

**REPORT ON A FORENSIC AUDIT AND REVIEW**

**OF THE OPERATIONS OF**

**ENVIRONMENTAL PROTECTION AGENCY**

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**DATE: 17 JULY 2015**

## Executive Summary

### 1. Background

- 1.1 The Ministry of Finance has requested my services to undertake a forensic review of the operations of the Environmental Protection Agency. The key terms of reference for the assignment are:
- (i) To determine EPA'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;
  - (ii) To assess and test systems and detect any instances of corporate malfeasance and inefficiency for remedy and/or judicial interventions and systems realignment;
  - (iii) To determine the authenticity and validity of significant commercial and financial transactions entered into by the EPA with related parties, suppliers and customers, and measure the extent of potential prejudice the entity may have suffered through such dealings, if any;
  - (iv) To carry out a comprehensive financial systems review which should look at all systems, decisions and practices which have underpin EPA's finances, and test and assess financial discipline at all levels; and
  - (v) To recommend statutory, legal or organizational changes required to identify and prevent any recurrence of improprieties.

### 2. Main findings

#### 2.1 ***Corporate governance arrangements and EPA's interpretation of its mandate***

- 2.1.1 The Environmental Protection Act 1996 provides for the management, conservation, protection and improvement of the environment, the prevention or control of pollution, the assessment of the impact of economic development, and the sustainable use of natural resources. The Act establishes of Environmental Protection Agency (EPA) whose main responsibility is to provide effective management of the natural environment for the protection and sustainable use of the natural environment. The key activities of the EPA relate to environmental impact assessments, and the prevention and control of pollution.

- 2.1.2 In order to execute its mandate, the EPA is organized into five Divisions, namely Biodiversity Management; Environmental Management Permitting; Environmental Management Compliance; Education, Information and Training; and Administration.
- 2.1.3 The following Regulations govern the work of the Agency:
- (a) Species Protection Regulations 1999;
  - (b) Environmental Protection (Water Quality) Regulations 2000;
  - (c) Environmental Protection (Hazardous Waste Management) Regulations 2000;
  - (d) Environmental Protection (Noise) Regulations 2000;
  - (e) Environmental Protection (Air Quality) Regulations 2000;
  - (f) Environmental Protection (Authorisations) Regulations 2000
  - (g) Litter Prevention Regulations 2013; and
  - (h) Wildlife Management and Conservation Regulations 2013
- 2.1.4 The EPA is governed by a Board comprising not less than seven and not more than eleven persons, the majority of whom must have knowledge and experience in matters relating to the use of the natural environment, or environmental protection and conservation. The Board meets once every month.
- 2.1.5 I have reviewed the Environmental Protection Act, the related Regulations, the organizational structure, the EPA's budget, and the work programmes and the activities of the various Divisions of the EPA. I have also reviewed the minutes of the meetings of the EPA Board, and I have had detailed discussions with senior management in relation to the operations of the EPA. **While the corporate governance arrangements and the EPA's interpretation of its mandate are in conformity of the Act and its related Regulations, the Agency is very much constrained in its ability to effectively deliver on its mandate mainly because of budgetary constraints.**
- 2.1.6 For the years 2012 to 2014, the EPA received on average only 61 per cent of funds requested from the Government for operating expenses, necessitating a significant cutback in its programmes and activities. In a recent brief to the Minister, the EPA stated that "basic operations such as site visits required for the processing of applications for environmental permits have been delayed. As a result, there is a backlog in processing of applications which has implications, particularly if developers proceed with their plans without the EPA's approval. There is a similar situation with conducting audits and renewals".
- 2.1.7 The actual staffing as at 31 May 2015 was 97. **The Agency has indicated that in order to fully and effectively discharge its mandate as envisaged in the Act, a staffing structure of 262, inclusive of decentralized compliance division, is needed.**

2.1.8 **The EPA is housed in a building in Sophia that has limited office space, and the physical environment is unsuited for the Agency’s operations. In particular, there are no laboratory facilities for the testing of samples. The EPA has also not been able to have a dedicated regional presence, especially in Regions 7, 8, 9 and 10 where its services are much needed.**

2.1.9 The Board of the EPA is required to meet at least once every month. If a member “is absent, except on leave granted by the Board, from all meetings of the Board held during two consecutive months, or during any three months in any period of twelve months”, the Minister may remove that member. A review of the minutes of the EPA Board, however, indicates that several members were in violation of this requirement without evidence of any action to replace them. **The prolonged absence of these members might have had an adverse effect on the effective functioning of the Board, and hence the operations of the EPA.**

## 2.2 *Sources of financing and bank balances*

2.2.1 The Agency’s main sources of financing are a combination of: (a) internally generated revenue from application and permit fees, and proceeds from the Wildlife Division; and (b) Government subsidies. **However, the EPA received an amount of \$600 million from the Guyana Geology and Mines Commission (GGMC), consequent upon Cabinet decision of 15 January 2015.** Of this amount, \$500 million was to be transferred to the National Drainage and Irrigation Authority (NDIA) to execute works in Regions 1, 3, 4, 5, 6, and 10 as part of the “Pick-It-Up” campaign. The amount received from the GGMC was placed in the Agency’s main bank account in a commercial bank but no transfers were made to the NDIA, as a Memorandum of Understanding for the execution of the works had not been finalised. As at 31 May 2015, the balance on this account was \$515.718 million.

2.2.2 **The EPA also received an amount of US\$240,000 from the GGMC based on a Cabinet decision of 9 September 2014** for the restructuring of the Agency, based on a recommendation from a consultant. However, no expenditure was incurred as at 31 May 2015, and the amount is held in the Agency’s US\$ account that is used for externally funded projects. Explanations obtained indicate that the proposed restructuring was advertised twice but there was no response.

2.2.3 **I should emphasise that it is not within the authority of GGMC to transfer funds to other government agencies to incur expenditure, especially if such expenditure is unrelated to its activities, as this practice not only undermines the role of Parliament in approving public expenditure, as provided for under Article 217 of the Constitution as well as Section 16 of the Fiscal Management and Accountability (FMA) Act 2003. If**

the GGMC has funds that are surplus to its requirements, it would be entirely appropriate for transfers to be made to the Consolidated Fund to allow for the Legislature to reallocate funds to other areas of Government operations that are in need of them.

2.2.4 In addition, since the transfers are not captured in the National Estimates, the related expenditure will not be reflected in the public accounts of the country, and hence there will be an under-reporting of public expenditure.

2.2.5 The Cabinet has also acted improperly in approving these two transfers, as its actions and/or decisions cannot violate any law or constitutional requirement.

### 2.3 *Expenditure, financial reporting and audit*

2.3.1 Within six months of the close of the financial year, the Agency is required to submit to the Minister a report and the audited financial statements which are to be laid in the National Assembly. The Auditor General's reports on the financial statements for 2012 and 2013 were issued on 10 February 2014 and 9 September 2014 respectively. As a result, the Agency has not been able to fulfill its obligations in a timely manner as regards Section 66 of the Environmental Protection Act.

### 2.4 *Operations of the Wildlife Division*

2.4.1 Prior to the passing of the Environmental Protection Act, the operations of the Wildlife Division came under the Ministry of Agriculture. In May 1998, the Cabinet approved of its transfer to the Office of the President. In 2004, following allegations of the illegal export of dolphins, a protected species under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Audit Office carried out a special review of the operations of this Division. A key recommendation emanating from the review was that the Office of the President relinquish control of the operations of the Wildlife Division and transfer it to the EPA in keeping with the requirements of the Environmental Protection Act and the Species Protection Regulations.

2.4.2 Following a recommendation of the Auditor General, the Wildlife Division was relocated to the building housing the EPA but continued to operate independent of the EPA. However, the EPA carries out the accounting functions, and financial reporting is integrated with that of the EPA.

2.4.3 Discussions with the Executive Director of the EPA and senior management indicate that it may not be appropriate for the Division to be part of the EPA since the latter has to play an oversight role over the former. In addition, CITES is insisting that the Wildlife

Division should be given corporate status, as evidenced by its decision at its 16<sup>th</sup> Conference of Parties' meeting. **That decision requires all parties to the Convention falling under Category 2 or 3 for more than five years as of March 2013 to have such legislation in place by January 2016 or face a possible suspension of commercial trade in specimens of CITES-listed species. Under the Convention, Guyana falls under category 2.**

2.4.4 Currently, the operations of the Wildlife Division are regulated by the Species Protection Regulations of 1999 which is a subsidiary legislation under the Environmental Protection Act. Draft legislation has been prepared in the form of the Wildlife Import and Export Bill 2014 to regulate international trade of Guyana's wildlife and to enable Guyana to fulfill its obligations under CITES.

2.4.5 Two employees are still on the payroll of the Wildlife Division but are attached to the Ministry of Natural Resources and the Environment. This matter was raised by the Auditor General in his two previous reports.

2.4.6 As at 31 May 2015, the Wildlife Division had two bank accounts held in a commercial bank with balances totalling \$76.593 million. This is in addition to a fixed deposit account held at another commercial bank with a balance of \$15.309 million as at 31 December 2014. These balances were due to the Division's internally generated revenue exceeding its expenditure over the years.

## 2.5 ***Budgetary arrangements***

2.5.1 The agency has been operating with severe budgetary constraints. It has been receiving only 61 per cent of its requested allocation based on the staff structure of 98 that has been approved by the Ministry, as shown below:

### **Summary of budgetary requests for the years 2012-2014**

Year	Operating Expenses \$'000	Amount Approved \$'000	% of request
2012	321,321	166,424	52
2013	343,435	196,719	57
2014	268,280	206,250	77
<b>TOTAL</b>	<b>933,036</b>	<b>569,393</b>	<b>61</b>

## 2.6 ***Procurement and contract management***

2.6.1 Procurement is not a significant area of operations of the Agency. As a result, it does not have its own procurement rules and relies on the requirements of the Procurement Act 2003. However, there was some evidence of a breach of the tendering procedures, especially as regards transactions initiated by the Ministry under the “Pick-It-Up” campaign. The Agency explained that the campaign is an initiative approved by the Cabinet and that the Ministry of Natural Resources and the Environment was tasked with its implementation jointly with the EPA.

## 2.7 ***Asset management***

2.7.1 A “cleaning up” exercise is needed to identify assets that are unserviceable and to have them disposed of via approved procedures, and to ensure that a properly constituted and up-to-date assets register is in place.

## 2.8 ***Human resources management***

2.8.1 The staffing of 97 is inadequate to fully and effectively discharge the Agency’s mandate under the Act. The salary scales are also inadequate to attract and retain suitably qualified and experienced persons. In addition, although the Agency is semi-autonomous with its own legislation and a Board, there is an over-involvement by the Ministry in the operations of the EPA, especially in the area of recruitment. The Agency explained that it is a policy decision for Public Service Ministry and the Ministry of Finance to be involved in the final stages in the recruitment of staff.

2.8.2 Officers do not enjoy duty-free concessions to assist them in acquiring their own vehicles although most of the activities of the Agency are field-based. There are a limited number of Agency vehicles. These are old, and by virtue of this, operating and maintenance costs are high.

2.8.3 The Agency does not offer superannuation benefits for its staff members, and there are no accident and medical insurance in place.

## **3. Main recommendations**

3.1 Based on the results of my review of the operations of the EPA, I make the following main recommendations:

- (a) The Ministry of Finance provide the EPA with adequate resources with effect from the next budget cycle, to enable it to more effectively discharge its mandate of monitoring the natural environment and assisting in its protection. This includes not only funds for the construction of a new building but also facilities to ensure regional presence at least in Regions 7, 8, 9 and 10;**
- (b) The Minister take appropriate action to ensure full compliance with the Act relating to attendance at meetings of the Board;**
- (c) The EPA transfer to the Consolidated Fund the amounts of \$515.718 million and US\$240,000, representing funds received from the Guyana Geology and Mines Commission;**
- (d) The Cabinet desist from approving financial transactions that violate the Constitution and the FMA Act;**
- (e) The EPA make every effort to ensure compliance with the Act relating to the submission of annual reports and audited financial statements to the Minister and the National Assembly;**
- (f) The Administration table the Wildlife Import and Export Bill 2014 in the National Assembly as early as possible;**
- (g) The Ministry of Natural Resources and the Environment incorporate in its organizational structure and payroll the emoluments of the two employees whose salaries are met from the resources of the Wildlife Division; and**
- (h) The Wildlife Division consider transferring to the Consolidated Fund of all funds that are surplus to its requirements, after taking into account the retention of a reasonable amount as a reserve.**
- (i) The Administration commission an urgent review of the staffing situation of the Agency, as well as the emoluments and other conditions of service offered, with a view to ensuring that the Agency is adequately staffed to effectively discharge its mandate; and**
- (j) The Ministry cease getting involved in the management of the affairs of the Agency to enable the Board to function more effectively as the oversight body.**



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# Report on a forensic audit and review of the operations of the Environmental Protection Agency

## 1. Background

- 1.1 The Government of Guyana has indicated that it was reviewing the performance and efficiency of publicly owned entities, statutory bodies, projects and activities financed by or through public funds. Accordingly, it has commissioned forensic audits and reviews of the operations of a number of entities, and has engaged my services to undertake such an audit and review of the Environmental Protection Agency (EPA).

## 2. Terms of reference

- 2.1 The terms of reference for the engagement are as follows:

- (i) To determine EPA'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;
- (ii) To assess and test systems and detect any instances of corporate malfeasance and inefficiency for remedy and/or judicial interventions and systems realignment;
- (iii) To determine the authenticity and validity of significant commercial and financial transactions entered into by the EPA with related parties, suppliers and customers, and measure the extent of potential prejudice the entity may have suffered through such dealings, if any;
- (iv) To carry out a comprehensive financial systems review which should look at all systems, decisions and practices which have underpin EPA's finances, and test and assess financial discipline at all levels. Without limitation, the Consultant should:
  - (a) Review and examine all financial books and records of EPA 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;

- (c) Review all material expenditures and contracts made by EPA and obtain all necessary information and explanations relating to such expenditures and contracts;
  - (d) Examine all areas, including budgeting, financing, expenditure, management of revenue inflows, trade terms, procurement or purchase decisions and supply chain management;
  - (e) Examine EPA's assets management system, including its fixed assets, their disposal and management or deployment;
  - (f) Examine EPA's marketing, production and commissioning policies, systems and agreements to determine their integrity, efficacy and responsiveness; and
  - (g) Examine EPA's archiving policy both by way of records keeping and as a performing asset that yields revenue for the entity; and
- (v) To recommend statutory, legal or organizational changes required to identify and prevent any recurrence of improprieties.

2.2 The audit and review may be extended to cover any or all of the following:

- (i) To conduct a human resources audit which should include key issues such as manpower policy and needs determination, selection and recruitment regarding philosophy, grading, departmentalization, payroll system and management, performance culture and the whole policy on advancement and promotions, labour issues, skills development and deployment. Examine current initiatives, their access and distribution and their impact on skills attraction and retention on staff motivation, performance and commitment;
- (ii) To determine the planning culture at EPA;
- (iii) To determine EPA's manpower and skills development policies to equip its key functional areas with strategic competences needed for migration to a digital area and beyond;
- (iv) To recommend a business model, development and innovativeness which should help a restructuring exercise by gauging EPA's capacity to align itself with and keep adjusting to the larger macro-environment through periodic strategic interventions; and

- (v) To gauge EPA'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. Scope and methodology**

- 3.1 As per terms of reference, the period covered by the audit and review was from 1 January 2012 to 31 May 2015. The review was conducted in three phases – planning, execution and reporting. In the planning phase, information about EPA's operations was sought through mainly the use of questionnaires; a review of detailed documentation provided; and discussions with senior management. A detailed audit plan was then prepared setting out clearly the procedures to be followed, and various tests to be carried out in order to arrive at conclusions relative to the terms of reference.
- 3.2 An entry conference was held on 16 June with the senior management to discuss, among others, the terms of reference for the audit and review as well as my interpretation and understanding of them in relation to EPA's operations. After the entry conference, the planning of the assignment began followed by the execution of the field work.
- 3.3 The general approach to undertaking the assignment was the use of questionnaires in order to solicit as much information as possible and to obtain further understanding of EPA's operations. Supporting documents were requested and obtained, and additional discussions were held with key management personnel.
- 3.4 The field work concluded following the holding of an exit conference with senior management on 3 July 2015 at which the findings and recommendations were discussed. Following this meeting, a draft report was prepared and submitted it to the Minister Finance on 3 July 2015, copied the Executive Director of the EPA, the Minister with the Ministry of Finance, and the Financial Secretary.
- 3.5 In accordance with the terms of reference for the assignment, the Executive Director of the EPA submitted to me an official response to the draft report on 16 July 2015. I issued the final report on 17 July 2015.

## 4. Findings and recommendations

### 4.1 Corporate governance arrangements and EPA's interpretation of its mandate

4.1.1 The Environmental Protection Act was passed in 1996 to provide for the management, conservation, protection and improvement of the environment, the prevention or control of pollution, the assessment of the impact of economic development, and the sustainable use of natural resources. The Act provides for the establishment of Environmental Protection Agency (EPA) whose main responsibility is to provide effective management of the natural environment for the protection and sustainable use of the natural environment. The key activities of the EPA relate to assessing environmental impacts.

4.1.2 The Second Schedule of the Act provides for the EPA to be governed by a Board of Directors consisting of not less than seven and not more than eleven persons appointed by the Minister. The tenure of office is for one year. A majority of the members of the Board must have knowledge and experience in matters relating to the use of the natural environment, or environmental protection and conservation, while the others must be knowledgeable and experienced in corporate management or other related expertise.

4.1.3 The key functions of the Board are to:

- Oversee the operations of the Agency;
- Approve recommendations by the Executive Director on the organisation of the Agency and the appointment of senior staff;
- Appoint working groups, sub-committees or other bodies as needed to enable the Board to carry out its functions;
- Approve environmental policies;
- Propose environmental laws or regulations to the Minister;
- Approve budgets, work plans and programmes;
- Approve financial and annual reports; and
- Provide guidance on matters relating to the protection of the environment.

4.1.4 The members of the Board as of 15 April 2015 (the date of the last Board meeting) were: Ms. P. Bacchus (Chairperson), Dr. I. Ramdass (Executive Director of EPA), Ms. A. Geer (Civil Society), Mr. W. Alleyne (GGMC), Ms. R. Ramgoolam (Housing & Water), Mr. Lewis (GFC), Mr. Croal (Local Government) Mr. R. Layne (Legal Officer), Mr. V. Felix (Natural Resources), Mr. M. Qualander (PPP/C) and Mr. L. Wordsworth (Agriculture).

- 4.1.5 The Board is required to meet at least once every month. If a member “is absent, except on leave granted by the Board, from all meetings of the Board held during two consecutive months, or during any three months in any period of twelve months”, the Minister may remove that member. During the period 1 January 2012 to 31 May 2015, the Board was required to meet on 41 occasions while the actual number of meetings that took place was 35. A review of the minutes of the meetings, however, indicates that several members were in violation of the attendance requirement without evidence of any action to replace them. **The prolonged absence of these members may have had an adverse effect on the effective functioning of the Board, and hence the operations of the EPA.**
- 4.1.6 **I recommend that the Minister take appropriate action to ensure full compliance with the Act relating to attendance at meetings of the Board.**
- 4.1.7 In response, the Agency acknowledged the above observation and indicated that it would take the necessary steps in the future, in collaboration with the Minister, to address the issue. It, however, contended that there was no adverse effect on the operations of the Agency due to the absence of Board members.
- 4.1.8 The Act also provides the establishment of an Environmental Assessment Board, comprising not less than three nor more than five members appointed by the Minister. The key responsibility of the Board is to hold public hearings into all appeals submitted to it, especially in relation to environmental impact assessments and environmental permits. The members of the Board as of 31 May 2015 were: Mr. V. Rajkumar, Ms. D. Simmons, Mr. N. Chuck-A-Sang, Mr. O. Lochan and Ms. B. Latchmansingh.
- 4.1.9 In accordance with Section 68(1) of the Act, the Minister may make regulations for the purpose of giving effect to the provisions of the Act. Eight such regulations have been made to date. These are:
- (a) Species Protection Regulations 1999;
  - (b) Environmental Protection (Water Quality) Regulations 2000;
  - (c) Environmental Protection (Hazardous Waste Management) Regulations 2000;
  - (d) Environmental Protection (Noise) Regulations 2000;
  - (e) Environmental Protection (Air Quality) Regulations 2000;
  - (f) Environmental Protection (Authorisations) Regulations 2000;
  - (g) Litter Prevention Regulations 2013; and
  - (h) Wildlife Management and Conservation Regulations 2013.

4.1.10 In order to execute its mandate, the EPA is organized into five Divisions, namely Biodiversity Management; Environmental Management Permitting; Environmental Management Compliance; Education, Information and Training; and Administration.

4.1.11 **The Biodiversity Management Division** has a staffing of nine officers and is responsible for: (a) the administration of protected areas, especially as regards support for the establishment and maintenance of a National Protected Areas System (NPAS); (b) ensuring the sustainable use of biodiversity; and (c) the conservation and sustainable use of wildlife. The position of Director for the Division is vacant, and the Director of Education, Information and Training Division is acting in this position. The Division focuses on the following four areas:

- Implementing the Guyana Protected Areas System Project Phase II;
- Managing local wildlife trade;
- Processing of biodiversity research applications; and
- Implementing projects relating to the objectives of the Convention on Biodiversity.

4.1.12 **The Environmental Management Permitting Division** is responsible for issuing permits relating to: (a) mining and forestry; (b) agriculture, fisheries and tourism; (c) industry, infrastructure and energy; (d) hazardous waste/materials and air quality; and (e) water quality. It is also responsible for ensuring that environmental impact assessments are carried out where they are considered necessary. The Division has a staffing of 23 officers, and the key activities are:

- Screening and processing of applications for environmental authorization for new and existing projects, including renewals and modifications;
- Addressing valid complaints of operations that require environmental authorization;
- Investigating and addressing environmental emergencies reported to the Agency;
- Monitoring air quality and hazardous waste management for existing operations and for the export of hazardous wastes;
- Developing guidelines, standards and or regulations that support screening for environmental significance;
- Continuing pollution management programme to regularize existing developments that may have significant environmental effects; and
- Establishing partnerships with the Private Sector to foster collaboration in environmental management.

4.1.13 **The Environmental Management Compliance Division** has a staffing of 27 and is responsible for: (a) research and development; (b) compliance monitoring; (c) enforcement; (d) hazardous waste management and air quality; and (e) integrated coastal zone management. It works along with industry associations, businesses, community organisations, ministries and other governmental organisations in developing standards and promoting good practices. Key activities include:

- Promoting compliance by providing practical, constructive and authoritative advice on compliance with the law;
- Monitoring compliance with the law and developing risk of detection of non-compliance;
- Enforcing the requirements of the law and applying sanctions in event of violations; and
- Encouraging higher performance through the work of its five units.

4.1.14 **The Education, Information & Training Division** is the smallest Division with a staffing of seven officers responsible. It is responsible for: (a) training; (b) community awareness; and (c) information. Key activities include:

- Promoting awareness and participation in the protection, conservation and the sustainable use of the environment, through cross-cutting education and awareness and capacity building programmes;
- Developing environment education materials that are relevant, appealing and appropriate for various target audiences. These include quarterly newsletters, posters, brochures, booklets, manuals and fliers which are distributed via a documentation centre;
- Observance of environmental days to raise awareness – World Wetland Day, World Wildlife Day, World Water Day, Earth Day, International Day of Biodiversity, World Environment Day, International Ozone Day, and International Coastal Cleanup Day.
- Conducting outreach activities to influence attitudinal changes for a clean and healthy environment; and
- Capacity building activities in various sectors of society to highlight pervasive environmental issues such as climate change, biodiversity management and conservation, and environmental management, among others; and

4.1.15 With a staffing of 30, the Administration Division is responsible for: (a) information technology; (b) human resources management; (c) general administration; and (d) finance. It supports the activities of the other Divisions in relation to human resources management, procurement of goods and services, and transportation requirements.



- 4.1.16 The EPA Board is responsible for approving the Agency's budgets, work plans and programmes. For the years 2012, 2013 and 2014, the Agency requested amounts totalling \$933.036 million by way of subventions to meet operating expenditure. However, amounts approved totalled \$569.393 million, representing 61 per cent of EPA's requirements. As a result, the Agency had no alternative than to reduce its programmes of activities to bring them in line with the amounts approved.
- 4.1.17 The actual staffing of the Agency as at 31 May 2015 was 97. The Agency has indicated that in order to fully and effectively discharge its mandate as envisaged in the Act, a staffing structure of 262, inclusive of decentralized compliance division, is needed.
- 4.1.18 I have reviewed the Environmental Protection Act, the related Regulations, the organizational structure, the EPA's budgets, and work plans and the activities of the various Divisions. I have also reviewed the minutes of the meetings of the EPA Board, the Wildlife Management Authority and the Wildlife Scientific Authority. In addition, I have had detailed discussions with senior management in relation to the operations of the EPA.
- 4.1.19 **While the corporate governance arrangements and the EPA's interpretation of its mandate are in conformity of the Act and its related Regulations, the Agency is constrained in its ability to effectively deliver on its mandate mainly because of budgetary constraints.** In a recent brief to the Minister, the EPA stated that "basic operations such as site visits required for the processing of applications for environmental permits have been delayed. As a result, there is a backlog in processing of applications which has implications, particularly if developers proceed with their plans without the EPA's approval. There is a similar situation with conducting audits and renewals".
- 4.1.20 **In addition, the EPA is housed in a building in Sophia that has limited office space, and the physical environment is unsuited for the Agency's operations. In particular, the Agency does not have laboratory facilities for the testing of samples. The EPA has also not been able to have a dedicated regional presence so vitally necessary for a country-wide execution of its mandate, especially in the interior locations.**
- 4.1.21 **I recommend that the Ministry of Finance provide the EPA with adequate resources with effect from the next budget cycle, to enable it to more effectively discharge its mandate of monitoring the natural environment and assisting in its protection. This includes funds not only for the construction of a new building estimated at \$200 million but also for securing facilities to ensure regional presence at least in Regions 7, 8, 9 and 10.**

## 4.2 Sources of financing and bank balances

4.2.1 The Agency's main sources of financing are a combination of: (a) internally generated revenue from application and permit fees; and (b) Government subsidies. The following is a breakdown of financing for the years 2012, 2013 and 2014 relating to operating expenses:

<u>Year</u>	<u>Internally generated</u>	<u>Government</u>	<u>Total</u>
	\$'000	\$'000	\$'000
2012	100,399	166,424	266,823
2013	99,444	196,719	299,163
2014	154,590	206,250	360,840

4.2.2 As at 31 May 2015, the EPA maintained eight bank accounts with balances totalling G\$642.992 million and US\$323,738, as shown below:

<u>Account No.</u>	<u>Name of Account</u>	<u>Bank</u>	Amount
			G\$
395-14	Government subvention	Scotia Bank	7,845,698
395-14	GEF Country Support Project	Scotia Bank	1,077,698
395-14	"Pick It Up" Project	Scotia Bank	16,756,222
395-14	Litter Regulations	Scotia Bank	515,717,748
578-10	EPA Trust Fund	Scotia Bank	76,944,906
301-14	Green Fund	Scotia Bank	2,795,289
401-884-2	KfW GPAS Phase II Project	Demerara Bank	878,575
1231237	Fixed deposits	Republic Bank	11,587,628
483-187-1	Savings account	Republic Bank	9,388,760
<b>TOTAL</b>			<b>642,992,524</b>
			US\$
357-14	CCPAC, RAMSAR, SENES & FFI	Scotia Bank	12,293
109390	Biosafety Project	Scotia Bank	71,445
109390	Restructuring of EPA – A/c 109390	Scotia Bank	240,000
<b>TOTAL</b>			<b>US\$323,738</b>

4.2.3 The Agency received the sum of \$50 million from the Ministry of Finance for the "Pick It Up" Project, as part of the clean-up exercise for Central Georgetown initiated by the Ministry of Natural Resources and the Environment. This amount was approved by the Cabinet on 26 June 2012. As at 31 May 2015, of which sums totalling \$33.244 million were expended.

- 4.2.4 In relation to the balance of \$515.718 million shown in the Litter Regulations bank account, the EPA received an amount of \$600 million from the Guyana Geology and Mines Commission (GGMC), consequent upon Cabinet decision of 15 January 2015 based on a memorandum submitted by the Minister. The purpose of the funds was to strengthen the “Pick-it-Up” campaign through the implementation of the Litter Prevention Regulations, and an amount of \$500 million was to be transferred to the National Drainage and Irrigation Authority (NDIA) for works to be executed in Regions 1, 3, 4, 5, 6, and 10. A Memorandum of Understanding, inclusive of a work programme between the EPA and the NDIA, was to have been finalized before the release of the funds to the NDIA.
- 4.2.5 According to EPA’s brief to the Minister, the Litter Prevention programme commenced in May 2014 and focused mainly in Georgetown. The related Regulations provide for the appointment of Litter Wardens, including the appointment of officers of the Guyana Forestry Commission, the GGMC, and local authorities to serve as Wardens. The intention was for the Local Authorities, including the Georgetown City Council, to be authorized to execute the Regulations working along with the EPA. The EPA has begun making efforts to roll out to Regions 2, 3, 5, 6, 7, 8 and 10. However, the retention of Litter Wardens, provision of administrative support, and delegating enforcement of the Regulations, were challenging.
- 4.2.6 The EPA expended the sum of \$84.282 million (i.e. \$600 million minus \$515.718 million) in the implementation of the Litter Regulations involving public relations activities, recruitment of staff and the acquisition of vehicles.
- 4.2.7 As regards the amount of US\$240,000 shown in account number 109390, this represents a further transfer from the GGMC to the EPA for the restructuring of the Agency. The transfer was authorised by the Cabinet at its meeting held on 2 September 2014 based on a recommendation from a consultant. However, no expenditure was incurred as at 31 May 2015. Explanations obtained indicate that the proposed restructuring was advertised twice but there was no response.
- 4.2.8 **I should emphasize that it is not within the authority of GGMC to transfer funds to other government agencies to incur expenditure, especially if such expenditure is unrelated to its activities, as this practice not only undermines the role of Parliament in approving public expenditure but also violates Article 217 of the Constitution. If the GGMC has funds that are surplus to its requirements, it would be entirely appropriate for transfers to be made to the Consolidated Fund to allow for the Legislature to reallocate funds to other areas of Government operations that are in need of them.**

4.2.9 **The Cabinet has also acted improperly in approving these two transfers as its actions/decisions cannot override the requirements of the law or the Constitution. In addition, since the transfers are not reflected in the National Estimates, the related expenditure will not be captured in the public accounts of the country, and hence there will be an under-reporting of expenditure.**

4.2.10 **In view of the forgoing, I recommend that the EPA take immediate steps to transfer the amounts of \$515.718 million and US\$240,000 to the Consolidated Fund.**

### 4.3 **Expenditure, financial reporting and audit**

4.3.1 The EPA's operating expenditure for the years 2012, 2013 and 2014 averaged \$297.964 million per annum (inclusive of depreciation), with employment costs accounting for \$181.423 million or 60 per cent. This is financed through a combination of internally generated revenue and from subventions received from the National Budget. The EPA received subventions under the Ministry of Natural Resources and the Environment of \$166.424 million, \$196.719 million and \$206.250 million for the years 2012, 2013 and 2014 respectively.

4.3.2 As at 31 May 2015, the EPA and the Wildlife Division operated 11 bank accounts. However, there is no Finance Manual in place to provide guidance on how these accounts are being operated and the accounting procedures that are being followed. While this comment is not meant to suggest any deviation from established criteria, it is important for the accounting procedures to be fully and properly documented in the form of a manual.

4.3.3 **I recommend that the EPA introduce a Finance/Accounting Manual as early as possible.**

4.3.4 The Agency has acknowledged this recommendation and indicated that it would take steps, with the guidance of the Minister, to hire a consultant to undertake the task.

4.3.5 Within six months of the close of the financial year, the Agency is required to submit to the Minister a report and the audited financial statements which are to be laid in the National Assembly. The Auditor General's reports on the financial statements for 2012 and 2013 were issued on 10 February 2014 and 9 September 2014 respectively. As a result, the Agency has not been able to fulfill its obligations in a timely manner as regards Section 66 of the Environmental Protection Act. The Agency acknowledged this observation but indicated that timely submission is also dependent on the completion of the annual audit, which is not within its control.

**4.3.6 I recommend that the EPA make every effort to ensure compliance with the Act relating to the submission of annual reports and audited financial statement to the Minister and to the National Assembly.**

#### **4.4 Operations of the Wildlife Division**

4.4.1 The Environmental Protection Act defines “natural resources” to include living plants, animals and organisms as well as ecosystems. It follows that any activity relating to the protection of species of plants and animals, including the granting of permits for their importation and exportation is the responsibility of the EPA. In this regard, Section 68 (1) provides for the Minister to make regulations, and by Order No. 9 of 1999, the Species Protection Regulations came into force.

4.4.2 The Regulations provide for the establishment of a Management Authority whose responsibilities include: (a) taking such steps as are necessary for the protection of endangered species or animals and plants against over-exploitation through importation and exportation; (b) devising measures to prevent trade in or possession of certain identifies specimens; and (c) granting of permits and certificates in respect of importation, exportation and re-importation of and other trade in certain specified endangered species. It is these regulations that govern the operations of the Wildlife Division under the control of a Management Authority comprising members appointed by the Minister.

4.4.3 The members of the Management Authority as 25 March 2015 were: Dr. Robin Austin (Chairman), Mr. Calvin Bernard (Chairman of the Scientific Authority), Ms. Alona Sankar (Head, Wildlife Division), Mr. Lancelot Wills (representative of GRA), Mr. Kevin London (representative of GPF), Mr. Quacy Bremner (representative, GFC), and Dr. Bassoodeo (representative of GLDA). For the period January 2012 to 31 May 2015, the Management Authority met on 36 occasions.

4.4.4 The Management Authority nominates members to form the Scientific Authority which is responsible mainly for advising the Authority on matters relating to the importation and exportation of species, including the establishment of quotas. The members of the Scientific Authority as of 19 May 2015 were: Mr. C. Bernard (Chairman), Dr. L. Applewhaite, Ms. A. Sankar, Dr. D. Singh and Dr. K. Pilgrim. Although the related Regulations do not specify the frequency of meetings, the Scientific Authority met on 23 occasions during the period 1 January 2012 to 19 May 2015.

4.4.5 Prior to the passing of the Act, the operations of the Wildlife Division came under the Ministry of Agriculture. In May 1998, the Cabinet approved of its transfer to the Office

of the President. In 2004, following allegations of the illegal export of dolphins, a protected species under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Audit Office carried out a special review of the operations of this Division. A key recommendation emanating from the review was that the Office of the President relinquish control of the operations of the Wildlife Division and transfer it to the EPA in keeping with the requirements of the Environmental Protection Act and the Species Protection Regulations.

- 4.4.6 Following a recommendation of the Auditor General, the Wildlife Division was relocated to the building housing the EPA but continued to operate independent of the EPA. However, the EPA carries out the accounting functions, and financial reporting is integrated with that of the EPA.
- 4.4.7 Discussions with the Executive Director of the EPA and senior management indicate that it may not be appropriate for the Division to be part of the EPA since the latter has to play an oversight role over the former. In addition, CITES is insisting that the Wildlife Division should be given corporate status. As a result, draft legislation has been prepared in the form of the Wildlife Import and Export Bill 2014 to regulate international trade of Guyana's wildlife and to enable Guyana to fulfill its obligations under CITES.
- 4.4.8 I support the proposal for the Wildlife Division to be given corporate status. I therefore recommend that the Administration table the draft legislation in the National Assembly as early as possible. I also recommend that the Species Protection Regulations made under the Environmental Protection Act, appropriately amended as necessary, be transferred under the proposed new legislation.**
- 4.4.9 The Agency has indicated its support for the above recommendation and stated that the Wildlife Bill that was laid in the tenth Parliament would be re-submitted to the eleventh Parliament. The Species Protection Regulations would also be repealed with the enactment of the above Bill.
- 4.4.10 The Auditor General has audited the financial statements Wildlife Unit's to 31 December 2013 as part of the audit of the EPA. Draft financial statements have been prepared for 2014. Although he has issued unqualified opinions on the financial statements, the Auditor General has raised concern in his 2012 and 2013 reports that two employees were on the payroll of the Wildlife Division but were attached to the Ministry of Natural Resources and the Environment. This matter remained unresolved at the time of reporting.

**4.4.11 I recommend that the Ministry of Natural Resources and the Environment incorporate in its organizational structure and payroll the emoluments of the two employees whose salaries are met from the resources of the Wildlife Division.**

4.4.12 As at 31 May 2015, the Wildlife Division had two bank accounts held at a commercial bank with balances totalling \$76.593 million. This is in addition to fixed deposit account held at another commercial bank with a balance of \$15.309 million as at 31 December 2014. These balances were due to the Division's internally generated revenue over the years exceeding its expenditure. For the years 2012 to 2014, total revenue amounted to \$159.852 million while total expenditure was \$113.506 million, giving a surplus of \$46.346 million.

**4.4.13 I recommend that the EPA/Wildlife Division consider transferring to the Consolidated Fund of all funds that are surplus to the requirements of the Division, after taking into account the retention of a reasonable amount as a reserve.**

4.4.14 The Agency explained that funds in the Wildlife Division account are being prudently used to avoid the risk of cash flow shortage and for future needs after the enactment of the enactment of the Wildlife Import and Export Bill which will significantly increase the activities of the Authority (e.g. the establishment of a Finance Department requiring more staff and resource). The balance in these accounts may be insufficient for future needs and as such, do not need to be transferred to the Consolidated Fund.

4.4.15 By letter dated 9 February 2015 from the Permanent Secretary of the Ministry of Natural Resources and the Environment addressed to the Head of the Wildlife Division, a request was made for the payment of \$3,261,760 for the replacement of billboards at Bartica, Charity, Lethem, Sherriff Street and Parika. Apart from the fact that the Wildlife Division only became aware of the transaction when the request for payment was made, the following unsatisfactory features were noted:

- On 4 February 2015, the National Procurement and Tender Administration Board (NPTAB) approved of the award of the contract on 4 February 2015 from two bids received based on selective tendering;
- The related invoice was dated 15 December 2014, suggesting that the works were executed before the contract was awarded;
- On 9 February 2015, a memorandum from the Stakeholder Coordinator of the Ministry to the Permanent Secretary confirmed that the works were satisfactorily completed; and

- On 30 March 2015, the contract was entered into between the contractor and the Permanent Secretary, a further evidence suggesting that the works were executed before the contract was entered into.

4.4.16 The Agency offered the following explanation: The replacement of billboards was an activity emanating from the Wildlife Steering Committee. The contract was awarded, notification made, certified, and then payment was made. It was a quotation that was requested and used for evaluation purposes. While the NPTAB award was received and the works certified as completed, no payment was made. The contract was prepared and signed before payment was made.

4.4.17 In two separate memoranda dated 19 and 31 March 2015, the Permanent Secretary of the Ministry requested the Wildlife Division to make three payments totalling \$524,080 for the holding of a Wildlife Stakeholder Forum held on 3 March 2015 for 100 persons at the International Convention Centre. The breakdown of the expenditure is as follows: rental of the Centre - \$132,000; payment to a caterer for midmorning snack for 55 persons and lunch for 100 persons - \$341,040; and payment to another caterer for 40 meals - \$51,040.

4.4.18 The cost of snacks and meals appeared to be excessive, and it is not clear why meals were purchased from two different caterers. Evidence was seen where the Ministerial Tender Board approved of single sourcing the purchase of meals from the first caterer on the grounds of “unique prior experience, expertise and professional stature in addition no other source could have provided the meals within the requested deadline”. In addition, the invoices for the replacement of artwork for the billboards referred to in paragraph 4.4.15, the rental of the Convention Centre and from one of the caterers appeared to be similar in layout and content and were photocopied documents.

4.4.19 The Agency explained that the Wildlife Stakeholder Forum was an activity in recognition of World Wildlife Day. Due to an increase in the number of participants, the snacks were inadequate and the caterer was asked to increase the buffet lunches to facilitate this. However, this was not possible due to late notice, and the other supplier was the only catering service available to deliver lunches in boxes in that short period of time. In addition, a review of the breakdown of the invoice for snacks and meals would show that inclusive of taxes the rates were very comparable with that of the other caterer. As regards the similarity of invoices, the Agency indicated it could be that these suppliers use similar accounting software. However, it did not offer any comments in relation to making payments on photocopied invoices.



#### 4.5 Budgetary arrangements

- 4.5.1 The EPA has been operating with severe budgetary constraints, receiving only 61 per cent of its requested allocations. The allocations are based on a staffing structure of 98 as approved by the Ministry. The Agency estimated that it needs 262 staff members to fully and effectively discharge its responsibilities under the Act. Table 1 summarises the Agency's requests for budgetary allocations for the years 2012 to 2015:

**Summary of budgetary requests for the years 2012-2014**

Year	Operating Expenses \$'000	Amount Approved \$'000	% of request
2012	321,321	166,424	52
2013	343,435	196,719	57
2014	268,280	206,250	77
<b>TOTAL</b>	<b>933,036</b>	<b>569,393</b>	<b>61</b>

#### 4.6 Procurement and contract management

- 4.6.1 The Procurement Act 2003 provides for public corporations and other bodies in which the controlling interest is vested in the State to, subject to the approval of the National Board, conduct procurement according to their own rules or regulations, except that to the extent that such rules and regulations conflict with this Act or the regulations, the Act and the regulations shall prevail.
- 4.6.2 Since 60 per cent of the Agency's operating budget relates to employment costs, procurement and contract management is not a significant area of operations. The EPA therefore does not have its own procurement rules, and follows the requirements of the Procurement Act. All procurements within the range of \$300,000 and \$600,000 are dealt with by an internal tender committee comprising three directors while those above \$600,000 are referred to the Ministerial and the National Procurement and Tender Administration Board, as appropriate.

4.6.3 During the period 13 February to 25 September 2013, ten payments totalling \$4,291,698 were made for the supply of mainly banners, posters, stickers and T-shirts as part of the “Pick-It-Up Guyana” campaign. An examination of the supporting documents revealed the following unsatisfactory features:

(a) Seven of these payments totalling \$2,602,808 were made on the basis of contracts that were awarded by the Ministerial Tender Board on a sole sourcing basis on the grounds that either the contractor was the only firm that could provide the total package or that it could undertake the work immediately. Four ministerial approvals were granted between 3 and 10 October 2012 while the remaining three were granted on 2 January 2013. **It is evident that the awards were made in a piecemeal manner to circumvent the involvement of the NPTAB;**

(b) Two payments totalling \$1,089,008 were made on the basis of the award of three contracts executed by the Agency on the same day, i.e. 11 January 2013. **It is also evident that this was done to avoid ministerial and/or NPTAB involvement;**

(c) Another payment of \$599,882 was made on 19 March 2013 but it could not be determined on what basis the works were executed since no contract was seen; and

(d) Most of the payments were made on the basis of photocopied invoices and there was no documentary evidence of satisfactory completion of the works. Receipts were also not seen for four payments.

4.6.4 The Agency offered the following explanations in relation to the above observations: The campaign was an initiative approved by the Cabinet and the Ministry of Natural Resources and the Environment was tasked with its implementation jointly with the EPA. The Litter Unit and Compliance Division emanated from this initiative in 2013. During this time, support was provided to communities on a case-by-case basis, and the main focus of the programme was the public relations and increased awareness whilst the Litter Regulations were being prepared. As a result, support was provided to various communities and NGOs in their respective clean-up activities, e.g. World Environment Day, Coastal Zone Clean-up Day, North La Penitence, Merriman’s Mall, Berbice, Linden and Madhia. Numerous other places in and around the country saw these activities being supported in one form or other and this resulted in supplies being sourced for immediate use. It was not an effort to circumvent the NPTAB.

4.6.5 During the audit of the financial statements for 2014, the Audit Office expressed concern that the Agency entered into a contract dated 2 January 2015 for legal services but no amount was stipulated. Three amounts totalling \$7.2 million were paid for legal representation in Court and the preparation of originating summons and the application

for interim injunctions in six cases. It should be noted that the Agency has in its employ the services of a legal officer, and therefore it does not appear cost-effective to have two sets of legal services.

4.6.6 The Agency explained that the position of Legal Officer was mainly for providing interpretation and advice on legal matters and that the requirement for the position is an L.L.B. but not necessarily a lawyer admitted to the Bar. The Agency has started the process of review of the job description and remuneration to absorb all legal services into the role of the Legal Officer.

#### 4.7 **Asset management**

4.7.1 According to the draft financial statements for 2014, the gross book value of the Agency's fixed assets (inclusive of the Wildlife Division) amounted to \$116.459 million, comprising furniture and fixtures - \$13.543 million; office equipment - \$69.284 million; and motor vehicles - \$33.632 million. An examination of the list of assets in support of the above amounts indicates that some of the assets are old and are unserviceable. It is evident that a "clean-up" exercise is needed: (a) to identify those items the unserviceable items and to dispose of them via the established procedures; and (b) to ensure that a properly constituted assets register is introduced.

4.7.2 **I recommend that the Agency carry out a comprehensive inventory of its assets with a view to disposing of all unserviceable items and to have a properly constituted and updated assets register.**

4.7.3 The Agency indicated that it would ensure unserviceable assets are disposed of, and a better kept assets register is developed in the future. This requires an exercise that is very time-consuming and may be a separate project by itself outside normal working hours for which employees may have to be given an honorarium.

#### 4.8 **Human resources management**

4.8.1 The actual staffing as at 31 May 2015 was 97. However, this is not a reflection of the desired level of staffing. The Agency estimates an additional 165 officers are needed to fully and effectively discharge its mandate, as shown below:

<u>Division</u>	<u>Staffing as at 31 May 2015</u>	<u>Desired Staffing</u>	<u>Deficiency in Staffing</u>
Executive Director's office	2	5	3
Biodiversity Management	8	25	17
Environmental Management			
Compliance	27	90	63
Environmental Management			
Permitting	23	41	18
Education, Information & Training	7	17	10
Administration	30	65	35
Technical Services	-	19	19
<b>TOTAL</b>	<b>97</b>	<b>262</b>	<b>165</b>

- 4.8.2 The emoluments offered are not adequate to attract suitably qualified and trained personnel, as salary scales are similar to those of the traditional Public Service. For example, the position of legal officer attracts a salary of \$262,107 per month while the Finance Officer, who is a professionally qualified accountant, earns \$226,362 per month. In addition, although the Agency is semi-autonomous with its own legislation and a Board, there is an over-involvement by the Ministry of Natural Resources and the Environment in the operations of the EPA, especially in the area of recruitment.
- 4.8.3 The Agency responded by stating that the Ministry of Finance requires that the Public Service Ministry facilitate the final approval stages of recruitment which was previously handled by the Office of the President.
- 4.8.4 Although most of the officers are required to be in the field, they do not benefit from duty-free concessions to assist them to acquire their own vehicles. The Agency has a limited number of vehicles that can be used to undertake field trips. Given the age of these vehicles, operating and maintenance costs are very high.
- 4.8.5 In terms of retirement benefits, the EPA does not have a pension plan. As a result, staff members are recruited on a contractual basis at the same public service salary scales, and obtain a gratuity every six months. However, this can hardly be a substitute for a dedicated pension plan, whether contributory or non-contributory. Such a plan is likely to provide for a more settled organization in terms of staff recruitment and retention.

- 4.8.6 **I recommend that the Administration commission an urgent review of the staffing situation of the Agency, as well as the emoluments and other conditions of service offered, with a view to ensuring that the Agency is adequately staffed to effectively discharge its mandate. I also recommend that the Ministry cease getting involved in the management of the affairs of the Agency to enable the Board to function more effectively as the oversight body.**
- 4.8.7 During the audit of the financial statements of the Agency, the Audit Office raised the concern that the Director of the Environmental Management Compliance Division received a salary increase from \$300,999 to \$501,665 on the grounds that the job description for the position has been revised to provide for additional responsibilities. These relate to the Pick-it-up Guyana Campaign/Litter Enforcement Programme, Solid waste Management and Environmental Management Permitting. However, there was no evidence of the EPA Board's involvement in the decision. It should be noted that in accordance with the Second Schedule of the Environmental Protection Act, one of the functions of the Board is to "approve recommendations by the Executive Director on the organization of the Agency and the appointment of senior staff".
- 4.8.8 The Agency responded by referring to Section 6(3) of the Act which provides for the remuneration and other terms and conditions of appointment of a Director, including the Executive Director, to be determined by the President. On 3 September 2003, the Agency received a Cabinet memorandum instructing that all personnel management functions of the Office of the President be re-assigned to the Minister of Public Service. As such the matter was dealt with by the PSM and not the Board.

## 5. Acknowledgement

- 5.1 I wish to express my gratitude to the Executive Director and staff for the co-operation extended to me during the course of my review of the operations of the EPA.