

December 22, 2015

Mr. Winston Jordan
Minister of Finance
Ministry of Finance
49 Main & Urquhart Streets,
Georgetown

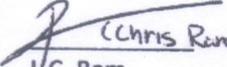
Dear Minister:

Re: Special investigation into financial operations and functioning of the One Laptop per Family Project.

With reference to our engagement to carry out a special investigation into the financial operations and functioning of the One Laptop per Family Project, we are pleased to submit herewith our final report which includes our findings and recommendations.

We extend our thanks to the staff of the Ministry and One Laptop per Family for the cooperation received during our investigation.

Yours faithfully,


(Chris Ram Jr, For L.C. Ram)
L.C. Ram
Managing Partner



One Laptop per Family

Special investigation into financial operations and functioning

22 December 2015

Ram & McRae

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Managing Partner

Executive Summary

Ram & McRae, Chartered Accountants, pursuant to the terms of reference set out in Appendix A, carried out a special investigation into the financial operations and functioning of the One Laptop per Family (OLPF) Project launched by the Government of Guyana in 2011.

The Project was administered by persons in and contracted by the Office of the President. Based on discussions with management and statements made by the former President, Mr. Bharrat Jagdeo during the Project's launch, the main objective of the project was to acquire and distribute laptops to 90,000 families country-wide.

Methods of analysis included but were not limited to interviews, trend reviews, examination of major and suspicious transactions, reconciliations, re-computations and detailed appraisals of the Project's systems of internal controls and financial structures.

The scope of our engagement was limited by the fact that management was unable to provide a number of significant documents for our review. We also encountered the circumstance where the Project Manager, Ms. Margo Boyce and the Deputy Project Manager, Mr. Azariah Asim resigned during the course of our engagement. In both cases, their last day for work was August 14, 2015.

This report provides an analysis and evaluation of the OLPF Project and contains our findings, information which we believe should be brought to the Government's attention and recommendations designed to improve the systems of the Project and similar initiatives by the Government of Guyana.

For convenience, the matters listed in this Executive Summary are in the order in which they appear in the report and do not imply any weighting of their importance.

1. The financial systems and internal controls governing the project were generally weak. Since the Project did not have a Board of Directors, the underlying principles of corporate governance should have been fulfilled by management. There is no evidence that this was done. **(Section 4.2)**
2. The OLPF's mission statement defined a clear obligation to provide 10 hours of training to all laptop recipients. However, the Project Manager, Ms. Margo Boyce decided to cease the training aspect of the project during the last quarter of 2013. Our rough estimate is that some 14,138 laptops were distributed without the requisite training. **(Section 4.2.1)**
3. While the lower level positions were advertised, political considerations may have influenced the appointment of the more senior staff, including two sons of a former Government Member of Parliament. **(Section 4.2.2)**
4. The OLPF Project was grossly over staffed. The Project had as much as sixteen departments and an average of 133 employees during the years 2012 to 2014. The Project Manager was unable to justify the number of departments and employees. **(Section 4.2.3)**
5. The Project operated with standard operating procedures for each department. Our examination revealed however that a number of departments, including critically, Accounts,

Warehouse, Documentation and Registry, did not perform duties in accordance with the Standard Operating Procedure (SOPs). **(Section 4.3.1)**

6. During 2012, management discovered that 103 laptops were missing. Following investigations by the Police, the services of seven employees were terminated by the Office of the President on February 22, 2013. The missing laptops which cost \$5,912,200 were not recovered. **(Section 4.3.1.3)**
7. On August 5, 2015 we requested and observed a 100% physical inventory count and subsequently preformed a reconciliation based on the documents provided. Our procedures revealed that management was unable to account for an additional 1,875 laptops costing \$109,168,913. We believe that this matter should be referred to the Police for a full investigation. **(Section 4.3.1.3 & Appendix C)**
8. The 3,158 laptops in stock, costing \$191,079,058 are all damaged. We have been unable to determine whether these are beyond repair. It is likely therefore that of the total number of laptops acquired by purchase or grant of 55,145, some 5,136 were either stolen or are defective. In dollar terms, the actual loss to the Government is \$306,160,171. **(Section 4.3.1.3)**
9. According to the grant agreement signed between the Government of Guyana and Aerospace Science & Industry Shenzhen Co. Ltd (China) on September 15, 2015, 9,609 laptops will be provided by China at a total cost of ¥50,000,000 or \$1,631,000,000. These laptops are to be distributed to educators, students, institutions of learning and community based organisations. **(Section 4.4.2)**
10. However, we draw attention to the average unit price of \$169,737 for the 9,609 laptops to be acquired. This compares unfavourably with the average price of \$58,044.83 per laptop acquired by the last Administration. It should be noted that the new laptops are of a higher quality and specifications compared to the models acquired by the previous administration. Nevertheless, laptops of similar capacity are listed on the international markets at a retail price ranging from \$86,310 to \$108,974. **(Section 4.4.2)**
11. The financing of the Project was opaque and funded out of moneys received by the National Frequency Management Unit which was itself retaining funds otherwise payable into the Consolidated Fund. **(Section 4.5.1.3)**
12. The Project did not maintain any proper system of accounting and the only accounting done was by way of instructions to the NFMU to approve invoices for payment. There was no accounting for transactions executed on behalf of the Project nor was there any reconciliation of the records of the OLPF and the NFMU. **(Section 4.5.1.3)**
13. Substantive testing and expenditure analysis confirmed that \$1,263,454,790 was paid by the NFMU for the administrative, employment, training and distribution expenses incurred by OLPF during the period May 9, 2011 to May 31, 2015. This amount was made up mainly of

employment cost which aggregated to \$734,625,642 or 58% during the period. The second largest type of expenditure was administrative expenses which amounted to \$422,787,315 or 33% of the total cost. **(Section 4.5.1.3)**

14. The principal purpose of the project was to distribute laptops to low income families countrywide. Total distribution cost amount to \$35,291,406 or 3% of the total cost of the project. The average cost of distribution per laptop was therefore \$706. Total training cost amounted to \$70,750,427 or 6% of the total cost. The average cost of training per laptop was therefore \$1,415. **(Section 4.5.1.3)**
15. It is clear from the summary analysis above that 92% of the total cost was incurred due to indirect expenses, while only 8% was directly attributable to the underlying objective of the project. **(Section 4.5.1.3)**
16. We believe that the general expenses of the OLPF were exorbitant and could have been curtailed by management. **(Section 4.5.1.3)**
17. Up to and including December 31, 2014 the Project had fallen short of the target of 90,000 laptops to be distributed by 31,697 or 35%.

1 Table of Contents

Executive Summary.....	2
1 Table of Contents.....	5
2 Introduction	7
2.1 About the OLPF Project.....	7
3 Scope.....	8
4 Findings and Recommendations.....	9
4.1 Statutory framework.....	9
4.1.1 Applicable legislation	9
4.1.2 Role of the Minister	9
4.1.3 Functions.....	9
4.2 Governance	9
4.2.1 Mission.....	9
4.2.2 Management.....	10
4.2.3 Organisation chart	12
4.3 Systems of internal control.....	14
4.3.1 Standard operating procedures.....	14
4.3.2 Internal Audit	17
4.3.3 Trainers and Hubs	17
4.4 Significant commercial and financial transactions.....	18
4.4.1 Review of the budget presentations.....	18
4.4.2 Acquisition of the Laptops	20
4.5 Financial systems	22
4.5.1 Financial Records	22
4.5.2 Use of information technology	24
5 Other Recommendations.....	25
5.1 Statutory framework.....	25
5.2 Business model	25
5.3 Organisation.....	25
5.4 Systems of internal control.....	25
6 Conclusions	26
7 Appendices.....	27
7.1 Appendix A.....	27

7.2	Appendix B	29
7.3	Appendix C	30
7.4	Appendix D	31
8	Exhibits	32
8.1	Exhibit 1.....	32
8.2	Exhibit 2.....	33

2 Introduction

Ram & McRae was appointed by the Ministry of Finance to carry out a special investigation into the financial operations and functioning of One Laptop per Family. Under the terms of reference, Ram & McRae was required to carry out procedures in areas such as governance, compliance with laws and regulations, contracts with related parties and internal control and financial systems. Ram & McRae was also required to recommend statutory, legal or organisational changes and a revised business model.

2.1 About the OLPF Project

The One Laptop per Family (OLPF) Project was a national initiative aimed at bridging the digital gap, by providing access to information technology, the internet, training and skills development to families across Guyana, which will enable citizens to become part of the global information and knowledge network.

The OLPF Project was officially launched on January 21, 2011 at the Guyana International Conference Centre. The Project was introduced by the then President, Bharrat Jagdeo, who mentioned that “the objective of the venture is to enhance Information and Communication Technology (ICT) and create opportunities for the beneficiaries of the laptops.”

Based on statements made by Mr. Jagdeo during the Project’s launch, the Government of Guyana had initially planned to acquire and distribute a total of 90,000 laptops to low income families in Guyana. However, the Project acquired only 55,145 laptops, of which 50,009 were distributed.

3 Scope

Our engagement was performed in accordance with terms of reference (**Appendix A**) issued pursuant to our agreement with the Ministry of Finance dated 9 June 2015.

The scope of our engagement was limited in the following manner:

1. There was no Project Document defining the objective, scope and strategies of the Project.
2. The inventory movement records for the years 2014 to 2015 were not provided by Management.
3. There were no Standard Operating Procedures for the Documentation and Public Relations Department.
4. Ms. Margo Boyce, the Project Manager and Mr. Azariah Asim, the Deputy Project Manager resigned during the course of our engagement. In both cases, their last day for work was August 14, 2015.

As a consequence of the Project Manager and Deputy Project Manager resigning, our draft report was not submitted to them for comments. Instead, the draft report was submitted directly to the Ministry of Finance on 13 October 2015.

4 Findings and Recommendations

4.1 Statutory framework

4.1.1 Applicable legislation

The Project was not governed by any specific legislation. The Project is listed in Volume 2 of the Estimates of the Public Sector as an Information Communication Technology Project with two principal elements: a Laptop distribution project and the installation of wireless and terrestrial networking system from Lethem to Moleson Creek.

The Project is funded by Loan and Grant from the Government of China amounting to \$10,240 million and from the Government of Guyana \$3,469 million.

The Project Manager for the Laptop initiative was Ms. Margo Boyce. Ms. Boyce was unable to provide us with project document or plan detailing the number of laptops required for the Project, the procurement stages and prospective suppliers of the laptops, procedures for distribution and the number of departments and employees required to effectively and efficiently execute the Project.

In the circumstances the problems which the Project encountered, the actual loss of 1,875 laptops and the potential loss of a further 3,158 through damage were probably inevitable.

There are 3,158 damaged laptops in stock and the new Administration has indicated that it will modify the project with a different focus. It is recommended that should the Project be continued, immediate steps should be taken to prepare a plan, setting out the objectives and procedures for the acquisition of any further supplies, and their receipt and storage and distribution and accounting.

4.1.2 Role of the Minister

The Project fell directly under the Office of the President (OP). It is recommended that a Project Director/Officer be appointed and that the person be answerable to a designated individual who has a reporting relationship with a Minister.

4.1.3 Functions

There are no specified functions. Based on publications and discussions with management, the primary objective of the Project was to acquire and distribute 90,000 laptops to low income families in Guyana. We were unable to assess whether the objective was achieved since income verification reports were not prepared.

4.2 Governance

4.2.1 Mission

The mission of the entity is as follows:

“Services: Providing laptops to eligible applicants after ensuring that the applicant reaches the basic criteria outlined by the One Laptop per Family Project.

Training: By providing 10 hours of training to laptops recipients in order to ensure that each recipient has the working knowledge of the laptop and software on the laptop issued to them.

Monitoring: Using feedback that is provided by the approved recipient and the OLPF accredited trainers.”

The activities embedded in the mission statement were partially followed. According to the Mission Statement, the OLPF defined a clear obligation to ensure that applicants reach the basic criteria before receiving a laptop. However, the obligation was delegated to various Government entities on numerous occasions, a surprising development when one considers the high level of staffing of the Project. Public corporations were asked to provide a list of individuals within their organisation who they considered eligible in accordance with OLPF's criteria. Laptops were then transported to the government entities in bulk and distributed to the listed individuals.

During the last quarter of 2013, the Project Manager decided to cease the training aspect of the project. The rationale for her decision was that the provision of training was expensive and other methods, such as television programmes were more economical and effective. No evidence was provided to us to indicate that this decision was approved at a higher level.

We conclude therefore that the basic condition that 10 hours of training will be provided to laptop recipients was not met. Our rough estimate is that some 14,138 laptops were distributed without the requisite training.

4.2.2 Management

The management team of the OLPF Project comprised of a number of senior administrators who were assigned to manage specific departments (**See Section 4.2.3**). The team was led by the Project Manager, Ms. Margo Boyce and the Deputy Project Manager, Mr. Azariah Asim. It is therefore essential for us to direct our attention to the subject individuals who were legally responsible for both corporate governance and management of the Project.

4.2.2.1 The Project Manager

Ms. Margo Boyce was hired by the Office of the President on February 1, 2011 as a consultant to undertake the responsibilities of Chairperson of the ICT Hub, One Laptop per Family Initiative. Ms. Boyce was tasked with a range of responsibilities and was required to report directly to the Planning and Policy Committee operating from the Office of the President. As Chairperson, her basic contracted salary was \$150,000 per month. Ms. Boyce ceased to be Chairperson on September 30, 2011.

During Ms. Boyce's tenure as the Chairperson, the Project was managed by the then Minister of Labour, Mr. Manzoor Nadir and Senior Project Manager, Mr. Sesh Sukhdeo. Members of the Planning and Policy Committee included Ms. Gita Raghurir, Mr. Kwame McCoy, Mr. Anil Singh and Mr. Alexei Ramotar of the E-Governance Project, also under the Office of the President. On October 1, 2011 Ms. Boyce signed an agreement with the Office of the President to perform the duties of Monitoring and Evaluation Consultant. Her duties under the new contract included but were not limited to:

1. Implementation of the delivery of goods and services for the One Laptop per Family (OLPF); and
2. Development of the Community Service component for Project.

Ms. Boyce agreed to a basic monthly salary of \$400,000. However, the Project Manager, Mr. Sesh Sukhdeo, in a letter dated November 17, 2011 to Dr. Roger Luncheon Head of the Presidential Secretariat, stated that Ms. Boyce's contract was amended and her new monthly salary was increased to \$590,360 effective from October 1, 2011. There was no documented reason for immediate salary increase.

On August 15, 2012, Ms Boyce was appointed Project Manager at a basic salary of \$700,000 per month until July 31, 2015, the effective date of her resignation.

Ms. Boyce's principal qualification is a Bachelor of Applied Arts degree. She also attended a number of short courses in supervisory management, institutional and organisational assessment, emergency operations centre management and operations, project identification and training and the project management skills course. In our opinion, these were not sufficient for the level of responsibility and the skill requirements for the position of Project Manager.

We saw no evidence of any advertisement or any application by Ms. Boyce for any of the positions in the OLPF.

4.2.2.2 The Deputy Project Manager

Mr. Azariah Asim was hired by the ICT Hub, One Laptop per Family Initiative on April 1, 2011. His initial designation was IT Administrator responsible for the Information Technology Department. At that point, Mr. Asim was paid a basic monthly salary of \$160,000. He was promoted to Deputy Project Manager on January 1, 2014 at a basic monthly salary of \$450,000.

Mr. Asim had no professional or tertiary academic qualification. His principal qualifications were IT user applications including Microsoft Office, IBM PC/MS-DOS, WordPerfect 6.0, Lotus 1-2-3, Dbase IV and Corel Draw 7.0.

An IT administrator is responsible for maintaining the company's IT network, servers and security systems. This role is absolutely essential within any organisation to ensure business continuity – if an IT network fails, the impact on the day to day running of the business can be significant, sometimes catastrophic. Any individual appointed to function in the capacity of IT administrator is expected not only to possess general knowledge and basic software proficiencies but to have extended knowledge and hands-on experience in hardware and software installation, troubleshooting and networking. The individual is also expected to possess adequate qualification(s) such as a degree in computer science, information technology, computer engineering or information system management.

In our opinion, Mr. Asim did not have the necessary qualification(s) or relevant experience to operate within his initial designated position and even less, as Deputy Project Manager.

It is perhaps relevant to note that Mr. Asim is the son of former PPP Member of Parliament and Parliamentary Secretary for the Ministry of Health, Mr. Joseph Hamilton.

4.2.2.3 Other management Issues

The senior accounting position in the Project is held by Ms. Darshani Nandkimore, who was hired on February 1, 2012 at a monthly basic salary of \$200,000. Ms. Nandkimore's principal qualification is the Certified Accounting Technician (CAT) examination. This is not a professional examination and would not ordinarily equip its holder for the position of Accounts Manager.

It is likely that the failure to employ a suitably qualified person may have been responsible for the inadequate internal controls within the Project. (**See Section 4.3**)

Mr. Abdalla Hamilton was the Project's warehouse manager. His basic monthly salary was \$150,000 per month through the period of his employment, which spanned from January 1, 2012 to July 31, 2015. A

review of Mr. Hamilton's personal file revealed that his academic qualifications were certificates in AutoCAD and Advanced AutoCAD.

AutoCAD is a computer-aided drafting software program used for creating blueprints for buildings, bridges and computer chips. AutoCAD is used mainly by drafters, although engineers, surveyors and architects may need to use the software from time to time.

It does not appear to us that Mr. Hamilton possessed the necessary qualification to function as Warehouse Manager.

Like Mr. Azariah Asim, Mr. Hamilton is the son of former PPP Member of Parliament and Parliamentary Secretary for the Ministry of Health, Mr. Joseph Hamilton.

4.2.3 Organisation chart

A copy of the organisation chart of the Project is included as Exhibit 1.

The Project did not have a Board of Directors or Board of Management but was managed by the Department Heads under the Project Manager and Deputy Project Manager. Based on our perusal of the Project's personnel records, OLPF consisted of as much as 16 departments, these were:

1. Information Technology
2. Training
3. Registry
4. Public Relations
5. Warehouse
6. Human Recourse
7. Project Support
8. Administration
9. Quality Assurance
10. Accounts
11. Data Entry
12. Documentation
13. Customer Service
14. Community Liaison
15. Verification
16. Data Audit

The average number of employees of the OLPF Project amounted to 133. The Project Manager was unable to offer any justification for the apparently high number of departments and employees, particularly since distributions were not carried out on a continuous basis and the procedures leading to distributions were relatively straightforward. We therefore consider the existence of the follow departments and retention of the employees therein unjustifiable:

4.2.3.1 The Registry Department

This department consisted of an average number of 3 individuals, who were employed from January 1, 2013 to December 31, 2014. These employees were paid a total gross salary of \$360,000 per month, which amounted to \$8.6 million for the period of their employment. According to Ms. Boyce, the department's only responsibility was to ensure applications, recipients' contracts and signature sheets were filed in an orderly manner and in accordance with the department's Standard Operational

Procedures. During our observations of the filing system, we noted that the specified documents for the years 2011 to 2013 were not filed in an appropriate manner. Applications, recipients' contracts and signature sheets for the years 2011 to 2013 were placed in boxes and stored in the warehouse located at Forshaw Street, Queenstown. It is our opinion that the objective of the Registry Department was not achieved since the employees were only able to accurately file 2014 documents during their 2 years of employment.

4.2.3.2 The Public Relations Department

This PR department was established by the Office of the President in May 2012. An average number of 3 employees were hired for this department which existed between the periods of May, 2012 to March, 2013. The scope of the Public Relations Department was discussed with the Ms. Boyce, who made it clear that the Public Relations department was only responsible for developing and issuing publications relating to the OLPF projects.

The average gross salary for the three employees amounted to \$310,000 per month, being an average cost of \$3.4 million for the period the department existed. In our opinion, based on the concept of value for money, it would have been more economical to outsource the public relations aspect of the project to eliminate the fixed labour cost.

4.2.3.3 The Quality Assurance Department

The Quality Assurance Department consisted of an average of 2 employees from April 2012 to December 2014. However, In January, 2015 an additional 8 persons were hired as Quality Assurance Officers which raised the department's salary expenses by over \$1 million per month. The Project Manager was unable to provide any reason for the additional appointments at that stage of the Project. Quality Assurance Officers were generally responsible for supervising distributions, checking of payrolls, ensuring the databases were updated and overlooking the de-stuffing of containers.

4.2.3.4 The Accounts Department

The Accounts Department had an average of 5 employees during the period April, 2012 to December 2014. The principal functions of the Accounts Department were the preparation of monthly payroll, managing of petty cash and sending suppliers, trainers' and hubs' invoices received to the NFMU.

The Project Manager was unable to provide satisfactory reasons for such a large Accounts Department being maintained by the Project to perform such basic tasks which could have been performed by one individual. Salaries for the accounting employees amounted to \$460,000 per month, being a total of \$15 million for the period April, 2012 to December, 2014.

4.2.3.5 The Documentation Department

The Documentation Department had an average of 8 employees at a cost of \$710,000 per month.

According to the Project Manager, the Documentation Department was responsible for the sorting of Applications according to regions, attaching the verification checklist to the applications and sorting contracts by regions after distributions. She was, however, unable to provide satisfactory reasons for such a large Documentation Department being maintained by the Project.

In our opinion, the work of the Documentation Department and that of the Registration Department overlapped. It does not appear to us an economic proposition to have the employees of one department sorting documents and the employees of another department filing the same documents.

4.2.3.6 *The Verification Department*

The Verification Department was by far the largest department of the OLPF Project. The Verification Officers were tasked with the responsibility of confirming the information submitted by applicants, including address, identification number, total household income, etc.

During the period December 2011 to December 2014, the Department had an average of 44 and as much as 66 Verification Officers. Each Verification Officer was paid a monthly basic salary \$80,000 per month, plus a non-taxable travel allowance of \$30,000 per month, average total salary cost being \$4.8 million per month.

The Project Manager informed us that Verification officers were not required to report to work on a daily basis nor provide any reports based on the work conducted. In this regard, based on the concept of value for money, it is our opinion that a cost-effective decision would have been to pay Verification Officers for days work or per recipient visit.

4.2.3.7 *The Downsizing Phase*

On November 12, 2014 Head of the Presidential Secretariat, Dr. Roger Luncheon officially informed the employees of the OLPF that the Cabinet decided to downsize the Project. During the initial phase, 38 employees were released from December 31, 2014. Prior to the downsizing, the OLPF Project maintained an average of 113 employees during the year 2014. The decision to downsize resulted in closure of the Linden, Essequibo and Berbice offices.

An analysis prepared by the Project Manager projected reduction in employment cost and administrative expenses as a result for the downsizing phases of \$58,426,369 (35%) and \$1,326,267 (3%) respectively. (**Exhibit 2**)

4.3 Systems of internal control

The systems of internal controls governing the OLPF were acceptable in some areas. However, we found that no controls or weak controls existed in a number of significant financial systems areas. Issues noted based on our reviews of the Standard Operating Procedures (SOPs), test of controls and observations of the internal control systems are recorded in Section 4.3.1 below.

4.3.1 *Standard operating procedures*

The SOPs are documented in 10 manuals and cover the following departments:

- Data Entry
- Registry
- Quality Assurance
- Accounts
- Repairs and Maintenance
- Human Resource
- Training
- Community
- Liaison
- Warehouse

These procedures were last updated in November 2014. We highlight hereunder the application of the SOPs in the following departments:

4.3.1.1 Data Entry Department

The Data Entry Department was responsible for the inputting of applicant's information into the database system and subsequently approving the qualified applicants. Based on our reviews of the related SOPs, we observed that numerous applicants were approved for distribution even though all the relevant information was not obtained. More than 60% of the recipient entries did not include the applicants' date of birth, gender, parental status and telephone number(s). Also, we noted a number of errors were documented in the recipients' database, for example:

Recipient Name	Identification Number
Simone Witter	88
Nandanie Samaroo	7514
Annastacy Samuels	123
Yaube Mohamed	7580
Faresa Alauddin	1010

Based on the local relevant authorities in relation to the issuance of identification documents, the above stated identification numbers are clearly incorrect.

Moreover, there were no application ID in over 70% of the entries recorded in the 2014 recipient database. This made it impossible to locate the preliminary applicant for any recipient in question. It is our opinion that internal controls such as management and supervision in the Data Entry Department have not operated effectively during the lifetime of the Project.

These are significant errors which should have been detected and prevented by basic supervisory controls. We are therefore unable to determine how many of the recipients of laptops were genuine.

4.3.1.2 Registry Department

The Registry Department was responsible for the filing of applications and contracts in alphabetical order. The SOPs stated that in relation to filing, employees of the Registry Department were required to attach sequence numbers to each document, file folder and file jacket. Our review of the filing system revealed that no sequence numbers were recorded on the documents, folders or jackets. Applications and contracts for the years 2011 to 2013 were assorted in boxes and stored in the warehouse. Based on the above stated facts, employees of the Registry Department did not comply with guidelines of the department as stated in the Standard Operating Procedures.

4.3.1.3 Accounts Department

The SOPs of the Accounts Department were not clearly defined. For example, responsibilities such as "Petty Cash Vouchers" and "Ensuring receipts are correct" do not comprehensively clarify the task to be completed. In this respect, we reviewed the job descriptions of the Accountant and the Accounting staff. According to the job descriptions, the Accountant is required to:

1. Prepare payment vouchers where necessary to effect payments in a timely manner.
2. To update stock book to ensure that all stocks are accounted for and facilitate stock verification.
3. To maintain revenue accounts to ensure that all revenues are accounted for.

Observations and enquires of the work done in the Accounts Department revealed that:

1. No payment vouchers were prepared by OLPF. Invoices are sent directly to the Office of the President along with a letter requesting approval for the payments. After approval by the Permanent Secretary, both documents are forwarded to the National Frequency Management Unit (NFMU) which is responsible for the preparation of payment vouchers and issuance of cheques;
2. There was no control record maintained of the invoices sent or returned, nor was any reconciliation done with the NFMU.
3. No stock book or stock ledger was maintained by the Accountant or Accounts Department;
4. There was no need for the maintenance of a revenue account since the Project collected no revenue;
5. There was no financial reporting system.

There was no explicit requirement for the preparation of periodic financial statements or financial reports by OLPF. However, given the substantial public funds involved and that the moneys are provided by an Appropriation Act there ought to have been an adequate system for recording all assets, including furniture and computer equipment and inventory and a proper system of accounting and reporting.

4.3.1.4 Central Warehouse and GNPL Bond

Our examination of the SOPs of the Warehouse revealed a number of internal control weaknesses. The Standard Operating Procedures of the Warehouse only identified the duties and responsibilities in relation to the distribution of laptops and other consumable inventories. We discovered the following irregularities:

1. There was no complete record of the laptops received.
2. There was no evidence that periodic inventory counts were conducted.
3. No reconciliations were done between the physical quantities of laptops and the inventory records.
4. The inventory records for the years 2014 and 2015 could not be located.

It is our opinion that the internal controls established to manage inventory, the most critical element of the entire project, were inadequate. The Project was reportedly unable to account for 71 laptops on July 27, 2012 and this number increased to 103 on July 30, 2012 when it was discovered that an additional 32 were missing. The Guyana Police Force (GPF) launched an investigation into the loss of 103 laptops.

On August 31, 2012, six employees were sent on administrative leave to facilitate further investigations by the Criminal Investigation Department of the Guyana Police Force. These employees were:

1. Mr. Abdallah Hamilton – Warehouse Manager
2. Ms. Grace Hutson – Warehouse Assistant
3. Mr. Azariah Asim – IT Administrator
4. Ms. Donette Hickens – IT Assistant
5. Mr. Roger Forde – IT Assistant
6. Ms. Sharon Greeman – IT Assistant

In addition to the employees above, 8 employees from the Administration and Warehouse Departments were required to do a polygraph test. Based on the results of the polygraph test, Head of the Presidential Secretariat, Dr. Roger Luncheon wrote a letter to the Project Manager on February 21, 2013 advising termination of seven of the fourteen employees. The seven employees were terminated with effect from February 22, 2013 and given one month's pay in lieu of notice. No reason was given by Dr. Luncheon for retaining the following staff:

1. Mr. Azariah Asim
2. Mr. Abdallah Hamilton
3. Ms. Sharon Greeman
4. Ms. Gillian Burton
5. Ms. Regina Bispat
6. Mr. Devon Miller
7. Mr. Mark King

The cost of the laptops which amounted to \$5,912,200 was not recovered.

Highlight

On August 5, 2015 we requested and observed a 100% physical inventory count and subsequently preformed a reconciliation based on the documents provided. The inventory count was conducted by the current Inventory Supervisor, Mr. Arsenio Belgrave and a recently appointed inventory clerk. The following major issues were noted:

1. A total of 3,158 laptops were counted. The Project Manager and IT Department confirmed that all 3,158 laptops are damaged due to battery issues, LCD and keyboard failures.
2. Based on the documentation provided and the physical count conducted, we performed an inventory reconciliation which revealed a physical shortage of 1,875 laptops (**See Appendix B**). We also interviewed the Project Manager, Deputy Project Manager and previous Database Administrator, Mr. Omar Chetram who were all unable to provide any explanation for the shortage.
3. The value of the 1,875 laptops is \$109,168,913 (**See Appendix C**).

We believe that this matter should be referred to the Police for a full investigation into the loss.

4.3.2 Internal Audit

The Project did not have an internal audit department. There are a number of entities such as the E-Gov and OLPF which may benefit from a shared internal audit resource which is independent of the entities themselves.

Significantly, there was little evidence of any work done by the Audit Office.

4.3.3 Trainers and Hubs

The provision of face to face training to the recipients was introduced at the beginning of the OLPF Project. The Project's mission statement specified: "by providing 10 hours of training to laptop recipients in order to ensure that each recipient has the working knowledge of the laptop and software on the laptop issued to them". Activities were executed in accordance with the mission from the inception of the project to the last quarter of 2013.

Mr. Allan Bakker was hired by the Government of Guyana to function in the position of Training Manager. He was responsible for the hiring and managing of all trainers and procuring of all hubs which were used to deliver training.

As stated in section 4.2.1 of this report, the Project Manager, Ms. Margo Boyce implemented her decision to cease training based on the logic that training was too expensive. Prior to the termination of the training aspect of the project, a total of 269 individuals were contracted by the OLPF to train laptop recipients, while 93 hubs/training sites were procured for the same purpose. Total payments made to the trainers amounted to \$46,396,800 while the total payments made to the hubs amounted to \$21,463,031.

We selected a sample of the trainers and hubs files and examined the controls governing each process (hiring/procuring, payments, documentation). Based on the work conducted, we were satisfied that the controls governing the procurement and payments to trainers and hubs have operated effectively.

4.4 Significant commercial and financial transactions

4.4.1 Review of the budget presentations

During the 2010 to 2014 Budget speeches the then Minister of Finance, Dr. Ashni Singh referred to the Project and provided information on the amounts budgeted and expended. We review and comment on these as follows:

4.4.1.1 *Minister's 2011 Budget Comments*

“Mr. Speaker, 2011 will see the launch of Government’s showpiece programme to improve access, the One Laptop per Family (OLPF) programme, for which a budgetary allocation of \$1.8 billion is provided. This programme will be implemented over the next two years and will see 90,000 laptops distributed to families and communities across the country. Relevant training will also be provided on use of the computers to ensure that all of the beneficiaries are able to capitalise fully on the vast advantages that derive from computer literacy.”

Ram & McRae’s Comment

In the year 2011, the Government of Guyana signed an agreement with Haier Electrical Appliances Corp. Ltd to purchase 27,000 laptops at a cost of US\$7,561,296 or \$1,542,504,384. The actual cost of the purchase was below budget by \$257,495,616.

4.4.1.2 *Minister's 2012 Budget Comments*

“This year will see the continuation of the OLPF programme for which an amount of \$3.7 billion is allocated. Over the next year a total of 63,000 laptops will be acquired for distribution to families and communities countrywide, bringing the total number of laptops distributed to 90,000.”

Ram & McRae’s Comment

During 2012, the China National Machinery Import and Export Corporation made an agreement with the Office of the President, concerning the supply of laptops computer to be provided as grant assistance by the Government of China to the Government of Guyana. According to the agreement, the Government of China declared that it would provide 28,145 laptops which will cost the Government of China ¥50,266,815 or \$1,633,671,488. The average cost of these laptops was \$58,045, a sum that does not appear unreasonable.

4.4.1.3 Minister's 2013 Budget Comments

"In order to ensure that the most vulnerable communities and individuals benefit from access to ICT, amounts totalling \$1.6 billion were spent in 2012 under the One Laptop per Family (OLPF) programme to procure over 28,000 laptops, resulting in a total of 56,000 laptops being purchased under this programme. To date, 26,832 laptops have been distributed, and 18,714 persons have been trained including 4,596 first time computer users.

In 2013, further amounts totalling \$2.5 billion have been allocated to continue this programme, including to purchase a further 34,000 laptops for rolling out distribution more widely. Of this total, an amount of \$500 million is earmarked for the implementation of the programme in the hinterland, which will see computer banks and supportive power supply installed in every Amerindian village."

Ram & McRae's Comment

There are differences between the Minister's numbers and our figures but these are due to broad estimations and are not considered significant.

It was also noted that, no funds were spend on capital expenditure during the year 2013. The budgeted amount of \$2.5 billion was therefore not used and the estimated 34,000 laptops were not purchased during 2013.

4.4.1.4 Minister's 2014 Budget Comments

"As we continue to implement the One Laptop Per Family (OLPF) initiative, 2013 saw an additional 9,052 laptops distributed to beneficiaries in Regions 4 and 5, resulting in a total of 35,884 laptops being distributed to date. Additionally, 3,494 recipients completed training in basic proficiency in the use of the computer, internet browsing, and basic word processing and spread sheet skills. Hundreds of children can now do homework from the comfort of their own homes instead of having to go to an internet café or other public facility. Complementing this initiative are efforts to embed ICT into the learning process which have resulted in over 90% of our secondary schools having functioning information technology labs."

Ram & McRae's Comment

As at December 31, 2013 a total of 55,145 laptops were purchased which amounted to \$3,176,175,872, average cost per laptop being \$57,699. Even though the Minister of Finance, Dr. Singh budgeted to purchase the additional 34,000 laptops costing \$2.5 billion during 2013, no purchase was made by the Government of Guyana.

Also, the Minister mentioned that 35,884 laptops were distributed to date. However, based on our recalculation of the recipient's listing provided, the Minister's quantity distributed included the 103 laptops that were stolen.

During the 2015 Budget speech the newly elected Minister of Finance, Mr. Winston Jordon referred to the Project and provided information on the amounts budgeted. We review and comment on these as follows:

4.4.1.5 Minister's 2015 Budget Comments

"In the social sphere, we intend to allocate significant resources to the education, health and security sectors. With respect to education, in conjunction with the relevant subject matter specialists, we must

ensure that our children benefit from affordable access to the best learning resources that are available, that our teachers are equipped to guide, instruct and inspire them, and most importantly, that parents, can have sustained engagement with teachers and school administration to provide the support without which, the odds of success of especially the most vulnerable among us will be slim to non-existent.

“Consequently, \$1.7 billion has been budgeted for the procurement of 9,609 laptops, which are to be distributed to educators, students, institutions of learning and community based organisations.”

Ram & McRae’s Comment

The Minister made no reference to any undertaking by the previous Administration or the laptops acquired by it. The actual cost of the 9,609 laptops acquired via grant is \$1,631,000,000, or \$169,737 per laptop. This compares unfavourably with the average price of \$58,045 per laptop acquired by the last Administration.

4.4.2 Acquisition of the Laptops

The overall objective of the OLPF project was to improve the Information and Communications Technology (ICT) in Guyana. The Government of Guyana thought the OLPF Project formulated a principal strategic decision to distribute 90,000 laptops to residential families in order to achieve the Project’s objective. However, based on our review it was established that only 55,145 laptops were acquired and 50,009 distributed to recipients. Of the 55,145 laptops acquired, 27,000 were purchased from Haier Electrical Appliances Corp. Ltd and 28,145 Great Wall laptops were donated by the Government of China.

Below we highlighted a summary of the acquisitions:

4.4.2.1 Purchase of 27,000 Haier laptops – Haier Electrical Appliances Corp. Ltd

On July 2, 2011 a tender was launch by the National Procurement and Tender Administration Board (NPTAB) to procure 27,000 netbooks/ laptops for phase one of the One Laptop per Family Project. The method of procurement used was “International Tendering” and eleven bids were received by the NPTAB. According to the evaluation report, eight of the bids were disqualified due to the fact that they did not comply with all the requirement of the NPTAB or did not provide all information requested. The following three bidders were deemed “substantially responsive” and achieved passes in all fifteen (15) of the pre-qualification criteria:

Bidders	Bid Price US\$
Haier Electrical Appliances Corp. Ltd	7,534,296
Johs Gram-Hanssen	7,479,000
Abboud Trading Corporation	9,072,000

The three bids were evaluated by a committee which comprises of:

1. Mr. Sesh Sukhdeo – Senior Project Manager, OLPF
2. Ms. Grace McCalman – Guyana Revenue Authority
3. Mr. Shawn Husain – Ministry of Finance
4. Mr. Nikolaus Oudkerk – Office of the President
5. Mr. Alexei Ramotar – E-Government (Technical Assessments)

The bids were evaluated by the committee based on a scoring system. The system scored the three bidders in the following categories:

1. Technical specification
2. Inspections and tests
3. Bid price

Overall, Haier Electrical Appliances Corp. Ltd was granted 99.633 point, while Johs Gram-Hanssen and Abboud Trading Corporation were awarded 97.391 and 89.100 points respectively.

On September 16, 2011 the Government of Guyana signed an agreement with Haier Electrical Appliances Corp. Ltd (Haier) to supply 27,000 Haier Netbooks/Laptops at a contract price of US\$7,561,296 or \$1,560,781,437. The contract was signed by the then Permanent Secretary at the Office of the President, Dr. Nanda K. Gopaul and the General Manager of Haier, Mr. Sun Yongle.

4.4.2.2 Donation of 28,145 Great Wall laptops – Government of China

China National Machinery Import & Export Corporation (CNMIXC) in collaboration with the Government of China granted 28,145 Great Wall laptops costing ¥50,266,815 or \$1,633,671,488 to the Government of Guyana. The contract was signed on May 30, 2012 by the Permanent Secretary at the Office of the President, Mr. Omar Shariff and a representative from CNMIXC.

Section 3.1 of the contract stated that “the cost shall be paid out from the grants stipulated in the three (3) Economic and Technical Cooperation Agreements signed between the Government of China and the Government of Guyana on October 2, 2004, September 28, 2008 and December 23, 2009 respectively.”

Section 3.2 of the agreement highlighted that “within one month upon the signing of this contract, the Chinese Side will issue a clearing statement in quadruplicate, and the settlement shall be done through China Development Bank and Bank of Guyana.”

Discussions with the Project Manager, Ms. Boyce revealed that there were a number of issues with the Great Wall laptops donated by the Government of China. Among the problems identified by Ms. Boyce were battery and keyboard failures, damaged LCD displays and malfunctioning of the motherboard.

CNMIXC provided a number of spare parts to the OLPF free of cost and brought in two technicians from China to assist in rectifying the problems. However, due to the quantities of laptops damaged, the level of technical support was totally inadequate and the physical count at August 5, 2015 observed by Ram & McRae, revealed a total of 3,158 damaged Great Wall laptops.

4.4.2.3 Donation of 9,609 Great Wall laptops – Government of China

A grant agreement was signed between the Government of Guyana and Aerospace Science & Industry Shenzhen Co. Ltd (China) on September 15, 2015, regarding the procurement of 9,609 laptops to be provided by China at a total cost of ¥50,000,000 or \$1,631,000,000. According to the contractual agreement, the unit cost per laptop is \$169,737. However the new laptops are of a higher quality and possess higher specifications than the laptops acquired by the previous administration. Nevertheless, laptops of similar quality and specifications are listed on the international markets for prices ranging from \$86,310 to \$108,974.

4.5 Financial systems

The financial systems of the OLPF Project were fundamentally inadequate. Due to the nature of the project, those charged with governance were not legally obligated to prepare and publicise financial statements on a periodic basis. However, we have examined the financial and non-financial reports prepared for management accounting purposes.

4.5.1 Financial Records

The financial records were prepared and maintained by OLPF and the National Frequency Management Unit (NFMU). Nevertheless, we are of the opinion that the combination of those records did not adequately capture or maintain the transactions in each financial system. For example, there were no proper records displaying the movement of inventory in the years 2014 to 2015, no record of the cost of furniture purchased and no reconciliations of administrative expenses paid by the NFMU.

Weaknesses identified in the financial systems were as follows:

4.5.1.1 *Property, Plant and Equipment*

The fixed asset register maintained by the OLPF did not include the acquisition cost of the assets purchased. When consulted, Ms. Boyce mentioned that she was not aware that the assets belonged to the OLPF since they were purchased by the NFMU. Discussions with the NFMU revealed that no fixed assets register was maintained by the Unit.

Based on the facts stated in the paragraph above, we were unable to determine the total cost and the total net book value of fixed assets purchased and used by the OLPF Project.

It is therefore recommended that a complete fixed asset register should be maintained by the OLPF. The register should include, acquisition cost, date of acquisition, depreciation charges, accumulated depreciation and net book value of all assets.

4.5.1.2 *The Inventory System*

The internal controls implemented to prevent, detect and correct material misstatements in the inventory system were inadequate. Even though multiple requests were made, management was unable to provide inventory movement reports (perpetual records) for the years 2014 and 2015.

There was no record to determine the number of laptops that should be in stock, which is evident that no reconciliations were done between the physical stock and any form of stock records.

Also, no Goods Received Notes (GRNs) were used by the Project to record the quantity of laptops received. The Deputy Project Manager, Mr. Asim mentioned that the warehouse manager and clerks, who were responsible for the de-stuffing of the containers, verified the quantities received against the packing list. However, management was unable to provide any packing lists for our perusal.

A proper system would include matching the goods received with Orders, Delivery Slips, Goods Received Note (GRNs) and Customs Documents, and the use of bin cards at location and the maintenance of inventory records by the Accounting Department.

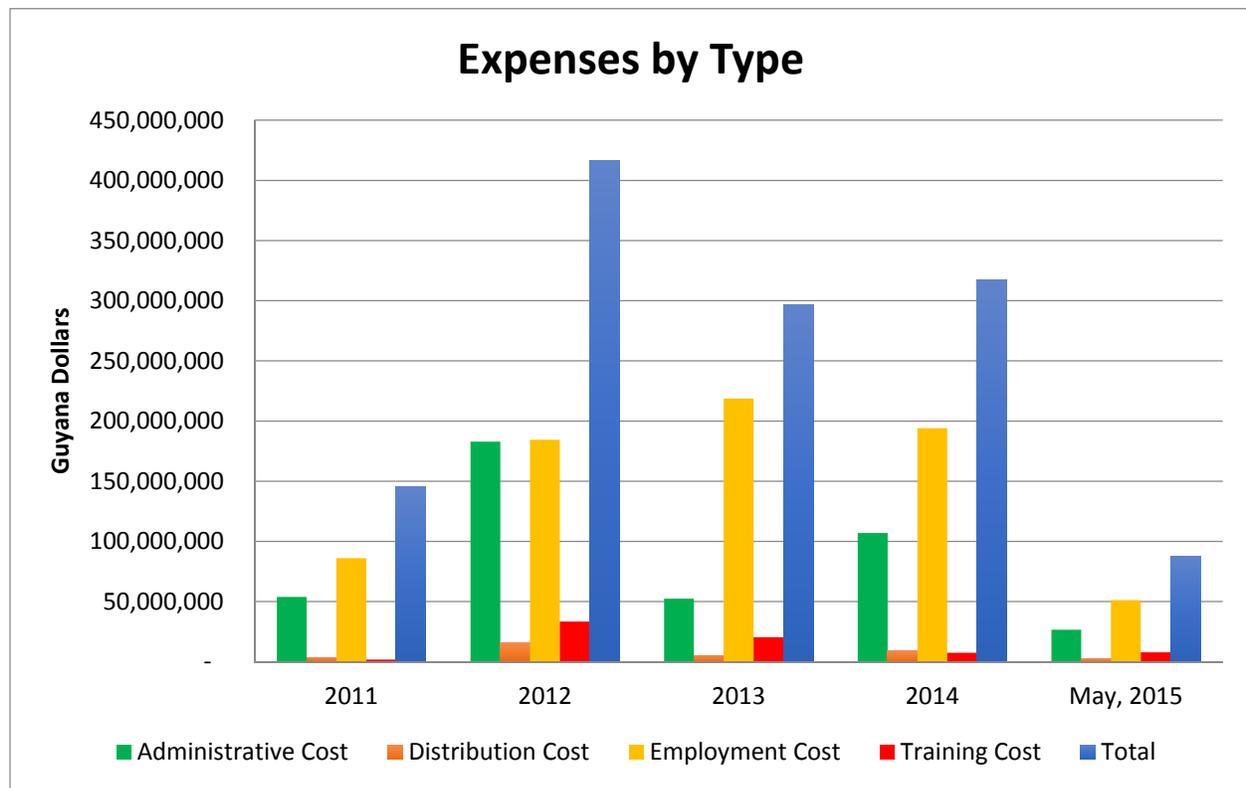
4.5.1.3 *Records of Administrative Expenses*

All administrative expenses incurred by OLPF were paid by the NFMU pursuant to Cabinet Decision CP(2011)5:2:N (**Appendix D**). Ironically, even though the Project was established to promote information

technology in Guyana, no computerised records were maintained by OLPF with regard to administrative expenses paid by the NFMU. The NFMU accounted for the payments made on behalf of OLPF using the QuickBooks accounting software. Correspondingly, no reports representing periodic administrative payments were prepared by the NFMU and submitted to OLPF for reconciliation purposes.

In the absence of such information, it was not possible for the Project Manager to exercise proper control over administrative costs.

We conducted detailed substantive testing and performed an expenditure analysis based on the financial records held at both OLPF and the NFMU. Based on the results of our examinations, there were no errors regarding the records of expenditure transactions held at the NFMU. However, our expenditure analysis revealed that \$1,263,454,790 was paid by the NFMU for the expenses incurred by OLPF during the period May 9, 2011 to May 31, 2015. These expenses were further broken down and analysed as follow:



Expense	2011	2012	2013	2014	May, 2015	Total
Administrative	53,843,881	182,880,378	52,421,851	106,978,412	26,662,793	422,787,315
Distribution	3,733,352	15,446,610	5,184,629	8,719,815	2,207,000	35,291,406
Employment	86,073,510	184,433,518	218,773,778	194,117,353	51,227,483	734,625,642
Training	1,740,092	33,353,135	20,347,800	7,406,500	7,902,900	70,750,427
Total	145,390,835	416,113,641	296,728,058	317,222,080	88,000,176	1,263,454,790

Of the total expenses incurred by the OLPF, \$734,625,642 or 58% was towards employment cost for the average of 133 employees for the period 2012 to 2014.

Administrative expenses amounted to \$422,787,315 or 33% of the total expenses represents payments of utility bills, rental charges for the Head Office and GNPL Bond, security charges, advertising, publication and other office expenses. In our opinion the administrative expenses were also exorbitant, especially in the year 2012 where admin expenses amounted to \$182,880,378. During 2012, the Project entered its introductory stage and \$27,134,114 was spent on t-shirts, publications items, advertisements, rental and security deposit for office space, insurance on laptops, etc. The 2012 administrative expenses figure includes accrual of \$50,584,873.

	2011	2012	2013	2014	Total
Distribution Cost \$	3,733,352	15,446,610	5,184,629	10,926,815	35,291,406
Training Cost \$	1,740,092	33,353,135	20,347,800	15,309,400	70,750,427
Admin and Employment Cost \$	139,917,391	183,656,948	271,195,629	301,095,765	895,865,733
Quantity of laptops distributed	10,140	16,526	9,129	14,214	50,009
Distribution cost per laptop \$	368	935	568	769	706
Training cost per laptop \$	172	2,018	2,229	1,077	1,415
Admin and Employ. cost per laptop \$	13,799	11,113	29,707	21,183	17,914

According to the records provided by the NFMU, majority of the laptops were distributed in the year 2012. This explains the relatively high distribution and training cost in that year. According to the table above, the average cost for distributing one laptop amounted to \$706. A number of trainers and hub owners who were engaged in training during the year 2012 were not paid until 2013. Likewise, payments to trainers and hubs for services provided in 2013 were not made until 2014 and early 2015. Those delays were mainly due to the NFMU who conducted small audits to ensure the stated activities occurred and jobs were executed as recorded.

Overall, we are of the opinion that the amount spent on the OLPF Project could have been reduced if the expenses were properly managed by the Project Administrators.

4.5.2 Use of information technology

The entity uses Microsoft Excel for its accounting and data entry systems. Microsoft Excel is a spreadsheet application developed by Microsoft for Microsoft Windows, Mac OS X, and iOS. It features calculation, graphing tools, pivot tables, and a macro programming language called Visual Basic for Applications.

Based on our review of the Project's financial systems and procedures, we consider the exclusive use of Microsoft Excel inadequate. The spreadsheet application is unable to provide programmed reports or summaries of the information required to efficiently and effectively manage a project of this scope. For example, a summary of suppliers' balances or the outstanding amounts due to trainers and hubs cannot be generated from Microsoft Excel.

It is therefore recommended that a suitable account software such as QuickBooks or Peachtree is installed and used by the Accounting Officer.

5 Other Recommendations

5.1 Statutory framework

1. Develop a comprehensive project plan which includes the objective of the project and strategies to achieve those objectives and have the plan approved by Cabinet.

5.2 Business model

1. Sound principles of project accounting should be implemented and the project should be required to produce complete financial statements showing expenditure, assets and liabilities. All expenses related to the project should be accounted for fully in the financial statements and should not be concealed within the expenditure of any other agency. Procedures should also be put in place for monitoring of the technical aspects of the project to ensure that work is completed in accordance with specifications prior to payments being disbursed.

Expenditure Reduction Measures

1. Management should implement a system of recording and analysing monthly administrative expenses to facilitate cost reduction measures.
2. Increase training to improve staff efficiency at all levels.
3. Set up and implement the use of accounting software, for example, QuickBooks.
4. Properly supervise all employees to eliminate idle time.

5.3 Organisation

1. Ensure there is a job description and job specification for each level of employment.

5.4 Systems of internal control

1. Document administrative expenses and perform monthly reconciliations with the NFMU.
2. Prepare and maintain a fixed asset register.
3. Perform physical verification of assets on a periodic basis to prevent loss or theft.
4. Prepare and maintain a proper inventory movement database. The database should be complemented by internal controls documentation such as Goods Received Notes (GRNs), Requisition Notes (RNs) and Good Dispatched Notes (GDNs).
5. Perform inventory counts on a periodic basis.

6 Conclusions

The review revealed a number of issues, primarily in the areas of planning, management and supervision of the departments. There was also no proper control over inventory which resulted in losses of government assets (Laptops). The entire project was grossly over staffed, and still a number of departments failed to carry out daily duties in accordance with the Standard Operating Procedures (SOPs). Overall, there was a general lack of proper internal controls and maintenance of adequate financial systems.

Implementation of the recommendations contained in this report should enhance the functioning of the Project.

7 Appendices

7.1 Appendix A

Terms of Reference

The terms of reference established the scope of our engagement as follows:

“Background

The Government of Guyana is reviewing the performance and efficiency of publicly-owned entities, statutory bodies, projects and activities financed by or through public funds. In this regard, the Government of Guyana has commissioned this audit of the financial and other operations of the One Laptop per Family Project (hereinafter referred to as the “OLPF”).

Aim and Scope of the audit

The audit should include such procedures as necessary to:

1. Determine the entity’s adherence to and fulfilment 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;
2. Assess and test systems and detect any instances of corporate malfeasances and inefficiency for remedial and/or judicial interventions and systems realignment;
3. Determine the authenticity and validity of significant commercial and financial transactions 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;
4. Carry out a comprehensive financial systems audit which should look at all systems, decisions and practices which have underpinned the entity’s finances and 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 explanations as may be required in relation to such books and records;
 - b. Review all contract administration 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 relating to such expenditures and contracts;
 - d. Examine at all areas including budgeting, financing, expenditure, management of revenue inflows, trade terms, procurement or purchase decisions and supply chain management;
 - e. Examine at the entity’s assets management system including its fixed assets, their disposal, management or deployment;
 - f. Examine at the entity’s marketing, production and commissioning policies, systems and agreements to determine their integrity, efficacy and responsiveness;
 - g. Examine at the entity’s archiving policy both by way of records keeping and as a performing asset that yields revenue for the entity.

5. Recommend statutory, legal or organisational changes required to identify and prevent any recurrence of improprieties.

Specialised areas

The auditor should also:

1. Recommend a business model, development and innovativeness which should 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;
2. Gauge the entity's readiness to do business in an environment characterised by open competition locally, regionally and globally and the removal of statutory sources of revenue including subsidies.

Cooperation

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

The auditor should 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 auditor has reasonable reason to believe that the records of the entity are under threat, the auditor 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.

Eligibility

Consultants or Firms that provided audit or accounting services to the entity are not eligible for appointment as a forensic auditor. The forensic auditor must disclose all transactions with the entity during the period covered by the audit.

Reporting

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

The comments and feedback are to be provided to the auditor within fourteen days of the exit/closing meeting.

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 action to be taken and specific recommendations geared towards greater and better financial management, accountability and corporate governance.

Without prejudice to the requirements set out in the three preceding paragraphs, the auditor is required to submit a monthly update, where the engagement extends beyond one month."

7.2 Appendix B

Inventory reconciliation

	Units
Opening balance	-
<u>Receipts:</u>	
Greatwall	28,145
Haier 1st Shipment	5,000
Haier 2nd Shipment	22,000
Total Received	55,145
<u>Issues:</u>	
Recipient Listing	(50,009)
Loss	(103)
Total Issue	(50,112)
Balance (Receipts - Issues)	5,033
Stock count (August 5, 2015)	3,158
Shortage	1,875

Breakdown of the reconciliation above

Details	Greatwall	Haier	Total
Laptops Received	28,145	27,000	55,145
Laptops Issued	(23,273)	(26,736)	(50,009)
Laptops Loss	-	(103)	(103)
Balance	4,872	161	5,033
In Stock (August 5, 2015)	3,158	-	3,158
Shortage	1,714	161	1,875

7.3 Appendix C

Cost of laptops shortage

Great Wall Laptops	Units	CYN/GYD
Total cost (CYN)		50,266,815
Total units	28,145	
Cost per unit (CYN)		1,786
Rate of Exchange (May, 2012)		32.6
Cost per unit (GYD)		58,223
Total shortage (Units)	1,875	
Total cost of shortage (GYD)		109,168,913

7.4 Appendix D

Cabinet decision

10/11



CABINET OFFICE

Office of the President

Visseringen & South Roads
Georgetown, Guyana

SECRET

THIS DOCUMENT IS THE PROPERTY OF THE CABINET

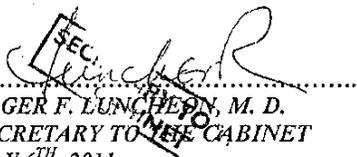
CP(2011)5:2:N

UNCONFIRMED DECISION

E-GOVERNMENT PROJECT ACTIVITY EXPENDITURE

Cabinet considered the abovementioned memorandum CP(2011)5:2:N submitted by the Head of the Presidential Secretariat and approved:-

- National Frequency Management Unit (NFMU) funding being extended to include the expenditure of the One Laptop per Family (OLPF) including recurrent and capital costs in establishing and operationalising their offices.


.....
ROGER F. LUNCHEON, M. D.
SECRETARY TO THE CABINET
MAY 6TH, 2011

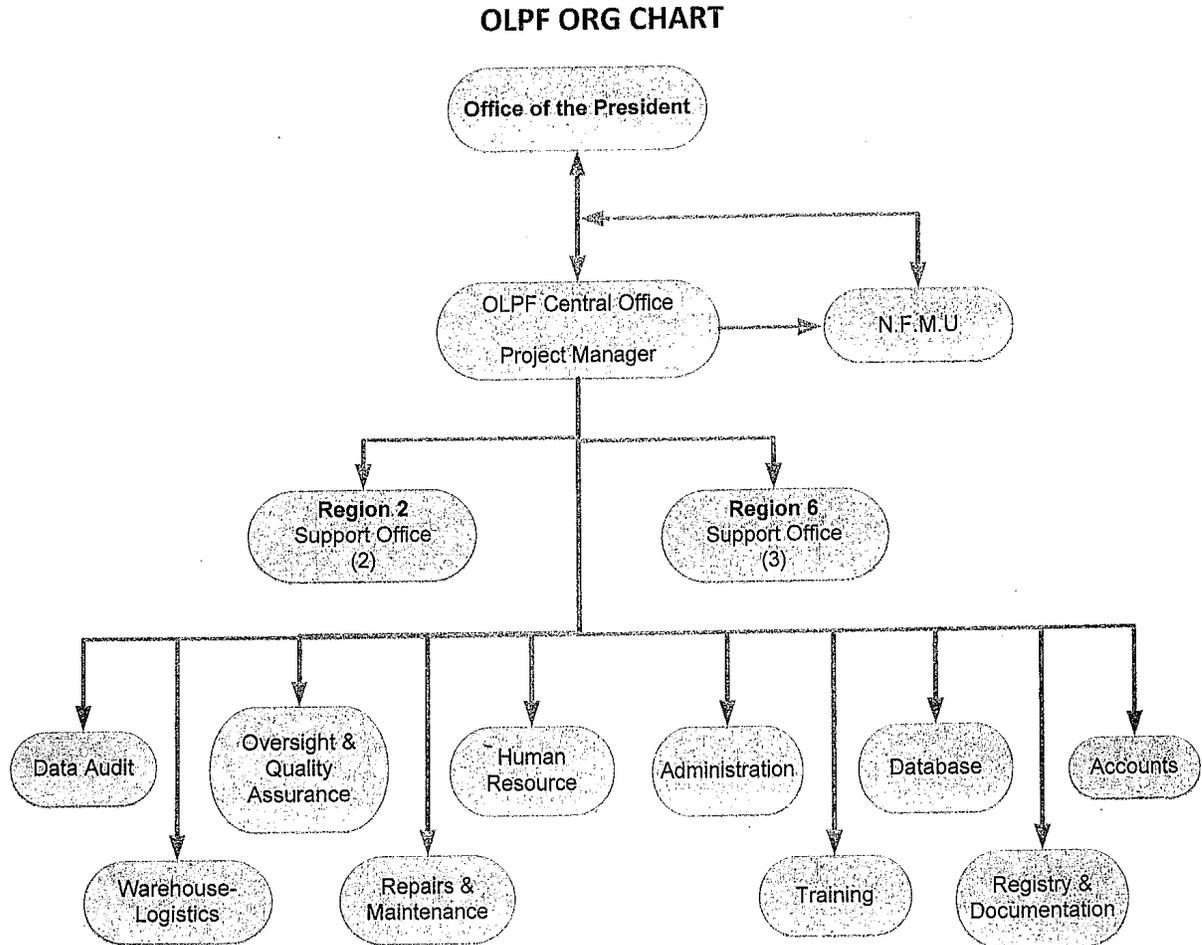
DISTRIBUTION

- Minister of Finance
- Permanent Secretary, OP
- Finance Secretary
- Accountant General
- Auditor General
- Director, Office of the Budget
- Chief Planning Officer,
State Planning Secretariat

8 Exhibits

8.1 Exhibit 1

Organisation Chart



28-May-15

8.2 Exhibit 2

Analysis prepared by the Project Manager

Comparison of Payroll				
		2014	2015 Projected	Total Savings
Payroll	Salaries	\$124,765,318	\$79,207,533	\$45,557,785
	Gratuity	\$30,914,250	\$21,991,500	\$8,922,750
	Vacation Allowances	\$12,090,833	\$8,145,000	\$3,945,833
Total		\$167,770,402	\$109,344,033	\$58,426,369

Comparison of Utilities and Rentals				
		2014	2015 Projected	Total Savings
Utilities & Rentals	Central Office Rental	\$24,000,000	\$24,000,000	\$0
	GNPL Warehouse Rental	\$6,300,000	\$6,300,000	\$0
	Linden County Office Rental	\$420,000	-	\$420,000
	Corriverton County Office Rental	\$420,000	-	\$420,000
	Electricity	\$10,152,000	\$10,080,000	\$72,000
	Telephone	\$1,925,709	\$1,794,553	\$131,156
	DSL Subscription	\$882,631	\$599,520	\$283,111
Total		\$44,100,340	\$42,774,073	\$1,326,267²

Figure 4.