 29 September 2003. However, an examination of salaries records for the month of December 2020 revealed that the Regional Administration continued to pay cash totalling \$4.169M to thirty-four employees stationed at central locations in contravention of the Circularised Instructions.

Region's Response: The Head of the Budget Agency indicated that out of thirty-four employees stationed in the central location as stated, seven of the employees are in receipt of a bank account as of July 2021 and three employees have since resigned in the months of January, March and June 2021. The remaining twenty-four employees were written to advising them to open a bank account with immediate effect.

Recommendation: *The Audit Office recommends that the Regional Administration adhere to Finance Secretary's Circular and minimise cash payments. (2020/509)*

1204. Examination of the Pay-sheet and NIS Schedule for the month of December 2020 revealed that there were six employees who had temporary NIS numbers. As a result, this could have an effect on those employees since they may not be able to access their full benefits upon retirement or in the event of any serious illnesses.

Region's Response: The Head of the Budget Agency indicated that employees were written to advising on the seriousness of this matter.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all its employees are registered with the National Insurance Scheme. (2020/510)*

Office and Field Supplies

1205. The sum of \$203.261M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme - Line Item 6221. According to the Appropriation Account, the sum of \$203.259M were expended as at 31 December, 2020. The Regional Administration expended \$33.259M using its own procurement procedures, while an Inter-Departmental Warrants (IDW) in the sum of \$170M was issued to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Region Administration.

1206. Inter-Departmental Warrant No. 1/ 2020 was issued on 16 November 2020. A Financial Return was not received from the MoH, hence, it was difficult to ascertain how much was expended on behalf of the Region. In addition, 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 2019. As such, it could not be determined whether the full value was received for the sum warranted to the MoH.

Region's Response: The Head of the Budget Agency indicated that the Regional Administration wrote the Permanent Secretary, MoH on 29 September 2020, requesting a detail listing of drugs and medical supplies along with the cost and a copy of the Combine Requisition Issue Vouchers (CRIVs) in order to reconcile on receipt of items for the year 2020. Follow-up was done with regards to drugs and medical supplies.

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 MoH. (2020/511)*

1207. Examination of Payment Vouchers and other related documents in relation to the purchase of Drugs and Medical Supplies and the system of collection and storage of same for the year 2020 revealed the following discrepancies:

- a) Payment Voucher №. 79A001371 in the sum of \$900,000 for the purchase of re-usable face masks was paid in July 2020. However, it was observed that the former Deputy Regional Executive Officer (DREO) was authorised by the payee to uplift the payment. The DREO signed for and uplifted the cheque even though she was the officer that approved the payment. As a result, the authenticity of this transaction could not be determined.
- b) There were two instances totalling \$719,000 where Drugs and Medical Supplies - 6221 were stated on the Payment Vouchers as being purchased. However, perusal of the Local Purchase Order (LPO) and invoices attached to the Payment Vouchers revealed that janitorial and cleaning supplies among other office supplies were purchased instead of Drugs & Medical Supplies. As a result, the line item Drugs and Medical supplies were overstated by the sum of \$719,000.
- c) A 'nil' list from Materials Management Unit (MMU) was not attached to the payment vouchers. As a result, with the absence of such documentary evidence it could be ascertained whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU.

Region's Response: The Head of the Budget Agency indicated that all of the issues highlighted above will not be repeated in the future.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures: (i) each payment is accompanied by a valid authorisation in the event that a payee is unable to uplift payment personally and such authorisation should not impair or appear to impair the independence of the Regional Administration; and (ii) comply fully with Governments Circularised Instructions. (2020/512)*

1208. An audit examination of the system of receipt of Drugs and Medical Supplies purchased for the Lethem Regional Hospital for the year 2020 revealed the following discrepancies:

- a) pertinent information such as Requisition to Purchase (RTP) or LPO reference numbers were missing from the Goods Received Books. As such, it was difficult to trace the Payment Vouchers relating to Drugs and Medical Supplies to the Good Received Books;
- b) a copy of the RTP or LPO is not given to the Pharmacy Assistant. As such, the officer is unaware of what quantity and name of items should be received; and
- c) drugs and Medical Supplies are delivered directly to the Hospital Pharmacy by the Suppliers. However, a Goods Received Note is not prepared upon receipt of the Drugs and Medical Supplies. As a result, Section 18 of the Stores Regulations was breached.

Region's Response: The Head of the Budget Agency indicated that systems will be put in place for the relevant information such as RTP or LPO that were missing from the Goods Received Book, be put in place and copies will be forwarded to the Hospital Pharmacy in future.

Recommendation: *The Audit Office recommends that the Head of Budget Agency ensures that the Regional Administration comply fully with the Stores Regulations. (2020/513)*

1209. Audit examination of records and physical verification conducted at the Lethem Regional Hospital revealed that there were thirty-five items of expired drugs in quantities ranging from 1 to 119 that were stored in a bond in the Hospital's compound. In addition, only five of those items appeared on the expired drugs list presented for audit that contained 85 items of drugs that ranged in quantities of 1 to 1000.

Region's Response: The Head of Budget Agency acknowledged this finding and indicated that corrective action will be taken.

Recommendation: *The Audit Office recommends that the Regional Administration put systems in place to monitor the expiry dates of drugs in stock to ensure that wastage and loss through expiry is reduced. (2020/514)*

Fuel and Lubricant

1210. 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:

- a) thirteen 350 gallons' plastic tanks (six for gasoline and seven for diesel) were used for storage of fuel at the Regional Stores;
- b) enquiries revealed that fuel was delivered from the gas station to the Regional Stores using forty-five gallons drums which are then manually transferred to the bigger 350 gallon's drums using a battery-operated fuel pump. Similar observations were made in 2018 and 2019;
- c) a five-gallon bucket that contains a manual marking and a funnel would then be used to transfer the fuel from the 350-gallon tanks to the vehicles whenever they required fuel. This method is not only dangerous and time consuming but also results in wastage as a result of spillage. Similar observations were made in 2018 and 2019;
- d) the Regional Administration presented two dipsticks for audit examination. However, enquiries revealed that one was made by the Public Works Department and the other by the Store Keeper and porters. As a result, we were unable to rely on the Fuel Ledger balances; and

- e) Examination of the Regional Tender Board (RTB) Minutes revealed that two fuel suppliers tendered for the supply of fuel to the Regional Administration for the period 21 October 2020 to 30 March 2021. However, RTB awarded the purchase of fuel to the higher supplier, whose bid price was \$240 per litre for Gasoline and Diesel and \$200 per litre for kerosene instead of the lower supplier whose bid price was \$225 per litre for Gasoline and \$220 for Diesel and Kerosene. The RTB Minutes did not contain any explanation/reason for awarding the contract to the higher of the two bidders. As a result, the Regional Administration breached the Procurement Act.

Region's Response: The Head of the Budget Agency indicated that this will not reoccur in the future. The contractor with the lower bid has a reputation of supplying faulty fuel to the Region that resulted in damages to the vehicles.

Recommendation: *The Audit Office recommends that the Regional Administration ensure: (i) proper records are maintained and controls are in place for the acquisitions and monthly reconciliation of fuel; and (ii) the dipsticks are taken to be certified by the Guyana National Bureau of Standards (GNBS). (2020/515)*

Rental of Buildings

1211. The sum of \$3.880M was expended on rental of buildings for the year 2020. The Regional Administration provided a list of ten persons for whom the Administration had undertaken to pay their monthly rental; five officers were housed at the Sand Creek Guest House and the other five officers at private residences. However, Rental Agreements between the Regional Administration and the Proprietors of the buildings being rented were not provided for audit scrutiny. In addition, the circumstances nor purposes surrounding the payment of rent for these officers were also not provided for audit scrutiny.

Region's Response: The Head of the Budget Agency indicated that at the time no accommodation was available for these officers, thus the need for rental of private residences to house these employees. No Contract Agreement was signed between the Regional Administration and proprietor's, in future a memorandum of contract will be done.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Governments Circularised Instructions. (2020/516)*

Maintenance Works

1212. Amounts totalling \$383.432M were budgeted for repairs and maintenance works within the Region. This allotment was revised through virements in the sum of \$16.916M, revising the total funds available to \$400.348M. As at 31 December 2020, amounts totalling \$400.347M were expended under the various Line Items as shown in the table below:

Line Item	Description	Amount Available \$'000	Amount Expended \$'000
6242	Maintenance of Buildings	165,039	165,039
6251	Maintenance of Roads	72,000	72,000
6252	Maintenance of Bridges	40,000	40,000
6253	Maintenance of Drainage & Irrigation	0	0
6255	Maintenance of Other Infrastructure	70,000	70,000
6264	Vehicle Spares and Services	40,222	40,221
6282	Equipment Maintenance	13,087	13,087
Total		400,348	400,347

Utility Charges

1213. According to the Appropriation Statements, amounts totalling \$57.413M and \$13.592M were expended on Electricity and Telephone Charges respectively for the year 2020. However, the Regional Administration failed to update the Utility Registers for both Electricity and Telephone Charges for the entire 2020. As a result, it was impossible to reconcile the amounts recorded in the Integrated Financial Management Information System (IFMIS) with amounts recorded in the Utility Registers as a means of confirming the accuracy of the amounts stated in the Appropriation Statements.

Region's Response: The Head of the Budget Agency indicated that this lapse was as a result of a shortage of staff due to staff rotation because of the pandemic. This situation will be corrected immediately and presented for verification.

Recommendation: *The Audit Office recommends that the Regional Administration update and reconcile the registers and submit for verification when the reconciliation is completed (2020/517)*

Services

1214. According to the Appropriation Statements, amounts totalling \$125.923M were expended on services rendered to the Regional Administration for the year 2020. Audit examination of a sample of Payment Vouchers revealed that the Regional Administration breached the Procurement Act when they split two contracts to avoid adjudication by the National Procurement and Tender Administration Board (NPTAB). Since, on 30 October 2020, Contract Nos 632/2020 and 633/2020 were awarded by the RTB to the same Contractor in the sum of \$8M and \$7.5M respectively, for the conducting of extermination treatment, fumigating and sanitising of all buildings and surrounding areas of Primary and Secondary Schools, Laboratory Blocks and Dormitories.

Region's Response: The Head of the Budget Agency indicated that in future Regional Tender Board will adhere to the Procurement Act.

Recommendation: *The Audit Office recommends that the Regional Administration fully complies with the Procurement Act. (2020/518)*

Other Matters

1215. 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. Records of the Regional Administration reflected 198 Government Quarters of which thirty-nine were unoccupied, however, audit scrutiny of the list provided revealed the following:

- e) A total of ninety-three residential properties were occupied by persons for which the circumstances surrounding why they were not paying the required rent as per the Circular remained unknown.
- f) Twenty-nine persons were listed as entitled, however, only four persons were listed as transferred into the Region and would therefore be entitled to rent free quarters. As such, the circumstances surrounding how the remaining twenty-five persons became eligible for rent free quarters was not presented for audit.
- g) The status of thirty-two quarters were unknown, since information such as who is occupying the quarters and their rental status was not a part of the list provided nor was any additional information presented for audit.
- h) Only five persons were listed as paying the required rental as required by the Circular.

Region's Response: The Head of the Budget Agency indicated that these twenty-nine persons are Teachers who were transferred from Georgetown to the Region, and staff from the various sub-district to service at the Lethem Hospital and Education Department. Additionally, the three persons who were not transferred are now paying the required rental fees as stated in the Circular.

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. (2020/519)*

Imprest

1216. The Regional Administration operated an Ordinary Imprest totalling \$2.910M. However, audit examination of the Imprest Cash Book, Advance Register and other related records revealed the following discrepancies:

- a) The Administration is in breach of Circularised Instructions which stipulate that all Ordinary Imprest should be retired on or before 31 December of the year in which the Imprest is operated. However, it was observed that the Imprest was not retired since the year 2019. At the time of reporting in September 2021, it was still not retired.
- b) Bank statements were not presented for the months of February to August and October to December 2020.
- c) Bank Reconciliations were not presented for the months of January and March to December 2020. However, the Bank Reconciliation that was presented for the month of February 2020 was unsigned and the balance as per Cash Book as stated in the reconciliation could not be traced to the Cash Book since, it was incomplete.
- d) The Administration did not maintain an Advance Register for the year 2020. As a result, it was difficult to determine the status of advances issued and cleared for the year 2020.
- e) The Imprest Cash Book presented for auditing bore no evidence of supervisory checks. In addition, the Cash Book was only written up to the month of February 2020, and was incomplete and not balanced.

Region's Response: The Head of Budget Agency acknowledged this finding and indicated that corrective action will be taken to ensure the Imprest is retired.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with Governments Circularised Instructions. (2020/520)*

Cheque Orders

1217. According to Circular No. 02/2019 dated 29 January 2019, 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 in September 2021, there were thirty-four outstanding Cheque Orders totalling \$39.284M in respect of 2020. Similarly, there were twenty-five Cheque Orders totalling \$24.267M in respect of 2019, twenty-seven Cheque Orders totalling \$8.248M in respect of 2018 and nine totalling \$28,000 for 2017 that remained outstanding. In addition, eighty-six Cheque Orders took an average of seventy-six days to clear after the stipulated thirty days. Further, there were ninety-four instances where the Cheque Order Register was not written up completely to reflect all the relevant details to determine the number of days the officers took to clear those Cheque Orders. 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 they have encountered some issues with regards to the clearing of prior year's Cheque Order. This matter will be raised with the Finance Secretary.

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. (2020/521)*

Regional Tender Board and Evaluation Committee Members

1218. Section 19 and 20 of the Procurement Act 2003 “states that ‘three members shall be appointed by the National Board and two members by the Regional Administration from among persons with qualifications not dissimilar to those required for appointment to the National Board. One member of each Regional Board appointed by the National Board shall serve on a full-time basis and he shall be the Chairman, also each Regional Board shall nominate for consideration by the National Board qualified individuals to serve on an Evaluation Committee...’”. However, an approval letter dated 4 September 2020 was only seen for the appointment of the Chairman of the Regional Tender Board. No correspondence was submitted by the Regional Administration pertaining to the appointment by the NPTAB of the other members. In addition, approval was also not seen for the appointment of the members of the Evaluation Committee for the period 31 August to 31 December 2020.

Region's Response: The Head of the Budget Agency indicated that the Regional Administration wrote to the Ministry of Local Government & Regional Development on the way forward and a list was submitted for the Regional Tender Board and Evaluation Committee Members.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Procurement Act. (2020/522)*

Contracts and Regional Tender Board Minutes

1219. Examination of the Contract Registers and Evaluation Reports revealed the following:

- a) According to the regulations made under the Procurement Act of 2003 – Amendment of Schedule 1 and Schedule 2 to the Principle Regulations, Item 2 “*The threshold foreseen in section 27(1) of the Act for use of request for quotations method of procurement shall be 3,000,000*”. However, seven contracts totalling \$32.620M were awarded by the RTB using the three-quote method of procurement. These contracts should have been advertised and awarded via the National Competitive Bidding. As such, the Regional Administration was in breach of the Procurement Act. In addition, the contracts mentioned above were all awarded by the RTB without being evaluated and recommended by the Evaluation Committee.
- b) There were four instances where the Regional Tender Board did not accept the recommendation of the Evaluation Committee and awarded the contract to a higher bidder thereby not realising a total of \$4.904M in savings. In addition, no reasons were

provided in the RTB Minutes stating why the Evaluation Committee’s recommendation was rejected.

Region’s Response: The Head of the Budget Agency indicated that in future reasons will be stated in the Regional Tender Board Minutes as to why recommendation from the Evaluation Committee was not followed.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Procurement Act. (2020/523)*

Capital Expenditure

1220. Amounts totalling \$239.119M were allotted for the Regional Administration to execute capital works for the year 2020. According to the Appropriation Accounts, amounts totalling \$237.627M were expended as at 31 December 2020 on forty contracts as shown in the table below:

Programmes	Total Funds Available \$'000	Expenditure \$'000	No. of Contracts
Buildings	139,619	139,046	26
Agricultural Development	36,500	36,500	8
Public Works	63,000	62,081	6
Total	239,119	237,627	40

1221. 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

1222. According to the Appropriation Accounts, the sum of \$76.496M was expended on capital purchases for the year 2020. An examination of these transactions and physical verifications of the assets purchased revealed the following discrepancies:

- a) The Regional Administration was still not in receipt of ten pieces of assets totalling \$1.347M that were purchased in the year 2020 and remained undelivered at the time of reporting in September 2021.
- b) Forty-one pieces of assets totalling \$3.895M purchased in the year 2020, were still on hand at the Regional Stores at the time audit in July 2021.
- c) Section 24 of the Stores Regulations of 1993 states that ‘*The Permanent Secretary/Regional Executive Officer shall ensure that Master and Sectional Inventories of Permanent Stores are kept and are properly maintained and that quarterly and physical inspections and reconciliations are carried out*’. However, the Regional Administration failed to prepare Master and Sectional Inventories for the period under review. Similarly, this was also observed in 2018 and 2019.

Region's Response: The Head of Budget Agency acknowledged this finding and indicated that corrective action will be taken.

Recommendation: *The Audit Office recommends that the Head of Budget Agency comply fully with the Stores Regulations. (2020/524)*

Prior Year Matters

Maintenance Works

1223. 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 the Budget Agency indicated that maintenance works were done and described in the table below:

Year	Description	Balance \$'000	Remarks
2018	Repairs to Regional Stores Fence Central Rupununi	698	Work was done in lieu of overpayment, by the contractor
2018	Repairs to section of roads at St. Ignatius, Central Rupununi	3,410	Work was done in lieu of overpayment, by the contractor
2018	Repairs to Kwatamang Primary school, North Rupununi	160	Contractor supplied Two Teachers Table, two Cupboards to offset over payment.
2018	Repairs to District Hospital, Aishalton Deep South.	694	Work was done in lieu of overpayment, by the contractor.
2018	Repairs to Achawib Primary School Deep South.	2,940	Work was done in lieu of overpayment, by the contractor.

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. (2020/525)*

Other Matters

1224. 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 the Budget Agency indicated that the Regional Administration was unable to locate these evaluation reports.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all Evaluation Committee meetings/recommendations are properly documented and retained for audit scrutiny. (2020/526)*

Capital Expenditure

1225. 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 the Budget Agency indicated that works were done and or other actions were taken as described in the table below:

Year	Description	Balance \$'000	Remarks
2015	Rehabilitation to Agricultural Complex- St Ignatius R # 96	402	Contractor never received final payment
2015	Upgrading of Aishalton Sec. female Dorms	2,408	To be repaid
2015	Upgrading of Aishalton Sec. Male Dorms	2,356	To be repaid
2016	Construction of five Apartment Building Sand Creek	4,852	Contract Was Terminated
2016	Upgrading of Karasabai Health Centre	749	To be repaid
2016	Extension of Sand Creek Health Centre	5,407	To be repaid
2016	Rehabilitation of Slaughter House at Aishalton	440	To be repaid
2016	Construction of trestle, Well and Install Solar Pump	455	Pump will be delivered to the Regional Stores
2016	Construction of Culvert at Kabanawau Bridge approach.	1,571	Works was done to two Section of road in central Lethem.
2017	Construction of Livestock (sheep) Pen – Hiowa Village	120	To be repaid
2017	Construction of Sanitary block at Bena Hill Institute.	879	Completed and in use
2018	Extension of Nappi Primary School	664	To be repaid since no verification can be done weather works were completed
2018	Upgrading to Section of Road Culvert city	12,262	Completed and currently in use

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. (2020/527)*

Follow-up on the Implementation of Prior Year Audit Recommendations

1226. The table below summarises the prior year matters as contained in the Auditor’s General 2019 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; 8 were not implemented, 1 was Partially implemented and one was fully implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/627	Staff Vacancy		√	
2019/628	IDW Drugs and Medical Supplies			√
2019/629	Breaches of the FMA Act 2003	√		
2019/630	Outstanding Cheque Orders			√
2019/631	Breaches of Stores Regulations			√
2019/632	Overpayment of Salaries			√
2019/633	Breaches of Stores Regulations			√
2019/634	Overpayment of Contracts			√
2019/635	Breaches of Procurement Act 2003			√
2019/636	Overpayment of Contracts			√

AGENCY 80
REGION 10 – UPPER DEMERARA/BERBICE

Current Year Matters

Current Expenditure

Employment Costs

1227. The Regional Administration still had twenty-one vacancies during the period under review as advertised in the Public Service Commission (PSC) Staff Vacancy Circular No. 1/2019. These vacancies included critical posts such as, one Senior Health Visitor, one Senior Environmental Health Officer, one Planning Officer and one Superintendent of Works. 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 increase in employment from 2017 to 2019 represents the employment of trained teachers within the education Sector of the RDC. The key critical position that are to be filled must be facilitated through the Public Service Commission. Please note that this Administration continues to engage the Commission on same, and will continue to pursue the Commission until these vacancies are filled.

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 Ministry and in particular the level of control needed to ensure adequate checks and balance. (2020/528)*

Office and Field Supplies

1228. The sum of \$484.608M was allotted for the procurement of Office and Field Supplies, of which amounts totalling \$475.992M were expended during the year under review.

Drugs & Medical Supplies

1229. The sum of \$189.991M was budgeted for the procurement of Drugs and Medical Supplies under Health Services Programme – Line Item 6221. The Regional Administration expended \$58.594M using its own procurement procedures; whilst, an Inter-Departmental Warrant (IDW) for \$130M was issued to the Ministry of Health (MoH) for the Ministry to procure drugs and medical supplies on behalf of the Regional Administration.

1230. The Inter-Departmental Warrant No. 1/2020 was issued on 26 October 2020. A Financial Return was received indicating that the full sum was expended. In addition, as was reported in 2019, a similar situation occurred in 2020, whereby 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 MoH.

Region's Response: The Head of Budget Agency indicated that a request was made to the Ministry Health MMU department and promise was made to send the list of drugs received along with the price.

Recommendation: *The Audit Office recommends that the Regional Administration ensure that the list of drugs and medical supplies attached to the warrant sent to MoH is submitted for audit inspection and this is reconciled with the drugs and medical supplies received from the MMU with respect to quantity and cost. (2020/529)*

1231. In relation to the \$58.594M expended by the Regional Administration, this amount was expended via the processing of eighty-six Payment Vouchers. Examination of those Payment Vouchers and supporting documentations presented revealed the following discrepancies:

- a) a 'nil' list from Materials Management Unit (MMU) was not attached to the Payment Vouchers. As a result, with the absence of such documentary evidence it could not have been ascertained whether checks were made with MMU enquiring if drugs purchased were in stock and can be sourced from MMU.

Region's Response: The Head of Budget Agency indicated that the omission of the Nil list from the Materials Management Unit on the Payment Vouchers used for the procurement of Drugs and Medical Supplies during the period under review was an oversight, but they were however used as a guide to generate the purchase list. Additionally, all necessary measures will be put in place to ensure this requirement is met in the future.

Recommendation: *The Audit Office recommends that the Regional Administration ensure items needed are not available at the MMU for supply before such items are purchased by the Region. (2020/530)*

- b) audit examinations revealed that drugs and medical supplies are delivered directly to the Drugs Bond without the Stores Keeper verifying that the correct amount were received and brought to account. The Stores Keeper would use the invoice presented and enter the items into the Immediate Use Register and allow the Regional Health Officer to prepare an Internal Stores Requisition for all the items without first verifying what was received.

Region's Response: The Head of Budget Agency acknowledges this finding.

Recommendation: *The Audit Office recommends that the Head of Budget Agency put systems in place to ensure the Stores Regulations are complied with at all times. (2020/531)*

- c) There were twenty-seven instances where items purchased for COVID-19 pandemic totalling \$8.494M could not be traced to the relevant stores records at the COVID-19 Drug Bond, since the Goods Received Book was not properly written up according to 'Form 4' of the Stores Regulations 1993. Pertinent information such as Requisition to Purchase (RTP) or Local Purchase Order (LPO) reference numbers were missing from the Goods Received Books. As such, the relevant and requisite Payment Vouchers could not be traced to this record. As a result, it was difficult to ascertain if the items supposedly purchased were actually delivered and brought to account.

Region's Response: The Head of Budget Agency indicated that the drugs were bought and received, but because of the urgency of these items were despatched immediately to the COVID -19 centre and Upper Demerara Hospital. We recognised this anomaly and has put systems in place to avoid such occurrences.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/532)*

- d) 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 in three instances totalling \$23.562M as shown in the table below:

№	PV №	Payee	Particulars	Amount \$'000
1	800003730	Radiology Products & Medical Supplies	Pur dengue rapid kit with strips etc	10,015
2	800005556	Radiology Products & Medical Supplies	Pur dengue rapid kit with strips etc	7,999
3	800002239	Orealla Medical Enterprise	Purchase of gloves, etc.	5,548
3	Total			23,562

Region's Response: The Head of Budget Agency indicated that the drugs and medical supplies procured via PV Nos. 800003730, 800005556 and 800002239 were procured as a matter of emergency to address the high COVID-19 positivity rate amongst patients with chronic illnesses, who are high risk due to their already compromised immune system and the drug shortage situation at that time. This method was effective in preventing a collapse in the Regional Health Care System in Region # 10.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act. (2020/533)*

- e) These purchases should have been publicly advertised and adjudicated by the Regional Tender Board due to the value exceeding the limit of \$3M. In addition, the Regional Administration was in further breach of the Procurement Act in relation to Payment Voucher №. 800003730 to the value of \$10.015M, since purchases \$8M and above should be awarded by the National Procurement and Tender Administration Board (NPTAB) and not the Regional Tender Board. It was also evident that the Regional Administration clearly avoided using the NPTAB in these instances as shown in the table above.

Region's Response: The Head of Budget Agency indicated that the Regional Administration has acknowledged this, but because of the urgency and the high risk of patients with chronic illnesses these purchases were made. Measures are since put in place to have same corrected in keeping with the Procurement Act.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Procurement Act. (2020/534)*

Drugs Bond

1232. A sample of ten items were selected for physical count at the Regional COVID-19 Drugs Bond revealed that there were four instances of shortages and six instances of excess, when the physical count was compared with the balances in the Stock Ledger.

Region's Response: The Head of Budget Agency indicated that shortages identified within Regional COVID-19 Drugs Bond reflects distributions made during Ministerial and Medical outreaches and to members of staff while excess numbers of drugs and medical supplies found reflects donations received from overseas based residents and concerned citizens. The Administration has since put necessary measures in place to document and track the distribution and receiving of drugs and medical supplies from all entities.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/535)*

Fuel and Lubricant

1233. Amounts totalling \$26.154M were expended on the purchase of fuel and lubricants. Circularised Instructions and Section 29 of the Stores Regulations 1993 require Log Books be maintained for all motor vehicles, plant, machinery, and equipment, with the exception of motor vehicles assigned to Ministers of the Government, holders of Constitutional Offices and persons of similar status. An examination of the list of eighty-eight serviceable vehicles/machinery/equipment/motor cycles owned and controlled by the Region revealed that three vehicles were exempted from maintenance of Log Books.

1234. Of the remaining eighty-five serviceable vehicles/machinery/equipment/motor cycles for which Log Books were required to be maintained and submitted for audit examination, thirty-one were submitted, leaving fifty-four outstanding as shown in the table below. As a result, we were unable to determine whether:

- a) the journeys undertaken were properly authorised;
- b) the quantity of fuel and lubricants utilised on each vehicle; and
- c) effective control was exercised over their use.

Type of Vehicle /Equipment	Total № of Serviceable Vehicles/ machinery/ Equipment	Log Books Received	№ of Outstanding Log Books
Motor Vehicles	22	16	6
Machine & Equipment	4	1	3
Motor Cycles & ATVs	41	13	28
Generators	5	0	5
Outboard Engines	13	1	12
Total	85	31	54

Region's Response: The Head of Budget Agency acknowledges this finding and will put systems in place to avoid recurrences.

Recommendation: *The Audit Office recommends that the Regional Administration ensure Log Books are properly maintained with all pertinent information recorded therein and present same for audit examination. (2020/536)*

1235. Alternative audit checks revealed that 667 litres of fuel valuing \$109,885 was purchased for a 40-hp outboard engine. However, a physical verification exercise conducted revealed that the engine was at the Health Department storing area. Due to the absence of the Log Books it could not be determined whether the engine was in use during the period under review. Further, there were 9,163 litres of fuel collected before the Internal Stores Requisitions were written up.

Region's Response: The Head of Budget Agency indicated that the Administration does not purchase fuel for any particular engine or vehicle, fuel is purchase according to programs. Fuel taken before Internal Stores Requisition written up was all for emergency/Ministerial visits.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/537)*

Maintenance Works

1236. Amounts totalling \$413.671M were allocated for repairs and maintenance works within the Region. As at 31 December 2020, amounts totalling \$316.418M were expended under the various Line Items, as shown in the table below:

Line Item	Description	Amounts Allotted \$'000	Amounts Expended \$'000
6242	Maintenance of Buildings	157,043	121,012
6251	Maintenance of Roads	60,000	41,059
6252	Maintenance of Bridges	5,500	3,114
6253	Maintenance of Drainage & Irrigation	20,000	12,368
6254	Maintenance of Sea & River Defences	9,000	8,819
6255	Maintenance of Other Infrastructure	121,424	93,664
6264	Vehicle Spares and Services	22,364	20,319
6282	Equipment Maintenance	18,340	16,063
Total		413,671	316,418

1237. Amounts totalling \$20.318M were expended on vehicle spares, services and repairs to the Regional Administration fleet of vehicles. However, Historical Records were not maintained to monitor the individual cost of repairs and to determine whether it was economical to retain or dispose of these vehicles.

Region's Response: The Head of Budget Agency indicated that the acting Transport Officer is on extended sick leave for 2020, as such records were not updated, however systems will be put in place to correct this anomaly going forward.

Recommendation: *The Audit Office recommends that the Regional Administration comply with Stores Regulations as it relates to maintenance of Historical Records. (2020/538)*

1238. The Regional Administration was in breach of Section 21 of the Stores Regulations since replaced parts removed from vehicles and equipment were not returned to the Region's Stores. As a result, the authenticity of the parts changed could not be ascertained. In addition, a Register of Used Spare Parts was not maintained. As such, the validity of the payments made for repairs could not be determined.

Region's Response: The Head of Budget Agency acknowledged the findings and will put in measures in place to have this Register maintained and submitted for audit.

Recommendation: *The Audit Office recommends that the Regional Administration comply fully with the Stores Regulations at all times. (2020/539)*

Other Matters

Government Quarters

1239. 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. Examination of a list presented, revealed that there are 150 Government Living Quarters owned and controlled by the Regional Administration. Of which, 103 are occupied by officers of the Region and forty-seven are vacant.

1240. However, with respect to the 103 living quarters occupied by officers of the Region, fifteen were entitled to rent free living quarters as stated on the official list submitted. In addition, for the remaining eighty-eight who are not entitled, rent was not being paid by five employees.

Region's Response: The Head of Budget Agency indicated that efforts are being made to update the system of occupation of Government Quarters and correspondence will be forward to the Audit Office upon completion.

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. (2020/540)*

1241. Further, rent contracts were not presented for six officers. Audit examination of the contracts presented revealed that the Regional Administration was in breach of Circularised Instructions by not deducting the required 10% for unfurnished accommodation for five officers.

Region's Response: The Head of Budget Agency indicated that efforts will be made to locate the contracts and present same for audit verification.

Recommendation: The Audit Office recommends that the Regional Administration comply fully with (1) Circularised Instructions at all times and make all efforts to locate those contracts and present same for audit review. (2020/541)

Capital Expenditure

1242. The sum of \$323.672M was budgeted in 2020 for the Region to execute its capital programme. According to the Appropriation Accounts, amounts totalling \$321.836M were expended. Shown in the table below capital expenditure for 2020 as per programme:

Programmes	Description	Budgeted Amount \$'000	Expenditure \$'000	Shortfall \$'000
1	Regional Administration & Finance	17,493	17,218	275
2	Public Infrastructure	43,192	42,459	733
3	Education Delivery	165,785	165,565	220
4	Health Services	66,002	65,688	314
5	Agricultural Development	31,200	30,906	294
Total		323,672	321,836	1,836

Capital Purchases

1243. Amounts totalling \$50.600M were budgeted for the purchase of capital items for the Regional Administration. As at 31 December 2020, amounts totalling \$50.491M were expended as shown in the table below:

Programme	Amount Budgeted \$'000	Amount Expended \$'000
Regional Administration & Finance	4,000	4,000
Education Delivery	17,000	16,990
Health Services	29,600	29,501
Total	50,600	50,491

1244. Audit examination of the expenditure and documents pertaining to this Account Area revealed that items valued \$2.641M were not put into use. These items were still kept at the Regional Stores at the time of reporting in September 2021 as shown in the table below:

Description of Items	Quantity	Amount \$'000
Air Condition Unit	20	1,900
Fire Extinguisher	25	468
Motor Cycle	1	273
Total	46	2,641

Region's Response: The Head of Budget Agency indicated that since the Audit, four Air Condition Units, two Fire extinguishers and the Motor Cycle were issued. The Program Managers are making arrangements to have the remaining items issue out.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all assets purchased and received are put into use as required. (2020/542)*

1245. A physical verification was conducted on 19 July 2021 and it was noted that the Region used the Mackenzie Primary School to store capital items purchased. Items were stored in the compound without any proper storage exposed to the harsh natural weather conditions among other things as shown below:



Capital Items stored at the Mackenzie Primary school

Region's Response: The Head of Budget Agency indicated that since the Audit these items are now been put in use with the reopening of schools.

Recommendation: *The Audit Office recommends that the Regional Administration ensure all assets purchased and received are put into use as required. (2020/543)*

Roll Over Contracts

1246. 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 Ministry of Finance (MoF) on the 31 December 2020 for twenty-one capital contracts with contract sums totalling \$321.733M. 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.

1247. In addition, the Regional Administration was aware in advance that five of the twenty-one contracts submitted for multi-year approval could not have been completed on or before the end of the financial year 2020, 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 indicated that the Regional Administration have taken note and a reoccurrence won't occur in the future.

Recommendation: *The Audit Office recommends that the Regional Administration compliance with the requirements of the FMA Act. (2020/544)*

Prior Year Matters

Current Expenditure

Maintenance Works

1248. The Regional Administration had still not recovered amounts totalling \$1.863M 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	119
“	External works to RDC Office, Ituni	661
“	M'tce to Boat House, Kwakwani	583
Total		1,863

Region's Response: The Head of Budget Agency indicated that a \$260,000 was repaid on “M'tce to Amelia's Ward Primary School” and continued efforts are being made to recover the overpaid amounts.

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. (2020/545)*

Capital Expenditure

1249. 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 the contract was completed by another contractor and every effort is being made to recover overpaid amount from previous contractor.

Recommendation: *The Audit Office recommends that the Regional Administration (i) ensure proper monitoring of all contracts awarded; (ii) a final account or valuation at termination is prepared; and (iii) any amount overpaid is recovered. (2020/546)*

1250. 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 the monies paid was a 15% mobilisation, contract was completed by another contractor.

Recommendation: *The Audit Office recommends that the Regional Administration submit the valuation at termination for audit examination. (2020/547)*

1251. The Regional Administration is still to recover overpayments totalling \$55.284M made on thirteen 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	150	577
”	General rehabilitation to Christiansburg Secondary School at Wismar	385	0	385
”	Construction of water trough at Kwakwani Secondary School	120	20	100
”	Const of Regional Administration Building	39,000	0	39,000
2018	Upgrade drainage system at Dakama Circle	810	0	810
”	Rehab. of Mackenzie High School	2,625	550	2,075
”	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
Total		62,165	6,881	55,284

Region’s Response: The Head of Budget Agency indicated that continued efforts are being made to recover the overpaid amounts.

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. (2020/548)*

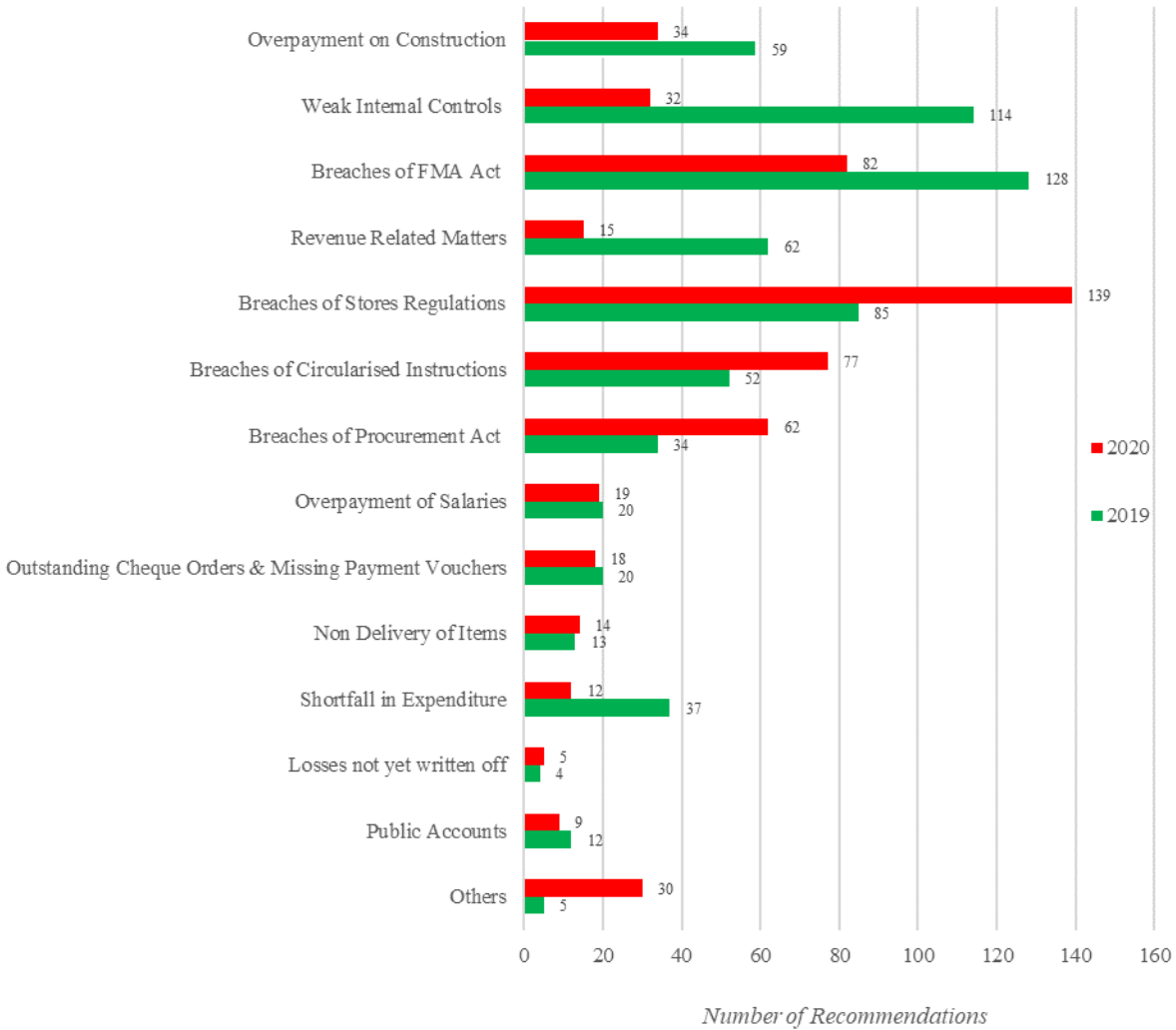
Follow-up on the Implementation of Prior Year Audit Recommendation

1252. 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 nine recommendations; three were fully implemented and six were partially implemented.

Rec. №.	Category of Findings	Recommendations		
		Fully Implemented	Partially Implemented	Not Implemented
2019/637	Breaches of Circularised Instruction	√		
2019/638	Breaches of Circularised Instruction		√	
2019/639	IDW Drugs and Medical Supplies		√	
2019/640	Breaches of FMA Act 2003		√	
2019/641	Shortfall in Expenditure	√		
2019/642	Overpayment of construction works		√	
2019/643	Weak Internal Control	√		
2019/644	Overpayment of construction works		√	
2019/645	Overpayment of construction works		√	

SUMMARY OF RECOMMENDATIONS

1253. The Bar-Graph below illustrates the comparison of my recommendations (2020 – 548 and 2019 – 645) under generalised areas. As can be seen, breaches of the relevant legislations, which include the Stores Regulations, the Fiscal Management and Accountability (FMA) Act and Circularised Instructions continued to dominate the findings, and are viewed with grave concern.



Follow-up on the Implementation of Prior Year Audit Recommendations

1254. 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. Six hundred and forty-five recommendations were made in my 2019 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 September 2021, 243 or 38% were fully implemented, 161 or 25% were partially implemented, while 241 or 37% were not implemented.

1255. Overall, I am concerned with the lack of action towards the implementation of these recommendations; since, 62% 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

1256. A total of 115 opinions in relation to audits conducted on other entities and four assurance reports were issued during the period 1 September 2020 to 31 August 2021. These include the audits of Public Enterprises, Statutory Bodies, Trade Unions, Foreign Funded Projects and Constitutional Agencies. Of these 115 audits, thirty-four years of accounts for twenty-one 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 \$107.365M while four assurance reports were issued for the Guyana Extractive Industries Transparency Initiative (GYEITI). Outlined below is a summary of the audit opinions issued.

Category	Opinions Issued from 1 September 2020 to 31 August 2021		
	In House	Contracted	Total
Public Enterprises	2	16	18
Statutory Bodies	32	18	50
Trade Unions	3	-	3
Foreign Funded Projects	35	-	35
Constitutional Agencies	9	-	9
Total Audit Opinions	81	34	115
Assurance Reports - GYEITI	2	2	4
Total	83	36	119

AUDIT OF PUBLIC ENTERPRISES

1257. There are thirty-nine Public Enterprises that are required to be audited under the Public Corporations Act 1988. Of the thirty-nine entities, eighteen audits had been finalised in respect of fourteen entities bringing three of the thirty-nine Public Enterprises up to date in respect of audits. Of the eighteen audits finalised, sixteen audits were executed under the contracting out arrangement while the other two audits were executed in-house. An analysis of the opinions issued in respect of the sixteen contracted audits revealed that three were adverse, four were qualified and nine were unqualified. Of the two audits executed in-house, one was qualified and one was unqualified. The details are stated below:

Adverse Opinion - Contracted Audits

No	Name of Entity	Year (s) of Audit	Reasons for Adverse Opinion
1	Demerara Harbour Bridge Corporation	2015-2017	<p>Records were not maintained for raw materials used in the production of asphalt.</p> <p>Included in the balance of \$139.252M are un-serviced contracts coming forward from 2012 for Courtney Benn Contracting Services Limited. Also, Performance and advance guarantee bonds were not renewed when expired.</p> <p>The Transport and Harbours Department owed the Corporation \$28.078M since 2013 for services provided for the Parika Link Bridge. In 2015, this balance was increased to \$28.385M.</p> <p>The Asphalt Plant operation may be subject to Corporation Tax as it is carrying on a commercial activity. This matter is still on going with Guyana Revenue Authority. Should the Corporation be required to pay tax, the amount will be material.</p>

Qualified Opinion - Contracted Audits

No	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Guyana Marketing Corporation	2018	An amount of \$86.994M due from the Guyana Sugar Corporation Inc. has been coming forward for more than three years. No provision was made nor was a payment arrangement entered into to liquidate this balance.
2	Guyana Water Incorporated	2017	<p>Overpayments amounting to \$87.921M were identified from a sample of three contracts selected for physical verification of works.</p> <p>Included in inventories is an amount of \$73.059M relating to chemicals which could not be counted due to these items not being packed in an orderly manner to facilitate the stock-taking.</p> <p>The sum of \$49.789M represents Grants Clearing in the statement of financial position under payables and accruals for the year. These balances remained long outstanding.</p>
3	Linden Electricity Company Incorporated	2018	No returns were filed with the Guyana Revenue Authority for the last eight years nor has any computation been presented for audit verification.
4	National Communications Network Incorporated	2019	Title deeds for property with a net book value of \$571.389M 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 during the year.

Unqualified Opinion - Contracted Audits

N ^o .	Name of Entity	Year (s) of Audit	N ^o . of Opinions
1	Guyana Oil Company Limited	2020	1
2	GUYOIL Aviation Services Incorporated	2020	1
3	Guyana National Shipping Corporation Limited	2019	1
4	Guyana Power & Light Incorporated	2019-2020	2
5	GUYOIL Consolidated Limited	2019	1
6	Guyana Sugar Corporation Incorporated	2017-2018	2
7	Kwakwani Utilities Incorporated	2015	1
Total			9

Qualified Opinion – In-House

N ^o	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Power Producers and Distributors Incorporated	2019	<p>There was no supporting evidence to verify the actual amounts that were transferred to the Bank of Guyana by Guyana Power & Light Inc.</p> <p>Remittances from Guyana Power & Light Inc. were not presented to reconcile the amounts that were deposited into the foreign bank accounts.</p>

Unqualified Opinion - In-House

N ^o .	Name of Entity	Year (s) of Audit	N ^o . of Opinions
1	Skeldon Energy Incorporated	2019	1
Total			1

AUDIT OF STATUTORY BODIES

1258. There are fifty-nine Statutory Bodies that are required under relevant Acts of Parliament to be audited. Of the fifty-nine entities, fifty audits had been finalised in respect of twenty-eight entities bringing six of the fifty-nine Statutory Bodies up to date in respect of audits. Of the fifty audits finalised, eighteen were executed under the contracting out arrangement and thirty-two executed in-house. An analysis of the opinions issued in respect of the eighteen contracted audits revealed that eight were disclaimer, four were qualified and six were unqualified. Of the opinions issued for the thirty-two audits executed in-house, five were qualified and twenty-seven were unqualified. The details are stated below:

Disclaimer Opinion - Contracted Audit

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
1	Guyana Civil Aviation Authority	2017-2018	<p>Accounts receivables and prepayments of \$536.659M coming forward from previous years were not settled.</p> <p>An impairment review of the balances was not done nor any provision for impairment made.</p> <p>The amount of \$1.447 billion included in property plant & equipment was not audited due to lack of supporting documentation. No impairment review was done.</p> <p>An adjustment of \$99.097M was made to opening plant and machinery balance in 2018. The basis used to determine this adjustment could not be verified.</p>
2	President's College	2009-2013	<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 years.</p> <p>No schedules were presented to substantiate an amount of \$6.317M.</p> <p>Bank reconciliations were not done.</p> <p>A suspense account was used to balance the financial statement.</p> <p>A General Ledger which is required to be kept as a control account, from which a trial balance was prepared, was not maintained. Also, the Cash Book was not completely written up.</p>

№	Name of Entity	Year(s) of Audit	Reasons for Disclaimer Opinion
3	Transport and Harbours Department	2010	<p>Certificate of Titles showing ownership of buildings and vessels to the value of \$6.089 billion as shown in the financial statements were not provided for audit verification.</p> <p>A Fixed Assets register was not maintained.</p> <p>The assets were last revalued in the year 1993, however, there was no evidence that the valuation was done by a qualified personnel.</p> <p>The department had negative inventory of \$37.662M at 31 December 2010 presented on the financial statements.</p> <p>Evidence was not provided for the movement of receivables from \$15.736M at year ended 2009 to nil at year ended 2010.</p> <p>Bank reconciliation and bank statements were not provided.</p> <p>Evidence was not provided to substantiate additions to property, plant and equipment and as such, it could not be determined whether the equity contributions of \$418.467M were fairly stated.</p> <p>A detailed schedule and source documents of payables were not presented for audit verification.</p> <p>No supporting documentation was provided for income and expenditure.</p> <p>The cash flow statement was not balanced.</p>

Qualified Opinion - Contracted Audit

No	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Guyana Lands and Surveys Commission	2016	A Leases register was not provided. The Commission did not account for lessees who made no payments for 2016 and prior periods lease charges. It also did not account for those lessees who would have made payments after 2017 for 2016 and prior periods.
2	National Agricultural Research and Extension Institute	2017-2018	As required by International Accounting Standard 41 – Agriculture, biological assets (plants) held by the Board were quantified and the fair value of \$22.253M and \$20.766M for 2017 and 2018 respectively, included in the financial statements. IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires that an entity correct a material prior period error retrospectively by restating comparative amounts for the prior period unless it is impracticable to do so. No retrospective correction has been made.
3	University of Guyana	2016	Adequate information was not provided for non- current assets and cash at bank. Assets were grouped by the year of purchase and depreciated in total.

Unqualified Opinion - Contracted Audits

No.	Name of Entity	Year (s) of Audit	No. of Opinions
1	Guyana Gold Board	2019	1
2	Guyana Energy Agency	2019	1
3	Institute of Applied Science and Technology	2015-2018	4
Total			6

Qualified Opinion - In-house

No	Name of Entity	Year (s) of Audit	Reasons for Qualified Opinion
1	Bureau of Statistics	2004-2007	The cash book balances did not correspond with the bank statement balances.
2	Environmental Protection Agency	2016	Records were not produced to verify opening balances for Equity. A list of Board members was not presented. A total of 260 assets with \$0 net book value remain in the Fixed Asset register. The reported cash and cash equivalent amount of \$575M was understated by \$62.008M.

Unqualified Opinion – In-house

No.	Name of Entity	Year (s) of Audit	No. of Opinions
1	Bank of Guyana	2020	1
2	Bank of Guyana Pension Scheme	2019-2020	2
3	Dependent's Pension Fund	2019-2020	2
4	Deposit Insurance Corporation of Guyana	2020	1
5	Financial Intelligence Unit	2019-2020	2
6	National Trust of Guyana	2019-2020	2
7	National Resource Fund	2020	1
8	Pesticides and Toxic Chemical Control Board	2019	1
9	Public Utilities Commission	2019	1
10	National Frequency Management Unit	2018 & 1 Jan - 9 May 2019	2
11	Guyana National Broadcasting Authority	2018	1
12	Sugar Industry Labour Welfare Fund Committee	2018	1
13	Integrity Commission	2016	1
14	National Sports Commission	2014-2016	3
15	Student Loan Agency	2013-2015	3
16	National Drainage and Irrigation Authority	18 Nov-31 Dec 2013 & 2014	2
17	Guyana Tourism Authority	2004	1
Total			27

SUMMARY OF RECOMMENDATIONS – QUALIFIED OPINION

1259. 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 172 audit recommendations made in respect of the eight qualified audit opinions issued for Public Enterprises.

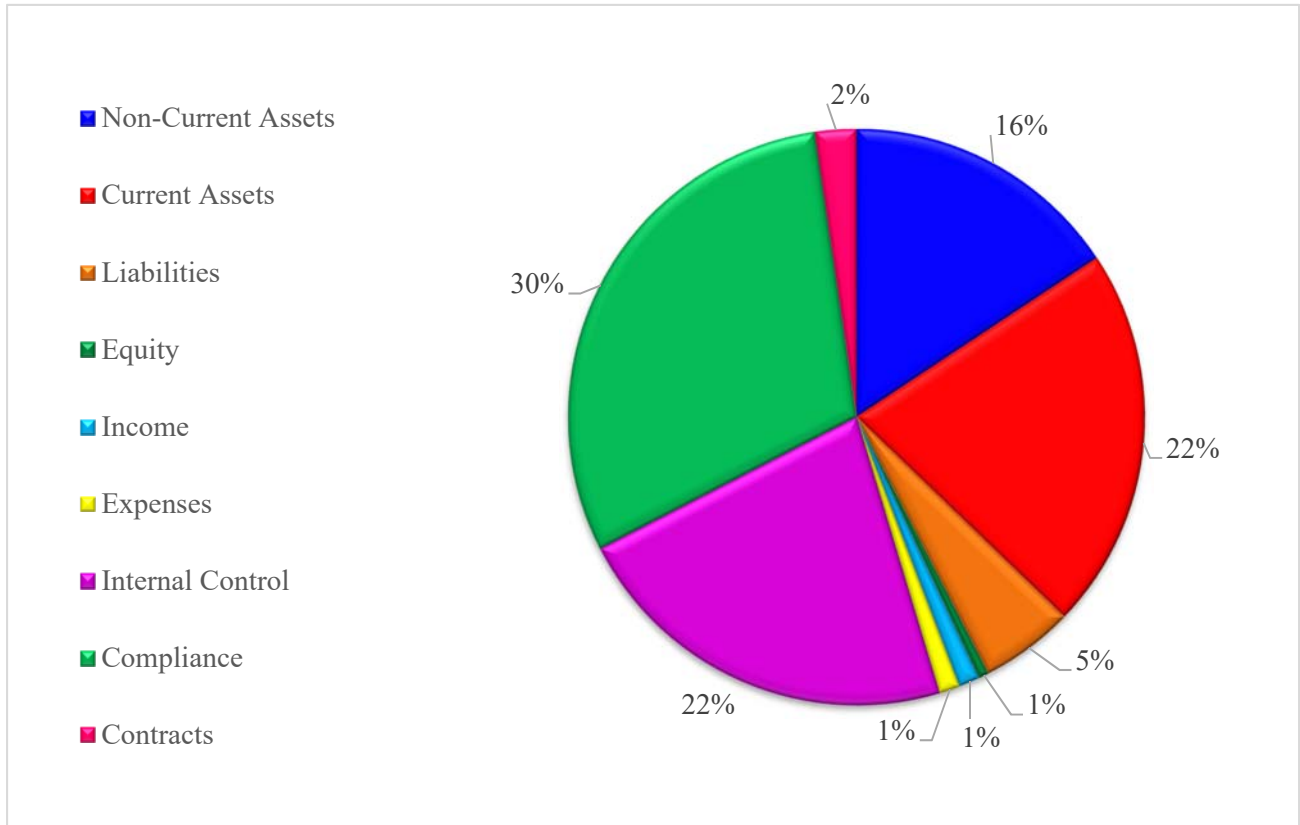


Figure (Source – Audit Reports)

- b) The Chart below gives an analysis of 400 audit recommendations made in respect of the seventeen qualified audit opinions issued for Statutory Bodies.

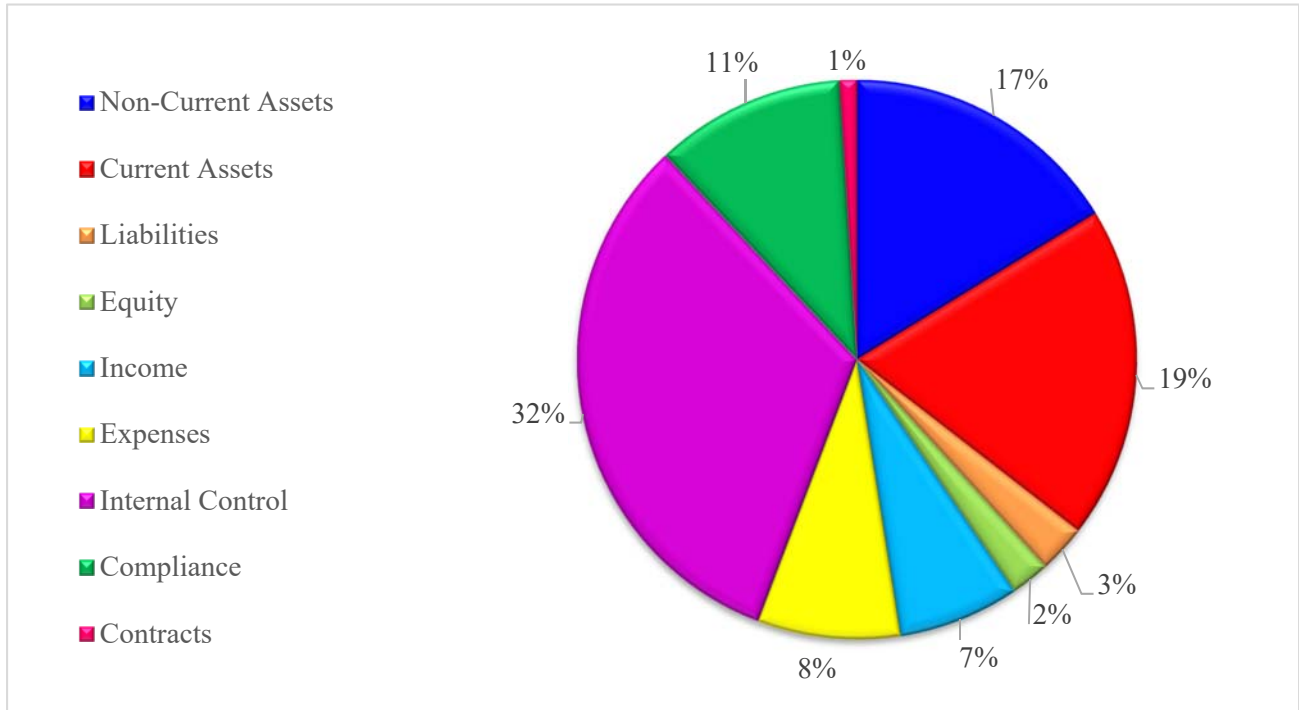


Figure (Source – Audit Reports)

AUDITS OF ENTITIES FOR GUYANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

1260. The Government of Guyana on 15 May 2012 signed a Memorandum of Understanding with the International Extractive Industries Transparency Initiative Secretariat and, on 25 October 2017 Guyana was officially accepted as an Extractive Industries Transparency Initiative (EITI) Implementing Country. The Auditor General was recommended by the Guyana Extractive Industries Transparency Initiative (GYEITI) Multi-Stakeholder Group to serve as the auditor to provide assurance on the information submitted by four Entities for the year ended 31 December 2018. The details are stated below:

Nº	Name of Entity	Type of Opinion	Nº of Opinions
1	Guyana Gold Board	Unqualified	1
2	Guyana Geology and Mines Commission	Unqualified	1
3	Environmental Protection Agency	Unqualified	1
4	Accountant General's Department	Unqualified	1
	Total		4

AUDIT OF TRADE UNIONS

1261. 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. The three audits finalised were unqualified. The details are stated below:

No	Name of Entity	Year(s) of Audit	Type of Opinion	No of Opinions
1	Guyana Agricultural and General Workers' Union	2019	Unqualified	1
2	Guyana Labour Union	2012-2013	Unqualified	2
	Total			3

AUDIT OF FOREIGN FUNDED PROJECTS

1262. The Audit Office completed thirty-five 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	No. of Opinions
Inter-American Development Bank	2020	Unqualified	19
International Development Association	2019-2020	Unqualified	7
CARICOM Development Fund	2020	Unqualified	1
United Nations Development Program	2020	Unqualified	4
Caribbean Development Bank	2020	Unqualified	2
International Fund for Agriculture Development	2020	Unqualified	1
German Development Bank	2020	Unqualified	1
Total			35

AUDIT OF CONSTITUTIONAL AGENCIES

1263. Section 80 of the Fiscal Management and Accountability (FMA) Act requires all Constitutional Agencies 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, nine audits had been finalised in respect of five Agencies as shown below, while six of the sixteen Agencies did not submit financial statements for the year 2020.

№.	Name of Constitutional Agency	Year (s) of Audit	Type of Opinion	№. of Opinion
1	Parliament Office	2019	Unqualified	1
2	Public Procurement Commission	2019	Unqualified	1
3	Local Government Commission	2018-2019	Unqualified	2
4	Teaching Service Commission	2017-2019	Unqualified	3
5	Ethnic Relations Commission	2015-2016	Unqualified	2
Total				9

PERFORMANCE AUDIT

1264. 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 will be laid shortly before the National Assembly.

1265. The Audit Office is currently conducting performance audits on the areas listed below. These audits are expected to be completed and reported on during 2021.

- (i) Review of The Old Age Pension Programme in Guyana – Follow-Up Audit.
- (ii) Management of Drugs and Medical Supplies at the Ministry of Public Health and Regional Health Facilities.
- (iii) COVID-19 Pandemic Assistance Voucher Programme.
- (iv) Procurement, Storage, and Distribution of COVID-19 Supplies.
- (v) Management of Medical Waste at Hospitals.
- (vi) Receipt, Storage, and Distribution of Textbooks to Schools.
- (vii) Technical and Vocational Educational Training.

SPECIAL INVESTIGATIONS

1266. Five special investigations were finalised during the period December 2020 to September 2021, as listed below:

- (i) Bureau of Statistics - Missing Tablets.
- (ii) Guyana Oil Company - Purchase of HFO Fuel.
- (iii) Guyana Fire Service - \$16M Ration purchased for Leonora Training.
- (iv) Ministry of Home Affairs - Guyana Police Force.
- (v) Ministry of Legal Affairs - Retainers Agreement.

1267. The following eight special investigations/audits were at various stages:

- (i) Georgetown Public Hospital Corporation - Purchase of CT Scanner.
- (ii) Guyana Defence Force – Purchase of Fuel.
- (iii) Guyana Lands & Surveys Commission - Sale of Vehicle.
- (iv) Ministry of the Presidency - Procurement of Birth Certificates.
- (v) Ministry of Health - IDB Programme.
- (vi) Ministry of Social Protection - Sustainable Livelihood Entrepreneurial Development Project.
- (vii) Public Utilities Commission - Procurement of IT Specialist.
- (viii) Maritime Administration Department - Rehabilitation of Vessels.

ACKNOWLEDGEMENTS

1268. 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.

**END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT - REVENUE
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020**

Reporting Object Group	Description	Approved	Actual Receipts		Actual Receipts Paid
		Estimates 2020	Paid into Consolidated Fund 2020	Variance 2020	into Consolidated Fund 2019
		\$'000	\$'000	\$'000	\$'000
<u>CURRENT REVENUE</u>					
500	Customs and Trade Taxes	22,691,010	21,339,674	(1,351,336)	25,114,681
510	Internal Revenue	107,128,310	113,160,526	6,032,216	104,331,021
520	Stamp Duties	434,047	460,292	26,245	523,750
525	Other Tax Revenues	323	0	(323)	157
530	Fees and Fines	989,907	1,061,233	71,326	1,600,150
541	Interest	616,453	21,493	(594,960)	814,271
545	Rents and Royalties	2,848,789	2,758,997	(89,792)	3,957,147
555	Dividends and Transfers	4,875,176	2,180,176	(2,695,000)	5,700,380
560	Miscellaneous Receipts	2,163,433	5,570,920	3,407,487	1,996,565
590	Value Added Taxes	52,622,125	49,843,887	(2,778,238)	52,675,552
594	Excise Taxes	32,038,185	33,922,019	1,883,834	43,799,645
597	Miscellaneous Receipts	68,774	63,990	(4,784)	72,026
SUB TOTAL		226,476,532	230,383,207	3,906,675	240,585,345
<u>CAPITAL REVENUE</u>					
570	Miscellaneous Capital Revenue	3,500	2,015	(1,485)	9,553
575	External Grants	7,558,503	6,626,801	(931,702)	10,970,623
580	External Loans	19,642,831	13,976,464	(5,666,367)	22,606,583
SUB TOTAL		27,204,834	20,605,280	(6,599,554)	33,586,759
GRAND TOTAL		253,681,366	250,988,487	(2,692,879)	274,172,104

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

Explanation of differences between Estimates and out-turn of Revenue

Current Revenue

Central Government current receipts for 2020 exceeded the budgeted amount by \$3.907 billion. Arrears collection was \$4.849 billion. The main category which contributed to the increase was internal revenue, \$6.032 billion, of which arrears was \$4.166 billion. Miscellaneous receipts and excise taxes also exceeded the budgeted amount by, \$3.407 billion and \$1.884 billion, respectively. Miscellaneous receipts increased by \$3.407 billion mainly on account of closures of bank account valued at \$2.644 billion. In contrast, customs and trade taxes and value added taxes were less than the budgeted amount by \$1.351 billion and \$2.778 billion, respectively, as a result of lower revenue collections from import duties and VAT from import of goods and domestic supply.

The higher collections from internal revenue were derived from the sub-category of private corporation tax of \$3.717 billion, personnel income tax of \$1.327 billion, income tax self-employed \$479.4M, and net property of \$511.7M of which, arrears collections for corporation income tax were \$932.2M; personal income tax was \$855.9M, and net property tax was \$84.8M. Revenue collections from corporation income tax surpassed the budgeted amount because of larger remittances from companies within the financial sector and the oil and gas sector.

Personal income tax reported higher receipts on account of payments by companies within the oil and gas sector. Arrears payment was \$855.9M, 2.5 percent of the \$34.411 billion collected. Income tax self-employed surpassed the budgeted amount due to larger collections from the wholesale and retail trade, crop and animal production, and forestry and logging. The higher collection from net property tax was mainly from private companies of \$324.5M, resulting from several companies making significant payments due to the increase in the value of net property. Arrears in this category accounted for \$84.8M.

Excise taxes recorded higher-than-expected revenues of \$1.883 billion. The increase resulted from larger collections from petroleum products of \$1.186 billion and motor vehicles of \$447.1M. The larger-than-anticipated revenue collection from petroleum products was due to higher oil prices and quantities imported from August to December 2020. The increased number and value of motor vehicles were resulted from the policy to allow the importation of vehicles more than eight years old, to make vehicles ownership more affordable and accessible.

Custom and trade taxes categories reported lower-than-budgeted amounts of \$1.351 billion, reflecting less than anticipated collections from import duties of \$1.298 billion, environmental levy of \$55.5M, and departmental fines of \$15.2M. This resulted from the reduction in the quantities of electrical household appliances, furniture, lighting equipment, beverages, and tobacco imported.

Value added taxes recorded lower revenues collection of \$2.778 billion due to less-than- anticipated revenue from import of goods and domestic supply categories of \$2.411 billion and \$368.3M, respectively.

Capital Revenue

Capital Revenue for 2020 recorded less- than- anticipated by \$6.599 billion, of which external loans were \$5.666 billion and external grants of \$931.7M. The lower loan disbursements from Multilateral institutions were across several agencies, International Development Bank (IDB) \$2.995 billion, Caribbean Development Bank (CDB) \$1.080 billion, World Bank (IDA) \$604.4M, the Islamic Development Bank (IsDB) \$505.7M.

**END OF YEAR BUDGET OUTCOME & RECONCILIATION REPORT - CURRENT EXPENDITURES
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020**

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2020	Actual Expenditure 2020	Over (Under) Approved Allotment 2020	Actual Expenditure 2019
			\$'000	\$'000	\$'000	\$'000
01	Office of the President					
1	Administration		276,211	263,600	(12,611)	0
2	National Policy Development Presidential Advisory Services		418,380	294,921	(123,459)	0
3	Defence & National Security		38,158	37,191	(967)	0
4	Public Policy & Planning		78,690	77,130	(1,560)	0
5	Environmental Management & Compliance		540,585	444,293	(96,292)	0
6	Police Complaints Authority		16,354	12,066	(4,288)	0
02	Office of the Prime Minister					
1	Prime Minister's Secretariat		627,983	599,888	(28,095)	747,676
2	Disaster Preparedness, Response & Management		3,006,344	2,845,713	(160,631)	0
3	Power Generation		1,018,660	1,017,660	(1,000)	0
4	Telecommunications & Innovation		478,143	476,980	(1,163)	0
5	Government Information & Communication Services		194,901	194,861	(40)	0
03	Ministry of Finance					
1	Policy & Administration		14,570,835	20,227,096	5,656,261	18,726,886
2	Public Financial Management Policies & Services		6,080,782	5,754,522	(326,260)	5,597,679
04	Ministry of Foreign Affairs					
1	Development of Foreign Policy		1,238,070	1,235,950	(2,120)	1,766,305
2	Foreign Policy Promotions		2,396,152	2,384,956	(11,196)	3,722,142
3	Development of Foreign Trade Policy		37,580	37,462	(118)	59,349
05	Ministry of the Presidency					
1	Policy Development & Administration		1,464,913	1,447,027	(17,886)	2,051,674
2	Defence & National Security		73,488	70,283	(3,205)	101,403
3	Public Service Management		816,845	811,636	(5,209)	1,946,577
5	Citizenship & Immigration Service		270,173	266,142	(4,031)	662,354
6	Social Cohesion		234,613	224,745	(9,868)	374,413
7	Environmental Management & Compliance		949,004	935,722	(13,282)	1,313,755
8	Cultural Preservation & Conservation		579,871	568,930	(10,941)	982,234
9	Youth		445,403	408,420	(36,983)	799,175
5A	Sport		319,121	308,254	(10,867)	540,163
5B	Petroleum & Energy Management		144,912	123,485	(21,427)	94,160
06	Ministry of Parliamentary Affairs & Governance					
1	Policy Development & Administration		17,193	5,783	(11,410)	0
2	Parliamentary Affairs		1,510	75	(1,435)	0
3	Governance		29,040	25,192	(3,848)	0
07	Parliament Office					
1	National Assembly		1,737,512	1,338,504	(399,008)	1,451,559
08	Audit Office of Guyana					
1	Audit Office of Guyana		890,586	890,586	0	854,614
09	Public & Police Service Commission					
1	Public & Police Service Commission		145,137	129,653	(15,484)	130,497
10	Teaching Service Commission					
1	Teaching Service Commission		113,550	110,007	(3,543)	95,880
C/F			39,250,699	43,568,733	4,318,034	42,018,495

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2020	Actual Expenditure 2020	Over (Under) Approved Allotment 2020	Actual Expenditure 2019
			\$'000	\$'000	\$'000	\$'000
	B/F		39,250,699	43,568,733	4,318,034	42,018,495
11	Elections Commission					
	1	Elections Commission	4,875,268	4,000,460	(874,808)	4,239,021
	2	Elections Administration	0	0	0	0
12	Ministry of Foreign Affairs & International Cooperation					
	1	Development of Foreign Policy	604,924	611,256	6,332	0
	2	Foreign Policy Promotion	1,038,638	859,198	(179,440)	0
	3	Development of Foreign Trade Policy	16,017	13,560	(2,457)	0
13	Ministry of Local Government & Regional Development					
	1	Policy Development & Administration	122,624	101,166	(21,458)	0
	3	Regional Development	60,945	23,763	(37,182)	0
	4	Local Government Development	595,517	510,397	(85,120)	0
14	Ministry of Public Service					
	1	Policy Development & Administration	52,712	46,738	(5,974)	0
	2	Human Resource Development	1,012,484	1,001,728	(10,756)	0
	3	Human Resource Management	11,955	11,934	(21)	0
16	Ministry of Amerindian Affairs					
	1	Policy Development & Administration	212,708	191,476	(21,232)	0
	2	Community Development & Empowerment	216,221	254,056	37,835	0
17	Ministry of Indigenous Peoples' Affairs					
	1	Policy Development & Administration	538,343	498,328	(40,015)	1,108,071
21	Ministry of Agriculture					
	1	Ministry Administration	905,602	806,140	(99,462)	866,414
	2	Agriculture Development & Support Services	8,458,191	9,050,627	592,436	8,263,848
	3	Fisheries	201,323	187,690	(13,633)	173,533
	4	Hydrometeorological Services	481,739	466,970	(14,769)	555,037
23	Ministry of Tourism, Industry & Commerce					
	1	Policy Development & Administration	96,388	81,591	(14,797)	0
	2	Business Development, Support & Promotion	207,972	193,678	(14,294)	0
	3	Consumer Protection	40,573	38,925	(1,648)	0
	4	Tourism Development & Promotion	169,869	144,417	(25,452)	0
25	Ministry of Business					
	1	Policy Development & Administration	160,974	151,440	(9,534)	271,768
	2	Business Development, Support & Promotion	691,919	653,925	(37,994)	714,320
	3	Consumer Protection	83,272	82,538	(734)	103,528
	4	Tourism Development & Promotion	286,909	285,837	(1,072)	376,754
26	Ministry of Natural Resources					
	1	Policy Development & Administration	323,974	287,054	(36,920)	330,989
	2	Natural Resource Management	346,051	308,945	(37,106)	504,785
	4	Petroleum Management	303,611	126,894	(176,717)	0
31	Ministry of Public Works					
	1	Policy Development & Administration	557,089	552,688	(4,401)	0
	2	Public Works	1,485,430	1,395,927	(89,503)	0
	3	Transport	25,913	24,971	(942)	0
	C/F		63,435,854	66,533,050	3,097,196	59,526,563

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2020	Actual Expenditure 2020	Over (Under) Approved Allotment 2020	Actual Expenditure 2019
			\$'000	\$'000	\$'000	\$'000
	B/F		63,435,854	66,533,050	3,097,196	59,526,563
32	Ministry of Public Infrastructure					
1	Policy Development & Administration		6,141,885	6,136,793	(5,092)	4,694,878
2	Public Works		3,412,447	3,377,142	(35,305)	4,062,455
3	Transport		42,062	38,873	(3,189)	81,821
33	Ministry of Public Telecommunication					
1	Policy Development & Administration		182,626	179,778	(2,848)	253,799
2	Public Telecommunications		1,511,992	1,511,992	0	1,847,610
4	Industry Innovations		38,646	37,025	(1,621)	71,654
38	Ministry of Labour					
1	Policy Development & Administration		184,845	166,452	(18,393)	0
2	Labour Administration Services		98,840	84,272	(14,568)	0
39	Ministry of Human Services & Social Security					
1	Policy Development & Administration		87,553	85,927	(1,626)	0
2	Social Services		9,043,856	11,493,070	2,449,214	0
3	Child Care & Protection		264,949	238,068	(26,881)	0
40	Ministry of Education					
1	Policy Development & Administration		1,666,337	1,616,783	(49,554)	1,649,681
2	Training & Development		1,414,481	1,354,985	(59,496)	1,920,679
3	Nursery Education		1,716,801	1,659,571	(57,230)	2,126,821
4	Primary Education		3,070,004	2,986,690	(83,314)	3,066,424
5	Secondary Education		4,343,226	4,205,865	(137,361)	3,966,771
6	Post-Secondary/Tertiary Education		4,570,421	4,476,328	(94,093)	4,338,918
42	Ministry of Communities					
1	Sustainable Communities Management		1,126,229	1,097,710	(28,519)	1,480,179
2	Sustainable Communities Development		892,555	880,354	(12,201)	1,279,151
43	Ministry of Public Health					
1	Policy Development & Administration		1,211,534	1,138,123	(73,411)	1,691,048
2	Disease Control		1,557,762	1,550,717	(7,045)	1,944,341
3	Family Health Care Services		871,753	828,638	(43,115)	1,244,798
4	Regional & Clinical Services		12,764,094	12,712,140	(51,954)	15,062,954
5	Health Sciences Education		361,884	351,688	(10,196)	632,565
6	Standards & Technical Services		830,464	807,850	(22,614)	930,354
7	Disability & Rehabilitation Services		359,774	338,116	(21,658)	403,758
44	Ministry of Culture, Youth & Sport					
1	Policy Development & Administration		119,807	112,009	(7,798)	0
2	Culture		298,464	269,344	(29,120)	0
3	Youth		293,756	245,696	(48,060)	0
4	Sports		264,831	251,109	(13,722)	0
45	Ministry of Housing & Water					
1	Policy Development & Administration		53,956	50,906	(3,050)	0
2	Housing Development		714,300	714,300	0	0
3	Water Service Expansion & Management		606,507	606,506	(1)	0
	C/F		123,554,495	128,137,870	4,583,375	112,277,222

Agency No.	Description	Notes	Approved Allotment	Actual Expenditure	Over (Under) Approved Allotment	Actual Expenditure
			(Allotment 1) 2020	2020	2020	2019
			\$'000	\$'000	\$'000	\$'000
	B/F		123,554,495	128,137,870	4,583,375	112,277,222
47	Ministry of Health					
1	Policy Development & Administration		645,616	635,541	(10,075)	0
2	Disease Control		3,943,440	3,893,391	(50,049)	0
3	Family & Primary Health Care Services		820,127	793,831	(26,296)	0
4	Regional & Clinical Services		6,479,998	6,457,946	(22,052)	0
5	Health Sciences Education		197,981	171,907	(26,074)	0
6	Standards & Technical Services		1,187,329	1,172,368	(14,961)	0
7	Disability & Rehabilitation Services		163,629	158,584	(5,045)	0
49	Ministry of Social Protection					
1	Policy Development & Administration		240,294	242,344	2,050	332,442
2	Social Services		12,314,824	12,234,699	(80,125)	16,002,824
3	Labour Administration		421,245	416,587	(4,658)	639,334
4	Child Care & Protection		461,497	445,155	(16,342)	606,165
51	Ministry of Home Affairs					
1	Policy Development & Administration		282,417	228,170	(54,247)	0
2	Guyana Police Force		5,290,340	4,283,334	(1,007,006)	0
3	Guyana Prison Service		872,287	725,081	(147,206)	0
5	Guyana Fire Service		452,671	361,866	(90,805)	0
6	General Register Office		113,341	58,394	(54,947)	0
7	Customs Anti Narcotics		123,469	120,140	(3,329)	0
52	Ministry of Legal Affairs					
1	Policy Development & Administration		353,522	355,352	1,830	322,123
2	Ministry Administration		50,942	50,915	(27)	72,445
3	Attorney General's Chambers		375,158	368,056	(7,102)	440,760
4	State Solicitor		12,711	12,589	(122)	25,872
53	Guyana Defence Force					
1	Defence & Security Support		13,056,361	13,184,701	128,340	12,861,619
54	Ministry of Public Security					
1	Policy Development & Administration		612,908	605,767	(7,141)	794,700
2	Police Force		9,789,078	9,634,209	(154,869)	12,519,388
3	Prison Service		1,727,545	1,721,051	(6,494)	2,057,689
4	Police Complaints Authority		18,582	13,065	(5,517)	19,875
5	Fire Service		1,268,037	1,061,963	(206,074)	1,326,606
6	Customs Anti Narcotics Unit		282,863	264,066	(18,797)	317,176
55	Supreme Court of Judicature					
1	Supreme Courts of Judicature		2,012,861	1,974,432	(38,429)	1,850,404
56	Public Prosecutions					
1	Public Prosecutions		212,338	193,725	(18,613)	180,894
57	Office of the Ombudsman					
1	Ombudsman		70,001	53,041	(16,960)	71,982
58	Public Service Appellate Tribunal					
1	Public Service Appellate Tribunal		40,911	40,865	(46)	62,828
59	Ethnic Relations Commission					
1	Ethnic Relations Commission		207,669	207,669	0	200,169
	C/F		187,656,487	190,278,674	2,622,187	162,982,517

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2020	Actual Expenditure 2020	Over (Under) Approved Allotment 2020	Actual Expenditure 2019
			\$'000	\$'000	\$'000	\$'000
	B/F		187,656,487	190,278,674	2,622,187	162,982,517
60	Judicial Service Commission					
1	Judicial Service Commission		10,020	10,019	(1)	10,020
61	Rights Commission					
1	Rights Commission		137,120	122,372	(14,748)	137,395
62	Public Procurement Commission					
1	Public Procurement Commission		199,605	186,156	(13,449)	209,533
71	Region 1 - Barima/Waini					
1	Regional Administration & Finance		249,285	240,985	(8,300)	445,590
2	Public Works		357,566	357,077	(489)	302,887
3	Education Delivery		1,577,399	1,547,381	(30,018)	1,299,658
4	Health Services		1,083,941	1,072,799	(11,142)	723,193
5	Agriculture		0	0	0	0
72	Region 2 - Pomeroon/Supenaam					
1	Regional Administration & Finance		250,674	237,364	(13,310)	220,229
2	Agriculture		394,067	388,040	(6,027)	412,381
3	Public Works		134,422	128,994	(5,428)	159,334
4	Education Delivery		2,460,497	2,404,594	(55,903)	2,190,086
5	Health Services		1,169,144	1,124,585	(44,559)	936,280
73	Region 3 - Essequibo Islands/West Demerara					
1	Regional Administration & Finance		208,476	217,042	8,566	237,701
2	Agriculture		394,450	390,357	(4,093)	396,548
3	Public Works		153,351	152,429	(922)	166,838
4	Education Delivery		4,105,538	4,071,822	(33,716)	3,443,776
5	Health Services		2,010,610	1,979,017	(31,593)	1,494,194
74	Region 4 - Demerara/Mahaica					
1	Regional Administration & Finance		258,643	256,187	(2,456)	228,168
2	Agriculture		397,659	377,449	(20,210)	360,211
3	Public Works		163,834	158,186	(5,648)	155,386
4	Education Delivery		5,827,748	5,811,609	(16,139)	4,607,880
5	Health Services		1,587,597	1,563,358	(24,239)	1,263,677
75	Region 5 - Mahaica/Berbice					
1	Regional Administration & Finance		204,111	196,983	(7,128)	200,342
2	Agriculture		217,771	208,084	(9,687)	249,440
3	Public Works		179,328	173,238	(6,090)	219,011
4	Education Delivery		2,105,606	2,090,295	(15,311)	1,814,698
5	Health Services		964,519	928,177	(36,342)	799,193
76	Region 6 - East Berbice/Corentyne					
1	Regional Administration & Finance		184,591	181,137	(3,454)	162,283
2	Agriculture		964,828	963,839	(989)	874,873
3	Public Works		327,680	326,817	(863)	319,769
4	Education Delivery		4,548,916	4,500,617	(48,299)	3,725,919
5	Health Services		2,265,866	2,245,194	(20,672)	1,863,961
	C/F		222,751,349	224,890,877	2,139,528	192,612,971

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2020	Actual Expenditure 2020	Over (Under) Approved Allotment 2020	Actual Expenditure 2019
			\$'000	\$'000	\$'000	\$'000
	B/F		222,751,349	224,890,877	2,139,528	192,612,971
77	Region 7 - Cuyuni/Mazaruni					
1	Regional Administration & Finance		340,281	333,728	(6,553)	312,487
2	Public Works		189,064	181,766	(7,298)	183,567
3	Education Delivery		1,470,493	1,404,939	(65,554)	1,420,334
4	Health Services		832,399	810,270	(22,129)	666,587
5	Agriculture		0	0	0	0
78	Region 8 - Potaro/Siparuni					
1	Regional Administration & Finance		185,097	173,103	(11,994)	150,699
2	Public Works		186,162	181,103	(5,059)	191,221
3	Education Delivery		1,201,890	1,001,348	(200,542)	984,697
4	Health Services		377,435	365,643	(11,792)	317,654
5	Agriculture		25,300	21,662	(3,638)	25,295
79	Region 9 - Upper Takatu/Upper Essequibo					
1	Regional Administration & Finance		243,827	237,164	(6,663)	194,648
2	Agriculture		66,257	66,187	(70)	61,813
3	Public Works		233,498	229,924	(3,574)	198,876
4	Education Delivery		1,482,736	1,473,476	(9,260)	1,231,296
5	Health Services		757,844	739,931	(17,913)	544,663
80	Region 10 - Upper Demerara/Berbice					
1	Regional Administration & Finance		240,444	230,621	(9,823)	228,042
2	Public Works		201,973	157,240	(44,733)	233,671
3	Education Delivery		2,573,231	2,498,597	(74,634)	2,220,179
4	Health Services		810,810	751,275	(59,535)	623,151
5	Agriculture		31,027	22,230	(8,797)	24,913
	SUB TOTAL		234,201,117	235,771,084	1,569,967	202,426,764
	STATUTORY					
01	Office of the President		12,123	12,030	(93)	0
03	Ministry of Finance		5,770,000	5,769,336	(664)	5,195,043
05	Ministry of the Presidency		18,137	18,078	(59)	23,650
51	Ministry of Home Affairs		2,085	2,084	(1)	0
54	Ministry of Public Security		22,508	22,508	0	37,679
90	Public Debt		17,448,993	19,324,344	1,875,351	17,647,894
	SUB TOTAL		23,273,846	25,148,380	1,874,534	22,904,266
	TOTAL PAYMENTS		257,474,963	260,919,464	3,444,501	225,331,030

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

Explanation of differences between Estimates and out-turn of Expenditure

Central Government expended \$337.034 billion, which surpassed the approved Budget of \$329.545 billion, a variation of \$7.489 billion, of which \$3.445 billion is current and \$4.045 billion for capital expenditure.

Central Government current expenditure was \$3.445 billion above the 2020 Budget. Total non-interest expenditure amounted to \$241.595 billion, or \$1.569 billion, above the 2020 Budget.

The total employment cost expended for 2020 was \$71.852 billion, which catered for general salaries for public servants, new recruits, a two-week bonus for disciplined services, and COVID-19 health care professionals. Employment cost variation of \$2.971 billion was on account of \$1.935 billion for wages and salaries and \$1.036 billion for benefits and allowances.

Expenditure on other goods and services totalled \$72.477 billion, \$3.684 billion above Budget 2020, on account of approved supplementary provision of \$6.108 billion, which offset underspending in other areas due to reduced activities as a result of COVID-19; \$6.000 billion for electricity charges allocated to the Guyana Power and Light Inc; and \$108.106 million allocated to Guyana Defence Force for the maintenance of the King Air 350 Beechcraft to increase aerial operational capacity.

Transfer payments summed to \$97.266 billion, \$856.4 million higher than budgeted. This was mainly driven by the supplementary provision of \$3.171 billion, of which \$2.5 billion for the old- age pension and social assistance- payment of COVID-19 relief for the household initiative and \$593.936M for the National Drainage and Irrigation Authority expanded work-programme. However, there was an unspent balance of \$1.395 billion for constitutional agencies of which GECOM accounted for \$874.808M due to the 2020 General and Regional Elections dispute, the Commission did not approve a planned cycle of Continuous Registration. In addition, Parliament accounted for \$399.008M due to fewer activities from the dissolution of Parliament from December 2019 to September 2020.

Statutory expenditure was \$25.148 billion, \$1.875 billion above the Budget. The increase was on account of higher payments of public debt service of \$1.875 billion. This was mainly due to a central government decision in November 2020 to meet debt service obligations totalling \$2.094 billion under the NICIL Fixed Rate Bond, for which a government guarantee was issued.

**END OF YEAR BUDGET OUTCOME & RECONCILIATION REPORT - CAPITAL EXPENDITURES
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020**

Agency №.	Description	Notes	Approved Allotment (Allotment 1) 2,020	Actual Expenditure 2,020	Over (Under) Approved Allotment 2,020	Actual Expenditure 2,019
			\$'000	\$'000	\$'000	\$'000
01	Office of the President					
	1 Administration		247,750	240,682	(7,068)	0
	2 National Policy Development Presidential Advisory Services		49,079	49,041	(38)	0
	3 Public Policy & Planning		5,000	4,955	(45)	0
	4 Environmental Management & Compliance		66,377	32,585	(33,792)	0
	5 Police Complaints Authority		1,000	999	(1)	0
02	Office of the Prime Minister					
	1 Prime Minister's Secretariat		37,882	37,758	(124)	145,556
	2 Disaster Preparedness, Response & Management		16,417	16,225	(192)	0
	3 Power Generation		2,068,216	1,132,428	(935,788)	0
	4 Telecommunication & Innovation		55,620	15,500	(40,120)	0
	5 Government Information & Communication Services		26,600	26,566	(34)	0
03	Ministry of Finance					
	1 Policy & Administration		14,133,034	13,790,232	(342,802)	3,949,995
	2 Public Financial Management		87,254	85,880	(1,374)	174,455
04	Ministry of Foreign Affairs					
	1 Development of Foreign Policy		16,821	16,821	0	39,224
	2 Foreign Policy Promotions		13,696	13,696	0	482,400
05	Ministry of the Presidency					
	1 Policy Development & Administration		4,986	4,986	0	435,234
	2 Defence & National Security		0	0	0	22,080
	3 Public Service Management		0	0	0	18,576
	5 Citizenship & Immigration Services		15,974	14,675	(1,299)	745,406
	6 Social Cohesion		6,210	6,210	0	404,752
	7 Environmental Management & Compliance		12,462	12,462	0	105,178
	8 Cultural Preservation & Conservation		15,000	14,999	(1)	73,755
	9 Youth		6,132	6,132	0	202,524
	5A Sport		30,449	30,443	(6)	654,584
	5B Petroleum & Energy Management		267,444	267,444	0	307,357
06	Ministry of Parliamentary Affairs & Governance					
	1 Policy Development & Administration		6,870	6,843	(27)	0
	2 Parliamentary Affairs		1,000	997	(3)	0
	3 Governance		3,000	2,999	(1)	0
07	Parliament Office					
	1 National Assembly		61,736	61,736	0	76,904
08	Audit Office of Guyana					
	1 Audit Office of Guyana		18,050	18,050	0	17,395
C/F			17,274,059	15,911,344	(1,362,715)	7,855,375

Agency №.	Description	Notes	Approved	Actual	Over (Under)	Actual
			Allotment (Allotment 1)	Expenditure	Approved Allotment	Expenditure
			2,020	2,020	2,020	2,019
			\$'000	\$'000	\$'000	\$'000
	B/F		17,274,059	15,911,344	(1,362,715)	7,855,375
09	Public & Police Service Commission					
	1 Public & Police Service Commission		5,499	5,466	(33)	11,600
10	Teaching Service Commission					
	1 Teaching Service Commission		3,525	3,508	(17)	495
11	Elections Commission					
	1 Elections Commission		67,784	67,682	(102)	586,543
12	Ministry of Foreign Affairs & International Cooperation					
	1 Development of Foreign Policy		12,431	12,423	(8)	0
	2 Foreign Policy Promotion		67,871	67,865	(6)	0
	3 Development of Foreign Trade Policy		750	741	(9)	0
13	Ministry of Local Government & Regional Development					
	1 Policy Development & Administration		28,012	7,658	(20,354)	0
	2 Regional Development		106,100	106,090	(10)	0
	3 Local Government Development		622,520	621,637	(883)	0
14	Ministry of Public Service					
	1 Policy Development & Administration		1,800	1,800	0	0
	2 Human Resources Development		1,000	938	(62)	0
	3 Human Resources Management		2,000	1,988	(12)	0
16	Ministry of Amerindian Affairs					
	1 Policy Development & Administration		20,564	20,547	(17)	0
	2 Community Development & Empowerment		825,200	955,195	129,995	0
17	Ministry of Indigenous Peoples' Affairs					
	1 Policy Development & Administration		14,018	14,017	(1)	801,694
21	Ministry of Agriculture					
	1 Ministry Administration		835,642	634,671	(200,971)	338,937
	2 Agriculture Development & Support Service		4,559,420	8,554,702	3,995,282	0
	3 Crops & Livestock Support Services		0	0	0	2,851,395
	4 Fisheries		42,000	41,204	(796)	8,317
	5 Hydrometeorological Services		50,036	50,036	0	45,634
23	Ministry of Tourism, Industry & Commerce					
	1 Policy Development & Administration		67,000	61,261	(5,739)	0
	2 Business Development, Support & Promotion		436,653	373,953	(62,700)	0
	3 Consumer Protection		2,250	2,174	(76)	0
	4 Tourism Development & Promotion		6,500	6,491	(9)	0
25	Ministry of Business					
	1 Policy Development & Administration		12,149	12,148	(1)	69,341
	2 Business Development, Support & Promotion		145,027	144,982	(45)	632,926
	3 Consumer Protection		0	0	0	5,495
	4 Tourism Development & Promotion		0	0	0	3,536
	C/F		25,209,810	27,680,521	2,470,711	13,211,288

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2,020	Actual Expenditure 2,020	Over (Under) Approved Allotment 2,020	Actual Expenditure 2,019
			\$'000	\$'000	\$'000	\$'000
	B/F		25,209,810	27,680,521	2,470,711	13,211,288
26	Ministry of Natural Resources					
	1 Policy Development & Administration		64,410	64,409	(1)	437,000
	2 Natural Resource Management		30,205	30,204	(1)	105,614
	3 Petroleum Management		158,000	83,514	(74,486)	0
31	Ministry of Public Works					
	1 Policy Development & Administration		71,937	71,923	(14)	0
	2 Public Works		6,055,547	5,707,347	(348,200)	0
	3 Transport		523,298	444,653	(78,645)	0
32	Ministry of Public Infrastructure					
	1 Policy Development & Administration		2,935,744	2,934,923	(821)	4,520,335
	2 Public Works		9,385,314	9,339,879	(45,435)	18,601,208
	3 Transport		795,894	792,559	(3,335)	2,101,569
33	Ministry of Public Telecommunications					
	1 Policy Development & Administration		25,507	3,500	(22,007)	68,498
	2 Public Telecommunications		3,130,773	3,130,773	0	2,183,755
	4 Industry Innovations		0	0	0	9,257
38	Ministry of Labour					
	1 Policy Development & Administration		20,000	19,990	(10)	0
	2 Labour Administration Services		7,100	7,093	(7)	0
39	Ministry of Human Service & Social Security					
	1 Policy Development & Administration		6,160	6,160	0	0
	2 Social Services		12,000	11,982	(18)	0
	3 Child Care & Protection		28,500	28,494	(6)	0
40	Ministry of Education					
	1 Policy Development & Administration		962,851	426,442	(536,409)	354,251
	2 Training & Development		361,595	360,058	(1,537)	129,741
	3 Nursery Education		55,853	55,477	(376)	68,216
	4 Primary Education		106,909	104,829	(2,080)	123,576
	5 Secondary Education		1,115,895	913,686	(202,209)	1,211,514
	6 Post Secondary/Tertiary Education		724,632	533,845	(190,787)	807,562
42	Ministry of Communities					
	1 Sustainable Communities Management		0	0	0	621,704
	2 Sustainable Communities Development		1,542,450	1,537,093	(5,357)	8,160,967
43	Ministry of Public Health					
	1 Policy Development & Administration		17,356	17,356	0	461,425
	2 Disease Control		88,063	88,063	0	258,226
	3 Family Health Care Services		408,425	408,425	0	408,682
	4 Regional & Clinical Services		1,588,412	1,587,191	(1,221)	1,097,794
	5 Health Sciences Education		773	773	0	58,424
	6 Standards & Technical Services		0	0	0	61,708
	7 Disability & Rehabilitation Services		12,753	12,753	0	24,992
	C/F		55,446,166	56,403,915	957,749	55,087,306

Agency No.	Description	Notes	Approved	Actual	Over (Under)	Actual
			Allotment (Allotment 1)	Expenditure	Approved Allotment	Expenditure
			2,020	2,020	2,020	2,019
			\$'000	\$'000	\$'000	\$'000
	B/F		55,446,166	56,403,915	957,749	55,087,306
44	Ministry of Culture, Youth & Sports					
	1 Policy Development & Administration		15,023	14,526	(497)	0
	2 Culture		45,350	43,678	(1,672)	0
	3 Youth		18,000	17,094	(906)	0
	4 Sports		195,000	182,309	(12,691)	0
45	Ministry of Housing & Water					
	1 Policy Development & Administration		5,000	4,997	(3)	0
	2 Housing Development & Management		1,870,615	3,801,098	1,930,483	0
	3 Water Service Expansion & Management		664,985	632,994	(31,991)	0
47	Ministry of Health					
	1 Policy Development & Administration		139,044	48,028	(91,016)	0
	2 Disease Control		4,002,514	3,513,368	(489,146)	0
	3 Family & Primary Health Care Services		85,085	83,121	(1,964)	0
	4 Regional & Clinical Services		439,781	414,370	(25,411)	0
	5 Health Sciences Education		6,473	6,205	(268)	0
	6 Standards & Technical Services		13,400	2,531	(10,869)	0
	7 Disability & Rehabilitation Services		4,320	3,312	(1,008)	0
49	Ministry of Social Protection					
	1 Policy Development & Administration		17,930	17,930	0	286,387
	2 Social Services		0	0	0	57,115
	3 Labour Administration		0	0	0	22,186
	4 Child Care & Protection		0	0	0	108,249
51	Ministry of Home Affairs					
	1 Policy Development & Administration		245,511	185,334	(60,177)	0
	2 Guyana Police Force		779,584	785,037	5,453	0
	3 Guyana Prison Service		1,576,980	1,575,835	(1,145)	0
	4 Guyana Fire Service		62,860	61,200	(1,660)	0
	5 General Register Office		1,000	695	(305)	0
	6 Customs Anti Narcotics Unit		20,200	20,199	(1)	0
52	Ministry of Legal Affairs					
	1 Policy Development & Administration		296,500	202,341	(94,159)	0
	2 Main Office		0	0	0	99,147
	3 Ministry Administration		0	0	0	899
	4 Attorney General's Chambers		2,000	1,999	(1)	8,100
	5 State Solicitor		0	0	0	700
53	Guyana Defence Force					
	1 Defence & Security Support		670,090	2,744,931	2,074,841	1,034,171
54	Ministry of Public Security					
	1 Policy Development & Administration		245,958	245,958	0	615,474
	2 Police Force		740,046	740,046	0	798,491
	3 Prison Service		484,927	484,927	0	1,766,630
	4 Police Complaints Authority		0	0	0	2,495
	5 Fire Service		0	0	0	578,014
	6 Customs Anti Narcotics Unit		0	0	0	29,912
	C/F		68,094,342	72,237,978	4,143,636	60,495,276

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2,020	Actual Expenditure 2,020	Over (Under) Approved Allotment 2,020	Actual Expenditure 2,019
			\$'000	\$'000	\$'000	\$'000
	B/F		68,094,342	72,237,978	4,143,636	60,495,276
55	Supreme Court of Judicature					
	1 Supreme Courts of Judicature		430,303	430,303	0	458,478
56	Public Prosecutions					
	1 Public Prosecutions		17,074	17,067	(7)	3,424
57	Office of the Ombudsman					
	1 Ombudsman		0	0	0	1,042
59	Ethnic Relations Commission					
	1 Ethnic Relations Commission		13,133	13,123	(10)	18,625
61	Rights Commission of Guyana					
	1 Rights Commission of Guyana		9,270	9,196	(74)	12,193
62	Public Procurement Commission					
	1 Public Procurement Commission		6,855	6,770	(85)	9,400
71	Region 1 - Barima/Waini					
	1 Regional Administration & Finance		25,122	25,086	(36)	54,123
	2 Public Works		91,656	90,787	(869)	140,060
	3 Education Delivery		93,751	93,748	(3)	193,181
	4 Health Services		195,066	195,029	(37)	146,719
	5 Agriculture		5,000	4,656	(344)	20,000
72	Region 2 - Pomeroon/Supenaam					
	1 Regional Administration & Finance		3,000	2,994	(6)	16,278
	2 Agriculture		49,700	43,043	(6,657)	40,980
	3 Public Works		53,200	52,529	(671)	113,116
	4 Educational Delivery		119,129	110,760	(8,369)	211,351
	5 Health Services		90,536	88,057	(2,479)	150,280
73	Region 3 - Essequibo Islands/West Demerara					
	1 Regional Administration & Finance		14,200	13,963	(237)	17,962
	2 Agriculture		57,000	57,000	0	87,811
	3 Public Works		69,352	68,609	(743)	149,434
	4 Education Delivery		96,692	92,751	(3,941)	176,822
	5 Health Services		110,786	80,521	(30,265)	117,067
74	Region 4 - Demerara/Mahaica					
	1 Regional Administration & Finance		10,000	9,999	(1)	7,922
	2 Agriculture		28,980	28,980	0	48,340
	3 Public Works		87,648	87,648	0	103,127
	4 Education Delivery		183,791	183,791	0	286,578
	5 Health Services		145,146	145,146	0	155,140
	C/F		70,100,732	74,189,534	4,088,802	63,234,729

Agency No.	Description	Notes	Approved Allotment (Allotment 1) 2,020	Actual Expenditure 2,020	Over (Under) Approved Allotment 2,020	Actual Expenditure 2,019
			\$'000	\$'000	\$'000	\$'000
	B/F		70,100,732	74,189,534	4,088,802	63,234,729
75	Region 5 - Mahaica/Berbice					
	1 Regional Administration & Finance		8,500	8,482	(18)	15,375
	2 Agriculture		43,500	42,868	(632)	58,967
	3 Public Works		104,200	103,103	(1,097)	168,559
	4 Education Delivery		51,850	51,787	(63)	145,164
	5 Health Services		165,745	165,640	(105)	47,640
76	Region 6 - East Berbice/Corentyne					
	1 Regional Administration & Finance		18,800	18,800	0	15,940
	2 Agriculture		50,000	50,000	0	221,288
	3 Public Works		107,000	107,000	0	226,212
	4 Education Delivery		129,600	129,600	0	116,599
	5 Health Services		131,642	131,642	0	164,951
77	Region 7 - Cuyuni/Mazaruni					
	1 Regional Administration & Finance		4,500	4,368	(132)	38,715
	2 Public Works		79,521	79,518	(3)	91,964
	3 Education Delivery		120,058	119,855	(203)	207,015
	4 Health Services		110,907	110,700	(207)	108,461
	5 Agriculture		5,000	4,999	(1)	1,200
78	Region 8 - Potaro/Siparuni					
	1 Regional Administration & Finance		700	688	(12)	7,721
	2 Public Works		61,699	24,039	(37,660)	146,576
	3 Education Delivery		96,885	96,378	(507)	129,894
	4 Health Services		35,993	35,788	(205)	89,227
	5 Agriculture		4,000	3,994	(6)	15,101
79	Region 9 - Upper Takatu/Upper Essequibo					
	1 Regional Administration & Finance		34,100	33,859	(241)	57,420
	2 Agriculture		36,500	36,500	0	26,345
	3 Public Works		70,000	69,082	(918)	188,977
	4 Education Delivery		95,050	95,050	0	150,740
	5 Health Services		80,019	79,633	(386)	107,469
80	Region 10 - Upper Demerara/Berbice					
	1 Regional Administration & Finance		17,493	17,218	(275)	82,134
	2 Public Works		43,192	42,459	(733)	114,805
	3 Education Delivery		165,785	165,565	(220)	168,597
	4 Health Services		66,002	65,687	(315)	91,941
	5 Agriculture		31,200	30,906	(294)	22,716
	TOTAL PAYMENTS		72,070,173	76,114,742	4,044,569	66,262,442

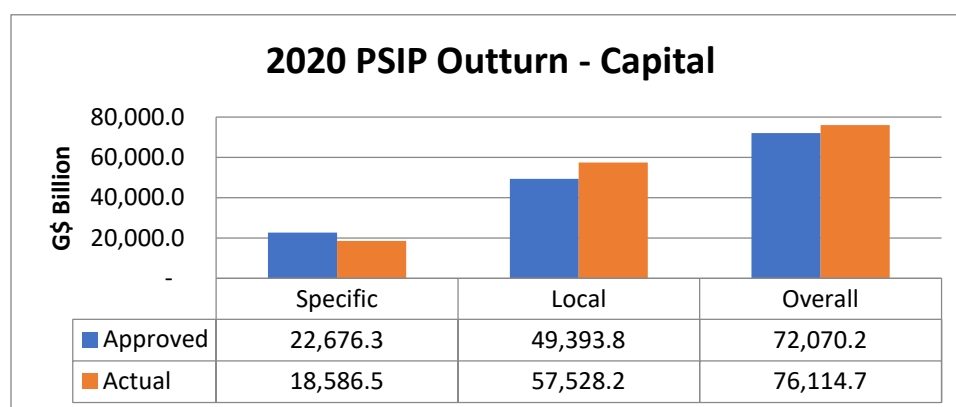
MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

END OF YEAR BUDGET OUTCOME AND RECONCILIATION REPORT
CAPITAL EXPENDITURE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Figures are in G\$ '000

Details	Approved	Actual	Variance	% Actual / Approved Allotment
Specific	22,676.334	18,586.536	(4,089.798)	82.0%
Loans	17,112.831	13,976.464	(3,136.367)	81.7%
Grants	5,563.503	4,610.073	(953.430)	82.9%
Local	49,393.839	57,528.207	8,134.368	116.5%
Total	72,070.173	76,114.743	4,044.570	105.6%



Capital expenditure was projected at \$72.1 billion but recorded an outturn of \$76.1 billion, or 105.6% of the budget, despite the challenges and restrictions posed by the COVID 19 pandemic.

This overall performance was on account of the continued strong performance of the locally financed Public Sector Investment Programme (PSIP); aided by approved local supplementary funding to support critical developmental areas, including support to livelihoods of our hinterland villages, acceleration of government's housing programme, acquisition of new asset to improve the aerial capacity of the GDF, reopening of closed sugar estates; and expansion in road infrastructure. Therefore, the local PSIP recorded an implementation rate of 116.5% of the \$49.4 billion allocated.

Given the relatively short implementation period (post-budget approval), the foreign portfolio was expected to record a better outturn. However, significant challenges confronted the new administration, which frustrated the delivery of key infrastructural projects. Therefore, the foreign portfolio recorded an implementation rate of 82% of the \$22.7 billion allocated.

Finally, considering the approved supplementary of \$8.9 billion, the PSIP still achieved an overall execution rate of 94% of the revised budget of \$80.9 billion – 99% on local and 82% on foreign.

While the overall performance was laudable given the challenges, significant areas of shortfall on the donor-financed PSIP are highlighted in the table below:

Line Item	Description	Agency	Projects	Approved	Actual	Variance	Reasons
				G\$ Million			
LOAN							
5811	CDB	32-MoPI / 31 - MoPW	Sea Defences	1,713.606	814.631	(898.975)	Delay due to retendering of Lot 6: Sister's/Rotterdam, East Bank Berbice.
5813	IDA	40-MoE	Education Sector Improvement Project	400.000	193.555	(206.445)	Delay in the award of Faculty of Health Sciences building.
			Secondary Education Improvement Project	750.000	549.727	(200.273)	Slow pace of works at Good Hope & Westminster; and delays in securing additional financing for a 3rd school.
5814	IDB	32-MoPI / 02 - OPM	Sustainable Energy Programme	339.136	218.095	(121.041)	Slow pace of works at Kato hydropower scheme.
GRANT							
5761	Norway	03-MoF	Low Carbon Development Programme	1,200.000	919.479	(280.521)	Work programmes were reviewed for ICT Access and E-Services, Amerindian Land Titling and Sustainable Land Mangement projects.
5751	UNICEF	40-MoE	COVID 19 Accelerated Programme	500.000	175.272	(324.728)	Delay in completion of key activities including learning packages and assisted devices.

Capital Revenue:

Capital revenue reflected a negative variance of \$4.1 billion, which resulted from challenges faced due to the COVID 19 pandemic, delays in realigning programmed activities and poor project implementation.

**STATEMENT OF RECEIPTS & PAYMENTS
OF THE CONSOLIDATED FUND (CURRENT) FOR THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020**

RECEIPTS

Reporting Object Group	Description	Approved Estimates	Actual Receipts Paid into Consolidated Fund	Variance	Actual Receipts Paid into Consolidated Fund
		2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000
500	Customs & Trade Taxes	22,691,010	21,339,674	(1,351,336)	25,114,681
510	Internal Revenue	107,128,310	113,160,526	6,032,216	104,331,021
520	Stamp Duties	434,047	460,292	26,245	523,750
525	Other Tax Revenues	323	0	(323)	157
530	Fees & Fines	989,907	1,061,233	71,326	1,600,150
541	Interest	616,453	21,493	(594,960)	814,271
545	Rents & Royalties	2,848,789	2,758,997	(89,792)	3,957,147
555	Dividends & Transfers	4,875,176	2,180,176	(2,695,000)	5,700,380
560	Miscellaneous Receipts	2,163,433	5,570,920	3,407,487	1,996,565
590	Value Added Taxes	52,622,125	49,843,887	(2,778,238)	52,675,552
594	Excise Tax	32,038,185	33,922,019	1,883,834	43,799,645
597	Miscellaneous	68,774	63,990	(4,784)	72,026
SUB TOTAL		226,476,532	230,383,207	3,906,675	240,585,345
<u>OTHER RECEIPTS</u>					
	Treasury Bills		83,499,496		78,438,279
TOTAL RECEIPTS			313,882,703		319,023,624

PAYMENTS

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>CURRENT</u>							
01	Office of the President						
	1 Administration	276,211	0	276,211	274,236	263,600	0
	2 National Policy Development Presidential Advisory Services	418,380	0	418,380	417,216	294,921	0
	3 Defence & National Security	38,158	0	38,158	38,114	37,191	0
	4 Public Policy & Planning	78,690	0	78,690	78,690	77,130	0
	5 Environmental Management & Compliance	540,585	0	540,585	540,563	444,293	0
	6 Policy Complaints Authority	16,342	0	16,342	16,341	12,066	0
02	Office of the Prime Minister						
	1 Prime Minister's Secretariat	627,983	0	627,983	626,455	599,888	747,676
	2 Disaster Preparedness, Response & Management	3,006,344	0	3,006,344	3,006,344	2,845,713	0
	3 Power Generation	1,018,660	0	1,018,660	1,018,660	1,017,660	0
	4 Telecommunications & Innovation	478,143	0	478,143	478,143	476,980	0
	5 Government Information & Communication Services	194,901	0	194,901	194,901	194,861	0
03	Ministry of Finance						
	1 Policy & Administration	20,570,835	0	20,570,835	20,570,024	20,227,096	18,726,886
	2 Public Financial Management Policies & Services	6,080,782	0	6,080,782	6,077,110	5,754,522	5,597,679
	C/F	33,346,014	0	33,346,014	33,336,797	32,245,921	25,072,241

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	33,346,014	0	33,346,014	33,336,797	32,245,921	25,072,241
04	Ministry of Foreign Affairs						
	1 Development of Foreign Policy	1,238,070	0	1,238,070	1,238,066	1,235,950	1,766,305
	2 Foreign Policy Promotion	2,396,152	0	2,396,152	2,396,147	2,384,956	3,722,142
	3 Development of Foreign Trade Policy	37,580	0	37,580	37,579	37,462	59,349
05	Ministry of the Presidency						
	1 Policy Development & Administration	1,464,913	0	1,464,913	1,455,574	1,447,027	2,051,674
	2 Defence & National Security	73,488	0	73,488	72,987	70,283	101,403
	3 Public Service Management	816,845	0	816,845	813,468	811,636	1,946,577
	5 Citizenship & Immigration Services	270,173	0	270,173	269,715	266,142	662,354
	6 Social Cohesion	230,167	0	230,167	226,189	224,745	374,413
	7 Environmental Management & Compliance	949,004	0	949,004	947,451	935,722	1,313,755
	8 Cultural Preservation & Conservation	584,148	0	584,148	583,666	568,930	982,234
	9 Youth	445,673	0	445,673	421,237	408,420	799,175
05A	Sport	319,019	0	319,019	314,497	308,254	540,163
05B	Petroleum & Energy Management	144,912	0	144,912	138,081	123,485	94,160
06	Ministry of Parliamentary Affairs & Governance						
	1 Policy Development & Administration	17,193	0	17,193	17,193	5,783	0
	2 Parliamentary Affairs	1,510	0	1,510	1,510	75	0
	3 Governance	29,040	0	29,040	29,040	25,192	0
07	Parliament Office						
	1 National Assembly	1,737,512	0	1,737,512	1,737,512	1,338,504	1,451,559
08	Audit Office of Guyana						
	1 Audit Office	890,586	0	890,586	890,586	890,586	854,614
09	Public & Police Service Commission						
	1 Public & Police Service Commission	145,137	0	145,137	145,137	129,653	130,497
10	Teaching Service Commission						
	1 Teaching Service Commission	113,550	0	113,550	113,550	110,007	95,880
11	Elections Commission						
	1 Elections Commission	4,875,268	0	4,875,268	4,875,268	4,000,460	4,239,021
12	Ministry of Foreign Affairs & International Co-operation						
	1 Development of Foreign Policy	628,424	0	628,424	624,739	611,256	0
	2 Foreign Policy Promotion	1,015,138	0	1,015,138	903,518	859,198	0
	3 Development of Foreign Trade Policy	16,017	0	16,017	16,016	13,560	0
13	Ministry of Local Government & Regional Development						
	1 Policy Development & Administration	122,624	0	122,624	116,785	101,166	0
	3 Regional Development	60,945	0	60,945	32,024	23,763	0
	4 Local Government Development	595,517	0	595,517	578,092	510,397	0
14	Ministry of Public Service						
	1 Policy Development & Administration	52,712	0	52,712	51,534	46,738	0
	2 Human Resource Development	1,012,484	0	1,012,484	1,006,019	1,001,728	0
	3 Human Resource Management	11,955	0	11,955	11,953	11,934	0
16	Ministry of Amerindian Affairs						
	1 Policy Development & Administration	212,708	0	212,708	209,657	191,476	0
	2 Community Development & Empowerment	270,077	0	270,077	267,918	254,056	0
	C/F	54,124,555	0	54,124,555	53,879,505	51,194,465	46,257,516

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	54,124,555	0	54,124,555	53,879,505	51,194,465	46,257,516
17	Ministry of Indigenous Peoples' Affairs						
	1 Policy Development & Administration	538,343	0	538,343	516,563	498,328	1,108,071
21	Ministry of Agriculture						
	1 Ministry Administration	905,602	0	905,602	905,398	806,140	866,414
	2 Agriculture Development & Support Services	9,052,127	0	9,052,127	9,052,127	9,050,627	8,263,848
	3 Fisheries	201,323	0	201,323	193,816	187,690	173,533
	4 Hydrometeorological Services	481,739	0	481,739	476,581	466,970	555,037
23	Ministry of Tourism, Industry & Commerce						
	1 Policy Development & Administration	96,388	0	96,388	91,967	81,591	0
	2 Business Development, Support & Promotion	207,972	0	207,972	205,425	193,678	0
	3 Consumer Protection	40,573	0	40,573	40,343	38,925	0
	4 Tourism Development & Promotion	169,869	0	169,869	165,663	144,417	0
25	Ministry of Business						
	1 Policy Development & Administration	160,974	0	160,974	159,447	151,440	271,768
	2 Business Development, Support & Promotion	691,919	0	691,919	691,053	653,925	714,320
	3 Consumer Protection	83,272	0	83,272	82,921	82,538	103,528
	4 Tourism Development & Promotion	286,909	0	286,909	286,547	285,837	376,754
26	Ministry of Natural Resources						
	1 Policy Development & Administration	323,974	0	323,974	322,510	287,054	330,989
	2 Natural Resource Management	346,051	0	346,051	345,852	308,945	504,785
	4 Petroleum Management	303,611	0	303,611	148,524	126,894	0
31	Ministry of Public Works						
	1 Policy Development & Administration	557,089	0	557,089	556,877	552,688	0
	2 Public Works	1,485,430	0	1,485,430	1,454,503	1,395,927	0
	3 Transport	25,913	0	25,913	25,913	24,971	0
32	Ministry of Public Infrastructure						
	1 Policy Development & Administration	6,141,885	0	6,141,885	6,140,392	6,136,793	4,694,878
	2 Public Works	3,412,447	0	3,412,447	3,405,665	3,377,142	4,062,455
	3 Transport	42,062	0	42,062	42,062	38,873	81,821
33	Ministry of Public Telecommunication						
	1 Policy Development & Administration	183,272	0	183,272	181,752	179,778	253,799
	2 Public Telecommunications	1,511,992	0	1,511,992	1,511,992	1,511,992	1,847,610
	4 Industry Innovations	37,999	0	37,999	37,999	37,025	71,654
38	Ministry of Labour						
	1 Policy Development & Administration	184,845	0	184,845	181,091	166,452	0
	2 Labour Administration Services	98,840	0	98,840	96,357	84,272	0
39	Ministry of Human Services & Social Security						
	1 Policy Development & Administration	87,553	0	87,553	87,553	85,927	0
	2 Social Services	11,543,856	0	11,543,856	11,543,856	11,493,070	0
	3 Child Care & Protection	264,949	0	264,949	263,127	238,068	0
	C/F	93,593,333	0	93,593,333	93,093,381	89,882,442	70,538,780

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	93,593,333	0	93,593,333	93,093,381	89,882,442	70,538,780
40	Ministry of Education						
	1 Policy Development & Administration	1,666,337	0	1,666,337	1,656,095	1,616,783	1,649,681
	2 Training & Development	1,414,481	0	1,414,481	1,412,303	1,354,985	1,920,679
	3 Nursery Education	1,716,801	0	1,716,801	1,704,087	1,659,571	2,126,821
	4 Primary Education	3,070,004	0	3,070,004	3,069,138	2,986,690	3,066,424
	5 Secondary Education	4,343,226	0	4,343,226	4,305,399	4,205,865	3,966,771
	6 Post-Secondary/Tertiary Education	4,570,421	0	4,570,421	4,565,077	4,476,328	4,338,918
42	Ministry of Communities						
	1 Sustainable Communities Management	1,126,229	0	1,126,229	1,105,556	1,097,710	1,480,179
	2 Sustainable Communities Development	892,555	0	892,555	884,265	880,354	1,279,151
43	Ministry of Public Health						
	1 Policy Development & Administration	1,172,575	0	1,172,575	1,161,753	1,138,123	1,691,048
	2 Disease Control	1,596,721	0	1,596,721	1,595,654	1,550,717	1,944,341
	3 Family Health Care Services	868,506	0	868,506	865,818	828,638	1,244,798
	4 Regional & Clinical Services	12,764,094	0	12,764,094	12,762,970	12,712,140	15,062,954
	5 Health Sciences Education	361,884	0	361,884	361,485	351,688	632,565
	6 Standards & Technical Services	830,464	0	830,464	830,254	807,850	930,354
	7 Disability & Rehabilitation Services	363,022	0	363,022	360,161	338,116	403,758
44	Ministry of Culture, Youth & Sports						
	1 Policy Development & Administration	119,807	0	119,807	119,496	112,009	0
	2 Culture	298,464	0	298,464	298,007	269,344	0
	3 Youth	293,756	0	293,756	281,614	245,696	0
	4 Sports	264,831	0	264,831	264,064	251,109	0
45	Ministry of Housing & Water						
	1 Policy Development & Administration	53,956	0	53,956	51,809	50,906	0
	2 Housing Development & Management	714,300	0	714,300	714,300	714,300	0
	3 Water Service Expansion & Management	606,507	0	606,507	606,507	606,506	0
47	Ministry of Health						
	1 Policy Development & Administration	661,616	0	661,616	659,721	635,541	0
	2 Disease Control	3,943,440	0	3,943,440	3,940,161	3,893,391	0
	3 Family & Primary Health Care Services	820,127	0	820,127	815,975	793,831	0
	4 Regional & Clinical Services	6,479,998	0	6,479,998	6,477,633	6,457,946	0
	5 Health Sciences Education	181,981	0	181,981	178,796	171,907	0
	6 Standards & Technical Services	1,187,329	0	1,187,329	1,187,319	1,172,368	0
	7 Disability & Rehabilitation Services	163,629	0	163,629	161,273	158,584	0
49	Ministry of Social Protection						
	1 Policy Development & Administration	247,136	0	247,136	247,135	242,344	332,442
	2 Social Services	12,298,128	0	12,298,128	12,268,345	12,234,699	16,002,824
	3 Labour Administration	428,092	0	428,092	421,288	416,587	639,334
	4 Child Care & Protection	464,504	0	464,504	453,475	445,155	606,165
51	Ministry of Home Affairs						
	1 Policy Development & Administration	282,417	0	282,417	275,442	228,170	0
	2 Guyana Police Force	5,290,340	0	5,290,340	5,216,142	4,283,334	0
	3 Guyana Prison Service	872,287	0	872,287	763,715	725,081	0
	5 Guyana Fire Service	452,671	0	452,671	441,411	361,866	0
	6 General Register Office	113,341	0	113,341	103,354	58,394	0
	7 Customs Anti Narcotics	123,469	0	123,469	122,474	120,140	0
	C/F	166,712,779	0	166,712,779	165,802,852	160,537,208	129,857,987

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	166,712,779	0	166,712,779	165,802,852	160,537,208	129,857,987
52	Ministry of Legal Affairs						
	1 Policy Development & Administration	355,522	0	355,522	355,519	355,352	322,123
	2 Ministry Administration	50,942	0	50,942	50,918	50,915	72,445
	3 Attorney General's Chambers	373,158	0	373,158	368,099	368,056	440,760
	4 State Solicitor	12,711	0	12,711	12,711	12,589	25,872
53	Guyana Defence Force						
	1 Defence & Security Support	13,187,789	0	13,187,789	13,186,761	13,184,701	12,861,619
54	Ministry of Public Security						
	1 Policy Development & Administration	612,908	0	612,908	612,173	605,767	794,700
	2 Police Force	9,789,078	0	9,789,078	9,706,015	9,634,209	12,519,388
	3 Prison Service	1,727,545	0	1,727,545	1,722,781	1,721,051	2,057,689
	4 Police Complaints Authority	18,582	0	18,582	13,898	13,065	19,875
	5 Fire Service	1,268,037	0	1,268,037	1,069,404	1,061,963	1,326,606
	6 Customs Anti Narcotics Unit	282,863	0	282,863	264,601	264,066	317,176
55	Supreme Court						
	1 Supreme Court of Judicature	2,012,861	0	2,012,861	2,012,861	1,974,432	1,850,404
56	Public Prosecutions						
	1 Public Prosecutions	212,338	0	212,338	212,338	193,725	180,894
57	Office of the Ombudsman						
	1 Ombudsman	70,001	0	70,001	70,001	53,041	71,982
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	40,911	0	40,911	40,911	40,865	62,828
59	Ethnic Relations Commission						
	1 Ethnic Relations Commission	207,669	0	207,669	207,669	207,669	200,169
60	Judicial Service Commission						
	1 Judicial Service Commission	10,020	0	10,020	10,020	10,019	10,020
61	Rights Commission of Guyana						
	1 Rights Commission of Guyana	137,120	0	137,120	137,120	122,372	137,395
62	Public Procurement Commission						
	1 Public Procurement Commission	199,605	0	199,605	199,605	186,156	209,533
71	Region 1 - Barima/Waini						
	1 Regional Administration & Finance	249,285	0	249,285	243,239	240,985	445,590
	2 Public Works	358,250	0	358,250	357,309	357,077	302,887
	3 Education Delivery	1,576,715	0	1,576,715	1,562,309	1,547,381	1,299,658
	4 Health Services	1,083,941	0	1,083,941	1,077,465	1,072,799	723,193
72	Region 2 - Pomeroon/Supenaam						
	1 Regional Administration & Finance	250,674	0	250,674	248,231	237,364	220,229
	2 Agriculture	394,067	0	394,067	391,521	388,040	412,381
	3 Public Works	134,422	0	134,422	130,540	128,994	159,334
	4 Education Delivery	2,460,497	0	2,460,497	2,458,082	2,404,594	2,190,086
	5 Health Services	1,169,144	0	1,169,144	1,157,604	1,124,585	936,280
	C/F	204,959,434	0	204,959,434	203,682,557	198,099,040	170,029,103

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	204,959,434	0	204,959,434	203,682,557	198,099,040	170,029,103
73	Region 3 - Essequibo Islands/West Demerara						
	1 Regional Administration & Finance	218,932	0	218,932	217,750	217,042	237,701
	2 Agriculture	394,450	0	394,450	394,446	390,357	396,548
	3 Public Works	153,351	0	153,351	153,126	152,429	166,838
	4 Education Delivery	4,097,538	0	4,097,538	4,096,884	4,071,822	3,443,776
	5 Health Services	2,008,154	0	2,008,154	2,007,890	1,979,017	1,494,194
74	Region 4 - Demerara/Mahaica						
	1 Regional Administration & Finance	259,506	0	259,506	259,442	256,187	228,168
	2 Agriculture	388,613	0	388,613	388,031	377,449	360,211
	3 Public Works	158,682	0	158,682	158,468	158,186	155,386
	4 Education Delivery	5,842,083	0	5,842,083	5,823,557	5,811,609	4,607,880
	5 Health Services	1,586,597	0	1,586,597	1,577,169	1,563,358	1,263,677
75	Region 5 - Mahaica/Berbice						
	1 Regional Administration & Finance	208,211	0	208,211	205,645	196,983	200,342
	2 Agriculture	217,771	0	217,771	217,654	208,084	249,440
	3 Public Works	179,328	0	179,328	179,162	173,238	219,011
	4 Education Delivery	2,105,606	0	2,105,606	2,105,568	2,090,295	1,814,698
	5 Health Services	960,419	0	960,419	955,288	928,177	799,193
76	Region 6 - East Berbice/Corentyne						
	1 Regional Administration & Finance	184,591	0	184,591	181,278	181,137	162,283
	2 Agriculture	964,828	0	964,828	963,993	963,839	874,873
	3 Public Works	327,680	0	327,680	326,930	326,817	319,769
	4 Education Delivery	4,548,916	0	4,548,916	4,503,088	4,500,617	3,725,919
	5 Health Services	2,265,866	0	2,265,866	2,250,160	2,245,194	1,863,961
77	Region 7 - Cuyuni/Mazaruni						
	1 Regional Administration & Finance	340,281	0	340,281	335,959	333,728	312,487
	2 Public Works	189,064	0	189,064	189,062	181,766	183,567
	3 Education Delivery	1,470,493	0	1,470,493	1,460,500	1,404,939	1,420,334
	4 Health Services	832,399	0	832,399	825,581	810,270	666,587
78	Region 8 - Potaro/Siparuni						
	1 Regional Administration & Finance	185,097	0	185,097	181,219	173,103	150,699
	2 Public Works	186,162	0	186,162	183,294	181,103	191,221
	3 Education Delivery	1,201,890	0	1,201,890	1,090,123	1,001,348	984,697
	4 Health Services	377,435	0	377,435	374,029	365,643	317,654
	5 Agriculture	25,300	0	25,300	21,906	21,662	25,295
79	Region 9 - Upper Takatu/Upper Essequibo						
	1 Regional Administration & Finance	243,827	0	243,827	243,612	237,164	194,648
	2 Agriculture	66,257	0	66,257	66,255	66,187	61,813
	3 Public Works	233,498	0	233,498	232,765	229,924	198,876
	4 Education Delivery	1,482,736	0	1,482,736	1,476,117	1,473,476	1,231,296
	5 Health Services	757,844	0	757,844	742,628	739,931	544,663
	C/F	239,622,839	0	239,622,839	238,071,136	232,111,121	199,096,808

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2,020	2,020	2,020	2,020	2,020	2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	239,622,839	0	239,622,839	238,071,136	232,111,121	199,096,808
80	Region 10 - Upper Demerara/Berbice						
1	Regional Administration & Finance	243,444	0	243,444	242,533	230,621	228,042
2	Public Works	201,973	0	201,973	199,065	157,240	233,671
3	Education Delivery	2,573,231	0	2,573,231	2,558,880	2,498,597	2,220,179
4	Health Services	807,810	0	807,810	792,540	751,275	623,151
5	Agriculture	31,027	0	31,027	30,803	22,230	24,913
	SUB TOTAL	243,480,324	0	243,480,324	241,894,957	235,771,084	202,426,764
<u>STATUTORY</u>							
01	Office of the President	12,135	0	12,135	12,095	12,030	0
03	Ministry of Finance	5,770,000	0	5,770,000	5,770,000	5,769,336	5,195,043
05	Ministry of the Presidency	18,137	0	18,137	18,137	18,078	23,650
51	Ministry of Home Affairs	2,085	0	2,085	2,084	2,084	0
54	Ministry of Public Security	22,508	0	22,508	22,508	22,508	37,679
90	Public Debt	19,415,070	0	19,415,070	19,415,070	19,324,344	17,647,894
	SUB TOTAL	25,239,935	0	25,239,935	25,239,894	25,148,380	22,904,266
<u>OTHER EXPENDITURE</u>							
	Treasury Bills					74,314,205	78,703,726
TOTAL PAYMENTS						335,233,669	304,034,756
SURPLUS (DEFICIT)						(21,350,966)	14,988,868

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

**STATEMENT OF RECEIPTS & PAYMENTS
OF THE CONSOLIDATED FUND (CAPITAL) OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020**

RECEIPTS

Reporting Object Group	Description	Approved Estimates	Actual Receipts Paid into Consolidated Fund	Variance	Actual Receipts Paid into Consolidated Fund
		2020	2020	2020	2019
		\$'000	\$'000	\$'000	\$'000
570	Miscellaneous Capital Revenue	3,500	2,015	(1,485)	9,553
575	External Grants	5,563,503	4,610,074	(953,429)	10,970,623
578	External Grants-EU	1,995,000	2,016,464	21,464	0
580	External Loans	19,642,831	13,976,464	(5,666,367)	22,606,583
	TOTAL RECEIPTS	27,204,834	20,605,017	(6,599,817)	33,586,759

PAYMENTS

Agency No.	Description	Revised Allotment	Outstanding Contingency Fund Advances	Total Funds Available	Drawing Rights (Allotment 2)	Actual Expenditure	Actual Expenditure
		2020	2020	2020	2020	200	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01	Office of the President						
1	Administration	247,750	0	247,750	240,700	240,682	0
2	National Policy Development Presidential Advisory Services	49,079	0	49,079	49,079	49,041	0
4	Public Policy & Planning	5,000	0	5,000	5,000	4,955	0
5	Environmental Management & Compliance	66,377	0	66,377	32,585	32,585	0
6	Police Complaints Authority	1,000	0	1,000	1,000	999	0
02	Office of the Prime Minister						
1	Prime Minister's Secretariat	37,882	0	37,882	37,776	37,758	145,556
2	Disaster Preparedness, Response & Management	16,417	0	16,417	16,248	16,225	0
3	Power Generation	2,068,216	0	2,068,216	1,132,428	1,132,428	0
4	Telecommunications & Innovation	55,620	0	55,620	15,500	15,500	0
5	Government Information & Communication Services	26,600	0	26,600	26,567	26,566	0
03	Ministry of Finance						
1	Policy & Administration	14,133,034	0	14,133,034	13,790,478	13,790,232	3,949,995
2	Public Financial Management Policies & Services	87,254	0	87,254	87,254	85,880	174,455
04	Ministry of Foreign Affairs						
1	Development of Foreign Policy	16,821	0	16,821	16,821	16,821	39,224
2	Foreign Policy Promotions	13,696	0	13,696	13,696	13,696	482,400
05	Ministry of Presidency						
1	Policy Development & Administration	4,986	0	4,986	4,986	4,986	435,234
2	Defence & National Security	0	0	0	0	0	22,080
3	Public Service Management	0	0	0	0	0	18,576
5	Citizenship & Immigration Services	15,974	0	15,974	15,974	14,675	745,406
6	Social Cohesion	6,210	0	6,210	6,210	6,210	404,752
7	Environmental Management & Compliance	12,462	0	12,462	12,462	12,462	105,178
8	Cultural Preservation & Conservation	15,000	0	15,000	14,999	14,999	73,755
9	Youth	6,132	0	6,132	6,132	6,132	202,524
05A	Sport	30,449	0	30,449	30,449	30,443	654,584
05B	Petroleum & Energy Management	267,444	0	267,444	267,444	267,444	307,357
C/F		17,183,403	0	17,183,403	15,823,788	15,820,719	7,761,076

Agency №.	Description	Outstanding Contingency		Total Funds Available 2020	Drawing Rights (Allotment 2) 2020	Actual Expenditure 200	Actual Expenditure 2019
		Revised Allotment 2020	Fund Advances 2020				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	17,183,403	0	17,183,403	15,823,788	15,820,719	7,761,076
06	Ministry of Parliamentary Affairs & Governance						
1	Policy Development & Administration	6,870	0	6,870	6,857	6,843	0
2	Parliamentary Affairs	1,000	0	1,000	1,000	997	0
3	Governance	3,000	0	3,000	3,000	2,999	0
07	Parliament Office						
1	National Assembly	61,736	0	61,736	61,736	61,736	76,904
08	Audit office of Guyana						
1	Audit Office of Guyana	18,050	0	18,050	18,050	18,050	17,395
09	Public & Police Service Commission						
1	Public & Police Service Commission	5,499	0	5,499	5,499	5,466	11,600
10	Teaching Service Commission						
1	Teaching Service Commission	3,525	0	3,525	3,525	3,508	495
11	Elections Commission						
1	Elections Commission	67,784	0	67,784	67,784	67,682	586,543
12	Ministry of Foreign Affairs & International Cooperation						
1	Development of Foreign Policy	12,431	0	12,431	12,431	12,423	0
2	Foreign Policy Promotion	67,871	0	67,871	67,865	67,865	0
3	Development of Foreign Trade Policy	750	0	750	750	741	0
13	Ministry of Local Government & Regional Development						
1	Policy Development & Administration	28,012	0	28,012	7,898	7,658	0
3	Regional Development	106,100	0	106,100	106,100	106,090	0
4	Local Government Development	622,520	0	622,520	622,520	621,637	0
14	Ministry of Public Service						
1	Policy Development & Administration	1,800	0	1,800	1,800	1,800	0
2	Human Resources Development	1,000	0	1,000	1,000	938	0
3	Human Resource Management	2,000	0	2,000	2,000	1,988	0
16	Ministry of Amerindian Affairs						
1	Policy Development & Administration	20,564	0	20,564	20,563	20,547	0
2	Community Development & Empowerment	955,200	0	955,200	955,200	955,195	0
17	Ministry of Indigenous People's Affairs						
1	Policy Development & Administration	14,018	0	14,018	14,017	14,017	801,694
21	Ministry of Agriculture						
1	Ministry Administration	835,642	0	835,642	634,671	634,671	338,937
2	Agriculture Development & Support Services	8,559,420	0	8,559,420	8,554,871	8,554,702	2,851,395
3	Fisheries	42,000	0	42,000	41,205	41,204	8,317
4	Hydrometeorological Services	50,036	0	50,036	50,036	50,036	45,634
23	Ministry of Tourism, Industry & Commerce						
1	Policy Development & Administration	67,000	0	67,000	61,295	61,261	0
2	Business Development, Support & Promotion	436,653	0	436,653	412,999	373,953	0
3	Consumer Protection	2,250	0	2,250	2,250	2,174	0
4	Tourism Development & Promotion	6,500	0	6,500	6,499	6,491	0
	C/F	29,182,634	0	29,182,634	27,567,209	27,523,391	12,499,990

Agency №.	Description	Outstanding Contingency		Total Funds Available 2020	Drawing Rights (Allotment 2) 2020	Actual Expenditure 200	Actual Expenditure 2019
		Revised Allotment 2020	Fund Advances 2020				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	29,182,634	0	29,182,634	27,567,209	27,523,391	12,499,990
25	Ministry of Business						
1	Policy Development & Administration	12,149	0	12,149	12,148	12,148	69,341
2	Business Development, Support & Promotion	145,027	0	145,027	144,990	144,982	632,926
3	Consumer Protection	0	0	0	0	0	5,495
4	Tourism Development & Promotion	0	0	0	0	0	3,536
26	Ministry of Natural Resources						
1	Policy Development & Administration	64,410	0	64,410	64,409	64,409	437,000
2	Natural Resource Management	30,205	0	30,205	30,205	30,204	105,614
4	Petroleum Management	158,000	0	158,000	83,563	83,514	
31	Ministry of Public Works						
1	Policy Development & Administration	71,937	0	71,937	71,937	71,923	0
2	Public Works	6,655,547	0	6,655,547	5,722,812	5,707,347	0
3	Transport	523,298	0	523,298	463,298	444,653	0
32	Ministry of Public Infrastructure						
1	Policy Development & Administration	2,935,744	0	2,935,744	2,935,744	2,934,923	4,520,335
2	Public Works	9,385,315	0	9,385,315	9,343,693	9,339,879	18,601,208
3	Transport	795,894	0	795,894	795,894	792,559	2,101,569
33	Ministry of Public Telecommunication						
1	Policy Development & Administration	25,507	0	25,507	25,507	3,500	68,498
2	Public Telecommunications	3,130,773	0	3,130,773	3,130,773	3,130,773	2,183,755
4	Industry Innovations	0	0	0	0	0	9,257
38	Ministry of Labour						
1	Policy Development & Administration	20,000	0	20,000	20,000	19,990	0
2	Labour Administration Services	7,100	0	7,100	7,100	7,093	0
39	Ministry of Human Services & Social Security						
1	Policy Development & Administration	6,160	0	6,160	6,160	6,160	0
2	Social Services	12,000	0	12,000	12,000	11,982	0
3	Child Care & Protection	28,500	0	28,500	28,500	28,494	0
40	Ministry of Education						
1	Policy Development & Administration	962,851	0	962,851	431,678	426,442	354,251
2	Training & Development	361,595	0	361,595	361,595	360,058	129,741
3	Nursery Education	55,853	0	55,853	55,853	55,477	68,216
4	Primary Education	106,909	0	106,909	106,909	104,829	123,576
5	Secondary Education	1,115,895	0	1,115,895	914,866	913,686	1,211,514
6	Post-Secondary/Tertiary Education	724,632	0	724,632	535,095	533,845	807,562
42	Ministry of Communities						
1	Sustainable Communities Management	0	0	0	0	0	621,704
2	Sustainable Communities Development	1,542,450	0	1,542,450	1,542,448	1,537,093	8,160,967
43	Ministry of Public Health						
1	Policy Development & Administration	17,356	0	17,356	17,356	17,356	461,425
2	Disease Control	88,063	0	88,063	88,063	88,063	258,226
3	Family Health Care Services	408,425	0	408,425	408,425	408,425	408,682
4	Regional & Clinical Services	1,588,412	0	1,588,412	1,588,412	1,587,191	1,097,794
5	Health Sciences Education	773	0	773	773	773	58,424
6	Standards & Technical Services	0	0	0	0	0	61,708
7	Disability & Rehabilitation Services	12,753	0	12,753	12,753	12,753	24,992
	C/F	60,176,167	0	60,176,167	56,530,168	56,403,915	55,087,306

Agency №.	Description	Outstanding Contingency		Total Funds Available 2020	Drawing Rights (Allotment 2) 2020	Actual Expenditure 200	Actual Expenditure 2019
		Revised Allotment 2020	Fund Advances 2020				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	60,176,167	0	60,176,167	56,530,168	56,403,915	55,087,306
44	Ministry of Culture, Youth & Sport						
1	Policy Development & Administration	15,023	0	15,023	14,583	14,526	0
2	Culture	45,350	0	45,350	44,700	43,678	0
3	Youth	18,000	0	18,000	17,094	17,094	0
4	Sports	195,000	0	195,000	185,000	182,309	0
45	Ministry of Housing & Water						
1	Policy Development & Administration	5,000	0	5,000	5,000	4,997	0
2	Housing Development	3,870,615	0	3,870,615	3,870,615	3,801,098	0
3	Water Service Expansion & Management	664,985	0	664,985	632,996	632,994	0
47	Ministry of Health						
1	Policy Development & Administration	139,044	0	139,044	65,804	48,028	0
2	Disease Control	4,002,514	0	4,002,514	3,582,514	3,513,368	0
3	Family & Primary Health Care Services	85,085	0	85,085	85,085	83,121	0
4	Regional & Clinical Services	439,781	0	439,781	429,781	414,370	0
5	Health Sciences Education	6,473	0	6,473	6,473	6,205	0
6	Standards & Technical Services	13,400	0	13,400	13,400	2,531	0
7	Disability & Rehabilitation Services	4,320	0	4,320	4,320	3,312	0
49	Ministry of Social Protection						
1	Policy Development & Administration	17,930	0	17,930	17,930	17,930	286,387
2	Social Services	0	0	0	0	0	57,115
3	Labour Administration	0	0	0	0	0	22,186
4	Child Care & Protection	0	0	0	0	0	108,249
51	Ministry of Home Affairs						
1	Policy Development & Administration	245,511	0	245,511	187,955	185,334	0
2	Guyana Police Force	786,109	0	786,109	785,946	785,037	0
3	Guyana Prison Service	1,576,980	0	1,576,980	1,576,980	1,575,835	0
5	Guyana Fire Service	62,860	0	62,860	62,860	61,200	0
6	General Register Office	1,000	0	1,000	1,000	695	0
7	Customs Anti Narcotics	20,200	0	20,200	20,200	20,199	0
52	Ministry of Legal Affairs						
1	Main Office	296,500	0	296,500	202,342	202,341	99,147
2	Ministry Administration	0	0	0	0	0	899
3	Attorney General's Chambers	2,000	0	2,000	2,000	1,999	8,100
4	State Solicitor	0	0	0	0	0	700
53	Guyana Defence Force						
1	Defence & Security Support	2,850,090	0	2,850,090	2,747,175	2,744,931	1,034,171
54	Ministry of Public Security						
1	Policy Development & Administration	245,958	0	245,958	245,958	245,958	615,474
2	Police Force	740,046	0	740,046	740,046	740,046	798,491
3	Prison Service	484,927	0	484,927	484,927	484,927	1,766,630
4	Police Complaints Authority	0	0	0	0	0	2,495
5	Fire Service	0	0	0	0	0	578,014
6	Custom Anti Narcotics Unit	0	0	0	0	0	29,912
55	Supreme Court						
1	Supreme Court of Judicature	430,303	0	430,303	430,303	430,303	458,478
56	Public Prosecutions						
1	Public Prosecutions	17,074	0	17,074	17,074	17,067	3,424
57	Office of the Ombudsman						
1	Office of the Ombudsman	0	0	0	0	0	1,042
	C/F	77,458,245	0	77,458,245	73,010,229	72,685,348	60,958,220

Agency №.	Description	Outstanding Contingency		Total Funds Available 2020	Drawing Rights (Allotment 2) 2020	Actual Expenditure 200	Actual Expenditure 2019
		Revised Allotment 2020	Fund Advances 2020				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	77,458,245	0	77,458,245	73,010,229	72,685,348	60,958,220
58	Public Service Appellate Tribunal						
1	Public Service Appellate Tribunal	0	0	0	0	0	0
59	Ethnic Relations Commission						
1	Ethnic Relations Commission	13,133	0	13,133	13,133	13,123	18,625
61	Rights Commission of Guyana						
1	Rights Commission of Guyana	9,270	0	9,270	9,196	9,196	12,193
62	Public Procurement Commission						
1	Public Procurement Commission	6,855	0	6,855	6,855	6,770	9,400
71	Region 1 Barima/Waini						
1	Regional Administration & Finance	25,122	0	25,122	25,119	25,086	54,123
2	Public Works	91,656	0	91,656	91,626	90,787	140,060
3	Education Delivery	93,751	0	93,751	93,749	93,748	193,181
4	Health Services	195,066	0	195,066	195,030	195,029	146,719
5	Agriculture	5,000	0	5,000	4,877	4,656	20,000
72	Region 2 - Pomeroon/Supenaam						
1	Regional Administration & Finance	3,000	0	3,000	2,994	2,994	16,278
2	Agriculture	49,700	0	49,700	48,455	43,043	40,980
3	Public Works	53,200	0	53,200	53,199	52,529	113,116
4	Education Delivery	119,129	0	119,129	116,676	110,760	211,351
5	Health Services	90,536	0	90,536	88,900	88,057	150,280
73	Region 3 - Essequibo Islands/West Demerara						
1	Regional Administration & Finance	14,200	0	14,200	14,179	13,963	17,962
2	Agriculture	57,000	0	57,000	57,000	57,000	87,811
3	Public Works	69,352	0	69,352	68,910	68,609	149,434
4	Education Delivery	96,692	0	96,692	93,521	92,751	176,822
5	Health Services	110,786	0	110,786	102,387	80,521	117,067
74	Region 4 - Demerara/Mahaica						
1	Regional Administration & Finance	10,000	0	10,000	10,000	9,999	7,922
2	Agriculture	28,980	0	28,980	28,980	28,980	48,340
3	Public Works	87,648	0	87,648	87,648	87,648	103,127
4	Education Delivery	183,791	0	183,791	183,791	183,791	286,578
5	Health Services	145,146	0	145,146	145,146	145,146	155,140
75	Region 5 - Mahaica/Berbice						
1	Regional Administration & Finance	8,500	0	8,500	8,500	8,482	15,375
2	Agriculture	43,500	0	43,500	43,500	42,868	58,967
3	Public Works	104,200	0	104,200	103,124	103,103	168,559
4	Education Delivery	51,850	0	51,850	51,850	51,787	145,164
5	Health Services	165,745	0	165,745	165,645	165,640	47,640
76	Region 6 - East Berbice/Corentyne						
1	Regional Administration & Finance	18,800	0	18,800	18,800	18,800	15,940
2	Agriculture	50,000	0	50,000	50,000	50,000	221,288
3	Public Works	107,000	0	107,000	107,000	107,000	226,212
4	Education Delivery	129,600	0	129,600	129,600	129,600	116,599
5	Health Services	131,642	0	131,642	131,642	131,642	164,951
77	Region 7 - Cuyuni/Mazaruni						
1	Regional Administration & Finance	4,500	0	4,500	4,369	4,368	38,715
2	Public Works	79,521	0	79,521	79,521	79,518	91,964
3	Education Delivery	120,058	0	120,058	120,009	119,855	207,015
4	Health Services	110,907	0	110,907	110,808	110,700	108,461
5	Agriculture	5,000	0	5,000	5,000	4,999	1,200
C/F		80,148,081	0	80,148,081	75,680,968	75,317,896	64,862,779

Agency No.	Description	Revised Allotment 2020	Outstanding Contingency Fund Advances 2020	Total Funds Available 2020	Drawing Rights (Allotment 2) 2020	Actual Expenditure 200	Actual Expenditure 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	80,148,081	0	80,148,081	75,680,968	75,317,896	64,862,779
78	Region 8 - Potaro/Siparuni						
1	Regional Administration & Finance	700	0	700	700	688	7,721
2	Public Works	61,699	0	61,699	24,039	24,039	146,576
3	Education Delivery	96,885	0	96,885	96,379	96,378	129,894
4	Health Services	35,993	0	35,993	35,788	35,788	89,227
5	Agriculture	4,000	0	4,000	3,994	3,994	15,101
79	Region 9 - Upper Takatu/Upper Essequibo						
1	Regional Administration & Finance	34,100	0	34,100	34,100	33,859	57,420
2	Agriculture	36,500	0	36,500	36,500	36,500	26,345
3	Public Works	70,000	0	70,000	69,390	69,082	188,977
4	Education Delivery	95,050	0	95,050	95,050	95,050	150,740
5	Health Services	80,019	0	80,019	80,019	79,633	107,469
80	Region 10 - Upper Demerara/Berbice						
1	Regional Administration & Finance	17,493	0	17,493	17,493	17,218	82,134
2	Public Works	43,192	0	43,192	42,828	42,459	114,805
3	Education Delivery	165,785	0	165,785	165,785	165,565	168,597
4	Health Services	66,002	0	66,002	65,903	65,687	91,941
5	Agriculture	31,200	0	31,200	31,200	30,906	22,716
	SUB TOTAL	80,986,699	0	80,986,699	76,480,136	76,114,742	66,262,442
	SURPLUS (DEFICIT)					(55,509,725)	(32,675,683)

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR 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 2020**

Agency №. Description	Approved Allotment (Allotment 1) 2,020	Revised Allotment 2,020	Total Funds Available 2,020	Actual Expenditure 2,020	Under Total Funds Available 2,020	Actual Expenditure 2,019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01 Office of the President						
1 Administration	276,211	276,211	276,211	263,600	(12,611)	0
2 National Policy Development Presidential Advisory Services	418,380	418,380	418,380	294,921	(123,459)	0
3 Defence & National Security	38,158	38,158	38,158	37,191	(967)	0
4 Public Policy & Planning	78,690	78,690	78,690	77,130	(1,560)	0
5 Environmental Management & Compliance	540,585	540,585	540,585	444,293	(96,292)	0
6 Policy Complaints Authority	16,354	16,342	16,342	12,066	(4,276)	0
02 Office of the Prime Minister						
1 Prime Minister's Secretariat	627,983	627,983	627,983	599,888	(28,095)	747,676
2 Disaster Preparedness, Response & Management	3,006,344	3,006,344	3,006,344	2,845,713	(160,631)	0
3 Power Generation	1,018,660	1,018,660	1,018,660	1,017,660	(1,000)	0
4 Telecommunications & Innovation	478,143	478,143	478,143	476,980	(1,163)	0
5 Government Information & Communication Services	194,901	194,901	194,901	194,861	(40)	0
03 Ministry of Finance						
1 Policy & Administration	14,570,835	20,570,835	20,570,835	20,227,096	(343,739)	18,726,886
2 Public Financial Management	6,080,782	6,080,782	6,080,782	5,754,522	(326,260)	5,597,679
04 Ministry of Foreign Affairs						
1 Development of Foreign Policy	1,238,070	1,238,070	1,238,070	1,235,950	(2,120)	1,766,305
2 Foreign Policy Promotions	2,396,152	2,396,152	2,396,152	2,384,956	(11,196)	3,722,142
3 Development of Foreign Trade Policy	37,580	37,580	37,580	37,462	(118)	59,349
05 Ministry of Presidency						
1 Policy Development & Administration	1,464,913	1,464,913	1,464,913	1,447,027	(17,886)	2,051,674
2 Defence & National Security	73,488	73,488	73,488	70,283	(3,205)	101,403
3 Public Service Management	816,845	816,845	816,845	811,636	(5,209)	1,946,577
5 Citizenship & Immigration Service	270,173	270,173	270,173	266,142	(4,031)	662,354
6 Social Cohesion	234,613	230,167	230,167	224,745	(5,422)	374,413
7 Environmental Management & Compliance	949,004	949,004	949,004	935,722	(13,282)	1,313,755
8 Cultural Preservation & Conservation	579,871	584,148	584,148	568,930	(15,218)	982,234
9 Youth	445,403	445,673	445,673	408,420	(37,253)	799,175
5A Sport	319,121	319,019	319,019	308,254	(10,765)	540,163
5B Petroleum & Energy Management	144,912	144,912	144,912	123,485	(21,427)	94,160
06 Ministry of Parliamentary Affairs & Governance						
1 Policy Development & Administration	17,193	17,193	17,193	5,783	(11,410)	0
2 Parliamentary Affairs	1,510	1,510	1,510	75	(1,435)	0
3 Governance	29,040	29,040	29,040	25,192	(3,848)	0
07 Parliament Office						
1 National Assembly	1,737,512	1,737,512	1,737,512	1,338,504	(399,008)	1,451,559
08 Audit Office of Guyana						
1 Audit office of Guyana	890,586	890,586	890,586	890,586	0	854,614
09 Public & Police Service Commission						
1 Public & Police Service Commission	145,137	145,137	145,137	129,653	(15,484)	130,497
10 Teaching Service Commission						
1 Teaching Service Commission	113,550	113,550	113,550	110,007	(3,543)	95,880
11 Elections Commission						
1 Elections Commission	4,875,268	4,875,268	4,875,268	4,000,460	(874,808)	4,239,021
C/F	44,125,967	48,887,884	48,887,884	46,333,243	(2,554,641)	44,491,211

Agency №.	Description	Approved Allotment (Allotment 1) 2,020	Revised Allotment 2,020	Total Funds Available 2,020	Actual Expenditure 2,020	Under Total Funds Available 2,020	Actual Expenditure 2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F		44,125,967	48,887,884	48,887,884	46,333,243	(2,554,641)	44,491,211
12	Ministry of Foreign Affairs & International Co-operation						
	1 Development of Foreign Policy	604,924	628,424	628,424	611,256	(17,168)	0
	2 Foreign Policy Promotion	1,038,638	1,015,138	1,015,138	859,198	(155,940)	0
	3 Development of Foreign Trade Policy	16,017	16,017	16,017	13,560	(2,457)	0
13	Ministry of Local Government & Regional Development						
	1 Policy Development & Administration	122,624	122,624	122,624	101,166	(21,458)	0
	3 Regional Development	60,945	60,945	60,945	23,763	(37,182)	0
	4 Local Government Development	595,517	595,517	595,517	510,397	(85,120)	0
14	Ministry of Public Service						
	1 Policy Development & Administration	52,712	52,712	52,712	46,738	(5,974)	0
	2 Human Resource Development	1,012,484	1,012,484	1,012,484	1,001,728	(10,756)	0
	3 Human Resource Management	11,955	11,955	11,955	11,934	(21)	0
16	Ministry of Amerindian Affairs						
	1 Policy Development & Administration	212,708	212,708	212,708	191,476	(21,232)	0
	2 Community Development & Empowerment	216,221	270,077	270,077	254,056	(16,021)	0
17	Ministry of Indigenous People's Affairs						
	1 Policy Development & Administration	538,343	538,343	538,343	498,328	(40,015)	1,108,071
21	Ministry of Agriculture						
	1 Ministry Administration	905,602	905,602	905,602	806,140	(99,462)	866,414
	2 Agriculture Development & Support Services	8,458,191	9,052,127	9,052,127	9,050,627	(1,500)	8,263,848
	3 Fisheries	201,323	201,323	201,323	187,690	(13,633)	173,533
	4 Hydrometeorological Services	481,739	481,739	481,739	466,970	(14,769)	555,037
23	Ministry of Tourism, Industry & Commerce						
	1 Policy Development & Administration	96,388	96,388	96,388	81,591	(14,797)	0
	2 Business Development, Support & Promotion	207,972	207,972	207,972	193,678	(14,294)	0
	3 Consumer Protection	40,573	40,573	40,573	38,925	(1,648)	0
	4 Tourism Development & Promotion	169,869	169,869	169,869	144,417	(25,452)	0
25	Ministry of Business						
	1 Policy Development & Administration	160,974	160,974	160,974	151,440	(9,534)	271,768
	2 Business Development, Support & Promotion	691,919	691,919	691,919	653,925	(37,994)	714,320
	3 Consumer Protection	83,272	83,272	83,272	82,538	(734)	103,528
	4 Tourism Development & Promotion	286,909	286,909	286,909	285,837	(1,072)	376,754
26	Ministry of Natural Resources						
	1 Policy Development & Administration	323,974	323,974	323,974	287,054	(36,920)	330,989
	2 Natural Resource Management	346,051	346,051	346,051	308,945	(37,106)	504,785
	4 Petroleum Management	303,611	303,611	303,611	126,894	(176,717)	0
31	Ministry of Public Works						
	1 Policy Development & Administration	557,089	557,089	557,089	552,688	(4,401)	0
	2 Public Works	1,485,430	1,485,430	1,485,430	1,395,927	(89,503)	0
	3 Transport	25,913	25,913	25,913	24,971	(942)	0
32	Ministry of Public Infrastructure						
	1 Policy Development & Administration	6,141,885	6,141,885	6,141,885	6,136,793	(5,092)	4,694,878
	2 Public Works	3,412,447	3,412,447	3,412,447	3,377,142	(35,305)	4,062,455
	3 Transport	42,062	42,062	42,062	38,873	(3,189)	81,821
33	Ministry of Public Telecommunications						
	1 Policy Development & Administration	182,626	183,272	183,272	179,778	(3,494)	253,799
	2 Public Telecommunications	1,511,992	1,511,992	1,511,992	1,511,992	0	1,847,610
	4 Industry Innovations	38,646	37,999	37,999	37,025	(974)	71,654
C/F		74,765,512	80,175,220	80,175,220	76,578,703	(3,596,517)	68,772,475

Agency №.	Description	Approved Allotment (Allotment 1) 2,020	Revised Allotment 2,020	Total Funds Available 2,020	Actual Expenditure 2,020	Under Total Funds Available 2,020	Actual Expenditure 2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	74,765,512	80,175,220	80,175,220	76,578,703	(3,596,517)	68,772,475
38	Ministry of Labour						
	1 Policy Development & Administration	184,845	184,845	184,845	166,452	(18,393)	0
	2 Labour Administration Services	98,840	98,840	98,840	84,272	(14,568)	0
39	Ministry of Human Services & Social Security						
	1 Policy Development & Administration	87,553	87,553	87,553	85,927	(1,626)	0
	2 Social Services	9,043,856	11,543,856	11,543,856	11,493,070	(50,786)	0
	3 Child Care & Protection	264,949	264,949	264,949	238,068	(26,881)	0
40	Ministry of Education						
	1 Policy Development & Administration	1,666,337	1,666,337	1,666,337	1,616,783	(49,554)	1,649,681
	2 Training & Development	1,414,481	1,414,481	1,414,481	1,354,985	(59,496)	1,920,679
	3 Nursery Education	1,716,801	1,716,801	1,716,801	1,659,571	(57,230)	2,126,821
	4 Primary Education	3,070,004	3,070,004	3,070,004	2,986,690	(83,314)	3,066,424
	5 Secondary Education	4,343,226	4,343,226	4,343,226	4,205,865	(137,361)	3,966,771
	6 Post- Secondary/ Tertiary Education	4,570,421	4,570,421	4,570,421	4,476,328	(94,093)	4,338,918
42	Ministry of Communities						
	1 Sustainable Communities Management	1,126,229	1,126,229	1,126,229	1,097,710	(28,519)	1,480,179
	2 Sustainable Communities Development	892,555	892,555	892,555	880,354	(12,201)	1,279,151
43	Ministry of Public Health						
	1 Policy Development & Administration	1,211,534	1,172,575	1,172,575	1,138,123	(34,452)	1,691,048
	2 Disease Control	1,557,762	1,596,721	1,596,721	1,550,717	(46,004)	1,944,341
	3 Family Health Care Services	871,753	868,506	868,506	828,638	(39,868)	1,244,798
	4 Regional & Clinical Services	12,764,094	12,764,094	12,764,094	12,712,140	(51,954)	15,062,954
	5 Health Sciences Education	361,884	361,884	361,884	351,688	(10,196)	632,565
	6 Standards & Technical Services	830,464	830,464	830,464	807,850	(22,614)	930,354
	7 Disability & Rehabilitation Services	359,774	363,022	363,022	338,116	(24,906)	403,758
44	Ministry of Culture, Youth & Sports						
	1 Policy Development & Administration	119,807	119,807	119,807	112,009	(7,798)	0
	2 Culture	298,464	298,464	298,464	269,344	(29,120)	0
	3 Youth	293,756	293,756	293,756	245,696	(48,060)	0
	4 Sports	264,831	264,831	264,831	251,109	(13,722)	0
45	Ministry of Housing & Water						
	1 Policy Development & Administration	53,956	53,956	53,956	50,906	(3,050)	0
	2 Housing Development & Management	714,300	714,300	714,300	714,300	0	0
	3 Water Service Expansion & Management	606,507	606,507	606,507	606,506	(1)	0
47	Ministry of Health						
	1 Policy Development & Administration	645,616	661,616	661,616	635,541	(26,075)	0
	2 Disease Control	3,943,440	3,943,440	3,943,440	3,893,391	(50,049)	0
	3 Family & Primary Health Care Services	820,127	820,127	820,127	793,831	(26,296)	0
	4 Regional & Clinical Services	6,479,998	6,479,998	6,479,998	6,457,946	(22,052)	0
	5 Health Sciences Education	197,981	181,981	181,981	171,907	(10,074)	0
	6 Standards & Technical Services	1,187,329	1,187,329	1,187,329	1,172,368	(14,961)	0
	7 Disability & Rehabilitation Services	163,629	163,629	163,629	158,584	(5,045)	0
49	Ministry of Social Protection						
	1 Policy Development & Administration	240,294	247,136	247,136	242,344	(4,792)	332,442
	2 Social Services	12,314,824	12,298,128	12,298,128	12,234,699	(63,429)	16,002,824
	3 Labour Administration	421,245	428,092	428,092	416,587	(11,505)	639,334
	4 Child Care & Protection	461,497	464,504	464,504	445,155	(19,349)	606,165
C/F		150,430,475	158,340,184	158,340,184	153,524,273	(4,815,911)	128,091,682

Agency №.	Description	Approved Allotment (Allotment 1) 2,020	Revised Allotment 2,020	Total Funds Available 2,020	Actual Expenditure 2,020	Under Total Funds Available 2,020	Actual Expenditure 2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	B/F	150,430,475	158,340,184	158,340,184	153,524,273	(4,815,911)	128,091,682
51	Ministry of Home Affairs						
	1 Policy Development & Administration	282,417	282,417	282,417	228,170	(54,247)	0
	2 Guyana Police Force	5,290,340	5,290,340	5,290,340	4,283,334	(1,007,006)	0
	3 Guyana Prison Service	872,287	872,287	872,287	725,081	(147,206)	0
	5 Guyana Fire Service	452,671	452,671	452,671	361,866	(90,805)	0
	6 General Register Office	113,341	113,341	113,341	58,394	(54,947)	0
	7 Customs Anti Narcotics	123,469	123,469	123,469	120,140	(3,329)	0
52	Ministry of Legal Affairs						
	1 Main Office	353,522	355,522	355,522	355,352	(170)	322,123
	2 Ministry Administration	50,942	50,942	50,942	50,915	(27)	72,445
	3 Attorney General's Chambers	375,158	373,158	373,158	368,056	(5,102)	440,760
	4 State Solicitor	12,711	12,711	12,711	12,589	(122)	25,872
53	Guyana Defence Force						
	1 Defence & Security Support	13,056,361	13,187,789	13,187,789	13,184,701	(3,088)	12,861,619
54	Ministry of Public Security						
	1 Policy Development & Administration	612,908	612,908	612,908	605,767	(7,141)	794,700
	2 Police Force	9,789,078	9,789,078	9,789,078	9,634,209	(154,869)	12,519,388
	3 Prison Service	1,727,545	1,727,545	1,727,545	1,721,051	(6,494)	2,057,689
	4 Police Complaint Authority	18,582	18,582	18,582	13,065	(5,517)	19,875
	5 Fire Service	1,268,037	1,268,037	1,268,037	1,061,963	(206,074)	1,326,606
	6 Customs Anti Narcotics Unit	282,863	282,863	282,863	264,066	(18,797)	317,176
55	Supreme Court of Judicature						
	1 Supreme Courts of Judicature	2,012,861	2,012,861	2,012,861	1,974,432	(38,429)	1,850,404
56	Public Prosecutions						
	1 Public Prosecutions	212,338	212,338	212,338	193,725	(18,613)	180,894
57	Office of the Ombudsman						
	1 Ombudsman	70,001	70,001	70,001	53,041	(16,960)	71,982
58	Public Service Appellate Tribunal						
	1 Public Service Appellate Tribunal	40,911	40,911	40,911	40,865	(46)	62,828
59	Ethnic Relations Commission						
	1 Ethnic Relations Commission	207,669	207,669	207,669	207,669	0	200,169
60	Judicial Service Commission						
	1 Judicial Service Commission	10,020	10,020	10,020	10,019	(1)	10,020
61	Rights Commission of Guyana						
	1 Rights Commission of Guyana	137,120	137,120	137,120	122,372	(14,748)	137,395
62	Public Procurement Commission						
	1 Public Procurement Commission	199,605	199,605	199,605	186,156	(13,449)	209,533
71	Region 1 - Barima/Waini						
	1 Regional Administration & Finance	249,285	249,285	249,285	240,985	(8,300)	445,590
	2 Public Infrastructure	357,566	358,250	358,250	357,077	(1,173)	302,887
	3 Education Delivery	1,577,399	1,576,715	1,576,715	1,547,381	(29,334)	1,299,658
	4 Health Services	1,083,941	1,083,941	1,083,941	1,072,799	(11,142)	723,193
C'F		191,271,423	199,312,560	199,312,560	192,579,513	(6,733,047)	164,344,488

Agency №. Description	Approved Allotment (Allotment 1)	Revised Allotment	Total Funds Available	Actual Expenditure	Under Total Funds Available	Actual Expenditure
	2,020	2,020	2,020	2,020	2,020	2,019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F	191,271,423	199,312,560	199,312,560	192,579,513	(6,733,047)	164,344,488
72 Region 2 - Pomeroon/Supenaam						
1 Regional Administration & Finance	250,674	250,674	250,674	237,364	(13,310)	220,229
2 Agriculture	394,067	394,067	394,067	388,040	(6,027)	412,381
3 Public Infrastructure	134,422	134,422	134,422	128,994	(5,428)	159,334
4 Education Delivery	2,460,497	2,460,497	2,460,497	2,404,594	(55,903)	2,190,086
5 Health Services	1,169,144	1,169,144	1,169,144	1,124,585	(44,559)	936,280
73 Region 3 - Essequibo Islands/West Demerara						
1 Regional Administration & Finance	208,476	218,932	218,932	217,042	(1,890)	237,701
2 Agriculture	394,450	394,450	394,450	390,357	(4,093)	396,548
3 Public Infrastructure	153,351	153,351	153,351	152,429	(922)	166,838
4 Education Delivery	4,105,538	4,097,538	4,097,538	4,071,822	(25,716)	3,443,776
5 Health Services	2,010,610	2,008,154	2,008,154	1,979,017	(29,137)	1,494,194
74 Region 4 - Demerara/Mahaica						
1 Regional Administration & Finance	258,643	259,506	259,506	256,187	(3,319)	228,168
2 Agriculture	397,659	388,613	388,613	377,449	(11,164)	360,211
3 Public Infrastructure	163,834	158,682	158,682	158,186	(496)	155,386
4 Education Delivery	5,827,748	5,842,083	5,842,083	5,811,609	(30,474)	4,607,880
5 Health Services	1,587,597	1,586,597	1,586,597	1,563,358	(23,239)	1,263,677
75 Region 5 - Mahaica/Berbice						
1 Regional Administration & Finance	204,111	208,211	208,211	196,983	(11,228)	200,342
2 Agriculture	217,771	217,771	217,771	208,084	(9,687)	249,440
3 Public Infrastructure	179,328	179,328	179,328	173,238	(6,090)	219,011
4 Education Delivery	2,105,606	2,105,606	2,105,606	2,090,295	(15,311)	1,814,698
5 Health Services	964,519	960,419	960,419	928,177	(32,242)	799,193
76 Region 6 - East Berbice/Corentyne						
1 Regional Administration & Finance	184,591	184,591	184,591	181,137	(3,454)	162,283
2 Agriculture	964,828	964,828	964,828	963,839	(989)	874,873
3 Public Infrastructure	327,680	327,680	327,680	326,817	(863)	319,769
4 Education Delivery	4,548,916	4,548,916	4,548,916	4,500,617	(48,299)	3,725,919
5 Health Services	2,265,866	2,265,866	2,265,866	2,245,194	(20,672)	1,863,961
77 Region 7 - Cuyuni/Mazaruni						
1 Regional Administration & Finance	340,281	340,281	340,281	333,728	(6,553)	312,487
2 Public Infrastructure	189,064	189,064	189,064	181,766	(7,298)	183,567
3 Education Delivery	1,470,493	1,470,493	1,470,493	1,404,939	(65,554)	1,420,334
4 Health Services	832,399	832,399	832,399	810,270	(22,129)	666,587
78 Region 8 - Potaro/Siparuni						
1 Regional Administration & Finance	185,097	185,097	185,097	173,103	(11,994)	150,699
2 Public Infrastructure	186,162	186,162	186,162	181,103	(5,059)	191,221
3 Education Delivery	1,201,890	1,201,890	1,201,890	1,001,348	(200,542)	984,697
4 Health Services	377,435	377,435	377,435	365,643	(11,792)	317,654
5 Agriculture	25,300	25,300	25,300	21,662	(3,638)	25,295
79 Region 9 - Upper Takatu/Upper Essequibo						
1 Regional Administration & Finance	243,827	243,827	243,827	237,164	(6,663)	194,648
2 Agriculture	66,257	66,257	66,257	66,187	(70)	61,813
3 Public Infrastructure	233,498	233,498	233,498	229,924	(3,574)	198,876
4 Education Delivery	1,482,736	1,482,736	1,482,736	1,473,476	(9,260)	1,231,296
5 Health Services	757,844	757,844	757,844	739,931	(17,913)	544,663
C/F	230,343,632	238,384,769	238,384,769	230,875,171	(7,509,598)	197,330,503

Agency №.	Description	Approved Allotment (Allotment 1) 2,020	Revised Allotment 2,020	Total Funds Available 2,020	Actual Expenditure 2,020	Under Total Funds Available 2,020	Actual Expenditure 2,019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F		230,343,632	238,384,769	238,384,769	230,875,171	(7,509,598)	197,330,503
80	Region 10 - Upper Demerara/Berbice						
1	Regional Administration & Finance	240,444	243,444	243,444	230,621	(12,823)	228,042
2	Public Infrastructure	201,973	201,973	201,973	157,240	(44,733)	233,671
3	Education Delivery	2,573,231	2,573,231	2,573,231	2,498,597	(74,634)	2,220,179
4	Health Services	810,810	807,810	807,810	751,275	(56,535)	623,151
5	Agriculture	31,027	31,027	31,027	22,230	(8,797)	24,913
	SUB TOTAL	234,201,117	242,242,254	242,242,254	234,535,134	(7,707,120)	200,660,459
	STATUTORY						
01	Office of the President	12,123	12,135	12,135	12,030	(105)	0
03	Ministry of Finance	5,770,000	5,770,000	5,770,000	5,769,336	(664)	5,195,043
05	Ministry of the Presidency	18,137	18,137	18,137	18,078	(59)	23,650
51	Ministry of Home Affairs	2,085	2,085	2,085	2,084	(1)	0
54	Ministry of Public Security	22,508	22,508	22,508	22,508	0	37,679
90	Public Debt	17,448,993	19,415,070	19,415,070	19,324,344	(90,726)	17,647,894
	SUB TOTAL	23,273,846	25,239,935	25,239,935	25,148,380	(91,555)	22,904,266
	TOTAL PAYMENTS	257,474,963	268,720,259	268,720,259	260,919,464	(7,800,795)	225,331,030

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR 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 2020**

Agency Description №.	Approved Allotment (Allotment 1) 2020	Revised Allotment 2020	Total Funds Available 2020	Actual Expenditure 2020	Under Total Funds Available 2020	Actual Expenditure 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
01 Office of the President						
1 Administration	287,829	247,750	247,750	240,682	(7,068)	0
2 National Policy Development Presidential Advisory Services	10,000	49,079	49,079	49,041	(38)	0
4 Public Policy & Planning	4,000	5,000	5,000	4,955	(45)	0
5 Environmental Management & Compliance	66,377	66,377	66,377	32,585	(33,792)	0
6 Police Complaints Authority	1,000	1,000	1,000	999	(1)	0
02 Office of the Prime Minister						
1 Prime Minister's Secretariat	37,882	37,882	37,882	37,758	(124)	145,556
2 Disaster Preparedness, Response & Management	16,417	16,417	16,417	16,225	(192)	0
3 Power Generation	2,068,216	2,068,216	2,068,216	1,132,428	(935,788)	0
4 Telecommunications & Innovation	55,620	55,620	55,620	15,500	(40,120)	0
5 Government Information & Communication Services	26,600	26,600	26,600	26,566	(34)	0
03 Ministry of Finance						
1 Policy & Administration	14,133,034	14,133,034	14,133,034	13,790,232	(342,802)	3,949,995
2 Public Financial Management Policies & Services	87,254	87,254	87,254	85,880	(1,374)	174,455
04 Ministry of Foreign Affairs						
1 Development of Foreign Policy	16,821	16,821	16,821	16,821	0	39,224
2 Foreign Policy Promotion	13,696	13,696	13,696	13,696	0	482,400
05 Ministry of Presidency						
1 Policy Development & Administration	4,986	4,986	4,986	4,986	0	435,234
2 Defence & National Security	0	0	0	0	0	22,080
3 Public Service Management	0	0	0	0	0	18,576
5 Citizenship & Immigration Services	15,974	15,974	15,974	14,675	(1,299)	745,406
6 Social Cohesion	6,210	6,210	6,210	6,210	0	404,752
7 Environmental Management & Compliance	12,462	12,462	12,462	12,462	0	105,178
8 Cultural Preservation & Conservation	15,000	15,000	15,000	14,999	(1)	73,755
9 Youth	6,132	6,132	6,132	6,132	0	202,524
5A Sport	30,449	30,449	30,449	30,443	(6)	654,584
5B Petroleum & Energy Management	267,444	267,444	267,444	267,444	0	307,357
06 Ministry of Parliamentary Affairs & Governance						
1 Policy Development & Administration	6,870	6,870	6,870	6,843	(27)	0
2 Parliamentary Affairs	1,000	1,000	1,000	997	(3)	0
3 Governance	3,000	3,000	3,000	2,999	(1)	0
07 Parliament Office						
1 National Assembly	61,736	61,736	61,736	61,736	0	76,904
08 Audit Office of Guyana						
1 Audit Office	18,050	18,050	18,050	18,050	0	17,395
09 Public & Police Service Commission						
1 Public & Police Service Commission	5,499	5,499	5,499	5,466	(33)	11,600
10 Teaching Service Commission						
1 Teaching Service Commission	3,525	3,525	3,525	3,508	(17)	495
11 Elections Commission						
1 Elections Commission	67,784	67,784	67,784	67,682	(102)	586,543
12 Ministry of Foreign Affairs & International Cooperation						
1 Development of Foreign Policy	12,431	12,431	12,431	12,423	(8)	0
2 Foreign Policy Promotion	67,871	67,871	67,871	67,865	(6)	0
3 Development of Foreign Trade Policy	750	750	750	741	(9)	0
C/F	17,431,919	17,431,919	17,431,919	16,069,029	(1,362,890)	8,454,013

Agency Description №.	Approved Allotment (Allotment 1) 2020	Revised Allotment 2020	Total Funds Available 2020	Actual Expenditure 2020	Under Total Funds Available 2020	Actual Expenditure 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F	17,431,919	17,431,919	17,431,919	16,069,029	(1,362,890)	8,454,013
13 Ministry of Local Government & Regional Development						
1 Policy Development & Administration	28,012	28,012	28,012	7,658	(20,354)	0
3 Regional Development	106,100	106,100	106,100	106,090	(10)	0
4 Local Government Development	622,520	622,520	622,520	621,637	(883)	0
14 Ministry of Public Service						
1 Policy Development & Administration	1,800	1,800	1,800	1,800	0	0
2 Human Resource Development	1,000	1,000	1,000	938	(62)	0
3 Human Resource Management	2,000	2,000	2,000	1,988	(12)	0
16 Ministry of Amerindian Affairs						
1 Policy Development & Administration	20,564	20,564	20,564	20,547	(17)	0
2 Community Development & Empowerment	825,200	955,200	955,200	955,195	(5)	0
17 Ministry of Indigenous Peoples' Affairs						
1 Policy Development & Administration	14,018	14,018	14,018	14,017	(1)	801,694
21 Ministry of Agriculture						
1 Ministry Administration	835,642	835,642	835,642	634,671	(200,971)	338,937
2 Agriculture Development & Support Services	4,559,420	8,559,420	8,559,420	8,554,702	(4,718)	2,851,395
3 Fisheries	42,000	42,000	42,000	41,204	(796)	8,317
4 Hydrometeorological Services	50,036	50,036	50,036	50,036	0	45,634
23 Ministry of Tourism, Industry & Commerce						
1 Policy Development & Administration	67,000	67,000	67,000	61,261	(5,739)	0
2 Business Development, Support & Promotion	436,653	436,653	436,653	373,953	(62,700)	0
3 Consumer Protection	2,250	2,250	2,250	2,174	(76)	0
4 Tourism Development & Promotion	6,500	6,500	6,500	6,491	(9)	0
25 Ministry of Business						
1 Policy Development & Administration	12,149	12,149	12,149	12,148	(1)	69,341
2 Business Development, Support & Promotion	145,027	145,027	145,027	144,982	(45)	632,926
3 Consumer Protection	0	0	0	0	0	5,495
4 Tourism Development & Promotion	0	0	0	0	0	3,536
26 Ministry of Natural Resources						
1 Policy Development & Administration	64,410	64,410	64,410	64,409	(1)	437,000
2 Natural Resource Management	30,205	30,205	30,205	30,204	(1)	105,614
4 Petroleum Management	158,000	158,000	158,000	83,514	(74,486)	0
31 Ministry of Public Works						
1 Policy Development & Administration	71,937	71,937	71,937	71,923	(14)	0
2 Public Works	6,055,547	6,655,547	6,655,547	5,707,347	(948,200)	0
3 Transport	523,298	523,298	523,298	444,653	(78,645)	0
32 Ministry of Public Infrastructure						
1 Policy Development & Administration	2,935,744	2,935,744	2,935,744	2,934,923	(821)	4,520,335
2 Public Works	9,385,314	9,385,315	9,385,315	9,339,879	(45,436)	18,601,208
3 Transport	795,894	795,894	795,894	792,559	(3,335)	2,101,569
33 Ministry of Public Telecommunication						
1 Policy Development & Administration	25,507	25,507	25,507	3,500	(22,007)	68,498
2 Public Telecommunications	3,130,773	3,130,773	3,130,773	3,130,773	0	2,183,755
4 Industry Innovations	0	0	0	0	0	9,257
38 Ministry of Labour						
1 Policy Development & Administration	20,000	20,000	20,000	19,990	(10)	0
2 Labour Administration Services	7,100	7,100	7,100	7,093	(7)	0
C/F	48,413,539	53,143,540	53,143,540	50,311,288	(2,832,252)	41,238,524

Agency Description №.	Approved Allotment (Allotment 1) 2020	Revised Allotment 2020	Total Funds Available 2020	Actual Expenditure 2020	Under Total Funds Available 2020	Actual Expenditure 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F	48,413,539	53,143,540	53,143,540	50,311,288	(2,832,252)	41,238,524
39 Ministry of Human Services & Social Security						
1 Policy Development & Administration	6,160	6,160	6,160	6,160	0	0
2 Social Services	12,000	12,000	12,000	11,982	(18)	0
3 Child Care & Protection	28,500	28,500	28,500	28,494	(6)	0
40 Ministry of Education						
1 Policy Development & Administration	962,851	962,851	962,851	426,442	(536,409)	354,251
2 Training & Development	361,595	361,595	361,595	360,058	(1,537)	129,741
3 Nursery Education	55,853	55,853	55,853	55,477	(376)	68,216
4 Primary Education	106,909	106,909	106,909	104,829	(2,080)	123,576
5 Secondary Education	1,115,895	1,115,895	1,115,895	913,686	(202,209)	1,211,514
6 Post- Secondary/ Tertiary Education	724,632	724,632	724,632	533,845	(190,787)	807,562
42 Ministry of Communities						
1 Sustainable Communities Management	0	0	0	0	0	621,704
2 Sustainable Communities Development	1,542,450	1,542,450	1,542,450	1,537,093	(5,357)	8,160,967
43 Ministry of Public Health						
1 Policy Development & Administration	17,356	17,356	17,356	17,356	0	461,425
2 Disease Control	88,063	88,063	88,063	88,063	0	258,226
3 Family Health Care Services	408,425	408,425	408,425	408,425	0	408,682
4 Regional & Clinical Services	1,588,412	1,588,412	1,588,412	1,587,191	(1,221)	1,097,794
5 Health Sciences Education	773	773	773	773	0	58,424
6 Standards & Technical Services	0	0	0	0	0	61,708
7 Disability & Rehabilitation Services	12,753	12,753	12,753	12,753	0	24,992
44 Ministry of Culture, Youth & Sports						
1 Policy Development & Administration	15,023	15,023	15,023	14,526	(497)	0
2 Culture	45,350	45,350	45,350	43,678	(1,672)	0
3 Youth	18,000	18,000	18,000	17,094	(906)	0
4 Sports	195,000	195,000	195,000	182,309	(12,691)	0
45 Ministry of Housing & Water						
1 Policy Development & Administration	5,000	5,000	5,000	4,997	(3)	0
2 Housing Development & Management	1,870,615	3,870,615	3,870,615	3,801,098	(69,517)	0
3 Water Service Expansion & Management	664,985	664,985	664,985	632,994	(31,991)	0
47 Ministry of Health						
1 Policy Development & Administration	139,044	139,044	139,044	48,028	(91,016)	0
2 Disease Control	4,002,514	4,002,514	4,002,514	3,513,368	(489,146)	0
3 Family & Primary Health Care Services	85,085	85,085	85,085	83,121	(1,964)	0
4 Regional & Clinical Services	439,781	439,781	439,781	414,370	(25,411)	0
5 Health Sciences Education	6,473	6,473	6,473	6,205	(268)	0
6 Standards & Technical Services	13,400	13,400	13,400	2,531	(10,869)	0
7 Disability & Rehabilitation Services	4,320	4,320	4,320	3,312	(1,008)	0
49 Ministry of Social Protection						
1 Policy Development & Administration	17,930	17,930	17,930	17,930	0	286,387
2 Social Services	0	0	0	0	0	57,115
3 Labour Administration	0	0	0	0	0	22,186
4 Child Care & Protection	0	0	0	0	0	108,249
51 Ministry of Home Affairs						
1 Policy Development & Administration	245,511	245,511	245,511	185,334	(60,177)	0
2 Guyana Police Force	779,584	786,109	786,109	785,037	(1,072)	0
3 Guyana Prison Service	1,576,980	1,576,980	1,576,980	1,575,835	(1,145)	0
5 Guyana Fire Service	62,860	62,860	62,860	61,200	(1,660)	0
6 General Register Office	1,000	1,000	1,000	695	(305)	0
7 Customs Anti Narcotics	20,200	20,200	20,200	20,199	(1)	0
C/F	65,654,821	72,391,347	72,391,347	67,817,776	(4,573,571)	55,561,243

Agency Description №.	Approved Allotment (Allotment 1) 2020	Revised Allotment 2020	Total Funds Available 2020	Actual Expenditure 2020	Under Total Funds Available 2020	Actual Expenditure 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F	65,654,821	72,391,347	72,391,347	67,817,776	(4,573,571)	55,561,243
52 Ministry of Legal Affairs						
1 Policy Development & Administration	296,500	296,500	296,500	202,341	(94,159)	99,147
2 Ministry Administration	0	0	0	0	0	899
3 Attorney General's Chambers	2,000	2,000	2,000	1,999	(1)	8,100
4 State Solicitor	0	0	0	0	0	700
53 Guyana Defence Force						
1 Defence & Security Support	670,090	2,850,090	2,850,090	2,744,931	(105,159)	1,034,171
54 Ministry of Public Security						
1 Policy Development & Administration	245,958	245,958	245,958	245,958	0	615,474
2 Police Force	740,046	740,046	740,046	740,046	0	798,491
3 Prison Service	484,927	484,927	484,927	484,927	0	1,766,630
4 Police Complaints Authority	0	0	0	0	0	2,495
5 Fire Service	0	0	0	0	0	578,014
6 Customs Anti Narcotics Unit	0	0	0	0	0	29,912
55 Supreme Court						
1 Supreme Courts of Judicature	430,303	430,303	430,303	430,303	0	458,478
56 Public Prosecutions						
1 Public Prosecutions	17,074	17,074	17,074	17,067	(7)	3,424
57 Office of the Ombudsman						
1 Ombudsman	0	0	0	0	0	1,042
58 Public Service Appellate Tribunal						
1 Public Service Appellate Tribunal	0	0	0	0	0	0
59 Ethnic Relations Commission						
1 Ethnic Relations Commission	13,133	13,133	13,133	13,123	(10)	18,625
61 Rights Commission of Guyana						
1 Rights Commission of Guyana	9,270	9,270	9,270	9,196	(74)	12,193
62 Public Procurement Commission						
1 Public Procurement Commission	6,855	6,855	6,855	6,770	(85)	9,400
71 Region 1 - Barima/Waini						
1 Regional Administration & Finance	25,122	25,122	25,122	25,086	(36)	54,123
2 Public Works	91,656	91,656	91,656	90,787	(869)	140,060
3 Education Delivery	93,751	93,751	93,751	93,748	(3)	193,181
4 Health Services	195,066	195,066	195,066	195,029	(37)	146,719
5 Agriculture	5,000	5,000	5,000	4,656	(344)	20,000
72 Region 2 - Pomeroon/Supenaam						
1 Regional Administration & Finance	3,000	3,000	3,000	2,994	(6)	16,278
2 Agriculture	49,700	49,700	49,700	43,043	(6,657)	40,980
3 Public Works	53,200	53,200	53,200	52,529	(671)	113,116
4 Education Delivery	119,129	119,129	119,129	110,760	(8,369)	211,351
5 Health Services	90,536	90,536	90,536	88,057	(2,479)	150,280
73 Region 3 - Essequibo Islands/West Demerara						
1 Regional Administration & Finance	14,200	14,200	14,200	13,963	(237)	17,962
2 Agriculture	57,000	57,000	57,000	57,000	0	87,811
3 Public Works	69,352	69,352	69,352	68,609	(743)	149,434
4 Education Delivery	96,692	96,692	96,692	92,751	(3,941)	176,822
5 Health Services	110,786	110,786	110,786	80,521	(30,265)	117,067
C/F	69,645,167	78,561,693	78,561,693	73,733,970	(4,827,723)	62,633,622

Agency Description №.	Approved Allotment (Allotment 1) 2020	Revised Allotment 2020	Total Funds Available 2020	Actual Expenditure 2020	Under Total Funds Available 2020	Actual Expenditure 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B/F	69,645,167	78,561,693	78,561,693	73,733,970	(4,827,723)	62,633,622
74 Region 4 - Demerara/Mahaica						
1 Regional Administration & Finance	10,000	10,000	10,000	9,999	(1)	7,922
2 Agriculture	28,980	28,980	28,980	28,980	0	48,340
3 Public Works	87,648	87,648	87,648	87,648	0	103,127
4 Education Delivery	183,791	183,791	183,791	183,791	0	286,578
5 Health Services	145,146	145,146	145,146	145,146	0	155,140
75 Region 5 - Mahaica/Berbice						
1 Regional Administration & Finance	8,500	8,500	8,500	8,482	(18)	15,375
2 Agriculture	43,500	43,500	43,500	42,868	(632)	58,967
3 Public Works	104,200	104,200	104,200	103,103	(1,097)	168,559
4 Education Delivery	51,850	51,850	51,850	51,787	(63)	145,164
5 Health Services	165,745	165,745	165,745	165,640	(105)	47,640
76 Region 6 - East Berbice/Corentyne						
1 Regional Administration & Finance	18,800	18,800	18,800	18,800	0	15,940
2 Agriculture	50,000	50,000	50,000	50,000	0	221,288
3 Public Works	107,000	107,000	107,000	107,000	0	226,212
4 Education Delivery	129,600	129,600	129,600	129,600	0	116,599
5 Health Services	131,642	131,642	131,642	131,642	0	164,951
77 Region 7 - Cuyuni/Mazaruni						
1 Regional Administration & Finance	4,500	4,500	4,500	4,368	(132)	38,715
2 Public Works	79,521	79,521	79,521	79,518	(3)	91,964
3 Education Delivery	120,058	120,058	120,058	119,855	(203)	207,015
4 Health Services	110,907	110,907	110,907	110,700	(207)	108,461
5 Agriculture	5,000	5,000	5,000	4,999	(1)	1,200
78 Region 8 - Potaro/Siparuni						
1 Regional Administration & Finance	700	700	700	688	(12)	7,721
2 Public Works	61,699	61,699	61,699	24,039	(37,660)	146,576
3 Education Delivery	96,885	96,885	96,885	96,378	(507)	129,894
4 Health Services	35,993	35,993	35,993	35,788	(205)	89,227
5 Agriculture	4,000	4,000	4,000	3,994	(6)	15,101
79 Region 9 - Upper Takatu/Upper Essequibo						
1 Regional Administration & Finance	34,100	34,100	34,100	33,859	(241)	57,420
2 Agriculture	36,500	36,500	36,500	36,500	0	26,345
3 Public Works	70,000	70,000	70,000	69,082	(918)	188,977
4 Education Delivery	95,050	95,050	95,050	95,050	0	150,740
5 Health Services	80,019	80,019	80,019	79,633	(386)	107,469
80 Region 10 - Upper Demerara/Berbice						
1 Regional Administration & Finance	17,493	17,493	17,493	17,218	(275)	82,134
2 Public Works	43,192	43,192	43,192	42,459	(733)	114,805
3 Education Delivery	165,785	165,785	165,785	165,565	(220)	168,597
4 Health Services	66,002	66,002	66,002	65,687	(315)	91,941
5 Agriculture	31,200	31,200	31,200	30,906	(294)	22,716
TOTAL	72,070,173	80,986,699	80,986,699	76,114,742	(4,871,957)	66,262,442

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR 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 2020**

Agency No.	Description	Employment		Total Expenditure 2020	Total Expenditure 2019
		Wages & Salaries 2020	Overhead Expenses 2020		
		\$'000	\$'000	\$'000	\$'000
01	Office of the President	9,504	2,526	12,030	0
05	Ministry of Presidency	15,357	2,721	18,078	23,650
51	Ministry of Home Affairs	1,900	184	2,084	0
54	Ministry of Public Security	18,797	3,711	22,508	37,678
	Sub-total	<u>45,558</u>	<u>9,142</u>	<u>54,700</u>	<u>61,328</u>
03	Ministry of Finance				
	Pension and Gratuities	5,499,336	0	5,499,336	4,951,443
	Payments to Dependent's Pension Fund	270,000	0	270,000	243,600
	Sub-total	<u>5,769,336</u>	<u>0</u>	<u>5,769,336</u>	<u>5,195,043</u>
90	Public Debt				
	Internal Principal	2,039,944	0	2,039,944	279,944
	Internal Interest	1,318,871	0	1,318,871	1,031,816
	External Principal	11,040,432	0	11,040,432	11,497,526
	External Interest	4,925,097	0	4,925,097	4,838,608
	Sub-total	<u>19,324,344</u>	<u>0</u>	<u>19,324,344</u>	<u>17,647,894</u>
	GRAND TOTAL			<u>25,148,380</u>	<u>22,904,265</u>

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

**STATEMENT OF RECEIPTS AND PAYMENTS OF THE CONTINGENCIES FUND
OF THE GOVERNMENT OF GUYANA
FOR THE FISCAL YEAR ENDED 31ST DECEMBER 2020**

Notes
4

2020
\$'000

R E C E I P T S (Replenishment)

NIL

Total Receipts 0

P A Y M E N T S (Drawing Rights)

Warrant №.	Date of Warrant	Ministry/Department/Region	Amount \$'000
1	11/9/2020	Ministry of Agriculture	186,322
2	12/2/2020	Ministry of Amerindian Affairs	53,856
3	12/7/2020	Guyana Defence Force	414,200
4	12/7/2020	Guyana Defence Force	108,106
5	12/7/2020	Guyana Defence Force	23,322
6	12/21/2020	Ministry of Home Affairs	6,525
Total Payments			792,331

Summary 2019
\$'000

Uncleared advances for 2019 4,150,242

Add: Payments(Drawing Rights) Authorised in 2020 792,331

Less: Replishments Authorised in 2019 (4,150,242)

Less: Replenishments (792,331)

Balance Outstanding as at 31/12/2020 0

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

**FINANCIAL REPORT OF THE DEPOSIT FUND
FOR THE FISCAL YEAR ENDING 31 DECEMBER 2020**

Type of Deposit	Amount 2020	Amount 2019
	\$'000	\$'000
Dependents Pension Fund	2,376,507	1,931,023
Sugar Industry Welfare Committee	50,691	50,691
Sugar Industry Welfare Labour Fund	651,696	743,773
Sugar Industry Rehabilitation Fund	74,833	74,833
Sugar Industry Price Stabilisation Fund	14,924	14,924
Miscellaneous	(821,038)	34,089
Total	<u>2,347,612</u>	<u>2,849,333</u>

Type of Advances	Amount 2020	Amount 2019
	\$'000	\$'000
Personal	22,004	23,059
Gratuity	1,281,676	1,312,358
Auto Advance	104,461	105,843
Guyana Gold Board	8,650,148	8,650,148
Imprest & Cash on Hand	1,520,790	1,568,665
Deposit Fund Advance Warrants	208,410	208,410
Crown Agents	411,798	411,798
Statutory and Other Bodies	1,554,456	1,554,456
Total	<u>13,753,743</u>	<u>13,834,737</u>

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

**SCHEDULE OF ISSUANCE OF LOANS AND EXTINGUISHMENT OF ALL LOANS
MADE FROM THE CONSOLIDATED FUND
AS AT 31 DECEMBER 2020**

Description	Loan Currency	Amount of Loan 1	Amount Outstanding as at 01/01/2020 2	Loan Made During 2020 3	Total (2) + (3) = (4)	Principal Repaid During 2020 5	Interest Repaid During 2020 6	Amount Written Off During 2020 7	Total (5) + (6) + (7) = (8)	Balance Outstanding (4) - (5) - (7) = (9)	
PUBLIC CORPORATIONS AND BONDS		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1	Guyana National Printers	GYD	100,000	91,260	0	91,260	17,668	3,592	0	21,260	73,592
2	Ogle Airport Inc.	GYD	402,251	299,707	0	299,707	33,301	0	0	33,301	266,406
3	GuySuco №. 1/2004	USD	24,893	5,308,844	0	5,308,844	0	0	0	0	5,308,844
4	GuySuco №. 2/2004	USD	56,000	14,088,366	0	14,088,366	0	0	0	0	14,088,366
5	GuySuco №. 1/2003	USD	5,050	829,665	0	829,665	0	0	0	0	829,665
6	GuySuco №. 1/2005	RMB	270,000	9,095,951	0	9,095,951	0	0	0	0	9,095,951
7	Guyana Power & Light Inc. №. 1/2007	USD	3,802	784,824	0	784,824	0	0	0	0	784,824
8	Guyana Power & Light Inc. №. 1/2008	USD	31,355	6,752,858	0	6,752,858	0	0	0	0	6,752,858
9	Guyana Power & Light Inc. №. 1/2010	RMB	270,000	6,433,597	0	6,433,597	0	0	0	0	6,433,597
10	Guyana Power & Light Inc. №. 1/2011	USD	18,928	4,179,679	0	4,179,679	0	0	0	0	4,179,679
11	Guyana Power & Light Inc. №. 1/2012	USD	26,000	5,711,400	0	5,711,400	0	0	0	0	5,711,400
12	Guyana Power & Light Inc. №. 1/2013	GYD	4,770,000	5,060,493	0	5,060,493	0	0	0	0	5,060,493
13	Guyana Power & Light Inc. №. 1/2014	USD	12,065	2,660,072	0	2,660,072	0	0	0	0	2,660,072
14	Guyana Power & Light Inc. №. 1/2020	USD	1,153,399	1,164,080	0	1,164,080	0	0	0	0	1,164,080
15	Guyana Power & Light Inc. №. 2/2020	USD	4,520,250	4,568,053	0	4,568,053	0	0	0	0	4,568,053
16	Guyana Power & Light Inc. №. 3/2020	USD	5,088,851	5,142,109	0	5,142,109	0	0	0	0	5,142,109
	TOTAL		16,752,844	72,170,958	0	72,170,958	50,969	3,592	0	54,561	72,119,989

MS. J. CHAPMAN
ACCOUNTANT GENERAL

HON. DR. ASHNI SINGH
SENIOR MINISTER,
OFFICE OF THE PRESIDENT
WITH RESPONSIBILITY FOR FINANCE

**STATEMENT OF CURRENT ASSETS AND LIABILITIES OF THE GOVERNMENT OF GUYANA
AS AT 31 DECEMBER 2020**

	Notes	2020 \$'000	2019 \$'000
CURRENT ASSETS			
<u>Central Government Bank Balances</u>			
<u>Consolidated Fund</u>			
New 407 Account		(160,301,711)	(77,511,949)
Old 400 Account		(46,776,183) (207,077,893)	(46,776,183) (124,288,132)
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	15,695,206	7,244,654
Deposits Fund		0	0
General Account		0	0
Non-sub Accounting Ministries/Departments (<i>Account # 3001</i>)		0	0
Other Ministries/Departments		29,319,851	30,833,316
Monetary Sterilisation Account	1.7	1,636,508	1,879,684
Redemption of T-Bills (<i>Account # 404</i>)		(3)	(3)
Total Current Assets		(160,426,330)	(84,330,481)
 CURRENT LIABILITIES			
Treasury Bills			
91 Days & K Series	1.7	993,490	993,480
180 & 360 Days	1.7	1,742,381	2,091,454
E Series		7,029,021	0
F Series	1.8	5,325,891	370,946
G Series	1.8	65,077,403	67,527,016
Interest (Outstanding)		80,168,186	70,982,896
Other Liabilities			
Dependents Pension Fund		2,376,507	1,931,023
Sugar Industry Welfare Committee		50,691	50,691
Sugar Industry Welfare Labour Fund		651,696	743,773
Sugar Industry Rehabilitation Fund		74,833	74,833
Sugar Industry Price Stabilization Fund		14,924	14,924
Miscellaneous		(821,038) 2,347,612	34,089 2,849,333
Total Current Liabilities		82,515,798	73,832,228
NET CURRENT LIABILITIES		(242,942,128)	158,162,709

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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 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. 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 Integrated Financial and Information System (IFMIS).

1.3 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognized 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 recognized 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 31st December 2020 but were received in the respective 2000 Series Bank Accounts (refer to note 2).

1.7 Monetary Sterilization Account

The purpose of the Monetary Sterilization 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 sterilization liability should be exactly offset by the monetary sterilization bank account, creating a fully funded liability.

The Monetary Sterilization account deficit of \$71.502B is the difference between the outstanding liability (\$73.139B) and cash held for purpose of retiring the liability (\$1.637B). 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 \$317.7M with \$211.8M remaining balance for 2019 and \$105.9M for the year 2020.

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 authorized for issue on 30 April 2021 by Hon. Ashni Singh, Senior Minister, Office of the President with responsibility for 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.

4.0 Statement of Receipts and Payments of the Contingencies Fund

The sum of \$4,150,242 Contingency Fund Advance Warrants was cleared during the period January to December 2020.

**STATEMENT OF GOVERNMENT GUARANTEES
AS AT 31 DECEMBER 2020**

Name Of Government Agency	Outstanding Liability at 12/31/2020
	G\$'000
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000
	<u>500,000</u>

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**STATEMENT OF CONTINGENT LIABILITIES
AS AT 31 DECEMBER 2020**

Name of Government Agency	Outstanding Liability at 12/31/2020
	G\$'000
Bank of Guyana (Contribution to the Deposit Insurance Fund)	500,000
	<u>500,000</u>

MS. J. CHAPMAN
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**STATEMENT OF PUBLIC DEBT
AS AT 31 DECEMBER 2020**

SUMMARY SHEET

DESCRIPTION	EXTERNAL	INTERNAL	TOTAL
	G\$'000	G\$'000	G\$'000
FUNDED	0	3,898,537	3,898,537
UNFUNDED	271,725,017	58,585,131	330,310,148
SUB TOTAL	<u>271,725,017</u>	<u>62,483,668</u>	<u>334,208,685</u>
SHORT-TERM Treasury Bills (91 days and K Series)	0	997,300	997,300
MEDIUM -TERM Treasury Bills (182 and 364 days)	0	79,946,700	79,946,700
GRAND TOTAL	<u><u>271,725,017</u></u>	<u><u>143,427,668</u></u>	<u><u>415,152,685</u></u>

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NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	7	7	8	9				
			*_/3		a	b	a	b	9=8a+8b		10=(4+5+6b-7a-7b)-9	11	
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
Secondary Schools Reform Project Credit No. 2879-0 GUA	SDR	2,081	1,374	0	83	10	83	10	93	0	1,291	388,877	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 & Technical Assistance Credit No. 2559-0 GUA	SDR	2,606	1,171	0	84	9	84	9	93	0	1,087	327,624	Repayments commence on 1/6/2004 in 60 semi-annual install. and ends 1/12/2033. Interest, rate each install. and including Interest 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	2,080	0	48	16	48	16	65	0	2,032	612,254	This loan shall be repaid in semi annual installments and commencing 15 June 2013 ending 15 December 2042
Improving Teachers Education Project 4803-GY	SDR	2,800	2,785	0	139	21	139	21	160	0	2,646	797,178	The borrower shall repay the principal amount, the credit in semi-annual installments payable on June 1st 2015 and ending June 1st, 2030.
University of Guyana Science & Technology Support Project 4969- GY	SDR	6,200	6,200	0	0	47	0	47	47	0	6,200	1,868,064	The borrower shall repay the principal amount, the credit in semi-annual installments payable on Dec 1st 2021 and ending June 1st, 2031.
Secondary Education Improvement Project 5473-GY	SDR	6,500	6,374	19	215	128	215	128	342	0	6,178	1,861,510	Repayment and commencing June 1, 2019 to and including December 1,2028 at 1.65% of principal amount of credit and 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	7,573	0	254	153	254	153	407	0	7,319	2,205,164	Repayment and commencing ,December1, 2019 to and including June 1,2029 at 1.65% of principal amount of credit and and commencing December 1,2029 to and including June 1,2039 at 3.35% of Principal amount of credit.
Additional Financing University of Guyana Science &Technology Support Project 5753- GY	SDR	2,700	2,699	0	0	54	0	54	54	0	2,699	813,334	Repayment and commencing on June 1, 2021 to and including December1, 2030 at 1.65% of Principle amount of Credit and and commencing on June 1, 2031 to and including December1, 2040 at 3.35% of Principle amount of Credit
Guyana Payment System Project 5966-GY	SDR	4,500	594	777	0	16	0	16	16	0	1,371	412,943	Repayment and commencing on June 1, 2022 to and including December1, 2031 at 1.65% of Principle amount of Credit and and commencing on June 1, 2032 to and including December1,
C/F												9,286,949	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	7	7a	7b	8 9=8a+8b				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	9,286,949	
Guyana Education Sector Improvement Project 6009-GY	SDR	9,900	2,917	1,063	0	75	0	75	75	0	3,980	1,199,097	Repayment and commencing on June 1, 2022 to and including December 1, 2031 at 1.65% of Principle amount of Credit and commencing on June 1, 2032 to and including December 1, 2041 at 3.35% of Principle amount of Credit
First Programme Financial Fiscal Stability Development Policy Credit 6286-GY	SDR	24,400	24,400	0	0	181	0	181	181	0	24,400	7,351,734	This loan shall be paid on each February and August and commencing August 15th 2028 to and including February 15, 2038 at 1% and commencing August 15th 2038 to and including February 15, 2058 at 2%
Guyana Petroleum Resources Governance & Management Project 6382-GY	SDR	14,300	1,834	1,631	0	19	0	19	19	0	3,465	1,044,060	This loan shall be paid on each May 15 and November 15 and commencing on May 15, 2029 to 2038 at 1%, and commencing on May 15 to and including November 15, and including November 15 2058 at 2%.
Additional Financing for Flood Risk Management Project & Amendment to Original Financing Agreement 6786 GY	SDR	18,400	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid and commencing on December 1, 2030 to and including June 1, 2040 at 1%, and commencing on December 2021 to and including June 1 2060 at 2%.
Covid-19 Emergency Response Project 6802-GY	SDR	5,400	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid and commencing on December 1, 2030 to and including June 1, 2040 and commencing December 1, 2040 to and including June 1, 2060 at 2%.
Caribbean Development Bank (CDB)													
Caribbean Court of Justice 01/SFR-OR-GUY (OCR)	USD	4,400	2,145	0	220	91	220	91	311	0	1,925	401,363	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	2,145	0	220	41	220	41	261	0	1,925	401,363	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	3,196	0	511	133	511	133	645	0	2,685	559,731	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
Third Road Project 2/SFR-ORGUY (SFR)	USD	10,000	7,000	0	500	136	500	136	636	0	6,500	1,355,250	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October, 2033.
Skeldon Sugar Modernization 3/SFR-OR-GUY (OCR)	USD	14,321	5,490	0	845	230	845	230	1,074	0	4,646	968,597	This loan shall be repaid in 68 equal quarterly repayments beginning 1 July, 2009, ending 1 April, 2026.
C/F												22,568,141	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN	
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT					
					6	b	a	b	8 9=8a+8b					
1	2	3	4 *_/3	5	a	b	a	b	8	9	10 10=(4+5+6b- 7a-7b)-9	11		
B/F														
Skeldon Sugar Modernisation 3/SFR-OR-GUY (SFR)	USD	14,035	9,753	0	697	190	697	190	886	0	9,056	1,888,175	This loan shall be repaid in 80 equal quarterly repayments beginning 1 January, 2014, ending 1 October 2033	
Reconstruction of Sea Defenses (2nd Loan) 4/SFR-OR-GUY (OCR)	USD	3,684	1,517	0	217	64	217	64	280	0	1,300	271,101	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2010, ending 1 October 2026	
Reconstruction of Sea Defenses (2nd Loan) 4/SFR-OR-GUY (SFR)	USD	3,249	2,437	0	162	48	162	48	210	0	2,275	474,243	This loan shall be repaid in 80 equal quarterly repayments beginning 1 October, 2016, ending 1 July 2036	
Community Services Enhancement Project 5/SFR-OR-GUY (OCR)	USD	3,580	1,790	0	211	76	211	76	286	0	1,579	329,307	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	7,917	0	473	155	473	155	627	0	7,444	1,552,135	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 (OCR)	USD	4,015	3,000	0	227	129	227	129	356	0	2,772	578,053	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 repay. Begin. 1 April ,2021 ending 1 Jan,2041	
CDB Debt Service to EEC Wisco 6/SFR-R	EUR	600	68	0	22	1	22	1	23	0	45	11,589	Annuity base repayments semi annually beginning 1 January 1994.	
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (OCR)	USD	9,200	8,269	0	542	357	542	357	900	0	7,727	1,611,118	This loan shall be repaid in 68 equal quarterly repayments beginning 4/1/2019	
Fourth Road Project W.C.D. Road Improvement 7/SFR-OR-GUY (SFR)	USD	25,000	24,963	0	0	499	0	499	499	0	24,963	5,204,837	This loan shall be repaid in 80 equal quarterly repayments beginning 1 April, 2023, ending 1 April 2023	
Economic Recovery Programme 7/SFR-GUY	USD	42,000	15,050	0	1,400	291	1,400	291	1,691	0	13,650	2,846,025	This loan shall be repaid in 120 equal quarterly repayments beginning 30 September, 2000, ending 1 July 2030	
Sea Defense West Coast Berbice 8/SFR-GUY	USD	7,180	3,613	0	241	71	241	71	312	0	3,372	703,036	This loan shall be repaid in 120 equal quarterly repayment beginning 31 December 2004 ending 1 October 2034	
C/F												40,596,134		

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN 1	LOAN CURR ENCY 2	ORIGINAL AMOUNT OF LOAN 3	OPENING BALANCE AS AT 01.01.2020 *_3 4	AMOUNT DIS- BURSED IN 2020 5	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20 10=(4+5+6b- 7a-7b)-9 10	GUYANA DOLLAR EQUIVALENT 31.12.20 11	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					a	b	a	b	9=8a+8b				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	40,596,134	
Sea & River Defense Resilience Project 8/SFR OR GUY OCR *_1	USD	2,900	1,558	307	101	81	101	81	183	0	1,763	367,662	This loan shall be repaid in 68 equal or approximately equal and consecutive quarterly installments on each due date and 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.
Sea & River Defense Resilience Project 8/SFR OR GUY SFR *_1	USD	22,100	12,341	3,618	0	210	0	210	210	0	15,959	3,327,503	This loan shall be repaid in 80 equal or approximately equal and consecutive quarterly installments on each due date and 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 & Irrigation 9/SFR-GUY	USD	5,026	3,812	0	168	75	168	75	243	0	3,644	759,803	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	6,332	0	357	124	357	124	481	0	5,976	1,245,898	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	5,061	0	293	99	293	99	392	0	4,768	994,042	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	3,060	0	255	59	255	59	314	0	2,805	584,843	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	176	0	29	3	29	3	33	0	147	30,662	This loan shall be repaid in 68 equal quarterly repayments beginning 1 January, 2009, ending 1 October 2025
Enhancement of Tech., Voc., Edu. Training Program (TVET) 18/SFR- GUY	USD	7,500	7,423	0	186	148	186	148	334	0	7,238	1,509,083	This loan shall be repaid in 80 equal quarterly repayments beginning 1 July, 2020, ending 1 April 2040
Skills Development & Employability Project 19/SFR-GUY *_1	USD	11,700	420	977	0	24	0	24	24	0	1,397	291,292	This loan shall be repaid in eighty (80) equal or approximately equal and conservative quarterly installment on each due date, and commencing on the first due date after the expiry of ten (10) years following the date o this Loan Agreement, and interest rate at (2%) per annum on the amount of principal withdrawn.
C/F												49,706,920	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
1	2	3	4 *_/3	5	a	b	a	b	9	10 10=(4+5+6b- 7a-7b)-9	11		
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	49,706,920	
Water Sector Enhancement Project 20/SFR-GUY	USD	1,265	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid in thirty six (36) equal installments on each due date and 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 21/SFR-GUY	USD	4,367	253	1,404	30	5	30	5	0	0	1,628	339,393	This loan shall be repaid in thirty two (32) equal installments on each due date and 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
CARICOM DEVELOPMENT FUND (CDF) Upgrade Weather Access Roads- Region #3, Parika & Ruby & Upgrade Fair- Weather Access Dams -Kuru Kuru to Laluni, Region 4 and Onvergwagt Loan No. GUY/L0001	USD	6,224	4,830	0	376	141	376	141	517	0	4,453	928,487	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 Service & Works for Rural Agricultural Infrastructure Development Regions 4 & 5 Loan No. GUY L0002	USD	6,625	5,724	0	327	168	327	168	495	0	5,397	1,125,175	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.
INTER-AMERICAN DEVELOPMENT BANK (IDB) Food Crop Production Marketing Programme - Loan No. 583/SF-GY	USD	1,600	27	0	27	0	27	0	27	0	(0)	0	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	7,915	0	428	156	428	156	584	0	7,487	1,561,061	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.
C/F												53,661,036	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
1	2	3	4 *_/3	5	a	b	a	b	8	9	10 10=(4+5+6b- 7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
Urban Development Programme Loan No. 1021/SF-GY	USD	20,000	4,604	0	236	91	236	91	327	0	4,368	910,706	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	7,990	0	390	158	390	158	548	0	7,600	1,584,643	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	1,268	0	62	25	62	25	87	0	1,206	251,439	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	6,656	0	325	131	325	131	456	0	6,331	1,320,072	This loan shall be completely repaid in 60 semiannual installments. The first shall be paid on 2010-12-14
Georgetown Sewerage & Water Rehabilitation Loan No. 1047/SF-GY	USD	27,000	8,946	0	436	177	436	177	613	0	8,509	1,774,219	60 Semi annual equal installments and commencing 2010-12-14 and to be conclude 2040-06-14. Disbursements shall expire 5 years from the effective date of contract.
Environmental Protection Loan No. 1052/SF-GY	USD	900	256	0	12	5	12	5	18	0	243	50,717	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 Programme Simap111- Loan No.1085	USD	20,000	10,170	0	452	201	452	201	653	0	9,718	2,026,294	The first installment shall be paid on 15th July 2012 & interest shall be paid semiannually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15
Mahaica- Rosignol Road Rehabilitation Project Loan No.1094	USD	33,000	8,815	0	392	175	392	175	566	0	8,424	1,756,316	The first installment shall be paid on 15th July 2012 & interest shall be paid semiannually at 1% until January 15 2012 & 2% thereafter. Loan to be closed 2042/01/15 this loan had a part cancellation in 2008.
C/F												63,335,444	

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					6	7	a	b	8 9=8a+8b				
B/F												63,335,444	
Unserviced Areas Electrification Programme Loan No.1103	USD	27,400	14,624	0	636	289	636	289	925	0	13,988	2,916,506	This loan shall be repaid semi-annual consecutive equal installments. The first installment shall be paid on March 3, 2013 & last installment September 3, 2017
Basic Education Access Management Support Loan No. 1107	USD	33,500	19,048	0	828	377	828	377	1,205	0	18,220	3,798,874	This loan shall be completely repaid in 60 semiannual, consecutive equal installments w.e.f 2013-01-25 to 2042-07-25
Basic Nutrition Programme Loan No. 1120 SF-GY	USD	5,000	3,417	0	145	68	145	68	213	0	3,272	682,124	This loan shall be repaid in 60 semi-annual installments. The first payment on Nov19, 2013 and last May 19 2043. Disbursement shall expire 4 years from the effective date of contract
Social Statistics & Policy Analysis Program Loan No.1516/SF-GY	USD	3,450	2,259	0	92	45	92	45	137	0	2,167	451,790	The first installment shall be paid on 24th September 2014 and interest shall be paid semiannually 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	19,550	0	767	387	767	387	1,154	0	18,783	3,916,325	The loan shall be completely repaid by the borrower by means of semi-annual consecutive, and, insofar as possible equal install. no later than May 27,2045.
Fiscal & Financial Management Programme Loan No. 1550/SF-GY	USD	15,000	4,262	0	170	84	170	84	255	0	4,091	853,015	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 Programme Loan No. 1551/SF-GY	USD	13,000	9,908	0	396	196	396	196	593	0	9,511	1,983,108	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	31,588	0	1,239	626	1,239	626	1,864	0	30,350	6,327,903	Loan shall be repaid semiannual, consecutive equal installment. The first installment on 6 Dec. 2015 and last installment 6 June 2045.
Agriculture Support Services Programme Loan No. 1558/SF-GY	USD	22,500	14,093	0	564	279	564	279	843	0	13,529	2,820,773	This loan shall be repaid semi-annual consecutive and in so far possible equal installments. The first installment shall be paid on the 24th March 2015 and the last 24th March 2044. The first interest shall be made on 24th March 2005.
Public Management Modernization Program Loan No.1604/SF-GY	USD	5,000	2,564	0	101	51	101	51	151	0	2,464	513,726	The loan shall be repaid semiannual, consecutive and equal installments. The first installment 15 Dec.2015 and last installment 15th June 2045.
C/F												87,599,589	

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					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					a	b	a	b	9=8a+8b				
1	2	3	4	5	6	7	8	9	10	11			
			*_/3						10=(4+5+6b- 7a-7b)-9				
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	87,599,589	
Georgetown Solid Waste Mng. Programme Loan No. 1730/SF-GY	USD	18,070	13,922	0	506	276	506	276	782	0	13,416	2,797,138	The borrower shall repay this loan in 60 semi-annual installments and commencing on the 22nd of August 2017 ending 22nd Feb.2047 and Interest at 1% pre annum for first 10 years 2007 and 2% thereafter beginning April 22nd, 2017.
Georgetown Solid Waste Mng. Programme Loan No. 1731/SF- GY	USD	2,500	0	0	0	0	0	0	0	0	0	0	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 Modernization of Justice Admin. Loan No. 1745/SF- GY	USD	15,000	13,750	0	500	273	500	273	773	0	13,250	2,762,625	Loan shall be repaid semiannual, consecutive equal installments. The first installment on 6 Jun. 2017 and last installment 6 June 2057.
Prog. For Modernization of Justice Admin. Loan No. 1746/SF- GY	USD	10,000	9,161	0	333	182	333	182	515	0	8,828	1,840,652	Loan shall be repaid in 60 semi-annual, consecutive equal installment. The first installment on Sept. 20th, 2017 and last installment March 20th, 2047.
Support For Competitiveness Loan No. 1750/SF- GY	USD	18,000	16,500	0	600	327	600	327	927	0	15,900	3,315,150	Loan shall be repaid loan in 60 semi-annual installments and commencing on Sept. 20th ,2017 ending March 20th, 2047 and Interest at 1% pre annum for first 10 years and 2% thereafter beginning Sept. 20th, 2017.
Support For Competitiveness Loan No. 1751/SF- GY	USD	8,650	6,824	0	248	135	248	135	383	0	6,576	1,371,002	Loan shall be repaid loan in 60 semi-annual installments and commencing on Sept. 20th ,2017 ending March 20th, 2047 and Interest at 1% pre annum for first 10 years and 2% thereafter beginning Sept. 20th, 2017.
Citizen Security Programme Loan No. 1752/SF- GY	USD	19,800	18,150	0	660	360	660	360	1,020	0	17,490	3,646,656	Loan shall be repaid in 60 semi-annual, consecutive equal installments. The first installment on July 31st, 2018 and last installment 31 Jan 2047. and Interest at 1% per annum until the 31st Jan 2018 and 2% thereafter.
C/F												103,332,812	

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					6	b	a	b	8 9=8a+8b				
1	2	3	4 *_3	5	a	b	a	b	8	9	10 10=(4+5+6b- 7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
Transport Infrastructure Rehab. Programme Loan No. 1803/SF- GY	USD	24,300	22,568	0	806	448	806	448	1,254	0	21,762	4,537,415	Loan shall be repaid in 60 semi-annual, consecutive equal installment. The first installments on 11 Jan. 2018 and last installment 11 July 2047. and Interest at 1% per annum until the 11st Jan 2018 and 2% thereafter
Agricultural Export Diversification Programme Loan No 1929/BL-GY OCR	USD	10,450	7,911	0	428	368	428	368	795	0	7,483	1,560,194	This loan shall be repaid in a 1 shot payment on April 6th, 2048 and Interest is 0.25% per annum.
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 by consecutive and equal installment the 1st installment due 6 years from the date of this contract and the last 30 years from the said date
Power Sector Support Programme Loan No 1938/ BL-GY OCR	USD	6,000	4,531	0	245	194	245	194	439	0	4,286	893,571	This loan shall be repaid in a 1 shot payment on April 6th, 2048 and Interest is 0.25% per annum.
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 semi-annual consecutive and equal installment the 1st installments beginning April 6th, 2014 ending April 6th, 2038.
Financial Sector Reform Programme 2091/ BL - GY Fixed OCR	USD	2,500	1,939	0	102	103	102	103	205	0	1,837	382,959	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning Dec. 12th, 2014 and ending Dec. 12th, 2038. Interest is 5.54% per annum.
Financial Sector Reform Programme 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 Dec 12th, 2048 and Interest is 0.25% per annum.
Urban Development of Housing Programme 2102/BL-GY OCR	USD	13,950	11,078	0	568	395	568	395	963	0	10,510	2,191,368	This loan shall be repaid in a 1 shot payment on April 17th, 2048 and Interest is 0.25% per annum.
Urban Development of Housing Programme 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 semi-annual consecutive and equal installments. First installment beginning April 17th, 2015 and ending April 17th, 2049. Interest is 4.66% per annum.
Transportation Rehab Project 2215/BL-GY OCR *_3	USD	12,400	10,434	0	509	365	509	365	874	0	9,925	2,069,416	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning March 21st, 2016 and ending March 21st,2040.
Transportation Rehab Project 2215/BL-GY FSO *_3	USD	12,400	12,257	0	0	31	0	31	31	0	12,257	2,555,631	This loan shall be repaid in a 1 shot payment on March 21st,2050 and Interest is 0.25% per annum.
C/F												124,376,054	

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					6	b	a	b	8 9=8a+8b				
		000	000	000	000	000	000	000	000	000	000		
B/F												124,376,054	
Capital Markets Programme 2235/BL-GY OCR	USD	2,500	2,041	0	102	90	102	90	192	0	1,939	404,235	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning Nov 23rd, 2015 and ending Nov 23rd, 2039. Int is 4.28% per annum.
Capital Markets Programme 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 Nov 23rd, 2049 and Interest is 0.25% per annum.
Health Sector Reform Programme 2270/BL-GY OCR	USD	2,500	2,230	0	106	56	106	56	162	0	2,124	442,779	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning Feb 23rd, 2016 and ending Feb 17th, 2040. Interest is 4.66% per annum.
Health Sector Reform Programme 2270 / BL-GY FSO	USD	2,500	2,488	0	0	6	0	6	6	0	2,488	518,746	This loan shall be repaid in a 1 shot payment on Feb 17th, 2050 and Interest is 0.25% per annum.
Water & Sanitation Rehab. Project 2326/BL- GY OCR	USD	1,000	857	0	41	28	41	28	69	0	816	170,204	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning July 26th, 2016 and ending July 26th, 2040. Interest is 4.66% per annum.
Water & Sanitation Rehab. Project 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 July 26th, 2050 and Interest is 0.25% per annum.
Water & Sanitation Rehab. Project 2428/BL-GY OCR	USD	4,750	4,023	0	192	171	192	171	362	0	3,832	798,938	This loan shall be repaid in semi-annual consecutive and equal installments. First
Water & Sanitation Rehab. Project 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 Dec 8th, 2050 and Interest is 0.25% per annum.
Private Sector Development Programme 2441/BL-GY OCR	USD	2,500	2,143	0	102	109	102	109	212	0	2,041	425,510	This loan shall be repaid in semi-annual consecutive and equal installments. First
Private Sector Development Programme 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 Nov 9th, 2050 and Interest is 0.25% per annum.
East Bank Demerara Four Lane Extension 2454/BL-GY OCR	USD	10,000	8,572	0	408	339	408	339	747	0	8,164	1,702,226	This loan shall be repaid in semi-annual consecutive and equal install. First installment beginning Dec 8th, 2016 and ending Dec 8th 2070
East Bank Demerara Four Lane Extension 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 Dec 8th, 2050 and Interest is 0.25% per annum.
C/F												133,152,733	

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					a	b	a	b	9=8a+8b				
1	2	3	4	5	6	7	8	9	10	11			
			*_/3								10=(4+5+6b-7a-7b)-9		
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
												133,152,733	
Linden Water Supply Rehabilitation Program 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 July, 13 2051 and Interest is 0.25% per annum.
Linden Water Supply Rehabilitation Programme 2535 BL-GY OCR	USD	6,000	5,388	0	245	206	245	206	451	0	5,143	1,072,286	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning July 13th, 2017 and ending July 13th,2041.
New Energy Programme 2567 BL-GY OCR	USD	2,500	2,266	0	103	89	103	89	192	0	2,163	450,960	This loan shall be repaid in semi-annual consecutive and equal installments. First installment beginning Sept 23rd, 2017 and ending Sept 23rd, 2041. Interest 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 Sept 23rd,2051 and Interest is 0.25% per annum.
Road Network Upgrade & Expansion Prog 2741 BL-GY OCR	USD	33,100	10,024	5,719	459	407	459	407	866	0	15,284	3,186,760	This loan shall be repaid in a 1 shot payment on March 15th,2053
Road Network Upgrade & Expansion Prog 2741 BL-GY FSO	USD	33,100	10,322	5,719	0	27	0	27	27	0	16,041	3,344,524	Repayment begins 72 months from date of contract and ends no later than thirty years from
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
Environment Sector Strengthening Prog 3106 BL-GY (OCR)	USD	8,460	8,287	0	345	386	345	386	731	0	7,942	1,655,916	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
Power Utility Upgrade Prog 3238/OC-GY	USD	22,500	19,065	2,191	389	717	389	717	1,106	0	20,867	4,350,716	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 Prog 3239/BL-GY OCR	USD	7,571	2,750	809	56	74	56	74	131	0	3,503	730,354	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 Prog 3239/BL-GY FSO	USD	7,571	2,750	809	0	6	0	6	0	0	3,559	742,055	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract
Water Supply & Sanitation Infrastructure Improvement Program 3242/OC GY	USD	7,500	7,500	0	153	282	153	282	435	0	7,347	1,531,837	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
C/F												153,754,300	

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1	2	3	4	5	6	7	8	9	10	11			
			*_/3		a	b	a	b	9=8a+8b		10=(4+5+6b- 7a-7b)-9		
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
Water Supply & Sanitation Infrastructure Improvement Program 3243/BL-GY OCR	USD	4,669	3,614	1,055	74	116	74	116	189	0	4,595	958,134	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 & Sanitation Infrastructure Improvement Program 3243/BL-GY FSO	USD	4,669	3,614	1,055	0	11	0	11	11	0	4,669	973,513	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 Programme 3369/BL-GY OCR	USD	7,500	5,844	0	0	208	0	208	208	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 Programme 3369/BL-GY FSO	USD	7,500	5,844	0	0	13	0	13	13	0	5,844	1,218,502	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract
Environment & Natural Disasters 3422/BL-GY (FSO)	USD	8,580	8,580	0	0	21	0	21	21	0	8,580	1,788,930	This portion of the loan shall be repaid in one single installment 40 years from the date of signature of this contract
Environment & Natural Disasters 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
Support of Improved Maternal & Child Health Proj 3779/BL-GY (FSO)	USD	4,000	1,818	1,194	0	4	0	4	4	0	3,012	627,907	The first payment installment shall be paid 6 years from date of signature of this contract and the last installment shall be paid no later than 30 years from the said date
Support of Improved Maternal & Child Health Proj 3779/BL-GY (OCR)	USD	4,000	1,818	1,194	0	54	0	54	54	0	3,012	627,907	This portion of loan shall be repaid in one single installment 40 years from the date of signature of this contract.
Sustainable Agriculture Development Prog 3798/BL-GY (OCR)	USD	7,500	928	0	0	57	0	57	57	0	928	193,428	The first payment installment shall be paid 6 years from date of signature of this contract and the last installment shall be paid no later than 30 years from the said date
Sustainable Agriculture Development Prog 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.
C/F												163,343,481	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
1	2	3	4 *_/3	5	a	b	a	b	8	9	10 10=(4+5+6b- 7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	
Enhancing of the National Quality Infrastructure for Economic Diversification & Trade Promotion Program 3824/BL-GY (OCR)	USD	4,500	1,123	0	0	43	0	43	43	0	1,123	234,244	The first payment installment shall be paid 6 years from date of signature of this contract and the last installment shall be paid no later than 30 years from the said date
Enhancing of the National Quality Infrastructure for Economic Diversification & Trade Promotion Program 3824/BL-GY (FSO)	USD	4,500	1,123	0	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 Criminal Justice System 3876/BL-GY (FSO)	USD	4,000	940	637	0	2	0	2	2	0	1,577	328,701	The first payment installment shall be paid 6 years from date of signature of this contract and the last installment shall be paid no later than 30 years from the said date
Support for Criminal Justice System 3876/BL-GY (OCR)	USD	4,000	940	637	0	37	0	37	37	0	1,577	328,701	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 (OCR)	USD	5,820	5,820	0	0	127	0	127	127	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 4698/BL-GY (FSO)	USD	5,820	5,820	0	0	14	0	14	14	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 contact.
Establishing an Electronic Single Trade Window 4659/BL-GY (OCR)	USD	3,000	110	57	0	17	0	17	17	0	167	34,877	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 period following effective date of this contract.
Establishing an Electronic Single Trade Window 4659/BL-GY (FSO)	USD	3,000	110	57	0	0	0	0	0	0	167	34,877	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 period following the effective date of this contract
Energy Matrix Diversification & Institutional Strengthening of the Department Of Energy (ESIMSE) 4676-BL-GY OCR	USD	10,580	208	358	0	84	0	84	84	0	566	118,035	This loan shall be repaid by the borrower in semi annual consecutive equal installment .
C/F												167,084,100	

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					6	7	7	8	9				
					a	b	a	b	9=8a+8b		10=(4+5+6b-7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	167,084,100	
Energy Matrix Diversification & Institutional Strengthening of the Department Of Energy (ESIMSE) 4676-BL-GY FSO	USD	10,580	208	358	0	1	0	1	1	0	566	118,035	This loan shall be repaid by the borrower in one single installment at the latest 40 years from the date of the signature of this contract.
Contingent Loan for COVID-19 Public Health Emergency GY-O0006 OCR	USD	15,400	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid (25) years from the date which the disbursement of Contingent loan resources occurs. The original WAL of each
Contingent Loan for COVID-19 Public Health Emergency GY-O0006 FSO	USD	6,600	0	0	0	0	0	0	0	0	0	0	This loan shall be repaid in semi annual consecutive and in so far as possible equal installment. The first installment shall be due on the expiration date of 66 month period.
Sub Total - IDB											552,049		
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT													
CAD/Guyana Poor Rural Communities Support Services Project 436 - GY	SDR	7,300	3,756	0	221	28	221	28	249	0	3,535	1,065,049	Principal payment shall be made semi-annually on 1 April and 1 October and commencing 1/4/2007 and ending 1/10/2036.
Financing Project (READ) IFAD 742-GY	SDR	1,850	1,726	0	62	13	62	13	75	0	1,665	501,575	This loan shall be repaid in 60 semi-annual payments beginning June 15, 2018, ending December 15, 2047
Hinterland Environmentally Sustainable Agriculture Development Project	USD	7,960	917	125	0	19	0	19	19	0	1,042	217,263	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% per annum
OPEC - INTERNATIONAL DEVELOPMENT													
OPEC Fund for International Development 1058 H	USD	7,500	4,125	0	375	40	375	40	415	0	3,750	781,875	Repayment of 40 equal and consecutive semi-annual installments. and commencing 2011/01/15 and ending 2030/07/15
OPEC Fund for International	USD	18,226	6,683	0	608	65	608	65	673	0	6,075	1,266,692	Principal repayment shall be made semi-annually and commencing 2006/02/16, ending 2030/08/16
Development 716pg GUYMINE'S Liabilities Bond Ruston Bucyrus plc	GBP	21	22	0	0	0	0	0	0	0	22	6,366	The Bond N0.3/1994 to Ruston Bucyrus plc for GBP 21,273.94 Date of Maturity 17th May 2006
C/F												171,040,954	

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					6	7	7	8	9				
1	2	3	4	5	a	b	a	b	9=8a+8b	10	11		
		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000		
B/F												171,040,954	
PL 480 for 1999	USD	3,000	481	0	48	12	48	12	60	0	433	90,322	26 Annual Principal Repayments and commencing 2004/12/30 and ending 2029/12/30
Rehabilitation of the Bauxite Industry Sysmin - 3663/Gua/P	EUR	10,496	4,648	0	422	45	422	45	467	0	4,226	1,078,177	Principal repayment in 51 semi-annual installment Beginning 1 March 2005, ending 1 March 2030.
Non- Paris Club Creditors													
Yugoslavia Credit Agreement	USD	1,175	1,405	0	0	24	0	0	0	0	1,428	297,839	Repayment of this loan shall be made semi-
United Arab Emirates Economic Co-operation *_4	UAE	19,840	30,474	0	0	428	0	0	0	0	30,902	1,754,090	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	15,896	0	0	340	0	0	0	0	16,236	3,385,147	Repayable 1996 to 1998 at 7.5%.
Kuwait	USD	26,854	24,854	0	2,000	0	2,000	0	2,000	0	22,854	4,764,973	Principal of USD8,000,000 is to be repaid in equal annual instalments over 4yrs commenced on 15 May,2019 and end 15 May,2022.The remaining principal would be treated under a debt swap arrangement. 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	15,000	44,904	0	0	284	0	0	0	0	45,187	9,421,518	Repayable 1981 to 1993 at varying interest rates.
Italy													
Procurement of Equipment for the rehab. main. & construct. of drainage & irrigation facilities in Mahaica.	EUR	3,305	2,271	0	175	22	175	22	197	0	2,096	534,726	36 semi-annual installments beginning April 23, 2015, ending October 23 2032
Export Import Bank of China													
The design & supply of the co-generation plant under the Skeldon Sugar Modernization Project	YUAN	270,000	94,742	0	17,226	1,813	17,226	1,813	19,039	0	77,516	2,471,342	31 equal semi-annual installments and commencing March 21, 2010, ending on March 21, 2025.
Guyana Power & light Infrastructure Development Project	YUAN	270,000	175,948	0	15,995	3,496	15,995	3,496	19,491	0	159,953	5,099,573	31 equal semi-annual installments and commencing September 21, 2015, ending on June 29, 2030.
C/F												199,938,659	

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B/F												199,938,659	
Supply & Implementation Service Contract for Guyana E-Government Project	YUAN	215,000	172,676	0	13,814	3,393	13,814	3,393	17,207	0	158,862	5,064,793	31 equal semi-annual installments comm. March 21, 2017, ending on September 21, 2032.
CJA Loan Extension Project	YUAN	825,000	726,904	0	53,206	14,310	53,206	14,310	67,516	0	673,698	21,478,644	31 equal semi-annual installments comm. March 21, 2018, ending on December 17, 2032.
East Coast Demerara Road Improvement Project	YUAN	313,839	240,272	54,839	0	5,161	0	5,161	5,161	0	295,111	9,408,644	31 equal semi-annual installments principal, 5 years grace period and Fixed Interest Rate at 2% per annum
Guyana National Board Band Project	YUAN	249,044	212,810	30,739	0	4,480	0	4,480	4,480	0	243,549	7,764,752	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.
Exim Bank of India													
Construction of Cricket Stadium	USD	19,000	6,346	0	1,265	107	1,265	107	1,372	0	5,081	1,059,305	30 equal semi-annual installments and commencing 14/01/2010 & end 14/07/2024.
Construction of Traffic Lights	USD	2,100	981	0	140	17	140	17	157	0	841	175,403	Repayment of 30 installments to be paid 2 times each year on 14 January and 14 July and commencing 2012/01/14 and ending 2026/07/14
Acquisition & Installation of Irrigation Pumps	USD	4,000	1,946	0	195	34	195	34	228	0	1,752	365,214	30 equal semi-annual installments and commencing January 14, 2015, ending on July 14, 2022
Multi Specialty Hospital Project	USD	19,000	3,714	0	286	65	286	65	350	0	3,428	714,811	30 equal semi-annual installments and commencing Jan 14, 2018, ending on July 14, 2022
East Bank East Coast Road Linkage Project	USD	50,000	1,123	0	0	21	0	21	21	0	1,123	234,114	The principal amount shall be repaid in semi-annual equal substantially equal installments and commencing on the 14th July, 2021 and ending on the 14th July, 2036.
Procurement of Ocean Ferry Project	USD	10,000	0	0	0	0	0	0	0	0	0	0	The principal amount shall be repaid in semi-annual equal substantially equal installments and commencing on the 14th January, 2022 and ending on the 14th July, 2036.
High Capacity Fixed & Mobile Drainage Pumps & Associated Structures	USD	4,000	360	2,007	0	36	0	36	36	0	2,367	493,552	40 equal semi-annual installments and 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 and commencing July 19th 2022, ending on July 19th , 2032. Fixed Interest Rate at 1.75%
C/F												246,697,892	

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					6	b	a	b	8 9=8a+8b				
1	2	3	4	5	a	b	a	b	8	9	10 10=(4+5+6b- 7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	246,697,892	
Islamic Development Bank Power Utility Upgrade	USD	20,000	0	119	0	2	0	2	0	0	119	24,774	The interest rate shall be repaid in 10 year USD mid-swap. The first repayment date will commence 6 months after the end of Gestation period and the maturity period ending September
Islamic Development Bank Power Small Hydro Project	USD	14,630	0	0	0	0	0	0	0	0	0	0	Payments shall be made in 32 semi annual equal and consecutive installments. The first payment installment shall be due and payable after 6 months at the gestation period and each subsequent installment shall be due and payable at the end of 6 months from the date of the payment installment immediately preceding it. This payment shall not exceed 20 years.
Atlantic Hotel Inc	USD	17,307	15,816	0	817	984	817	984	1,801	0	14,999	3,127,223	Fixed at issue at a spread of 450 basis points above current US Treasury Five (5) year (current effective 6.28% per annum). Interest payable semi-annually in areas calculated on an annual 365 days basis, and commencing 6 months after issue date. Principal and Interest installment shall be paid via 30 semi annual payments.
VENEZUELA													
PetroCaribe Agreement-7th shipment 2014	USD	3,199	2,036	0	92	20	92	20	113	0	1,943	405,147	Repayment of 23 installment to be paid once each year and commencing 2017/02/13 & ending 2039/02/13
PetroCaribe Agreement-8th shipment 2014	USD	2,479	2,230	0	101	22	101	22	124	0	2,129	443,928	Repayment of 23 installment to be paid once each year and commencing 2017/02/26 & ending 2039/02/26
PetroCaribe Agreement-9th shipment 2014	USD	2,337	2,103	0	96	21	96	21	117	0	2,008	418,588	Repayment of 23 installments to be paid once each year and commencing 2017/03/09 & ending 2039/03/09
PetroCaribe Agreement-10th shipment 2014	USD	2,311	2,079	0	94	21	94	21	115	0	1,985	413,856	Repayment of 23 installments to be paid once each year and commencing 2017/03/11 & ending 2039/03/11
PetroCaribe Agreement-11th shipment 2014	USD	2,118	1,906	0	87	19	87	19	106	0	1,820	379,374	Repayment of 23 installments to be paid once each year and commencing 2017/03/15 & ending 2039/03/15
PetroCaribe Agreement-12th shipment 2014	USD	2,494	2,245	0	102	22	102	22	124	0	2,143	446,769	Repayment of 23 installments to be paid once each year and commencing 2017/03/23 & ending 2039/03/23
C/F												252,357,551	

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					6	b	a	b	8 9=8a+8b				
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B/F												252,357,551	
PetroCaribe Agreement-13th shipment 2014	USD	2,077	1,869	0	85	19	85	19	104	0	1,785	372,082	Repayment of 23 installments to be paid once each year and commencing 2017/03/24 & ending 2039/03/24
PetroCaribe Agreement-14th shipment 2014	USD	2,743	2,468	0	112	25	112	25	137	0	2,356	491,236	Repayment of 23 installments to be paid once each year and commencing 2017/04/04 & ending 2039/04/04
PetroCaribe Agreement-15th shipment 2014	USD	2,527	2,274	0	103	23	103	23	126	0	2,170	452,547	Repayment of 23 installments to be paid once each year and commencing 2017/04/10 & ending 2039/04/10
PetroCaribe Agreement-16th shipment 2014	USD	3,238	2,914	0	132	29	132	29	161	0	2,782	580,029	Repayment of 23 installments to be paid once each year and commencing 2017/04/13 & ending 2039/04/13
PetroCaribe Agreement-17th shipment 2014	USD	2,452	2,206	0	100	22	100	22	122	0	2,106	439,161	Repayment of 23 installments to be paid once each year and commencing 2017/04/30 & ending 2039/04/30
PetroCaribe Agreement-18th shipment 2014	USD	2,461	2,215	0	101	22	101	22	123	0	2,114	440,868	Repayment of 23 installments to be paid once each year and commencing 2017/05/02 & ending 2039/05/02
PetroCaribe Agreement-19th shipment 2014	USD	1,837	1,653	0	75	17	75	17	92	0	1,578	329,011	Repayment of 23 installments to be paid once each year and commencing 2017/05/14 & ending 2039/05/14
PetroCaribe Agreement-20th shipment 2014	USD	2,142	1,928	0	88	19	88	19	107	0	1,840	383,689	Repayment of 23 installments to be paid once each year and commencing 2017/05/16 & ending 2039/05/16
PetroCaribe Agreement-21st shipment 2014	USD	2,535	2,281	0	104	23	104	23	126	0	2,178	454,027	Repayment of 23 installments to be paid once each year and commencing 2017/06/01 & ending 2039/06/01
PetroCaribe Agreement-22nd shipment 2014	USD	2,233	2,009	0	91	20	91	20	111	0	1,918	399,864	Repayment of 23 installments to be paid once each year and commencing 2017/06/03 & ending 2039/06/03
PetroCaribe Agreement-23rd shipment 2014	USD	2,298	2,068	0	94	21	94	21	115	0	1,974	411,584	Repayment of 23 installments to be paid once each year and commencing 2017/06/13 & ending 2039/06/13
PetroCaribe Agreement-24th shipment 2014	USD	2,928	2,635	0	120	26	120	26	146	0	2,515	524,388	Repayment of 23 installments to be paid once each year and commencing 2017/06/17 & ending 2039/06/17
PetroCaribe Agreement-25th shipment 2014	USD	2,217	1,995	0	91	20	91	20	111	0	1,904	397,002	Repayment of 23 installments to be paid once each year and commencing 2017/06/27 & ending 2039/06/27
C/F												258,033,040	

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					6	7	7	8	8				
					a	b	a	b	9=8a+8b		10=(4+5+6b-7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	258,033,040	
PetroCaribe Agreement-26th shipment 2014	USD	1,786	1,607	0	73	16	73	16	89	0	1,534	319,856	Repayment of 23 installments to be paid once each year and commencing 2017/07/02 & ending 2039/07/02
PetroCaribe Agreement-27th shipment 2014	USD	2,756	2,480	0	113	25	113	25	137	0	2,368	493,689	Repayment of 23 installments to be paid once each year and commencing 2017/07/09 & ending 2039/07/09
PetroCaribe Agreement-28th shipment 2014	USD	2,208	1,987	0	90	20	90	20	110	0	1,896	395,388	Repayment of 23 installments to be paid once each year and commencing 2017/07/15 & ending 2039/07/15
PetroCaribe Agreement-29th shipment 2014	USD	2,538	2,284	0	104	23	104	23	127	0	2,180	454,582	Repayment of 23 installments to be paid once each year and commencing 2017/07/30 & ending 2039/07/30
PetroCaribe Agreement-30th shipment 2014	USD	2,294	2,065	0	94	21	94	21	114	0	1,971	410,938	Repayment of 23 installments to be paid once each year and commencing 2017/07/31 & ending 2039/07/31
PetroCaribe Agreement-31st shipment 2014	USD	2,364	2,127	0	97	21	97	21	118	0	2,031	423,423	Repayment of 23 installments to be paid once each year and commencing 2017/08/04 & ending 2039/08/04
PetroCaribe Agreement-32nd shipment 2014	USD	2,320	2,088	0	95	21	95	21	116	0	1,993	415,554	Repayment of 23 installments to be paid once each year and commencing 2017/08/14 & ending 2039/08/14
PetroCaribe Agreement-33rd shipment 2014	USD	2,101	1,891	0	86	19	86	19	105	0	1,805	376,373	Repayment of 23 installments to be paid once each year and commencing 2017/08/26 & ending 2039/08/26
PetroCaribe Agreement-34th shipment 2014	USD	2,976	2,678	0	122	27	122	27	148	0	2,556	532,954	Repayment of 23 installments to be paid once each year and commencing 2017/08/28 & ending 2039/08/28
PetroCaribe Agreement-35th shipment 2014	USD	2,513	2,261	0	103	23	103	23	125	0	2,159	450,062	Repayment of 23 installments to be paid once each year and commencing 2017/09/10 & ending 2039/09/10
PetroCaribe Agreement-36th shipment 2014	USD	1,922	1,730	0	79	17	79	17	96	0	1,651	344,227	Repayment of 23 installments to be paid once each year and commencing 2017/09/14 & ending 2039/09/14
PetroCaribe Agreement-37th shipment 2014	USD	2,174	1,957	0	89	20	89	20	108	0	1,868	389,465	Repayment of 23 installments to be paid once each year and commencing 2017/09/18 & ending 2039/09/18
PetroCaribe Agreement-38th shipment 2014	USD	1,926	1,734	0	79	17	79	17	96	0	1,655	345,048	Repayment of 23 installments to be paid once each year and commencing 2017/09/26 & ending 2039/09/26
C/F												263,384,600	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF)	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
		000	000	000	000	000	000	000	000	000	000		
B/F												263,384,600	
PetroCaribe Agreement-39th shipment 2014	USD	2,228	2,005	0	91	20	91	20	111	0	1,914	399,089	Repayment of 23 installments to be paid once each year and commencing 2017/09/27 & ending 2039/09/27
PetroCaribe Agreement-40th shipment 2014	USD	1,322	1,190	0	54	12	54	12	66	0	1,136	236,770	Repayment of 23 installments to be paid once each year and commencing 2017/10/10 & ending 2039/10/10
PetroCaribe Agreement-41st shipment 2014	USD	1,918	1,726	0	78	17	78	17	96	0	1,648	343,530	Repayment of 23 installments to be paid once each year and commencing 2017/10/12 & ending 2039/10/12
PetroCaribe Agreement-42nd shipment 2014	USD	932	838	0	38	8	38	8	46	0	800	166,883	Repayment of 23 installments to be paid once each year and commencing 2017/10/18 & ending 2039/10/18
PetroCaribe Agreement-43rd shipment 2014	USD	1,428	1,285	0	58	13	58	13	71	0	1,226	255,682	Repayment of 23 installments to be paid once each year and commencing 2017/10/25 & ending 2039/10/25
PetroCaribe Agreement-44th shipment 2014	USD	2,418	2,176	0	99	22	99	22	121	0	2,077	433,061	Repayment of 23 installments to be paid once each year and commencing 2017/10/29 & ending 2039/10/29
PetroCaribe Agreement-45th shipment 2014	USD	1,098	988	0	45	10	45	10	55	0	943	196,583	Repayment of 23 installments to be paid once each year and commencing 2017/11/13 & ending 2039/11/13
PetroCaribe Agreement-46th shipment 2014	USD	1,388	1,249	0	57	12	57	12	69	0	1,192	248,635	Repayment of 23 installments to be paid once each year and commencing 2017/11/15 & ending 2039/11/15
PetroCaribe Agreement-47th shipment 2014	USD	1,251	1,126	0	51	11	51	11	62	0	1,075	224,077	Repayment of 23 installments to be paid once each year and commencing 2017/11/20 & ending 2039/11/20
PetroCaribe Agreement-48th shipment 2014	USD	1,189	1,070	0	49	11	49	11	59	0	1,021	212,954	Repayment of 23 installments to be paid once each year and commencing 2017/11/24 & ending 2039/11/24
PetroCaribe Agreement-49th shipment 2014	USD	1,012	911	0	41	9	41	9	50	0	870	181,300	Repayment of 23 installments to be paid once each year and commencing 2017/11/25 & ending 2039/11/25
PetroCaribe Agreement-50th shipment 2014	USD	826	743	0	34	7	34	7	41	0	710	147,974	Repayment of 23 installments to be paid once each year and commencing 2017/12/08 & ending 2039/12/08
PetroCaribe Agreement-51st shipment 2014	USD	928	835	0	38	8	38	8	46	0	797	166,268	Repayment of 23 installments to be paid once each year and commencing 2017/12/08 & ending 2039/12/08
C/F												266,597,405	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	7	7	8	9				
					a	b	a	b	9=8a+8b		10=(4+5+6b-7a-7b)-9	11	
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	266,597,405	
PetroCaribe Agreement-52nd shipment 2014	USD	866	779	0	35	8	35	8	43	0	744	155,141	Repayment of 23 installments to be paid once each year and commencing 2017/12/28 & ending 2039/12/28
PetroCaribe Agreement-53rd shipment 2014	USD	913	821	0	37	8	37	8	46	0	784	163,456	Repayment of 23 installments to be paid once each year and commencing 2017/12/28 & ending 2039/12/28
2015 Shipments													
PetroCaribe Agreement-1st shipment 2015 *_/2	USD	713	670	0	29	7	29	7	36	0	641	133,557	Repayment of 1% Interest per annum until January 12, 2040 and commencing on January 12, 2018
PetroCaribe Agreement-2nd shipment 2015 *_/2	USD	832	782	0	34	8	34	8	42	0	748	156,030	Repayment of 1% Interest per annum until January 17, 2040 and commencing on January 17, 2018
PetroCaribe Agreement-3rd shipment 2015 *_/2	USD	638	599	0	26	6	26	6	32	0	573	119,385	Repayment of 1% Interest per annum until January 19, 2040 and commencing on January 19, 2018
PetroCaribe Agreement-4th shipment 2015 *_/2	USD	675	635	0	27	6	27	6	34	0	608	126,677	Repayment of 1% Interest per annum until January 24, 2040 and commencing on January 24, 2018
PetroCaribe Agreement-5th shipment 2015 *_/2	USD	844	794	0	34	8	34	8	42	0	760	158,404	Repayment of 1% Interest per annum until January 30, 2040 and commencing on January 30, 2018
PetroCaribe Agreement-6th shipment 2015 *_/2	USD	1,035	973	0	42	10	42	10	52	0	931	194,153	Repayment of 1% Interest per annum until February 8, 2040 and commencing on February 8, 2018
PetroCaribe Agreement-7th shipment 2015 *_/2	USD	472	444	0	19	4	19	4	24	0	425	88,579	Repayment of 1% Interest per annum until February 13, 2040 and commencing on February 13, 2018
PetroCaribe Agreement-8th shipment 2015 *_/2	USD	1,130	1,063	0	46	11	46	11	56	0	1,017	211,999	Repayment of 1% Interest per annum until February 20, 2040 and commencing on February 20, 2018
PetroCaribe Agreement-9th shipment 2015 *_/2	USD	1,076	1,012	0	44	11	44	11	55	0	968	201,862	Repayment of 1% Interest per annum until February 26, 2040 and commencing on February 26, 2018
C/F												268,306,648	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
B/F												268,306,648	
PetroCaribe Agreement-10th shipment 2015 */2	USD	574	540	0	23	5	23	5	29	0	517	107,761	Repayment of 1% Interest per annum until March 12, 2040 and commencing on March 12, 2018
PetroCaribe Agreement-11th shipment 2015 */2	USD	902	848	0	36	8	36	8	45	0	811	169,177	Repayment of 1% Interest per annum until March 14, 2040 and commencing on March 14, 2018
PetroCaribe Agreement-12th shipment 2015 */2	USD	912	858	0	37	9	37	9	45	0	821	171,142	Repayment of 1% Interest per annum until March 24, 2040 and commencing on March 24, 2018
PetroCaribe Agreement-13th shipment 2015 */2	USD	323	304	0	13	3	13	3	16	0	291	60,630	Repayment of 1% Interest per annum until March 26, 2040 and commencing on March 26, 2018
PetroCaribe Agreement-14th shipment 2015 */2	USD	963	906	0	39	9	39	9	48	0	867	180,771	Repayment of 1% Interest per annum until April 11, 2040 and commencing on April 11, 2018
PetroCaribe Agreement-15th shipment 2015 */2	USD	929	873	0	38	9	38	9	46	0	836	174,250	Repayment of 1% Interest per annum until April 21, 2040 and commencing on April 21, 2018
PetroCaribe Agreement-16th shipment 2015 */2	USD	1,328	1,249	0	54	12	54	12	66	0	1,195	249,247	Repayment of 1% Interest per annum until April 23, 2040 and commencing on April 23, 2018
PetroCaribe Agreement-17th shipment 2015 */2	USD	1,347	1,267	0	55	13	55	13	67	0	1,212	252,755	Repayment of 1% Interest per annum until April 26, 2040 and commencing on April 26, 2018
PetroCaribe Agreement-18th shipment 2015 */2	USD	1,320	1,241	0	53	12	53	12	66	0	1,188	247,701	Repayment of 1% Interest per annum until May 15, 2040 and commencing on May 15, 2018
PetroCaribe Agreement-19th shipment 2015 */2	USD	903	849	0	37	8	37	8	45	0	812	169,382	Repayment of 1% Interest per annum until May 15, 2040 and commencing on May 15, 2018
PetroCaribe Agreement-20th shipment 2015 */2	USD	1,307	1,229	0	53	12	53	12	65	0	1,176	245,253	Repayment of 1% Interest per annum until May 19, 2040 and commencing on May 19, 2018
PetroCaribe Agreement-21st shipment 2015 */2	USD	1,248	1,174	0	51	12	51	12	62	0	1,123	234,177	Repayment of 1% Interest per annum until May 27, 2040 and commencing on May 27, 2018
PetroCaribe Agreement-22nd shipment 2015 */2	USD	1,211	1,139	0	49	11	49	11	60	0	1,090	227,170	Repayment of 1% Interest per annum until June 02, 2040 and commencing on June 02, 2018
C/F												270,796,065	

NAME OF CREDITOR/ LOAN IDENTIFICATION/ DESCRIPTION OF LOAN	LOAN CURR ENCY	ORIGINAL AMOUNT OF LOAN	OPENING BALANCE AS AT 01.01.2020	AMOUNT DIS- BURSED IN 2020	DEBT SERVICE COST DUE & PAYABLE IN 2020		ACTUAL DEBT SERVICE COST PAID IN 2019			DEBT RELIEF (DEBT CANCELLA TION/ WRITE- OFF) 9	CLOSING BALANCE AS AT 31.12.20	GUYANA DOLLAR EQUIVALENT 31.12.20	TERMS AND CONDITIONS OF LOAN
					PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL PAYMENT				
					6	b	a	b	8 9=8a+8b				
1	2	3	4 *_3	5	a	b	a	b	9	10 10=(4+5+6b- 7a-7b)-9	11		
B/F		`000	`000	`000	`000	`000	`000	`000	`000	`000	`000	270,796,065	
PetroCaribe Agreement-23rd shipment 2015 *_2	USD	578	544	0	23	5	23	5	29	0	520	108,483	Repayment of 1% Interest per annum until June 06, 2040 and commencing on June 6, 2018
PetroCaribe Agreement-24th shipment 2015 *_2	USD	1,548	1,455	0	63	15	63	15	77	0	1,393	290,394	Repayment of 1% Interest per annum until June 17, 2040 and commencing on June 17, 2018
PetroCaribe Agreement-25th shipment 2015 *_2	USD	578	544	0	23	5	23	5	29	0	520	108,521	Repayment of 1% Interest per annum until June 21, 2040 and commencing on June 21, 2018
PetroCaribe Agreement-26th shipment 2015 *_2	USD	1,396	1,312	0	56	13	56	13	70	0	1,256	261,849	Repayment of 1% Interest per annum until June 25, 2040 and commencing on June 25, 2018
PetroCaribe Agreement-27th shipment 2015 *_2	USD	851	800	0	34	8	34	8	42	0	766	159,706	Repayment of 1% Interest per annum until July 04, 2040 and commencing on July 04, 2018
TOTAL PUBLIC DEBT - EXTERNAL												271,725,017	

*** Notes to the Accounts**

* _/1 It is to be noted that the amounts reflected under Actual Debt Service for loans Sea & River Defense Resilience Project -CDB 8/SFR-0R-GUY(OCR), Sea & River Defense 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	\$'000	\$'000
CDB	Sea & River Defense Resilience Project - 8/SFR OR GUY OCR	USD	14	67	81
CDB	Sea & River Defense Resilience Project - 8/SFR OR GUY SFR	USD	3	210	214
CDB	Skills development and employability- 19SFR-GUY	USD	4	20	24

* _/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 The IDB Transport Rehab project loan No. 2215 opening balance is corrected by IDB according to the creditor's statement received.

* _/4 The United Arab Emirates Economic Co-operation loan opening balance have been revised.

**ANALYSIS OF PUBLIC DEBT
BY CURRENCIES AS AT 31 DECEMBER 2020**

№.	Description	№. Of Units of Currency Outstanding \$'000	Rate as 31-12-20	G\$ '000 Equivalent
1	UNITED STATES DOLLARS (US\$)	942,944	208.500	196,603,857
2	POUND STERLING (GBP)	22	284.99180	6,366
3	SPECIAL DRAWING RIGHTS (SDR)	67,867	301.30058	20,448,463
4	EUROPEAN CURRENCY UNITS (XEU)	6,368	255.10828	1,624,492
5	CHINA RENMINBI (YUAN)	1,608,689	31.88171	51,287,749
6	UAE DIRHAMS (AED)	30,902	56.76250	1,754,090
GRAND TOTAL				271,725,017

**STATEMENT OF PUBLIC DEBT
EQUATED ANNUITY DEBENTURES 2020**

Description	Authority	Date of First Installment	Date of Final Installment	Due Date of Installment	Amount of Loan 31-12-19	Loan made in 2020	Amount of Loan 31-12-19	Amount Repaid at 31-12-19	Amount Repaid in 2020	Amount Repaid as at 31-12-20	Amount Outstanding at 31-12-19	Amount Outstanding at 31-12-20
1	2	3	4	5	6	7	(8)=(6)+(7)	9	10	(11)=(9)+(10)	(12)=(6)-(9)	(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
TOTAL					3,485	0	3,485	1,405	0	1,405	2,080	2,080

**STATEMENT OF PUBLIC DEBT
NON - INTEREST BEARING DEBENTURE 2020**

Description	Amount of Loan	Loan Made in 2020	Amount of Loan at 31-12-20	Amount Repaid at 31-12-19	Amount Repaid at 2020	Amount Repaid at 31-12-20	Amount Outstanding 31-12-19	Amount Outstanding 31-12-20
(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)	(7)=(5)+(6)	(8)=(2)-(5)	(9)=(4)-(7)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Non Interest Bearing Debenture</u>								
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) Non Interest Bearing Debenture	1,623,142	0	1,623,142	0	0	0	1,623,142	1,623,142
ID 31/12/20 (113th Issue)	0	2,063,532	2,063,532	0	0	0	0	2,063,532
TOTAL	40,116,115	2,063,532	42,179,647	0	0	0	40,116,115	42,179,647

**STATEMENT OF PUBLIC DEBT
VARIABLE INTEREST RATES DEBENTURES 2020**

Description 1	Authority 2	Date of First Installment 3	Amount of Loan 4	Loan made in 2020 5	Amount of Loan 31-12-20 (6)=(4)+(5)	Amount Repaid at 31-12-19 7	Amount Repaid in 2020 8	Amount Repaid as at 31- 12-20 (9)=(7)+(8)	Amount Outstanding at 31-12-19 (10)=(4)-(7)	Amount Outstanding at 31-12-20 (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
TOTAL			3,898,537	0	3,898,537	0	0	0	3,898,537	3,898,537

**STATEMENT OF PUBLIC DEBT
INTERNAL BONDS 2020- UNFUNDED**

Description	Currency Bond	Date of Final Installment	Original Amount of Bond	Amount of Bond at 31-12-19	Loan Made in 2020	Amount of Bond at 31-12-20	Amount Repaid at 31-12-19	Amount Repaid in 2020	Amount of Bond Repaid as at 31-12-20	Amount Outstanding 31-12-19	Amount Outstanding 31-12-20	Guyana Equivalent Dollar
1	2	3	4	5	6	7=(5)+(6)	8	9	10=(8)+(9)	11=(5)-(8)	12=(7)-(10)	13
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Caricom Headquarters Building Project with NIS - 25yrs (US \$4 m)	USD	12/1/2025	4,000	4,000	0	4,000	2,979	170	3,149	1,021	851	177,434
TOTAL			4,000	4,000	0	4,000	2,979	170	3,149	1,021	851	177,434

**STATEMENT OF PUBLIC DEBT
NON-NEGOTIABLE DEBENTURES SERIAL NUMBER 01/2016 NATIONAL INSURANCE SCHEME (NIS)**

Description	Currency Bond	Date of Final Installment	Original Amount of Bond	Amount of Bond at 31-12-19	Loan Made in 2020	Amount of Bond at 31-12-20	Amount Repaid at 31-12-19	Amount Repaid in 2020	Amount of Bond Repaid as at 31-12-20	Amount Outstanding 31-12-19	Amount Outstanding 31-12-20	Guyana Equivalent Dollar
1	2	3	4	5	6	7=(5)+(6)	8	9	10=(8)+(9)	11=(5)-(8)	12=(7)-(10)	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	976,489	4,150,079	3,905,957	3,905,957
TOTAL			4,882,446	4,882,446	0	4,882,446	488,245	244,122	976,489	4,150,079	3,905,957	3,905,957

**STATEMENT OF PUBLIC DEBT
NICIL FIXED RATE BOND 2020**

Description	Currency Bond	Date of Final Installment	Original Amount of Bond	Amount of Bond at 31-12-19	Loan Made in 2020	Amount of Bond at 31-12-20	Amount Repaid at 31-12-19	Amount Repaid in 2020	Amount of Bond Repaid as at 31-12-20	Amount Outstanding 31-12-19	Amount Outstanding 31-12-20	Guyana Equivalent Dollar
1	2	3	4	5	6	7=(5)+(6)	8	9	10=(8)+(9)	11=(5)-(8)	12=(7)-(10)	13
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NICIL Fixed Rate Bond Tranche 1	GUY	5/24/2023	16,500,000	0	16,500,000	13,200,000	0	1,650,000	1,650,000	0	11,550,000	11,550,000
TOTAL			16,500,000	0	16,500,000	13,200,000	0	1,650,000	1,650,000	0	11,550,000	11,550,000

Description	Currency Bond	Date of Final Installment	Original Amount of Bond	Amount of Bond at 31-12-19	Loan Made in 2020	Amount of Bond at 31-12-20	Amount Repaid at 31-12-19	Amount Repaid in 2020	Amount of Bond Repaid as at 31-12-20	Amount Outstanding 31-12-19	Amount Outstanding 31-12-20	Guyana Equivalent Dollar
1	2	3	4	5	6	7=(5)+(6)	8	9	10=(8)+(9)	11=(6)-(8)	12=(7)-(10)	13
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NICIL Fixed Rate Bond Tranche 2	GUY	7/4/2023	1,100,000	0	880,000	880,000	0	110,000	110,000	0	770,000	770,000
TOTAL			1,100,000	0	880,000	880,000	0	110,000	110,000	0	770,000	770,000
TOTAL INTERNAL UNFUNDED PRINCIPAL												12,320,000

**STATEMENT OF PUBLIC DEBT
TREASURY BILLS OUTSTANDING FOR 2020**

DATE OF ISSUE	ISSUE NO.	DESCRIPTION	SUBSCRIBED AMOUNT	FACE VALUE
		<u>91 Days</u> Nil	GS'000	GS'000
Sub-Total			0	0
		<u>K Series</u>		
11/6/2020	K186	Treasury Bill issued in 2020	549,343	551,450
12/11/2020	K187	Treasury Bill issued in 2020	444,147	445,850
Sub-Total			993,490	997,300
GRAND TOTAL	91 Days		993,490	997,300
		<u>182-364 Days</u> <u>A-Series</u> NIL		
		<u>F-Series</u>		
182 Days				
04/09/2020	F5	Treasury Bill # F5	4,975,235	5,000,000
20/11/2020/	F6	Treasury Bill # F6	350,656	352,400
Sub-Total			5,325,891	5,352,400

**STATEMENT OF PUBLIC DEBT
TREASURY BILLS OUTSTANDING FOR 2020 Con't**

DATE OF ISSUE	ISSUE NO.	DESCRIPTION	SUBSCRIBED AMOUNT	FACE VALUE
			GS'000	GS'000
SUBTOTAL B/F			5,325,891	5,352,400
364 Days		<u>B-Series</u>		
1/31/2020	B481	Treasury Bill# B 481	1,148,423	1,160,000
4/9/2020	B482	Treasury Bill# B 482	593,958	600,000
			1,742,381	1,760,000
364 Days		<u>G-Series</u>		
17/01/2020	G26	Treasury Bill# G26	3,465,105	3,500,000
24/01/2020	G27	Treasury Bill# G27	7,920,195	8,000,000
21/02/2020	G28	Treasury Bill# G28	6,435,010	6,500,000
3/6/2020	G29	Treasury Bill# G29	5,939,606	6,000,000
29/05/2020	G30	Treasury Bill# G30	841,441	850,000
24/07/2020	G31	Treasury Bill# G31	4,158,324	4,200,000
30/07/2020	G32	Treasury Bill# G32	4,950,243	5,000,000
07/08/2020	G33	Treasury Bill# G33	6,930,052	7,000,000
11/09/2020	G34	Treasury Bill# G34	4,950,000	5,000,000
16/10/2020	G35	Treasury Bill# G35	4,950,000	5,000,000
13/11/2020	G36	Treasury Bill# G36	6,930,000	7,000,000
01/12/2020	G37	Treasury Bill# G37	4,422,400	4,467,100
11/12/2020	G38	Treasury Bill# G38	2,970,000	3,000,000
18/12/2020	G39	Treasury Bill# G39	215,028	217,200
			65,077,403	65,734,300
364 Days		<u>E-Series</u>		
21/08/2020	E1	Treasury Bill # E1	4,950,011	5,000,000
04/09/2020	E2	Treasury Bill # E2	2,079,011	2,100,000
			7,029,022	7,100,000
SUB-TOTAL			73,848,806	74,594,300
GRAND TOTAL	182-364		79,174,696	79,946,700
GRAND TOTAL			80,168,187	80,944,000