

Guyana Oil Company Limited

Forensic Audit Report for the period November 1,
2011 to May 31, 2015.

1. Abbreviations

Descriptions and explanations of terms and abbreviations relevant to this report are listed below.

GOCL	Guyana Oil Company Limited
GASI	Guyana Aviation Services Inc. - Subsidiary of GOCL
MD-BP	Managing Director- Badrie Persaud
CS-AK	Corporate Secretary - Abdool Kadir
OM-RB	Operations Manager - Reggie Bhagwandin
FM-HM	Finance Manager - Hance Manohar
FC-RF	Finance Controller - Rosalyn Franklyn
PIM-MA	Procurement and Inventory Manager - Mark Adams
TM-LP	Terminal Manager- Leon Phagu
RSM-JJ	Retail Services Manager- Jacqueline James
ID	National Identification Number
TIN	Taxpayer Identification Number
OA-RL	Operations Assistant - Robert Lynch
DTM-JE	Deputy Terminal Manager-Joseph Evans
AP	General Clerk: Adventure – Avinash Persaud
TS-SO	Terminal Supervisor - Sarfraz Osman
HRM-RK	Human Resources Manager - Ronley Kendall
CBM-SD	Castrol Brands Manager - Seon Daniels
ERM	Enterprise Risk Management

3. Executive Summary

3.1 Summary of Findings

The Executive Summary informs on the principal findings of the forensic audit, pursuant to the scope of the terms of reference as set

out by the Ministry of Finance for the forensic audit of Guyana Oil Company Limited.

1. Undisclosed and ignored conflict of interests occurred for the period under review, whereby the Managing Director, Mr. Badrie Persaud awarded transportation contracts of \$62 Million over the review period to his brother, Indarjeet Persaud and a construction contract for \$860,000 to his nephew, Avinash Persaud.
2. Aside from the initial sole sourcing of a contract to Mr. Indarjeet Persaud, the brother of the Managing Director, no subsequent contracts were issued between GOCL and Indarjeet Persaud. Mr. Indarjeet Persaud continued to provide services to GOCL beyond the contract period.
3. Managing Director, Mr. Badrie Persaud, was a candidate on the PPP/C national list for the May 11, 2015 General Elections. Adherence to the decisions of a political party concurrent with managing a state owned corporation, creates conflict of interest issues that have negative implications for employee morale, use of GOCL resources and the image of GOCL.
4. There was an absence of comprehensive manuals documenting policies, procedures, and work instructions for the Board of Directors, Administration, Finance, Audit, Marketing, Information Technology and Security. The absence of a Board of Directors' Charter a being one example.
5. GOCL thirty plus dealers were poorly managed; as in many instances ID, TIN, Transport, Lease, Tenancy Agreement, relevant GEA licences and insurance coverage were not stored on dealer files.
6. GOCL has no Marketing Manager. The functions of the Marketing Director were performed by the Managing Director allowing for the

avoidance of checks and balances - as one would expect in the largest government corporation by revenue.

7. Article VI of GOCL/Dealer contract was breached to the extent that some dealers were receiving fuel on credit without a bank guarantee or security bond.
8. There was and continues to be major irregularities in the charge system used for fuel sales to customers with charge accounts. A 10% sample of 758 charge customers was conducted and our findings revealed that over fifty percent were irreconcilable and improperly managed.
9. Credit Limit of \$5,000,000 was granted to Mr. Mohamed Bacchus to purchase of fuel from GOCL. No bank guarantee was provided by Mr. Bacchus. However, Mr. Leonard Khan, then manager of the Castrol brand and the brother-in-law of Mr. Bacchus, signed a GOCL form personally ensuring non-default.
10. The procurement process and internal controls were poorly managed – see examples below:
 - 10.1 Substantial numbers of local and overseas suppliers were not pre-qualified.
 - 10.2 Selection of suppliers was not supported with documented evaluation.
 - 10.3 Three modules related to procurement of goods, services and construction were purchased at a cost of \$10.5 Million over the period March 2013 to March 2015; these modules have never been used by GOCL.

- 10.4 The tender process was often abused as contracts were awarded based on single sourcing. An example of this occurred over the period under review, where purchases exceeding \$90 Million were made from Mr. Manesh Seeram, an Information Technology Supplier.
- 10.5 GOCL does not have a credit card facility and in order to obtain goods from overseas; monies for purchases on behalf of GOCL were transferred to the account of Mr. Azaad Hassan, IT Network Administrator.

Aside from the failure of GOCL to establish a corporate debit/credit card facility, inherent weaknesses in this method of purchasing unnecessarily expose the corporation to opportunities for fraud by insiders.

- 10.6 Aviation Refuelling Insurance of \$13.6 Million was paid to Marsh NST Limited without any bidding process. The monies were paid on behalf of Guyana Aviation Services Inc., a subsidiary of GOCL.
- 10.7 \$4.8 Million was paid to Panorama Media Ltd on May 26, 2014 – based on a handwritten invoice from Panorama. The payment was for the placement of an article in the Miami Herald captioned: Guyana Panorama “A Land of Opportunities”.
- 10.8 GOCL purchased fuel totaling \$94.5 Million from Mr. Deodat Dhanrajh during the review period. Mr. Dhanrajh is a major fuel transportation contractor for GOCL. Established fuel suppliers such as Rubis and Sol Guyana Inc., were bypassed.

11. There is no documented policy for changes in the fuel prices at GOCL. The absence of such a policy requires immediate corrective measures due to the national implication of such a decision.
12. Multiple instances were recorded of duty free customers being charged at higher rates than GOCL published duty free price.
13. Profit before taxation was seemingly understated by \$340 Million in 2011 and \$532 Million in 2013. Efforts were made to have Mr. Hans Manohar, Finance Manager, explain the seeming discrepancy – as at the report date Mr. Manohar did not provide a response.
14. Fuel valued at \$31 Million was loaned to Guyana Power and Light Inc., Sol Guyana Inc. and Bauxite Company Guyana Inc., without any loan agreement. The loaned fuel was still owed to GOCL as at May 31, 2015. In addition, the timing of the return of the fuel during a period of low fuel prices could cause significant losses to GOCL.
15. Generally Accepted Accounting Principles requires that bank overdrafts be shown separately in the Statement of Financial Position. In 2014 an overdraft amount of \$15.4 Million was conflated with the actual bank balance, giving the false impression that the company did not have an account in overdraft in the Audited Financial Statements.
16. The functions of Mr. Robert Lynch, Operations Assistant Manager included preparation of engineering cost estimates, designing specifications and monitoring of contracts. However, Marcel Gaskin & Associates Ltd were paid \$77.9 Million during the review period to perform the aforementioned functions; additional in-house personnel could have been hired at a substantially lower cost, if needed.
17. \$199.8 Million was paid to Mr. Deodat Dhanrajh during the review period without any bidding process or contract/s for the shipment of fuel.

18. On 05.04.2015, GOCL purchased from Rubis 238,481 litres for \$47,457,719 at \$199 at \$99 per litre, which was followed by the purchase from Mr. Deodat Dhanrajh on 05.06.2015 at the same price, indicating the staggering and splitting of a full order to facilitate ordering from Mr. Deodat Dhanrajh, the fuel could have been sourced at a lower negotiated price based on the volume of purchases from Rubis. GOCL wholesale price in effect at the time was \$172.30 effective 03.05.2015 and was subsequently changed to \$198 on 06.05.2015.
19. The Fixed Asset Unit is manned by one individual to manage net assets valued at \$2.5 Billion. The under staffing of this unit severely affect the monitoring, verification and tagging required to properly manage GOCL fixed assets.
20. GOCL is functioning without a much needed Human Resources and Remuneration Sub-committee, leading to inconsistent policies related to recruitment, remuneration and promotions.
21. The internal audit department did not have an annual audit plan prepared and approved by the Finance and Audit Committee; in addition, there is the unusual arrangement of the Audit Manager being a member of the Audit and Finance Committee.
22. GOCL has no procedures documented for the archiving of manual and computerized records.

Introduction

Nigel Hinds, conducting business as Nigel Hinds Financial Services was appointed by the Ministry of Finance to perform a forensic audit of GOCL, with emphasis on corporate governance, financial systems, commercial transactions and compliance with legal authority.

Limitations in the scope of the forensic audit existed, as we were unable to access the financial profile of key individuals from financial institutions. The access would have allowed for comparative analysis between earnings and growth of their net assets.

Nigel Hinds Financial Services was also required to recommend the corrective action to be taken and specific recommendations geared towards greater and better financial management, accountability and corporate governance.

This report is provided solely in accordance with the terms of our engagement and for no other purpose.

3.2 Background of the Entity

GOCL is a state-owned public company, where its major share-holder benefits from dividends, taxes and related payments. The services GOCL provides act as leverage against unfair petrol pricing, thus providing economic relief to the public. Its main competitors are multi-

national companies Sol Guyana Inc., Rubis and other importers of fuel and lubricants.

GOCL has three (3) bulk terminals placed at Providence, Georgetown, Heathburn, Berbice and Adventure, Essequibo, along with seven (7) service stations.

In addition, GOCL has thirty-six (36) dealers for its Petrol and Castrol Lubricants across the regions and employs over three hundred (300) personnel. GOCL also extends credit to over seven hundred (700) customers.

Based on the aviation sector growth and high cost of fuel at airports, Guyana Aviation Services Inc. (GASI) was incorporated on the 1st December 2014 as private company No.7913 under the Companies Act as a wholly owned subsidiary of GOCL. GASI commenced its operations on 1st January 2015. Its only competitor in Guyana is Rubis.

3.3 Terms of Reference

3.3.1 Background

The Government of Guyana is reviewing the performances and of public owned entities, statutory bodies, projects and activities financed by or through public funds. In this regard, the Government of Guyana has commissioned this forensic audit of the operations of Guyana Oil Company Limited.

3.3.2 Objectives and Scope of the Audit

The audit should include such procedures as necessary to:

- 3.3.2.1** Determine the entity's adherence to and fulfillment of principles of corporate governance in all aspects, including its interpretation of its mission, adherence to legal or statutory and policy instruments and good practices;
- 3.3.2.2** Assess and test systems and detect any instance of corporate malfeasance and inefficiency for remedial and or judicial intervention and system realignment;
- 3.3.2.3** Determine the authenticity and validity of significant commercial and financial transaction entered into by the entity with related parties, suppliers and customers and measure the extent of potential prejudice the entity may have suffered through such dealings if any;
- 3.3.2.4** Carry out a comprehensive financial system audit which should look at all systems, decisions and practices which have underpinned the entity's finances test and assess financial discipline at all levels. Without limitation, the auditor should:

- a.** Review and examine all financial books and records of the entity as required to undertake such review and to obtain such clarifications and explanation as may be required in relation to such books and records;
- b.** Review all contracts administrations and approval processes in relationship to the expenditure of funds during the period;
- c.** Review all material expenditures and contracts made by the entity during the period and obtain all necessary information and explanations as may be required in relation to such books and records;
- d.** Examine all areas, including budgeting, financing, expenditure, management of revenue inflow, trade terms, procurement or purchase decisions and supply chain management;
- e.** Examine the entity's assets management system, including its fixed assets, their disposal, management or deployment;
- f.** Examine the entity's marketing production and commissioning policies, systems and agreements to determine their integrity, efficiency and responsiveness;

- g.** Examine the entity's archiving policy both by way of records keeping and as a performing asset that yields revenue for the entity.

3.3.2.5 Recommend statutory, legal or organizational changes required to identify and prevent any recurrences of improprieties.

3.3.3 Specialized Areas

The review may be extended to any or all of the following:

3.3.3.1 Conduct a human resource audit which should include key issues like manpower policy and needs determination, selection and recruitment regarding philosophy, grading and departmentalization, payroll system and management, performance, culture and whole policy on advancement and promotions, labor issues, skills development and deployment. Examine current incentives, their access and distribution and what impact they have on skills attraction and retention on staff motivation, performance and commitment;

3.3.3.2 Determine the planning culture of the entity;

3.3.3.3 Determine the entity's manpower and skills development policies to equip its key functional areas with strategic competences needed for migration to a digital era and beyond;

3.3.3.4 Recommend a business model, development and innovativeness which would help a restructuring exercise by gauging the entity's capacity to align itself with and keep adjusting to the larger macro-environment through periodic strategic interventions;

3.3.3.5 Gauge the entity's readiness to do business in an environment characterized by open competition locally, regionally and globally and the removal of statutory sources of revenue including subsidies.

3.3.4 Co-operation

The Consultant/Firm shall be afforded every opportunity to access such records, meet such personnel and visit such places as he/she considers necessary for the achievement of the audit's objectives.

The Consultant/Firm shall immediately report any instances of non-cooperation of staff, customers, suppliers or other persons or entities to the Financial Secretary, Ministry of Finance.

Where the Consultant/Firm has reasonable reason to believe that the records of the entity are under threat, the Consultant/Firm shall, on behalf of the Government of Guyana, immediately take steps to secure such records and report the matter forthwith to the Financial Secretary, Ministry of Finance.

3.3.5 Eligibility

Consultants or Firms that provided audit or accounting services to the entity are not eligible for appointment as Consultant/Firm. The consultant/firm must disclose all transactions with the entity during the period covered by the audit.

3.3.6 Reporting

No later than seven days after the completion of the file work, the auditor shall submit to the entity, copied to the Financial Secretary and the Minister of Finance, a draft report of comments, and shall conduct an exit interview with the management of the entity or key persons responsible for providing information for purposes of engagement.

The entity's comments and feedback are to be provided to the Auditor within fourteen days of the receipt of the draft report. No later than fourteen days thereafter, the Auditor shall submit a comprehensive report to the Minister of Finance, highlighting his /her findings, recommendations on corrective actions to be taken and specific recommendations geared towards greater and better financial management, accountability and corporate governance.

In the event the Forensic Audit uncovers acts of malfeasance, the Auditor is required to bring the matter of the illegal or dishonest activities to the immediate attention of Minister of Finance. In addition, to recommend to the Government any action to be taken to institute appropriate disciplinary action this may include prosecution.

Without prejudice to the requirement set out in the preceding paragraphs, the Auditor is required to submit a monthly update, where the engagement extends beyond one month.

3.4 Methodology

The general approach to the forensic audit was guided by the terms of reference.

Traditional audit and investigative methodologies were utilized in performance of the audit. Interviews were conducted with relevant personnel and documents examined as required in the following stages:

- Planning the Audit - Determine audit strategy and plan audit approach; conduct examinations and assess risks of critical accounting matters,
- Control Evaluation - Understand accounting and reporting activities, assess control risk and risk of material misstatement and perform selected evaluation and testing of designed and implemented controls,
- Substantive Testing - Plan and perform substantive analytical procedures on samples including reconciliations, re: performance and analytical reviews, determine sufficiency and appropriateness of audit evidence and provide conclusions on critical accounting matters,
- Completion – Perform an overall evaluation and provide recommendations.

3.5 Limitations

The findings expressed in this report were based on documents, explanations and information supplied to us. These were verified to the extent specified in this report and in accordance with the audit's objectives and scope, despite the following inherent limitations:

- Inevitable misjudgement in the identification of audit risks, selection of appropriate auditing procedures and the interpretation of audit evidence,
- Sampled instead of detailed testing of transactions and balances in order to perform the audit efficiently and cost effectively may not be representative of the entire population,
- Misrepresentations by management that were relied upon which were not deemed necessary for corroboration,
- Undetected fraud despite the application of our methodology and procedures.

This report **may be modified** if additional information and explanations become available.

4. Findings

4.1 Corporate Governance- GOCL and GASI

GOCL is governed by its By-Laws consisting of rules that regulate the company in accordance with the Guyana Companies Act 1991.

4.1.1 Managing Director, Mr. Badrie Persaud, was a candidate on the PPP/C national list for the May 11, 2015 General Elections. Adherence to the decisions of a political party concurrent with managing a state owned corporation, creates conflict of interest issues that have negative implications for employee morale, use of GOCL resources and the image of GOCL.

4.1.2 GOCL Board of Directors governed for a period of nine (9) years. This likely contributed to reduced oversight of the shareholder's investment, as evidenced in the report findings herein.

4.1.3 No contracts were seen between the directors of the board on acceptance of their appointment. Thus, there was no signed agreement re: code of conduct, related party transactions and obligations of Directors.

4.1.5 No charters were seen for the Tender, Finance and Audit **Committees of the board**. As a result, procedures for the committees' work could ONLY be examined subjectively for compliance since its mission, authority, responsibilities, director qualifications required, recording of minutes and approval of minutes were not documented.

4.1.7 The board of directors of GOCL and its subsidiary GASI were the same and lacked independence. The same lack of independence occurred in the executive management of the two companies,

whereby the Managing Director of GOCL was responsible for the day to day management of GASI; instead of the affairs of GASI being properly governed by an independent board of directors and a separate executive team.

4.2 Systems and Procedures

4.2.1 There were no documented manuals of policies and procedures in effect at GOCL for the areas - Administration, Finance, Marketing, Information Technology, Security and Audit.

4.2.2 There was no provision for a periodic revision of the policies and procedures at GOCL, which resulted in management control changes being unauthorised and discretionary decision making.

4.2.3 Despite guidelines, policies and procedures in effect, work instructions and/or desktop procedures showing a sequence of steps to execute a task or activity was lacking in all areas. The procedures would allow for continuity of work related to staff absences or turnover, identification of unauthorized acts, job evaluation and reconciliation of performance standards.

4.3 Significant Commercial and Financial Transactions

4.3.1 Dealers

4.3.1.1 The Managing Director (MD) during the forensic audit review period performed the Marketing Manager's functions, which included pricing of products, approving dealers' applications and contracts and Requests for Installation of Equipment (RIE) at fuel stations.

4.3.1.2 It was likely that the MD intended to conceal the conflict of interest and approve a gas station at Tushen, New Housing Scheme, East Bank Essequibo for his brother-in-law Hansrajh Persaud. **Refer to Annex 1a-c: Business Proposal...** Original Format retained, soft copy of document was recovered from the managing director's laptop.

4.3.1.3 **No documented guidelines** existed showing the criteria being used for the **selection** of GOCL dealers.

4.3.1.4 Dealers were given credit on Local Purchase Orders approved despite Article 6 of the Dealer Contract, which requires full payment prior to delivery by GOCL unless otherwise agreed. Bank Guarantees were not seen for these dealers in the table below.

Terminal	Name of Dealer	Bank Guarantee
Providence	Norman Farley	N
Adventure	Magbool Basir	N

4.3.1.5 Dealer contracts were not referenced with a control number which would easily assist in monitoring and retrieval of the agreements.

- 4.3.1.6** Article 8 of the Dealer Contract provides for GOCL to peruse the receipts and documents used by the dealer to customers; there is no evidence that this was ever done.
- 4.3.1.7** Numerous instances were seen where required documents: ID, TIN, Transport, Lease Agreement, Tenancy Agreement, Petroleum, Retail, Storage licenses and Insurance coverage, indicating a total breakdown in the management of dealers and GOCL ability to recover for amounts owed by dealers. **See Annex 3.**
- 4.3.1.8** Control tests by Internal Audit, which aids in detecting unauthorised changes, were non-existent for price changes and the recording of totalizer readings at Dealer Stations.
- 4.3.1.9** No Calibration charts/tables were seen for any of the dealer tanks despite the requirements of Article 13 of the Dealer Contract.

4.3.2 Credit Customers

4.3.2.1 There was no documented policy for the granting of credit purchases for customers, including wholesale, duty free, employees and government agencies.

4.3.2.2 There was a breakdown of the internal control systems of credit sale of fuel and lubes by Service Stations, resulting in unapproved credit sales.

An attempt by Forensic Audit to reconcile a sample of seventy-seven of seven hundred fifty-eight credit customers for the period 01.01-10.15.2015 proved difficult since fifty-four thousand four hundred fifty-eight (54,458) transactions did not reconcile with the approved vehicles in customer files. Contributing to the differences seen were:

- Cashiers entering inadequate information re: absence of full vehicle registration number on charge bill.
- Delivery to customers by attendants at service stations was done using the Customer's Purchase Order, which was submitted without checking the Management Memorandum detailing approved vehicle(s) for credit customers.
- Submission of statement of accounts for payment to National Sports Commission for **vehicles not approved by GOCL** e.g. Vehicles- PRR 1219, PRR 9222, PSS 2332, PLL 1734.

4.3.2.3 Bank guarantees required as a form of security (based on Board Sub - Finance and Audit Committee meeting dated February 18th 2008) of which only 37 were accessible. Of the 37, only 24 were active and qualifying for credit purchases based on the review of **758 customers** for the **period 01.01- 10.15.2015**. This is a major credit risk and may result in GOCL being unable to recover monies owed to the company.

Date	Accounts Receivable Balance (\$)
12.31.2014	1,448,651,000
12.31.2013	738,360,000
12.31.2012	896,095,000
12.31.2011	1,040,909,000

4.3.2.4 Mr. Badrie Persaud, MD breached the Board Sub-Finance and Audit Committee decision dated February 18th 2008 on requirements for a bank guarantee by approving a credit limit of \$5,000,000 on 09.17.2013 to Mr. Mohamed Fawaaz Bacchus who is the brother-in-law of Mr. Leonard Khan - GASI Manager (Formerly GOCL Castrol Brands Manager). Mr. Khan signed as his guarantor. **Refer to Annex 2.**

4.3.2.5 Prepaid Customers were monitored manually in ledgers at respective locations instead of using the company's accounting system - ACCPAC. The risk here is that existing prepaid customer may have exhausted his payment and then fuel is delivered without payments being made.

4.3.3 Procurement

- 4.3.3.1** No pre-qualification by public tendering and approval by GOCL board of directors was done or was it required of local and overseas suppliers for the period under review. Hence it could not be determined that these suppliers have the requisite resources, technical expertise or experience.
- 4.3.3.2** The procurement process was poorly managed, which allowed for frequent management override of the process and breach of procurement controls by the Managing Director, as evidenced in the report findings.
- 4.3.3.3** The process of quote evaluations was not documented, since this was not a requirement for GOCL purchases of goods and services. This may have resulted in the procurement of goods and services at uncompetitive rates and from entities not in compliance with GRA and NIS requirements.
- 4.3.3.4** GOCL procured modules in 2013 for Project Job Costing, Purchase Orders for GOCL accounting suite, these modules have never been utilized, resulting in a waste of financial resources.

There was no breakdown in each year of licensing to determine the costs of used and unused modules. Discussions with the Marketing department revealed that no staff was ever trained to use the Customer Relation Management (CRM) module.

Payment Year	2013	2014	2015
License period	03.27.2013-	03.27.2014-	03.27.2015-

	03.26.2014	03.26.2015	03.26.2016
Sage 300ERP	\$3,259,620	\$3,594,362	\$3,626,106

4.3.3.5 Purchases were frequently singled sourced from Powercompu, breaching the Tender Board requirements. Powercompu is owned by contractor Mr. Manesh Seeram who is also GOCL accounting local solutions provider from ACCPAC. The procuring was handled by the IT Control Officer, Network Administrator, Finance Manager, Managing Director. Payments to date at 08.07.2015 for Mr. Manesh Seeram are **\$90,854,911**. Below is a table detailing some of the purchases made from Powercompu.

Payments to Powercompu		
Details	Date	Amount (\$)
Sage EPR PO Module to process data from RMS to ACCPAC	12.18.2014	610,722
Eleven (11) Time Clock, Time & Attendance Servers	11.05.2014	1,564,476
Sage RMS software, Remote Connection, User Licenses	05.29.2013	8,874,297
Microsoft SQL Enterprise Core Edition-Installation, Upgrade, Training and Configuration	09.28.2012	16,992,528

4.3.3.6 Credit Card payments were made on numerous occasions by the **IT Network Administrator, Mr. Azaad Hassan** on behalf of GOCL after transferring funds from GOCL to the employee's bank account. This allows Mr. Hassan to benefit directly from using his credit card on behalf of GOCL, through concessions and interest savings. The practice of using an employee's credit card for company purchases exposes the company to self-enrichment schemes, is inappropriate and outside of best accounting practice. It is a poor financial decision and should be discontinued immediately.

Mr. Azaad Hassan Payments on behalf of GOCL			
Details	DA #	Date	Amount (\$)
Renewal of Eset NOD32 Antivirus	6/11	11.26.2014	415,701
SSL Certificates	4/11	11.07.2014	1,393,700
Remote Access Software	5/5	05.19.2015	325,730
Purchase of Toyota Car	11/6	06.17.2014	1,850,300

4.3.3.7 GOCL single sourced Zip Logistics as its freight forwarder in Miami, with Zip Logistics also clearing goods purchased and delivered to GOCL **at varying rates** including blanket rates. The **table below** shows possible uncompetitive rates.

DA#	Invoice		Details of Charges	USD
	Date	#		
1/6	05.15.2015	4009	Local Charges	55
1/6	05.26.2015	4157	Local Charges, JFL Wharf Handling, Carte Note, Lien Cancel	1,974
19/4	04.22.2015	3838	Local Delivery	15
			Wire Fee- Invoices O/S	40
	04.20.2015	3803	Handling Fee-Carte Note, BL Docs, JFL Wharf	65
			Brokerage Service	95
			Local Delivery	45
04.21.2015	3825	Local Charges	45	
1/4	03.27.2015	3599	Local Charges	350
			Bank Transfer Service Fee	40
9/2	02.17.2015	3233	Local Charges	150
8/1	10.30.2014	2388	Brokerage Service-Entry, Documentation, Carte Note, Lien Cancel	95
			Handling Fees- JFL Wharf	65
			Local Delivery-Providence	45
	11.05.2014	2390	Brokerage Service-Entry, Documentation, Carte Note, Lien Cancel, Freight Certified, Processing	95
			Handling Fees- JFL Wharf	65
			Local Delivery-Providence	55
			Bank Transfer Service Fee	45
9/1	01.13/2015	2767	Local Charges	125

4.3.3.8 GOCL single sourced without seeking competitive quotes from similar insurance agencies by instructing P&P Insurance Brokers and Consultants to submit a quote for services. No comparative bids were requested by GOCL. Resulting in Marsh Ltd being paid

\$13,627,250 for Aviation Liability coverage and Diamond Insurance Company charging \$650,000 for fronting fees.

4.3.3.9 Payments totalling \$4,839,000 were made to Panorama Media Ltd; Panorama was single sourced for a Special Report in the Miami Herald on 05.26.2014 entitled Guyana Panorama "A Land of Opportunities".

Further, the invoice No. 0033770 dated 02.18.2014 was handwritten and required 50% down-payment for the publication. **Refer to Annex 4a and 4b.**

4.3.3.10 Fuel Purchases for the period 01/01/2011-06/30/2015 totalling \$94,452,242 were made to favour of Mr. Dhanrajh (who also ships fuel for GOCL) without obtaining three (3) quotes. It was obvious that Mr. Dhanrajh enjoyed a special relationship with GOCL in this (see table below) and other arrangements.

Cheque #	Invoice Date	Litres	Value (\$)	Unit Cost	Wholesale Price at (Time of Purchase)/L	Subsequent Wholesale Price
164364912	5/6/2015	90,920	18,093,080	199	172.3- 03/05/2015	198- 05/06/2015
164364623	1/12/2015	109,104	23,784,672	218	211.9- 07/25/2014	145.85- 01/19/2015
17319	12/29/2014	22,730	4,955,140	218	211.9- 07/25/2014	145.85- 01/19/2015
15643	11/26/2012	227,300	47,619,350	210	200- 11/22/2012	208.6- 02/22/2013

4.3.3.11 On 05.04.2015, GOCL purchased from Rubis 238,481 litres for \$47,457,719 at \$199 at \$99 per litre, which was followed by the purchase from Mr. Deodat Dhanrajh on 05.06.2015 at the same price. Indicating the

staggering and splitting of a full order to facilitate ordering from Mr. Deodat Dhanrajh which could have been sourced possibly at a lower negotiated price based on the volume of purchases from Rubis. GOCL wholesale price in effect at the time was **\$172.30** effective 03.05.2015 and subsequently changed to **\$198** on 06.05.2015.

4.3.4 Product Pricing

4.3.4.1 There was no documented Products Price Change Policy at GOCL. Ministry of Finance approves all price changes for fuel except Duty Free and Discount decisions related

to fuel. These approvals are outside of the GOCL governance structure and can be considered a usurpation of the board's function.

4.3.4.2 The rationale supporting all price changes were not documented and the Managing Director issued a price change memorandum after consultation with the Procurement Inventory Manager and *after* Ministry of Finance approves the price change via email.

4.3.4.3 Instances were seen where wholesale prices used at point of invoicing did not agree with authorised prices. Also, these customers were not given any discounted prices. **Refer to Annex 5.**

4.3.4.4 Thirteen percent (77) of 601 duty-free transactions sampled, amounting to \$52,550,416, revealed that customers were invoiced at prices *higher than the duty-free-price*. Refer to **Annex 6.**

4.4 Financial Statements

4.4.1 Reported functional expenses in the financials for 2011- 2013 were incorrect: **Refer to Annex 7.** This however, had no impact on the total expenses but would have affected the budgetary

planning and spending of GOCL. Also, over \$300 Million in Other Income was omitted for 2011 & 2013 Audited Financials; further Other Income was offset to COS in other years, thus, **Financial Statements for 2011-2013 should be restated.**

4.4.2 There was no documented policy or loan agreement governing fuel loaned to various agencies totalling **\$31,434,041** for years 2010, 2012 and 2014 that were shown as a reduction in inventories and disclosed. The loans were not repaid during the review period. Late repayment of such loans during periods of lower fuel prices, results in lower revenue and profits for GOCL. No provisions are made in the agreements for falling in fuel prices.

Year	Borrower	Amount	Remarks
2014	SOL	\$16,702,113	
2012	GPL	\$2,591,634	b/f 2010
2010	BCGI	\$12,140,304	

4.4.3 Bank overdrafts totalling \$16,538,083 concealed in the reported Cash and Cash Equivalent Balance for years 2011 and 2014 and were not disclosed in the financials. Interest expenses as a result are shown below.

Year	Details	Amount	Remarks	Overdraft Interest Balances
2014	Overdraft Not Disclosed	\$15,420,622	Citizen Bank Current Account # 118002972	2014.12.31- \$367,895 2013.12.31- \$2,000 2012.12.31- \$307,467
2011		\$1,117,461	RBL Salaries Account # 652-069-6	

4.4.4 Expense accounts with credit balances existed which may be due to incorrect coding, improper accrual entries or vendor refunds. These anomalies in the main, were not investigated and cleared before preparation of the financials.

Year	Expense Code	Account Details	Amount (\$)
------	--------------	-----------------	-------------

2014	4122	2	30	Vehicles Expense - Contract/Mechanic Fees - Providence Term	(464,000)
	6210	2	32	Telephone - Overseas Adventure Terminal	(132)
2013	4135	2	51	Own Use (Fuel/Lube) - Regent Service Station	(71,562)
	4575	3	50	M & R - Site - Providence S/S	(11,454,406)

4.4.5 Accounts payable accounts with debit balances existed, which were not investigated and may be due to deferred revenue, prepayments or incorrect posting.

Year	Expense Code			Account Details	Amount (\$)
2014	1666	1	11	Guyana Bank for Trade & Industry Payable	98,084
	1675	1	10	Castrol - Sales Promotion	1,624,883
	1694	1	10	Output VAT- Others	70,482
2013	1650	1	10	Medical Scheme Payable	1,340
	1666	1	11	Guyana Bank for Trade & Industry Payable	215,748
	1675	1	10	Castrol - Sales Promotion	2,385,354
	1694	1	10	Output VAT- Others	9,631,718
2012	1606	1	10	Payables Clearing Account - Materials & Spares	511,295
	1650	1	10	Medical Scheme Payable	2,430
	1666	1	11	Guyana Bank for Trade & Industry Payable	7,451,026
	1675	1	10	Castrol - Sales Promotion	5,294,502
	1692	1	10	Output VAT- Lubes	6,003
	1694	1	10	Output VAT- Others	10,329,011
	1695	1	10	Output VAT- TBA	2,406

4.4.6 Expenditures made by GOCL on behalf of GASI, were accounted for under GOCL. Efforts should be prioritised to ensure GASI directly accounts for its expenditures. GASI is an incorporated company, wholly owned by GOCL.

4.5 Contract Administration and Approval Process

4.5.1 There was a major breakdown in the pre-qualification of contractors. Only three (3) exercises were undertaken over the period 2007 - 2014. Tabled below are the details:

Pre-Qualification Year	Closing Date m/d/y
2008	12/14/2007
2010/1	Ad Not Seen
014/5	3/7/2014

Pre-qualification for 2014/5 was poorly received since only eight (8) contractors applied. This process should have been redone by GOCL to ensure that contracts were awarded to contractors and suppliers who have the requisite resources, technical expertise, experience and are compliant with GRA and NIS.

4.5.2 The Operations Assistant functions as stated in his job description includes: preparation of engineering cost estimates, designs, specifications, and monitoring of contracts. However, these services were outsourced to Marcel Gaskin & Associates Ltd for \$77,868,087 at 11.11.2015 inclusive of contractual works. In such cases, the Operations Assistant would perform his function and then was approved by the Operations Manager - **See Annex 8 a-b:** Job Description: Operations Assistant -Robert Lynch.

The forgoing indicates that the internal capacity of GOCL to prepare cost estimates, design and monitor contracts was invariably outsourced to Marcel Gaskin & Associates Ltd by the Operations Department led by Mr. Reggie Bhagwandin, Operations Manager. This added unnecessary costs to GOCL operations.

4.5.3 Mr. Badrie Persaud, Managing Director, abused his position and allowed for egregious acts of conflict of interest without any declaration to the board of directors or disclosure otherwise as noted in the table below. Contracts were given to related parties or to parties without the tender board's approval.

Name	Designation	No Approval from Tender Board or Related Party.	Payments GYD 2011-2015
Deodat Dhanrajh	<i>Contractor-Transport Fuel via Vessels</i>	No Approval from Tender Board	\$194,897,147
Indarjeet Persaud	<i>Contractor-Transport Fuel via RTW</i>	Managing Director - Mr. Badrie Persaud's brother	\$62,495,000
Hansrajh Ramcoomar Persaud		Managing Director - Mr. Badrie Persaud's brother-in-law who is the Power Attorney for Indarjeet Persaud (Brother of Mr. Badrie Persaud).	
Raul and Bibi Nazeema Arjune t/a Anwar's Trucking Services Mechanical Repairs	<i>Contractor-Transport Fuel via RTW</i>	No Approval from Tender Board	\$ 30,050,120
Avinash Persaud	GOCL General Clerk-Adventure	Son of Mr. Shookdeo Persaud, Shookdeo is the brother of Mr. Badrie Persaud.	\$860,000

4.5.3.1 The Managing Director colluded in the preparation and approval of contractual documents to effect payments after works were done to Mr. Avinash Persaud an employee of GOCL and nephew of the Managing Director.

- **The Managing Director** solicited a quotation from Mr. Avinash Persaud and approved contractual works totaling \$860,000 **from his nephew.** Quotations should be sought by the Procurement and Inventory Manager, Mark Adams.
- Contractual works were identified by the **MD-BP.**
- Quotation was also obtained for this job from Eddie's Bobcat & Engineering Consultancy at

\$1,628,640 dated 01/27/2015 by the Mr. Leon Phagu, Providence Terminal Manager on 28/01/2015 which was faxed to the **MD's** office on 01/28/2015.

- Quotation from the staff Mr. Avinash Persaud of \$460,000 dated 01/27/2015 was obtained by the MD, which was faxed to Mr. Phagu on 01/28/2015. **See Annex 9 a-b:** Faxed Quotations.
- The MD instructed Mr. Phagu on 01/28/2015 via email to call his nephew and instruct him to start mobilizing for execution of the works.
- Additional works valuing \$400,000 were verbally approved by the MD for his nephew and GOCL staff Mr. Avinash Persaud.
- Mr. Phagu gave Mr. Avinash Persaud's invoice and quotation for additional works to Mr. Sarfraz Osman, Providence Terminal Supervisor for him to prepare the contract and completion certificate, which was then signed by Mr. Osman and Mr. Phagu and forwarded to Operations-Head Office for processing.
- The works commenced on 02/05/2015 instead of 31/01/2015 and were completed on 02/20/2015 instead of 02/04/2015 as stated in the contract.

- Mr. Phagu and Mr. Osman both stated that the contract was prepared after works were done by Mr. Avinash Persaud and backdated. Refer to Statement by Terminal Manager, Mr. Leonard Phagu in **Annex 10a**, and: Statement by Mr. Sarfraz Osman in **Annex 10b**.
- Operations department submitted the Contract document # MOA- GO-15-11, Job Completion Certificate and Cheque Voucher No. 53/2 for \$860,000 on 02/17/2015 to the Managing Director who sent it to the Finance Department for payment on 02/20/2015.

4.5.3.2 Tender board rules were flouted by Mr. Badrie Persaud in bypassing the procurement department (Refer to Statement in **Annex 11** – Statement by Procurement Manager, Mark Adams) and awarded services without a contract to:

Deodat Dhanrajh

- Payments were made to Mr. Dhanrajh totaling \$199,857,287 as at 06.30.2015 for transportation of fuel from Providence to Guyoil Terminals, from SOL/RUBIS to Providence Terminal and for Lightering. All payments for Deodat Dhanraj were approved by the relevant department heads and the Managing Director.

4.5.3.3 Indarjeet Persaud- Brother of Managing Director

MD-BP's Brother Indarjeet Persaud through his Power of Attorney Hansrajh Persaud (brother-in-law of MD) was paid **\$62,495,000** for Fuel transportation by Road Tankers for the period 01/01/2011-06/30/2015.

- Contract dated 09/25/2012 was **given** to Indarjeet Persaud for the period 09/25/2012 to 09/24/2013 and was signed by MD-BP, CS-AK and Hansrajh Persaud (Managing Director -Badrie Persaud's brother-in-law).
- Mr. Hansrajh Persaud is the power attorney (No. 5020/2012) of Mr. Indarjeet Persaud who is the brother of the Managing Director, Mr. Badrie Persaud.

4.5.3.4 Raul and Bibi Nazeema Arjune

Raul and Bibi Nazeema Arjune were paid for fuel transportation services amounting to \$30,050,120 without tender procedures being followed, for the periods 06/15/2012 to 06/14/2013 and 09/15/2013-09/14/2014.

- Documentation of the first contract was not available; however, a memorandum signed by Mr. Abdool Kadir, Corporate Secretary informing the **Finance Manger** dated 06/29/2012 was seen.

- In the second instance the contract was documented and signed by Mr. Kadir on behalf of GOCL.

4.6 Enterprise Business and Risk Management

4.6.1 While there were some Enterprise Risk Management components, there was no documented risk management policy or GOCL. Indicating that risks were not defined, fully known, understood, monitored, mitigated or reviewed. The absence of a documented risk management policy will adversely affect the non-achievement of corporate objectives and weaken the development of risk mitigation strategies and the utilization of cost saving resources.

4.6.2 There was no Risk Register, so that a clear understanding and accumulation of all GOCL risks are known, updated and reported on by management on a monthly basis.

4.7 Asset Management Systems

4.7.1 There was no documented non-current asset policy in place to determine asset classification, threshold for capitalization, depreciation and asset disposal. However, procedures were guided by statutory requirements and accepted international accounting standards.

4.7.2 The work of the fixed asset unit is insufficiently manned by one staff, who is supervised by the Finance Manager; this can severely affect accounting for and verification of GOCL assets.

4.8 Marketing Policies and Systems

4.8.1 There was no documentation of a comprehensive marketing plan indicating research, competitive strategy, product positioning and attainable outcomes for enhancements and redirections.

As a result, required elements of a marketing plan such as - market research, target market, product mix, competitive analysis, strategies, price positioning and branding, budget, marketing goals could not be evaluated.

4.8.2 Only Sales were tracked and compared against prior year by the Marketing Department. This was done on a monthly basis for service stations and dealers, but there was no monthly report stating any achievements against a budget or any strategic changes. No evidence was seen indicating that customers were surveyed.

4.9 Human Resources

4.9.1 Conflict of Interest by Relation and Association by MD-BP

Name	Designation	How Related?	Remarks
Avinash Persaud	General Clerk-Adventure Depot	Nephew of Managing Director - Mr. Badrie Persaud.	Salary \$ 80,835

4.9.1.1 No records existed showing that a shortlisting process occurred or that applicants were interviewed regarding the hiring of the Managing Director's nephew, Mr. Avinash Persaud's on 10.22.2014 or that adherence to GOCL Human Resources recruitment procedures were followed.

The perusal of Avinash Persaud's application showed that:

- The MD-BP indicated in writing that Avinash Persaud was a good candidate for the Adventure-General Clerk position.
- The Corporate Secretary, Mr. Abdool Kadir approved the appointment on 10/17/2014.

Avinash Persaud when interviewed said: -

- He is the Managing Director - Mr. Badrie Persaud's nephew.

- He does not know Indarjeet Persaud as his uncle or that Indarjeet is the Managing Director's brother.

4.9.1.2 Leonard Khan was Promoted to Castrol Brands Manager and to Aviation Services Manager despite not meeting the job requirements on two (2) occasions and without the positions being advertised.

Position	Effective	Requirements	Qualified?
Castrol Brands Manager	08/01/2007	<ul style="list-style-type: none"> • A University Degree in Business Management, Marketing or Procurement or equivalent qualification plus three (3) years' experience or three (3) years' experience in Sales and Marketing <p>OR</p> <ul style="list-style-type: none"> • A University Diploma in Marketing or Management plus five (5) years' experience in Sales and Marketing. 	No
Aviation Services Manager	12/01/2014	No Job Description seen in Personal File showing requirements and responsibilities. CMB-LK lacks any technical qualifications or expertise in Aviation.	No

- Board decision approval referenced in a letter dated 07/31/2007 by retired Administrative Manager, Mr. Abdool Kadir was not located approving the promotion of Mr. Khan to Castrol Brands Manager effective 08/01/2007 at a salary of \$124,788.
- Mr. Khan was transferred into a new position of Aviation Services Manager of Guyana Aviation Services Inc. a wholly owned subsidiary of GOCL was effected on 12/01/2014 and given a salary of \$263,179.

4.9.1.3 Questionable practices occurred in the hiring and revocation of Mr. Vishal Hemchand as Castrol Brands Manager.

- Mr. Vishal Hemchand was appointed as Castrol Brands Manager on July 13th, 2015 but the appointment was revoked on 21st July 2015.
- The Human Resources Managers, Mr. Ronley Kendall indicated during an interview that he was verbally informed on July 10th 2015 by a Staff in Beharry's Personnel Department that Mr. Vishal Hemchand was under-performing while on probation and might not be confirmed in his post. Mr. Kendall was unable to provide the name or designation of the person he spoke to from Beharry Personnel Departments nor was a confidential report requested.

4.10 Internal Audit

- 4.10.1** There was no audit charter, no annual audit plan prepared and thus no approval by the Board's Audit Committee.

It is our opinion that the internal audit was restricted based on our findings and the department lacked direction from the Finance and Audit Committee to ensure that a proper risk management framework is in place, inclusive of audit charter and annual audit plan.

- 4.10.2** No documentation i.e. an audit manual existed to show the alignment between internal audit functions, audit universe, risk assessment, audit types, audit scheduling, resources available, audit approach, strategic objectives of the organisation and its risk management framework.

This would have helped in managing the audit function and providing reasonable assurances on the systems of internal control and the likelihood of taking corrective actions and finding fraudulent activities.

- 4.10.3** Audit Programmes were poorly drafted without reference to audit objectives, audit risks, compliance tests, close-out procedures and were not reviewed and signed off on by a senior each audit.

4.10.4 No periodic audit summary reports were prepared showing the audit department's achievements against its plans and its review by the Boards Finance and Audit Committee.

4.11 Archiving

4.11.1 There was no documented archiving policy at GOCL providing a framework ensuring that ALL manual and computerized (emails, electronic documents) records created, captured and managed were known and accounted for.

4.11.2 There was no comprehensive list of manual and computerized records showing document creation, next revision dates, staff responsible, document storage location, level of security required, method of access or documentation for period retention and disposal procedures.

4.11.3 It was observed that records were stored in a container at Providence Terminal to facilitate retrieval but visits to offices at both Kitty and Providence revealed that additional and dedicated filing cabinets were necessary to effect an efficient filing of current documents.

Recommendations: 4.1 Corporate Governance

- 4.1.1** All conflict of interest should be disclosed, monitored and measures taken to eliminate any risk to the board or its committees.
- 4.1.2** Contracts should be prepared for board appointments detailing, code of conduct, rights, obligations and liability.
- 4.1.3** Compensation and Corporate Governance committees should be established by the board.
- 4.1.4** **A Board of Directors' Charter** should be prepared for the Board and all sub-committees of the board. Once approved by the Board, implementation should occur at the earliest possible date, with revision of the charter occurring at least annually.
- 4.1.5** Statutory meetings should be held as required and board sanctioned for non-compliance with its terms of mandate.
- 4.1.6** The dual directorship of GASI - a subsidiary of GOCL should be terminated and independent directors be appointed for GASI.
- 4.1.7** A comprehensive five-year strategic plan should be prepared for GOCL.

Recommendations: 4.2 Systems and Procedures

- 4.2.1** All policies, procedures and practices should be reviewed, documented if non-existent and approved by GOCL board.
- 4.2.2** Works and Desktop Procedures should be documented for all areas of GOCL operations.

Recommendations: 4.3 Significant Commercial and Financial Transactions- Dealers

- 4.3.1.1** Performance of Marketing functions by the Managing Director should cease and a Marketing Manager should be hired as a priority. The new Marketing Manager will be a healthy development

to ensure controls over evaluation, recommendation and approval of dealer/s.

- 4.3.1.2** Selection of GOCL dealers should include, competitive analysis, impact assessment, market share analysis and should be a documented component of dealership approval.
- 4.3.1.4** Adherence to the Dealer contract should be enforced, with annual revision being carried out by the Board.
- 4.3.1.5** A control number should be issued to each dealer agreement entered into by GOCL.
- 4.3.1.6** Ensure compliance with Articles 6 & 8 of the Dealer Contract.
- 4.3.1.7** Documents required as per GOCL Dealer Contract should be submitted by dealers.
- 4.3.1.8** Control tests of Dealer Contracts should be carried out as part of the annual Internal Audit plan.
- 4.3.1.9** Calibration tables at Dealer Stations should be established and monitored by GOCL as provided for in the Dealer Contract.

Recommendations: 4.3.2 Credit Customers

- 4.3.2.1** Policy and procedural steps should be documented and approved by the board of directors.
- 4.3.2.2** Policy and procedures for credit to customers should be clearly outlined and adhered to.

A listing along with a memorandum should be submitted and updated where necessary showing each credit customer, authorized vehicle/signatory/purchase order sequence/location, authorization date, remarks, prepayment amounts.
- 4.3.2.3** All credit limits should be reviewed and bank guarantees submitted by charge customers.
- 4.3.2.4** Mr. Mohamed Fawaaz Bacchus's Credit Limit of \$5,000,000 should be cancelled. In its current form the credit limit has no bank guarantee as is required and involves conflict of interest.

- 4.3.2.5** Prepaid Customers should be monitored in the Accounting system instead of efforts being made do so manually, as is currently done.

Recommendations: 4.3.3 Procurement

- 4.3.3.1** Yearly pre-qualification of suppliers for goods and services should be conducted; focusing on suppliers: resource capacity, technical expertise, experience and warranties.
- 4.3.3.2** The procurement policy and procedures along with its limits should be reviewed and approved by the board incorporating measures to deal with acts of fraud.
- 4.3.3.3** A Minimum of three (3) quotations should be obtained for procurement of goods, services and construction transactions with pre-set financial threshold levels to determine where executive management have full authority and where board approval is needed.
- 4.3.3.4** A breakdown of costs for each unused module in Sage 300ERP ACCPAC per year of licensing should be established and decisions made regarding implementation or Licence non-renewal.
- 4.3.3.5** Adherence to GOCL procurement policy should be a priority for the Board and communicated to the executive, with a declaration that those who breach procurement policy will be disciplined.
- 4.3.3.6** GOCL should pursue credit or debit card payments in its own capacity instead of through the IT Network Administrator, Mr. Azaad Hassan.
- 4.3.3.7** Comparative quotes for brokerage and handling should be done in accordance with GOCL Procurement Policy.
- 4.3.3.8** **Mr. Badrie Persaud should** be disciplined for non-disclosure of conflicts of interest, awarding of contract to Mr. Avinash Persaud and multiple breaches of GOCL procurement policies.

Recommendations: 4.3.4 Product Pricing

- 4.3.4.1** Price Changes for fuel should be approved by the Board of GOCL before implementation.

- 4.3.4.2** Records of memoranda for price changes of non-fuel products and services must be maintained and the memoranda must show justification for the price changes, along with the necessary signatures and approval of management.

Recommendations: 4.4 Financial Records

- 4.4.1** GOCL financials for 2011 to 2013 should be restated and departmental expenses corrected.
- 4.4.2** Inventory loans policy should be formulated and approved by the board incorporating return, repayment and liability clauses.
- 4.4.3** The treatment of overdraft in GOCL Financial Statements should be in compliance with Generally Accepted Accounting Principles.
- 4.4.4** Accounts with unusual balances should be investigated and corrected on a monthly basis, with special corrective emphasis and explanations for unusual balances being presented to the external auditor.
- 4.4.5** Consolidated financials should be prepared for GOCL that includes its subsidiary: GASI.

Recommendations: 4.5 Contract Administration and Approval Process

- 4.5.1** Disciplinary action should be taken against Mr. Badrie Persaud, Managing Director for abusing his authority and breaching procurement policy by colluding with his nephew and GOCL staff Mr. Avinash Persaud **re:** awarding construction contract to Mr. Persaud.
- 4.5.2** Contracts with related parties should be disclosed and be subjected to Board Approval before finalization.

Recommendations: 4.6 Enterprise Business and Risk Management

- 4.6.1** All components of GOCL risk management practices should be incorporated into a documented Enterprise Risk Management Policy and be reviewed on an annual basis.
- 4.6.2** A Risk Register should be developed and updated monthly.

Recommendations: 4.7 Asset Management Systems

- 4.7.1** The asset classification, threshold for capitalization, depreciation and disposal policy should be documented.
- 4.7.2** The fixed asset unit should be sufficiently staffed with the aim of ensuring the unit's functions are performed on a timely basis and enabling the overall improvement in accounting for fixed assets.

Recommendations: 4.8 Marketing Policies and Systems

- 4.8.1** A well-structured marketing plan should be prepared by researching the markets, performing a complete analysis and stating GOCL unique position; so that the company can promote be more effective as a state owned entity.
- 4.8.2** Marketing results should be tested/analyzed and reviewed monthly by GOCL board of directors

Recommendations: 4.9 Human Resources

- 4.9.1-2** Human Resources anomalies should be regularized so that employee selected match the fit criteria.
- 4.9.1.3** Disciplinary action should be taken against HRM-RK for facilitating the employment of Mr. Seon Daniels.

Recommendations: 4.10 Internal Audit

- 4.10.1** An Audit Charter, Audit Plan and an Audit Manual should be documented; the audit charter should be aligned with GOCL strategic objectives and be approved by the board of directors.
- 4.10.2** Monthly, bi-annual and yearly audit summary reports should be prepared and reviewed by the Finance and Audit Committee.

Recommendations: 4.11 Archiving

- 4.11.1** Archiving policy should be developed and documented for GOCL and after Board approval, the policy should be implemented, monitored and reviewed annually.

4.11.2 Filing cabinets should be procured to allow for current documents to be stored with the same importance of those archived.

BUSINESS PROPOSAL BY HANSRAJH PERSAUD (MD-BP'S BROTHER-IN-LAW) RECOVERED FROM MD-BP'S LAPTOP

OVERVIEW

The Business Proposal relates to the construction of a Service Station complex in the commercial zone of the Tuschen New Housing Scheme, East Bank Essequibo. The first phase of this housing project by the government had allotted out and allocated more than 1000 house lots to families, of which more than 60% has been occupied with resident homes, ranging from upper and middle class to lower income homes.

The housing project is currently being expanded with phase 2 in progress, that will make available more than 1000 house lots to families. So, upon completion of the Tuschen housing project it is estimated that there will be more than 2000 families resident in the community.

Against this background the service station complex has been conceived as a service and benefit to the community. The business will provide the following services.

- Retail fuel products – gasoline, diesel and kerosene
- Retail lubricants
- Service bay facility
- Tyre repair facility
- Washbay facility
- Convenience store to retail mainly grocery products.
- Miscellaneous services – sale of potable water, cooking gas, phone cards, etc.

SERVICE STATION PROJECT

Upon being sold a suitable parcel of land in the commercial zone of the Tuschen housing scheme, permission will be sought from all the stakeholders, namely the NDC, the EPA, the CH&PA and the Guyana Fire Service, to construct and operate a service station, as a dealer of the Guyana Oil Company Ltd, Guyoil.

Discussions were held with the management of Guyoil and a site visit was conducted. They requested information on the number of families in the housing scheme and the potential for growth, the number of vehicles in the area, the number of taxis operating in the scheme and the activities of contractors in the area. The information requested was submitted to the company and their response was a favourable one; to partner with me in establishing a Guyoil Dealer in the Tuschen housing scheme. Guyoil will

provide three dispensing pumps – two pumps for gasoline and one pump for diesel/kero, and three fuel storage tanks – one each for gasoline, diesel and kero.

The project will be funded from family savings.

MARKET SURVEY

A market survey was conducted to determine the feasibility of setting up a service station.

- There are more than 500 families' resident in the housing scheme, which is projected to grow to over 2000 families, with time.
- Some 300 families own their personal motor vehicles
- Some 50 to 60 taxis operate in the scheme
- Contractor activities are high in the area.

Fuel consumption was quantified and sales and profits were estimated and found to be a feasible business. (*See attachment: BUDGET ESTIMATES, RETURN ON INVESTMENT*)

EMPLOYMENT OPPORTUNITY

The service station complex will provide employment opportunity for seven persons.

- 2 pump attendants
- 1 technician for the service bay
- 1 technician for the tyre repair shop
- 1 washbay attendant
- 1 seller in the convenience store
- 1 guard

HANSRAJ PERSAUD

BUDGET ESTIMATES FOR THE PROJECT

Acquisition of land	=	\$1M
Land development	=	\$2M
Foundation and pave works	=	\$2M
Construction of service station	=	\$12M
Equipment	=	\$4M
Construction of fence	=	\$1M
TOTAL	=	\$21M

RETURN ON INVESTMENT

	Month	Year
Estimated sales	\$10M	\$120M
Gross Profit	\$1M	\$12M
Expenses	\$0.7M	\$8.4M
Net profit	\$0.3M	\$3.6M
ROI	=	\$3.6M/\$21M =
0.17		
Payback period	=	\$21M/\$3.6M
= 6 years		

FOR
THE GUYANA OIL COMPANY
USE ONLY

CREDIT COMMITTEE REVIEW: _____

COMMENTS OF THE CREDIT CONTROLLER / FINANCE MANAGER _____

RECOMMENDED/NOT RECOMMENDED: _____

SIGNATURE: _____

COMMENTS OF THE ~~MANAGING DIRECTOR~~ ^{Control Brand Manager:} *this applicant is my brother in law, as such, I will personally ensure that he does not default.*

SIGNATURE: *[Signature]* 2013/09/17

COMMENTS OF THE MANAGING DIRECTOR: *Approved.*

APPROVED/NOT-APPROVED: ~~Approved~~ *[Signature]*

Sept 17, 2013

----- CURRENT LIABILITIES

NAME OF CREDITOR	BALANCE DUE	MONTHLY REPAYMENTS	PAYMENTS ARREARS	IN

DEALERS' REQUIRED DOCUMENTS NOT SEEN

Dealer				Transport/ Lease/ Tenancy Agreement	Business Registration		GEA Licenses					EPA		
No.	Name	Copy of ID	TIN		Y/N	Updated	Petrol	Expiry	Retail Outlet	Expiry	Storage	Expiry	Permit	Expiry
1	Abdool Fazeel		N	N	N	N	N	-	N	-	N	-	N	-
2	Alvin Abdulla			N		12/31/2011		12/31/2010		8/31/2011		8/31/2011		5/30/2012
3	Amar Ally		N	N		12/31/2010		12/31/2010		4/30/2011		4/30/2011	N	-
4	Ariff. M. Khan		N	N		12/31/2005	N	-	N	-	N	-		7/31/2010
5	Basdeo Manman					12/31/2012	N	-	N	-	N	-		
6	Cecil Gajadar	N	N	N		12/31/2006	N	-	N	-	N	-	N	-
7	Chandrawattee Sukhdeo					12/31/2007		12/31/2014						6/30/2016
8	David Coates	N		N		12/31/2008	N	-	N	-	N	-	N	-
9	Deck Roy Persram		N		N	N	N	-	N	-	N	-	N	-
10	Edgar Mendonca		N	N		12/31/2006	N	-	N	-	N	-		10/1/2005
11	Eileen Seepersaud		N			12/31/2008	N	-	N	-	N	-		
12	Haimant Persaud			N		12/31/2012	N	-	N	-	N	-		
13	Haseeb Hoosain	N	N	N		12/31/2008	N	-	N	-	N	-	N	-
14	Imran Khan	N	N	N	N	N	N	-	N	-	N	-	N	-
15	Jai Prakash Katrwau		N			N	N	-	N	-	N	-		12/31/2014
16	Jairam Mahadeo	N	N	N	N	N		-	N	-	N	-	N	-
17	Kawal Singh					12/31/2014	N	-	N	-	N	-		1/31/2015
18	Khemraj Singh	N	N		N	N	N	-	N	-	N	-		5/31/2011
19	Kumar Lallbachan					12/31/2009		12/31/2010		4/30/2011		4/30/2011	N	-

20	Magbool A. Basir	N	N	N		12/31/2012		12/31/2013		4/30/2012		4/30/2012		
21	Magbool Ahmad Basir					Not Stated		12/31/2011		4/30/2011		4/30/2011		7/31/2011
22	Mahendra Datt Balram					12/31/2008	N	-	N	-	N	-		3/31/2010
23	Manichand Dalchand	N	N	N		12/31/2008	N	12/31/2014	N	-	N	-	N	3/31/2010
24	Mohamed Ali & Feroze Ali	N	N			12/31/2009		12/31/2009		4/30/2010		4/30/2010		5/30/2014
25	Nazim K. Zaman		N	N		N	N	-	N	-	N	-		9/30/2010
26	Norman Farley	N	N	N		12/31/2001		12/31/2011		4/20/2012		4/20/2012	N	-
27	Nyron Bidhata		N			12/31/2011	N	-	N	-	N	-		
28	Peter Rajmangal	N	N		N	N	N	-	N	-	N	-	N	-
29	Rabindranauth Prasad			N		12/31/2013	N	-						1/31/2020
30	Ramdari					12/31/2008		12/31/2010	N	-	N	-	N	-
31	Roopnarine Arnold	N	N	N		12/31/2008	N	-	N	-	N	-		6/30/2013
32	Rovin Ramsarup		N		N	N	N	-	N	-	N	-		1/31/2015
33	Roy Hercules		N	N		12/31/2009	N	-	N	-	N	-		1/31/2012
34	Sarjoodin Jewdhan			N		12/31/2013		12/31/2013	N	-	N	-	N	-
35	Sheik Mohamed Fazlim Hanif		N	N	N	N		12/31/2010	N	-	N	-	N	-
36	Vedwati Pawaroo		N		N	N	N	-	N	-	N	-	N	-

PANORAMA

INVOICE

0033770

DAY	MONTH	YEAR	CONTRACT NUMBER
18	February	2014	0033003

CLIENT NAME
 Badrie Persaud, Guyana Oil Company

NAME OF REPRESENTATIVE
 Managing Director

POSITION
 166 Waterloo St. North Cummingsburg

COMPANY ADDRESS
 Georgetown Guyana

CITY COUNTRY
 1/8 page 23,000 USD

PRICE
 twenty three thousand dollars

NET AMOUNT IN US DOLLARS (IN CAPITAL LETTERS)
 50% to be paid within 30 days
 50% to be paid upon publication

COMMENTS



Bank transfer to be made to:
 PANORAMA MEDIA LTD
 Banc de Sabadell, Sabadell House
 120 Pall Mall, London SW1Y5EA, UK
 Sort Code: 60 92 70
 Swift Code: BSABGBZL
 Account Number: 05189002
 IBAN: GB66BSAB60927005189002

Invoice Price vs. Price Memorandum - Wholesale

ANNEX 5

Customer		Invoice								Price Memo		Diff.	Value (\$)	Cashier
No.	Name	Number	Date	Total Value	Price Code	Product	LT	Price	Value (\$)	Date	W/S			
I-U0002-BK	Nauth, Ultra t/as K & K Service Station	320508	5/25/2012	625,920	TCA	Diesel	3,000	208.6	625,920	5/4/2012	209.64	1	3,000	AMEENA
I-U0002-BK		474024	6/28/2013	983,200	TCA	Diesel	5,000	196.6	983,200	8/29/2012	209.64	13	65,000	AMEENA
I-U0002-BK		630737	8/19/2014	1,637,600	TCA	Diesel	8,000	204.7	1,637,600	7/25/2014	210.7	6	48,000	AMAR
C-K0039-BK	H. Nauth & Sons	691258	1/21/2015	1,678,213	HTCA	Kero	11,600	144.67	1,678,213	1/19/2015	103.95	-41	472,393	JEMACY
C-N0012-BK	H. Nauth & Sons (K Nauth)	474027	6/28/2013	584,020	TCA	Diesel	2,970	196.6	584,020	8/29/2012	209.64	13	38,729	AMEENA
C-N0012-PT		131550	6/25/2010	3,054,000	TCA	Gas	15,000	177	2,655,000	4/16/2010	182	5	75,000	JESSICA
C-N0012-PT		138719	7/27/2010	3,054,000	TCA	Gas	15,000	177	2,655,000	4/16/2010	182	5	75,000	JESSICA
C-N0012-PT		146544	8/30/2010	3,186,000	TCA	Gas	18,000	177	3,186,000	4/16/2010	182	5	90,000	JESSICA
C-N0012-PT		152622	9/24/2010	3,036,000	TCA	Gas	8,000	177	1,416,000	4/16/2010	182	5	40,000	JESSICA

Invoice Price vs. Price Memorandum – Duty Free Gasoil

ANNEX 6

Code	Customer	Location	Price List in ACCPAC	Invoice- Gasoil Only					Price Analysis (PIM , app'd by MD)				
				Number	Date	Litres	Unit Price	Value	Date	D/Free Price	Landed Cost	Price Difference	Value (\$)
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	743948	6/10/2015	420,714	117.5	49,433,895	06/10-06/12/2015	116.83	168.88	0.67	281,878
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	586281	4/22/2014	426,888	184.5	78,760,836	04/18-04/24/2014	182.38	209.5	2.12	905,003
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	564543	2/26/2014	424,242	182.5	77,424,165	02/26-03/04/2014	174.71	200.7	7.79	3,304,845
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	444349	4/16/2013	418,950	185	77,505,750	04/11-04/15/2013	175.53	201.65	9.47	3,967,457
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	372266	10/16/2012	425,124	190	80,773,560	10/11-10/15/2012	186.56	205.06	3.44	1,462,427
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	357521	9/1/2012	425,124	186	79,073,064	08/23-08/28/2012	180.27	198.15	5.73	2,435,961
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	682897	12/10/2014	421,596	140	59,023,440	12/8/2014	111.1	149.57	28.9	12,184,124
C-A0023-BK	Admantium	Providence	DUTY	751958	6/26/2015	90,920	136	12,365,120	06/25-06/29/2015	105.57	152.57	30.43	2,766,696
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	397574	12/4/2012	416,304	190	79,097,760	11/29-12/03/2012	175.14	192.51	14.86	6,186,277
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Providence	DUTY	745813	6/16/2015	15,800	129	2,038,200	06/10-06/12/2015	116.83	168.88	12.17	192,286
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	759248	7/16/2015	16,000	116	1,856,000	07/15-07/17/2015	106.32	153.66	9.68	154,880
G-G0015-BK	Guyana Power & Light - GPL	Providence	DUTY	673163	11/28/2014	19,000	140	2,660,000	11/25/2014	121.47	163.57	18.53	352,070
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	491970	8/16/2013	18,400	182	3,348,800	07/30-08/02/2013	177.52	203.93	4.48	82,432
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	537883	12/17/2013	16,100	187	3,010,700	12/06-12/10/2013	183.9	211.26	3.1	49,910
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	517654	10/23/2013	16,100	185	2,978,500	10/19/2013	181.25	208.22	3.75	60,375
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	505871	9/12/2013	11,500	185	2,127,500	09/06-09/10/2013	186.21	213.92	-1.21	(13,915)
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	425850	2/28/2013	18,400	192	3,532,800	2/22/2013	181.96	209.03	10.04	184,736
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	457950	5/22/2013	11,500	188	2,162,000	05/20-05/22/2013	178.19	213.53	9.81	112,815
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	547667	1/16/2014	16,100	187	3,010,700	01/16-01/20/2014	174.94	200.96	12.06	194,166
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	639961	9/9/2014	16,100	185	2,978,500	09/01-09/04/2014	172.72	198.42	12.28	197,708
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	413680	1/29/2013	18,400	193	3,551,200	1/25/2013	177.84	204.3	15.16	278,944
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	432270	3/13/2013	11,500	192	2,208,000	03/12-03/22/2014	182.79	209.98	9.21	105,915
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	294478	2/29/2012	18,400	192	3,532,800	02/27-02/29/2012	184.77	203.1	7.23	133,032
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	360603	9/11/2012	11,500	186	2,139,000	09/11-09/14/2012	184.83	203.17	1.17	13,455
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	532480	11/26/2013	16,100	187	3,010,700	11/21-11/26/2013	172.77	198.47	14.23	229,103

G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	680030	12/19/2014	18,400	140	2,576,000	12/8/2014	111.1	149.57	28.9	531,760
G-M0060-BK	Madhia Power Company (OPM)	Providence	DUTY	476967	7/12/2013	20,500	185	3,792,500	06/27-07/05/2013	171.55	193.57	13.45	275,725
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	717989	3/31/2015	16,100	132.5	2,133,250	03/24-03/28/2015	99.2	143.36	33.3	536,130
G-M0060-BK	Madhia Power Company (OPM)	Providence	DUTY	297610	3/2/2012	15,140	192	2,906,880	02/27-02/29/2012	184.77	203.1	7.23	109,462
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	682720	12/8/2014	16,100	140	2,254,000	12/8/2014	111.1	149.57	28.9	465,290
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	441608	4/8/2013	11,500	185	2,127,500	03/28-04/03/2013	172.35	197.99	12.65	145,475
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	520944	10/31/2013	18,400	185	3,404,000	10/25/2013	167.65	192.58	17.35	319,240
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	729631	4/30/2015	3,180	115.8	368,244	04/26-05/05/2015	110.27	159.37	5.53	17,585
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	369732	10/5/2012	11,500	190	2,185,000	09/29-10/03/2012	188.11	201.79	1.89	21,735
G-G0015-BK	Guyana Power & Light - GPL	Providence	DUTY	462662	5/31/2013	19,000	185	3,515,000	05/30-06/04/2013	167.14	192	17.86	339,340
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	401998	12/31/2012	11,500	190	2,185,000	12/31/2012-01/03/2013	175.26	201.33	14.74	169,510
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	765077	7/31/2015	3,220	117.64	378,801	07/25-07/27/2015	106.32	153.66	11.32	36,450
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	706928	2/27/2015	2,300	115	264,500	02/26-03/02/2015	114.34	165.27	0.66	1,518
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	510339	10/1/2013	11,500	185	2,127,500	09/28-10/02/2013	169.26	194.43	15.74	181,010
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	530412	11/28/2013	9,200	187	1,720,400	11/21-11/26/2013	172.77	198.47	14.23	130,916
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	740872	5/29/2015	3,680	132.5	487,600	05/27-06/01/2015	111.09	160.56	21.41	78,789
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	476902	7/8/2013	11,500	185	2,127,500	06/27-07/05/2013	171.55	193.57	13.45	154,675
G-G0015-BK	Guyana Power & Light - GPL	Providence	DUTY	596315	5/23/2014	7,470	184	1,374,480	5/16/2014	170.43	195.78	13.57	101,368
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	286330	1/28/2012	18,400	187	3,440,800	01/28-02/02/2012	174.4	191.7	12.6	231,840
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	349537	8/17/2012	11,500	186	2,139,000	08/11-08/14/2012	175.01	192.37	10.99	126,385
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	559330	2/7/2014	16,100	187	3,010,700	02/02-02/06/2014	166.43	191.18	20.57	331,177
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	753816	7/1/2015	3,180	132.5	421,350	06/25-06/29/2015	105.57	152.57	26.93	85,637
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	470694	6/18/2013	11,500	185	2,127,500	06/12-06/14/2013	165.75	190.4	19.25	221,375
G-M0060-BK	Madhia Power Company (OPM)	Providence	DUTY	289415	2/3/2012	12,830	187	2,399,210	01/28-02/02/2012	174.4	191.7	12.6	161,658
C-T0033-BK	Transport and Harbour Department - Prepaid	Providence	DUTY	424378	2/26/2013	2,760	192	529,920	2/22/2013	181.96	209.03	10.04	27,710
C-T0033-BK	Transport and Harbour Department - Prepaid	Providence	DUTY	610573	6/30/2014	3,680	181.85	669,200	06/27-07/03/2014	168.51	193.57	13.34	49,091
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	693182	1/26/2015	2,300	118	271,400	01/24-01/28/2015	94.23	136.15	23.77	54,671
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	541013	12/30/2013	3,250	190	617,500	12/24/2013	176.23	202.45	13.77	44,753
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	398062	12/6/2012	11,500	190	2,185,000	11/29-12/03/2012	175.14	192.51	14.86	170,890

G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	621919	7/22/2014	10,150	196	1,989,400	07/19-07/22/2014	171.63	197.16	24.37	247,356
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	554443	1/31/2014	950	190	180,500	01/23-01/29/2014	171.84	197.4	18.16	17,252
C-T0033-BK	Transport and Harbour Department - Prepaid	Providence	DUTY	398886	12/21/2012	4,140	195	807,300	12/16-12/19/2012	170.45	195.81	24.55	101,637
C-T0033-BK	Transport and Harbour Department - Prepaid	Providence	DUTY	398875	12/21/2012	2,760	195	538,200	12/16-12/19/2012	170.45	195.81	24.55	67,758
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	653082	10/7/2014	18,400	176.5	3,247,600	09/27-10/02/2014	153.71	176.56	22.79	419,336
G-G0015-BK	Guyana Power & Light - GPL	Heathburn	HTDUTY	652649	10/1/2014	18,400	176.5	3,247,600	09/27-10/02/2014	153.71	176.56	22.79	419,336
G-N0007-BK	National Parks Commission	Providence	DUTY	289675	2/7/2012	205	198	40,590	02/04-02/08/2012	176.76	194.28	21.24	4,354
G-N0007-BK	National Parks Commission	Providence	DUTY	316133	5/7/2012	615	198	121,770	5/5/2012	176.7	194.23	21.3	13,100
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	338588	7/24/2012	5,550	185	1,026,750	07/20-07/25/2012	167.48	184.08	17.52	97,236
C-A0023-BK	Admantium	Providence	DUTY	587696	4/30/2014	1,845	202	372,690	4/30/2014	168.75	193.85	33.25	61,346
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	382905	11/14/2012	11,000	190	2,090,000	11/09-11/15/2012	171.49	188.49	18.51	203,610
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	681300	12/23/2014	2,300	160	368,000	12/8/2014	111.1	149.57	48.9	112,470
G-G0015-BK	Guyana Power & Light - GPL	Providence	DUTY	449881	4/29/2013	19,000	185	3,515,000	04/24-04/30/2013	159.84	183.61	25.16	478,040
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	652880	10/3/2014	16,100	178.5	2,873,850	09/27-10/02/2014	153.71	176.56	24.79	399,119
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	611960	7/1/2014	18,400	196	3,606,400	06/27-07/03/2014	168.51	193.57	27.49	505,816
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	692176	1/13/2015	2,300	145	333,500	1/12/2015	92.29	124.22	52.71	121,233
C-A0023-BK	Admantium	Providence	DUTY	563595	2/26/2014	5,000	211.64	1,058,200	02/26-03/04/2014	174.71	200.7	36.93	184,650
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	451053	4/30/2013	11,500	189	2,173,500	04/24-04/30/2013	159.84	183.61	29.16	335,340
G-G0015-BK	Guyana Power & Light - GPL	Adventure	ATDUTY	329529	6/27/2012	3,250	187	607,750	06/23-06/28/2012	150.37	165.27	36.63	119,048
C-A0023-BK	Admantium	Providence	DUTY	673300	11/28/2014	3,895	182	708,890	11/25/2014	121.47	163.57	60.53	235,764
I-O0001-BK	Oldendorff Carriers Guyana Inc.	Heathburn	HTDUTY	689991	1/7/2015	16,000	140	2,240,000	12/28/2014	100.44	135.21	39.56	632,960
C-A0023-BK	Admantium	Providence	DUTY	576868	3/31/2014	90,920	202	18,365,840	3/23/2014	167.66	192.59	34.34	3,122,193
C-A0023-BK	Admantium	Providence	DUTY	681964	12/29/2014	45,460	182	8,273,720	12/28/2014	100.44	135.21	81.56	3,707,718

\$52,550,416

ANNEX 7

Year	Details	Administrative	Operating	Marketing	Other	Total Expenses
2011	G\$'000	392,921,000	413,329,000	352,859,000		1,159,109,000
	Restated	366,164,445	422,289,356	369,550,478	1,105,274	1,159,109,553
	Difference	26,756,555	(8,960,356)	(16,691,478)	(1,105,274)	(553)
2012	G\$'000	428,782,000	537,163,000	353,397,000		1,319,342,000
	Restated	398,850,961	541,245,016	368,833,443	10,412,897	1,319,342,317
	Difference	29,931,039	(4,082,016)	(15,436,443)	(10,412,897)	(317)
2013	G\$'000	450,186,000	642,632,000	394,167,000		1,486,985,000
	Restated	406,105,443	667,684,386	389,875,373	23,319,803	1,486,985,005
	Difference	44,080,557	(25,052,386)	4,291,627	(23,319,803)	(5)

Job Description: Operations Assistant- Robert Lynch

THE GUYANA OIL COMPANY LIMITED

JOB TITLE: OPERATIONS ASSISTANT GOCL: 7
JOB SPECIFICATION: DIPLOMA IN MECHANICAL/CIVIL ENGINEERING OR CITY AND GUILDS A & B PLUS FIVE (5) YEARS EXPERIENCE.

JOB DESCRIPTION

- 1:0 PURPOSE
 To supervise the preparation of Engineering Drawing and all matters related to projects and constructions work.
- 2:0 SPECIFIC RESPONSIBILITIES AND AUTHORITY:
 Within the limits of corporate policies, operational procedures and approved budgets and in line with the Company's management philosophy, the Construction Engineer has the responsibility and commensurate authority to accomplish the following duties:-
- 2:0:1 Co-ordinate and control the preparation of engineering designs, specifications and cost estimates for all new and major maintenance projects;
- 2:0:2 Invite Tenders from suitable Contractors for all project works to be contracted out, resolve bids through Tender Board and implement projects ensuring that work progress is monitored by way of periodical visits to work sites;
- 2:0:3 Direct and control the construction/maintenance of facilities undertaken by Contractors and ensure the highest standard of workmanship and use of quality materials, Test and commission facilities;
- 2:0:4 Design and set up in conjunction with the Operations Manager planned maintenance programmes, inspection schedules and quality standards for Company Assets and monitor their implementation;
- 2:0:5 Ensure that all assets under his control are secured and protected and that all activities within his Section are carried out safely in keeping with the Company and Government Safety Rules and Regulations;
- 2:0:6 Maintain and up-to-date list of approved Contractors and Engineering Consultants. Liaise closely with Consultants and ensure projects handled by them are completed on time and as planned;
- 2:0:7 Participate, in conjunction with the Operations Manager, in the planning and decision making on projects pursued by the Section. Formulate plans, programmes, budgets and targets for his Section and submit for approval;

- 2:0:8 Review the Organisation Structure of the Section and ensure that it is consistent with the plans, programmes and targets of the section. Update the Job Descriptions of all employees reporting to him and establish standards against which performance will be measured;
- 2:0:9 Evaluate the work performance of subordinates periodically and submit Appraisal Reports. Provide employees reporting to him with constant support and coaching on-the-job, as well as training and development opportunities;
- 2:0:10 Advise, assist and make recommendations to the Operations Manager - on all matters falling within his jurisdiction and execute all assigned special mandates and other related duties.
- 3:0 WORKING RELATIONSHIP:
- 3:0:1 REPORTS:
- Operations Manager and in his absence the Managing Director;
- 3:0:2 HAS REPORTING TO HIM:
- Draughtsman;
 - Stenographer.
- 3:0:3 HAS FUNCTIONAL RELATIONSHIPS WITH:
- Operations Engineer on matters relating to the repair/maintenance of facilities;
 - Accountant with respect to the processing of tenders and payments of Contractors;
 - Administrative Manager on matters relating to the employment, transfer, promotion and discipline of staff;
 - Marketing Manager with respect to the remodelling and development of Service Station facilities;
 - Engineering Consultants on matters relating to the design and construction of facilities.
- 4:0 METHODS OF REPORTING:
PREPARING AND SUBMITTING THE FOLLOWING:-
- 4:1 Periodical plans and targets for Section;
- 4:2 Annual forecast of manpower requirements and expenditure;
- 4:3 Progress and Completion Reports for all Projects;

Faxed Quotations

27th January, 2015.

Managing Director,
Guyana Oil Company,
191 Camp Street,
South Cummingsburg,
Georgetown.

RECEIVED
JAN 28 2015
FINANCE MANAGER

Dear Sir,

I the undersign hereby submit quotation for leveling of land at Guyoil Providence Terminal for an estimated time of Two (2) days with excavator Doosan DX225 to the sum of Four Hundred and Sixty Thousand (\$460,000.00).

Yours truly

Avinash Persaud.

Tel: 694-5052.

THE GUYANA OIL COMPANY LTD.
APPROVED
JAN 28 2015
Sig: *[Signature]*
Managing Director

*cc: FM
TM.*

CO. LTD
2015
PAID

FAXED

265-7365
2015/01/28

10th February, 2015.

Managing Director,
Guyana Oil Company,
191 Camp Street,
South Cummingsburg,
Georgetown.

Attn: T.M.

Dear Sir,

INVOICE

I the undersign hereby submit a invoice for additional work done at Guyoil Providence Terminal, that is removal of tanks to be packed on one side and bury pallets and other debris to the sum of four hundred thousand dollars (\$400,000.).

Thank you for your cooperation

Yours truly,

Avinash Persaud.

Tel: 694-5052.



(6/13/15)

Statement by Terminal Manager- Leon Phagu



August 11, 2015

ATTN: Mr. P.Singh, Forensic Auditor – Guyoil Head Office.

Re: Land leveling project – Providence Terminal

Dear Sir,

The Managing Director identified the need to level the reclaimed mud flat aback Guyoil Providence Terminal which was stockpiled by soil/debris removed from excavation works from the Providence Service Station renovation project.

I was by him asked to get quotations from contractors to have the leveling done of which I only managed to obtain one quote. This was reported to him and he said he is aware of another contractor which he will seek the quote from.

The quote which I obtained from Eddie Singh was then faxed to his office after which a quote from Avinash Persaud was approved and signed by the Managing Director was fax to me. I was then instructed to make contact with the contractor and arrange to have the works done. See email attached. Contact was made to the contractor who agreed to mobilize his equipment and start the project.

I recalled that the works took additional time to complete and added works of burying wooden planks and pallets, along with arranging of steel tanks in an orderly manner was given. The additional works were verbally approved by the MD after he inspected the site.

At the completion of the works, the invoice/quotation was given to the Terminal Supervisor - PT to prepare the contract and completion certificate, which was signed and forwarded to our Head Office for processing.

All for your information.

Best Regards,

A handwritten signature in black ink, appearing to be 'L. Phagu', written over a horizontal dashed line.

Leon Phagu

Statement by Terminal Supervisor- Sarfraz Osman



Your Ref:

Telephone: 225-1930/225-1595-8

Fax: 225-2320

Our Ref:

E-mail: noellelijah@aol.com

11th August 2015

Providence Terminal
East Bank Demerara
Guyana

Mr. Nigel Hinds
GOG Auditor

Dear Sir

I am writing this Statement in connection about the Excavation work that was done Contractor AvinashPersaud at Providence Terminal Mud Flat. I was given two ESTIMATES by Mr. PHAGU which was APPROVED by the Managing Director Mr. B.PERSAUD, to be written up on a M.O.A.

I did the M.O.A. and sent it be signed by one A.PERSAUD from Guyoil Adventure Depot through Guyoil Mail. The commencement date stated on the MOA was based on my knowledge of when the job started.

The job completion certificate was prepared and signed by myself and Mr. Phagusince I knew the work was finished. I was not specifically assigned to monitor the contract.

The only time I make contact with A.PERSAUD was when he had to sign the contract when I called Adventure Terminal and told him I have the MOA for him to sign. He said he will make arrangements for it to be signed.

The excavator entered the compound to start the work approximately on the 05th February 2015.

All for your information,

Regards.



Sarfraz Osman
Terminal Supervisor

Statement by Procurement and Inventory Manager- Mark Adams

 **The Guyana Oil Company Limited**
191, Camp Street, P.O. Box 10710, Georgetown, Guyana

Your Ref:

Telephone: 22-65345/51595-9

Fax: 22-52320/22-65345

Our Ref:

August 18th, 2015

Mr. Nigel Hinds
Nigel Hinds Financial Services
Queenstown
Georgetown

Dear Sir,

Re: Barging & Trucking of Guyoil Fuels

According to my job description I am responsible, among other duties, for the following:

- 1) Managing the tendering process of the Company and
- 2) Direct and control all shipping and other activities relating to inter-terminal transfers.

As a consequence, the Managing Director, Mr. Badrie Persaud may ask that I evaluate bids, from Suppliers, to barge/truck the Company's fuels.

However, regarding the hiring of Mr. Deodat Dhanrajh, owner of Sir Transport Service, I had no part. Mr. Badrie Persaud hired Mr. Dhanrajh on his own accord. I also had no part, nor was ever asked to evaluate the trucking services of neither Mr. Indarjeet Persaud nor Ms. Bibi Arjune.

All for your information.

Yours sincerely
For and on behalf of
THE GUYANA OIL COMPANY LIMITED


.....
Mark Adams
Procurement & Inventory Manager

Letter - NigelHindsFinancialServices