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**28 September 2016**

**A Capacity Assessment Diagnostic of the Ministry of Business’s (MoB’s) Readiness to Execute GY-L1059**

**TABLE OF CONTENTS**

PAGES

**EXECUTIVE SUMMARY 1-3**

**INTRODUCTION & RATIONALE FOR DIAGNOSIS 4-5**

**METHODOLOGY 6**

**MoB General Assessment 7-28**

MoB – Central Government **7-12**

GNBS **13-18**

GO-Invest  **19-24**

**SUMMARY OF RISKS TO PROJECT EXECUTION 25-26**

**SUMMARY OF RECOMMENDATIONS 27-28**

**CONCLUSIONS & IMPLICATIONS FOR GY-L1059 29-31**

**APPENDICES 32-69**

APPENDIX 1A – GO-INVEST PROPOSED TERMS OF REFERENCE FOR COMPONENT 3 COORDINATOR **32-34**

APPENDIX 1B –PROPOSED TERMS OF REFERENCE FOR PROJECT ENGINEER UNDER COMPONENT 2 **35-39**

APPENDIX 2 – GOVERNMENT OF GUYANA JOB DESCRIPTIONS FOR FINANCIAL MANAGEMENT, PROCUREMENT AND MONITORING & EVALUATION **40-46**

APPENDIX 3A – EXCERPTS OF ISSUES FROM THE 2006 AND 2007 AUDIT OFFICE REPORTS ON THE GNBS **47-50**

APPENDIX 3B – AUDITOR GENERAL’S OPINION ON THE 2013 AUDIT OF THE GO-INVEST **51**

APPENDIX 4 – PROCESS MAPS FOR FIDUCIARY MANAGEMENT OF IDB FUNDS **52-53**

APPENDIX 5 – RESULTS OF ICAS APPLICATION TO MoB (GENERAL) **54-76**

**EXECUTIVE SUMMARY**

The Ministry of Business (MoB) will be executing the ***Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion*** (GY-L1059) project through its agencies and departments, namely the Guyana National Bureau of Standards (GNBS) and the Guyana Office for Investment (GO-Invest). GNBS will be benefitting under Components 1 and 2, and GO-Invest under Component 3. Project execution will be centralized within the Ministry of Business within a Project Executing Unit (PEU).

A major concern of the central ministry and the beneficiary entities is the sustainability of the capacity built through IDB-financed projects. In order to seek to structure a project that emphasizes both project results and sustainability of project management capacity, it is proposed that the structure for project execution include three coordinators responsible for each of the three components. These three coordinators would report to both the Project Coordinator for the PEU, who reports directly to the Permanent Secretary, and to the heads of the GNBS and GO-Invest, respectively. This ensures that GNBS and GO-Invest become more familiar with how IDB projects are executed while allowing for very regular updating on the status of each component. Appendix 1 presents a draft Terms of Reference for a Component Coordinator, as proposed by GO-Invest.

The purpose of this institutional capacity assessment is to ascertain the MoB’s ***readiness to execute*** the project on behalf of its two portfolio agencies as well as the capacity of the beneficiary entities with respect to five of the assessment indices. As such, the results of the Institutional Capacity Assessment System (ICAS)[[1]](#footnote-1) are a composite of the general capacity of the Ministry. The assessment identifies necessary capacity building that has to take place, especially at the GNBS, based on two reports of the Audit Office as well as responses on the ICAS. Given the central role of the GNBS in delivering a National Quality Infrastructure, the entity needs to be elevated to a level or stature that is commensurate with a modern Standards Bureau.

For this reason, assessment identifies the weaknesses of the respective institutions given their direct relationship to the risk levels but goes further to link these weaknesses to the outcome of sustainability. An Action Plan is provided on what key capacity building actions need to take place in each institution. Notwithstanding the deficiencies at the level of the general Ministry, the Ministry does possess institutional capacity or readiness to execute based on current systems and personnel in place as well as previous experience executing two IDB projects – one on Competitiveness and one for Small Business.

The findings are that the main entities that will deliver the results of this project have ***varying levels of readiness to execute***. The Ministry, at the general level, has satisfactory development and low associated risk in four of the seven ICAS modules: programming activities system; personnel management system; goods and services management system; and financial management system because of the high level of centralization and control exercised by the Ministry of Finance and the existence of laws and manuals that standardize fiduciary management across the Government of Guyana. Administrative Organization System exhibits a medium level of development and median level of risk. The two weakest areas for the Ministry are the internal and external control systems with an incipient level of development and associated substantial risk for implementation. This finding on internal and external controls is indicative of the lack of an internal audit function within the MoB, because it is seen as a small ministry. This is inconsistent with international internal audit standards. The MoB should have an internal audit unit and perform this function for its portfolio entities and should be the direct contact for the Audit Office. While the Ministry of Finance has a vested internal audit function, its role should not be primary internal auditor for the MoB. Its role should be to validate the internal audit function within the MoB. This is a major public financial management (PFM) reform that needs to take place.

The Permanent Secretary of the MoB is the Budgetary Authority as the accountable officer. The Permanent Secretary reports directly to the Minister of Business who provides the policy oversight for the Ministry, guided by the National Standards Council. Figure 1 presents the proposed loan execution arrangements to ensure that there is knowledge transfer and interface within the PEU and from the PEU to the MoB and its agencies. Importantly, the Financial Management, Procurement and Monitoring and Evaluation functions for the project are shadowed by the MoB’s own staff and there is a proposed “shared” service with respect to the M&E function.

**Figure 1. PROJECT EXECUTION ARRANGEMENT[[2]](#footnote-2)**

**BUDGET AUTHORITY POLICY & STRATEGY PROJECT EXECUTION**

**MINISTER OF BUSINESS**

National Standards Council

**PERMANENT SECRETARY (PS)**

**PROJECT STEERING COMMITTEE (PSC)**

GNBS & GO-Invest

Principal Assistant Secretary - Finance

**PROJECT EXECUTION UNIT (PEU)**

Program Coordinator

Comp Coordinator & Engineer

Comp Coordinator 3

Business Strategy & Policy Unit

***Monitoring & Evaluation Specialist***

Procurement Officer/

Assistant Secretary (General)

Fin Mgmt Specialist

Procurement Specialist

Note: The Project Steering Committee (PSC) consists of a minimum of eleven (11) members, including the Permanent Secretary, MoB, who is the Chair and her alternate the Deputy Permanent Secretary. The PSC includes one (1) representative each from:

* The PEU, specifically the Program Coordinator
* National Standards Council
* Guyana National Bureau of Standards
* GO-Invest
* Ministries of Finance, Health & Agriculture
* University of Guyana
* The Private Sector

**INTRODUCTION & RATIONALE FOR DIAGNOSIS**

The Government of Guyana, through the MoB seeks to support growth and diversification in non-traditional sectors. It is recognized, however, that access to the international export market is contingent on the quality of the products being offered. In order for Guyana to tap into and leverage these new industries, its standards have to be on par with its global competitors. To this end, there is need to modernize the National Quality Infrastructure The project, entitled ***Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion*** (GY-L1059) through financing of US$9 million.

GY-L1059 represents an opportunity for the Government to build the institutional capacity within the main agencies responsible for national standards and to support further diversification of the. GNBS and GO-Invest represent complementary elements of the strategy for growth and diversification. GO-Invest supports the strategy to grow both exports and investment while GNBS is focused on enhancing existing standards and quality infrastructure as well as securing a physical location to centralize these essential services, similar to a one-stop shop concept, as well as leverage these synergies among the related entities.

The Ministry of Business (MoB) will create a Project Execution Unit (PEU) that will execute component I, II and III. Components I and II are driven by the Guyana Bureau of National Standards (GNBS). Component I seeks to modernize the institutional framework for the national quality infrastructure (NQI) through accreditation, training and capacity building and public sensitization, among other things. Component II is dedicated to securing a location to “house metrology, testing, chemistry and microbiology, and legal metrology, the required equipment for the adequate functioning of the GNBS as well as specific support to the main laboratories related to the export/import processes under the Ministries of Agriculture and Health”[[3]](#footnote-3) and would require a project engineer in this capacity. Component III aims to assist GO-Invest to develop a National Export and Investment Strategy, including the mapping of major value chains and the leveraging of those industries that will benefit directly from the enhanced NQI in Guyana.

GY-L1059 has three specific project outcomes against which its progress, and eventual success will be measured. These are:

1. enhanced capacity of the NQI – mainly but not limited to the GNBS;
2. improved facilities for the NQI, including extension services that are critical components of a NQI; and
3. enhanced capacity and capability to deliver increased non-traditional exports and investment promotion, as measured by greater foreign direct investment.

Below is a break-down of how the main entities are expected to contribute to the project during its life cycle.

|  |  |  |
| --- | --- | --- |
| **EX ANTE** | | |
| ***Project Preparation*** | ***Project Appraisal*** | ***Project Approval*** |
| MoB  GNBS  GO-Invest  IDB | IDB  MoF | IDB  MoF |
| **PROJECT LIFE** | | |
| ***Execution*** | ***Implementation*** | ***Oversight*** |
| PEU at MoB | GNBS | **Project Steering Committee (PSC)**  Representation includes:  Public sector  Private sector  Academia |
| GO-Invest |
| **EX POST** | | |
| ***Impact Evaluation*** | ***Sustainability of Outcomes*** | |
| Planning | Programming |
| IDB | MoB  GNBS  GO-Invest | MoB  GNBS  GO-Invest |

Neither the GNBS nor GO-Invest has ever executed a project on its own behalf so neither has resident capacity to execute though the two entities are the prime beneficiaries of the project inputs and directly responsible for project outcomes. The ICAS, therefore, gives a Ministry view, but the Programming Activities and Administrative Organization Systems were administered only to MoB while the remaining modules were administered to the three entities – central ministry and portfolio agencies.

**METHODOLOGY**

The methodology entails identifying the roles and responsibilities of the primary stakeholders in the execution of GY-L1059. Three primary stakeholders were identified: MoB, GNBS and GO-Invest. Incidental but critical secondary stakeholders are the MoF and the Audit Office.

The intent is to ascertain the capacity that each entity has to execute as well as how the supporting entities impact execution capacity.

The following are the three main planks of the methodology:

1. desk reviews of previous project reports on an IDB project executed by the MoB, MoB’s structure and mandate, including key civil service job descriptions[[4]](#footnote-4), various project execution structures under IDB projects, public financial management legislation including the Financial Administration and Audit Act, the Procurement and Audit Acts as well as audit reports on the GNBS.
2. The ICAS identifies the levels of development and risk classification of the Ministry – MoB (central government) GNBS and GO-Invest.
3. Interviews with strategic stakeholders in all three institutions facilitate validation of the desk review and the ICAS. The desk review helps to establish the existing capacities and deficiencies when triangulated with the consultations and the ICAS, as well as the risks to project execution that need to be mitigated.

The three approaches are complementary because, combined, these allow for an articulation of the fiduciary capacity with respect to the process flows for payments, procurement and records management.

The desk reviews, consultations and ICAS are mutually reinforcing in terms of capacity to execute and identification of capacity assets and gaps (risks). Each major stakeholder’s capacity assets are identified as well as capacity gaps. Risks and accompanying recommendations arising from the capacity gaps are outlined. The implications for the project are clearly stated. Readiness to execute is treated as a composite of the capacities of the three main stakeholders as well as individual capacities. The risks related to each stakeholder are identified and ranked separately, as well as in a composite form. The results of the ICAS are presented in Appendix 5 in detail.

**MoB General Assessment**

1. **MoB – Central Government Assessment**

The Ministry of Business is a newly created Ministry. It was formerly the Ministry of Tourism. The Ministry of Business

The Ministry of Business is strategically placed to drive policy that will shape Guyana’s future economic growth by providing key inputs – human, financial and technological – into transforming the business sector into a competitive and resilient sector. The intended outcomes are increased revenue, jobs and growth from increased investments and exports.

Capacity Assets

Capacity assets refers to the attributes, both tangible and intangible that the entity possesses that can positively influence the outcomes of the project.

The MoB has a number of capacity assets, namely:

1. Previous experience as a PEU for an IDB project and the current Small Business project.
2. Competent staff who comply with the relevant laws, regulations and guidelines provided for the public sector and public financial management.
3. Procurement at the MoB is centralized and though there is no Procurement Plan, per se, the Budget is structured to be a quasi-Procurement Plan.
4. Almost a full staff complement with the exception of the Business Strategy and Policy Unit.

Capacity Gaps

Capacity gaps refers to limited possession or absence of certain attributes, both tangible and intangible, that the entity requires to positively influence the outcomes of the project and which can be addressed through various interventions or strategies.

1. There is a weakness in planning as the planning function is seen to be a MoF function.
2. There is no Organizational Manual and the organizational diagram has not been updated to incorporate the tourism portfolio which is now back with the MoB. Similarly, the MoB’s Strategic Plan needs to be completed.
3. Procurement of insurance for the MoB does not appear to be practiced or is not handled by the Ministry. Additionally, there is no content insurance and knowledge of the existence of insurance policies seem limited to situations such as floor or fire but no specifics were provided.
4. No integration or knowledge transfer between the PEU for IDB projects and the MoB.
5. There is need for a M&E Coordinator who can also provide support for GY-L1059. The position has been placed on the establishment and needs to be filled.
6. There is no internal audit function at the MoB and no capacity to be the internal auditor for its portfolio entities.

ICAS PROFILE

MoB has demonstrated:

1. satisfactory development and low risk with respect to the programming activities system
2. median development and median risk with respect to the administrative organization system
3. satisfactory development and low risk with respect to the personnel management system;
4. satisfactory development and low risk with respect to its goods and services management system;
5. satisfactory development and low risk with respect to its financial management system;
6. incipient development and substantial risk with respect to its internal control system; and
7. incipient development and substantial risk with respect to its external control system, as represented by the Audit Office staff responsible for MoB audits.

GNBS has no current personnel who have experience working with IDB projects. This is because once a project is completed, the project staff leave. There is no incentive to remain with the Ministry due to non-competitive civil service salary scales.

Fiduciary management is relatively strong because of centralization at MoF which plays an internal audit and monitoring role for the public sector. While there is no Procurement Officer, there is staff dedicated to that function – the Assistant Secretary (General). The following are areas of weakness on the instrument that present risks that need to be mitigated, urgently. The significant weaknesses are related to internal and external control and part of this weakness is a feature of the Government of Guyana – small ministries normally do not have the internal audit function on the establishment.

The following are areas of weakness on the instrument that present risks that need to be mitigated.

1. The weakness in planning which may impact the completion of the Strategic Plan and inform an Organizational Manual and an updated organizational diagram.
2. MoB needs a dedicated Procurement Officer since the position is on the establishment, as well as the Monitoring and Evaluation Coordinator.
3. There is need to ensure that the execution structure facilitates knowledge transfer at the MoB to help achieve the sustainability and project execution capacity that is desired as an added benefit of GY-L1059.
4. The internal audit function needs to be placed on the establishment at the MoB so that it can also audit its portfolio entities.

The issues will not impact on the execution of the loan since there will be a separate PEU installed at the MoB. Notwithstanding, there is need to ensure that the knowledge transfer occurs so that future assessments do not demonstrate how, operationally, the PEUs are almost *in silos* from the central ministry with the central ministry having no intimate knowledge of the operations of the PEU.

Below are the ICAS results for MoB only.



**SUMMARY OF MoB CAPACITY TO EXECUTE & RISK IDENTIFICATION**

Capacity to Execute

MoB has demonstrated capacity to execute. Fiduciary management which is a critical aspect of project execution is strong and poses low to negligible risk.

Risk Identification

There are some risks to project implementation. The following risks and risks profiles (high, medium and/or low) indicate the level of urgency that should be accorded, respectively.

1. Human resources/capital (**HR**)
   * There is a weakness in planning as the planning function is seen to be a MoF function.
   * There is no Organizational Manual and the organizational diagram has not been updated to incorporate the tourism portfolio which is now back with the MoB. Similarly, the MoB’s Strategic Plan needs to be completed.
   * MoB needs a dedicated Procurement Officer since the position is on the establishment, as well as the Monitoring and Evaluation Coordinator and a dedicated internal audit position on the establishment. The M&E Coordinator position has been placed on the establishment and needs to be filled; this person can also provide support for GY-L1059. The MoB needs to build capacity to be the internal auditor for its portfolio entities.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (**HR**)
   * There is no integration or knowledge transfer between the PEU for IDB projects and the MoB.
   * There is need to ensure that the execution structure facilitates knowledge transfer at the MoB to help achieve the sustainability and project execution capacity that is desired as an added benefit of GY-L1059.
3. Political dynamics and change of Government (**MR**)
   * The GNBS was formerly under the portfolio of the Ministry of Tourism. With the change in administration/ government, it is now under the Ministry of Business – a newly created ministry.

Recommendations

There is need to address the challenges and deficiencies within MoB.

Priority actions include:

1. Development of a technical assistance capacity-building program to facilitate the outcome of a robust planning capacity and internal audit function.
2. Identifying staff with requisite capacity and competence to shadow the project financial management and procurement functions, and provide monitoring and evaluation support for the project, so as to build both capacity and contribute to sustainability thereafter.

**Figure 2 – MoB High-Level Organizational Chart**

*Personal Assistant*

**Business Strategy & Policy**

**General Administration**

**Registry**

**Accounts Department**

**Personnel Department**

**Small Business**

**Bureau (SBB)**

**GO-Invest**

**Guyana National Bureau of Standards (GNBS)**

**National Exhibition**

**Centre (NEC)**

**Department of**

**Consumer Affairs**

**Department of**

**Industry**

**Department of**

**Commerce**

**Deputy Permanent Secretary**

*Confidential Secretaries*

*Confidential Secretary*

**Permanent Secretary**

**Minister**

Key:  Departments Statutory bodies  Central government administration  Support staff

1. **GNBS**

GNBS is a state agency falling under the Ministry of Business. As a state agency, the GNBS has its own Act (GNBS Act 11 of 1984) which created the entity as well as prescribes how it should operate, in addition to other Government regulations. GNBS has the legal status of a statutory corporation and is governed by a National Standards Council appointed by the relevant minister to advise both the GNBS and the Minister.

GNBS is mandated to promote standards and quality in Guyana through inspection and verification, standards development, training services and certification/calibration. As a statutory body, the GNBS is funded from the Consolidated Fund through subventions from its current parent ministry, the Ministry of Business.

Section 37 of the GNBS Act 11 of 1984 states how accounts and audit are to be treated with. In particular, section 37(2) states that:

*The Council shall keep proper accounts and other records in respect of its operations and the accounts shall be audited annually by an auditor appointed by the Council with the approval of the Minister*.

The Council to appoint the auditor is the National Standards Council. It is not clear that this practice has been followed by the Council. It appears that section 37(3) is used as the fall back option:

*All books of Account kept by the Council shall be subject to examination and audit at any time by the Auditor General.*

Appendix 3 provides excerpts of the Auditor General’s opinion on the 2006 and 2007 audits[[5]](#footnote-5). Both opinions were qualified, for similar reasons and in the instances where management was non-responsive to the Auditor General’s recommendations, these were cited. It is clear from the issues highlighted that there is a capacity issue. It is also clear that having an independent audit would have assisted in reducing the number of issues that the Auditor General had to highlight.

Capacity Assets

GNBS has a number of positively reinforcing capacity assets that can enhance the components of the project that it will be executing.

1. GNBS was created by statute – the GNBS Act 11 of 1984.
2. GNBS has a National Standards Council that oversees its operations.
3. GNBS is a state board/ body corporate that, if it had experience or capacity, could directly interface with the IDB without having to go through the Treasury. This would expedite execution by reducing the time it would take for centralized payments using the IFMAS.
4. GNBS is a regulator negotiating both the public and private domain to provide national quality infrastructure.
5. GNBS has an account for its subventions and another for resources not received from the Consolidated Fund.
6. GNBS has a relatively high level of staff stability; the majority of staff have been employed to the entity for at least ten years.

Capacity Gaps

1. GNBS has weak financial management capacity as there is no clear separation of budgeting, accounting, treasury and internal control functions.
2. GNBS uses physical cheques and it not using an electronic payment system.
3. GNBS has no integrated financial management system – whether budgeting or accounting software. This function is carried out using Microsoft Excel.
4. GNBS does not prepare procurement plans; the budget is the de facto procurement plan and procurement of capital goods that go through the Tender Board is treated in accordance with laws and regulations but for routine/operational procurement, the same quality control is not applied. Additionally, procurement is very fragmented with Accounts doing non-technical procurement and other departments undertaking their own procurement. Procurement is not centralized within the GNBS.

The following are the ICAS results specific to GNBS’s Personnel Management (PMS), Goods and Services Management (GSMS), Financial Management System (FMS), Internal Control (ICS) and External Control (ECS) systems.

GNBS has demonstrated:

1. satisfactory development and low risk with respect to the personnel management system;
2. incipient development and substantial risk with respect to its goods and services management system;
3. incipient development and substantial risk with respect to its financial management system;
4. incipient development and substantial risk with respect to its internal control system; and
5. incipient development and substantial risk with respect to its external control system, as represented by the Audit Office staff responsible for MoB audits.

GNBS has no personnel who have qualifications and experience working with IDB projects. There is a fiduciary risk with regard to goods and services management, financial management and internal and external controls as the Accountant is undertaking a multiplicity of functions that require degrees of separation or independence. The weaknesses of internal and external control, while demonstrating some responsiveness reflect a lack of capacity on the part of the responsible officer – in the case the Accountant and, perhaps, a lack of will on the part of management to implement corrective actions. Given the role of the National Standards Council, it is not clear why this entity did not mandate corrective action. Similarly, because the responsible portfolio ministry has no internal audit function, the oversight for these issues is far from robust. Though the reports are lay in Parliament, lack of scrutiny by civil society, including the media, possibly contributes to the complacence and the incipient level of development.

The following are areas of weakness on the instrument that present risks that need to be mitigated, urgently.

1. The procurement function at the GNBS needs to b centralized and separated from Accounts to provide independence in aid of improved internal control.
2. GNBS needs to procure an integrated financial management system that has functional budgeting and accounting modules and needs to ensure staff is trained in the use of the system and uses the system. A value for money audit could be undertaken within a year of purchase and the National Standards Council needs to be more vigilant in this regard.
3. GNBS has no Procedures Manual with respect to financial management and because it is not central government, it has not been exposed to IFMAS and the training provided to central government, despite the MoB advocating that the MoF extend this beyond central government.
4. GNBS needs to, according to its statute, hire an independent private auditor annually.
5. The internal audit function needs to be placed on the establishment at the MoB.

The issues that arose are inconsequential for the execution of the loan since MoB is executing but make a strong case for why MoB centralized execution is optimal and also why this entity needs urgent capacity building.

Below are the ICAS results for GNBS with centralization of programming activities (PAS) and administrative organization system (AOS) for which the MoB as executor is responsible.



**SUMMARY OF GNBS CAPACITY TO EXECUTE & RISK IDENTIFICATION**

Capacity to Execute

GNBS has ***not*** demonstrated capacity to execute. Fiduciary management which is a critical aspect of project execution is very weak and poses substantial risk.

Risk Identification

There are risks to project implementation that can only be captured through consultation with the main stakeholders. The following risks and risks profiles (high, medium and low) indicate the level of urgency that should be accorded, respectively.

1. Human resources/capital (**HR**)
   * There is need for financial management capacity and outsourcing of the independent internal audit function, consistent with the GNBS Act 11 of 1984.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (**HR**)
3. Political dynamics and change of Government (**MR**)
   * The GNBS was formerly under the portfolio of the Ministry of Tourism. With the change in administration/ government, it is now under the Ministry of Business – a newly created ministry.
4. Legislative autonomy exists and there is always scope to amend an act to even take on mandates or roles related to the execution of projects, if necessary (**LR**)

Recommendations

There is urgent need to address the challenges and deficiencies within GNBS.

Priority actions include:

1. Development of a technical assistance program around an organizational review of the GNBS including necessary capacity building in areas identified including moving this statutory body to a greater emphasis on efficiency, accountability and transparency and the implementation of IT systems that facilitate these outcomes
2. Identifying a staff with requisite capacity and competence to be seconded as Component Coordinator to ensure linkages of the GNBS to project execution to build both capacity and contribute to sustainability thereafter.
3. Equip the GNBS to operate (business continuity considerations) regardless of a change of portfolio ministry by providing greater authority in its Act.
4. Contribute to the Government of Guyana’s strategic mission to build project execution capacity within the civil service by contributing to the development of a community of practitioners over the medium to long term through sustained technical assistance and training in financial management, procurement and audit.

**GOINVEST**

The Guyana Office for Investment (GO-Invest) is the state body mandated with contributing to Guyana’s economic development by promoting and facilitating local and foreign private-sector investment and exports in accordance with the country’s approved investment and export strategies. It is for this reason that the National Export and Investment Strategy under Component 3 of the loan is so critical. The component seeks to build necessary capacity and provide specialized technical assistance in identified areas to support GO-Invest in fulfilling its mission statement.

GO-Invest has focused on traditional sectors such as: agriculture/agro-processing, energy, forestry, mining and manufacturing but has also increasingly bee targets areas where there is less development such as information and communications technology (ICT), services and tourism. GO-Invest serves as an interlocutor between the sector and potential investors as well as the export market is the point of contact with missions abroad. GY-L1059 is supportive of the policy stance to diversify and tap into new markets and the emphasis on the NQI facilitates the necessary reputational branding that GO-Invest will have to promote locally and internationally.

GO-Invest is the first point of contact for investors and provides information on its website that alerts potential investors to the policy, legislative and regulatory climate for investment by providing the main laws that impact on investment, from a sectorial perspective to fiscal (including tax implications) and labour and employment legislation. Most importantly, the country markets itself as ready to do business but in a matter that is transparent. The Anti-Money Laundering legislation is the first item under the list of legislation[[6]](#footnote-6) that is relevant for potential investors.

Capacity Assets

1. A very active and proactive Board that provides strategic leadership.
2. An executive with both civil service and international experience who can mediate the local context and the need to institutionalize more modern systems and techniques to transition to the global stage.
3. GO-Invest has greater autonomy with hiring and other human resource matters.
4. Despite deficiencies in financial management and internal controls, GO-Invest has competent technical staff.
5. GO-Invest’s Executive is visionary and would even like for the entity to implement accrual accounting in keeping with the practice of public bodies internationally.
6. GO-Invest wants to ensure that it is operationally linked to the PEU in order to facilitate knowledge transfer and better integrate the PEU and the beneficiary entities.
7. GO-Invest has already drafted a Terms of Reference for its Component Coordinator (component 3).

Capacity Gaps

1. There is an Administrative Manager but no Human Resources manager which is a deficiency in an organization tasked with delivering a National Export and Investment Strategy. There is need for the required expertise to recruit the right persons to facilitate this process.
2. There is staff undertaking financial management for GO-Invest but these individuals, admittedly, do not have the requisite training and expertise.
3. The procurement function is not consolidated and the staff undertaking these activities have not received training and are not qualified to undertake procurement.
4. Existing fire insurance is for the capital goods and the employees but does not cover the other contents of the building where GO-Invest is headquartered.
5. Although GO-Invest has the Quikbooks software, it is not being used by staff as they are not competent in its use; Microsoft Excel is being used instead so there is no automated and integrated financial management system in use.
6. There is weak internal control and no independent internal audits conducted; in addition, the staff providing these services have not practiced separation of functions.

ICAS PROFILE

The following are the ICAS results specific to GO-Invest’s Personnel Management (PMS), Goods and Services Management (GSMS), Financial Management System (FMS), Internal Control (ICS) and External Control (ECS) systems.

GO-Invest has demonstrated:

1. satisfactory development and low risk with respect to the personnel management system;
2. median development and median level risk with respect to its goods and services management system;
3. median development and median level risk with respect to its financial management system;
4. incipient development and substantial risk with respect to its internal control system; and
5. incipient development and substantial risk with respect to its external control system, as represented by the Audit Office staff responsible for MoB audits.

GO-Invest has no personnel who have qualifications and experience working with IDB projects. There is a fiduciary risk with regard to goods and services management and financial management despite the risk level being lower than internal and external controls. GO-Invest needs to build all of these capacities. As no Audit Report for GO-Invest was provided, it is not possible to validate the ICAS results using the Audit Reports from the Audit Office.

The following are areas of weakness on the instrument that present risks that need to be mitigated, urgently.

1. GO-Invest needs a strong HR Manager given its mandate and future Work Plan, including the National Export and Investment Strategy.
2. The procurement function at GO-Invest needs to be centralized and separated from Accounts to provide independence in aid of improved internal control.
3. GO-Invest needs to procure an integrated financial management system that has functional budgeting and accounting modules and needs to ensure staff is trained in the use of the system and uses the system. It is not value for money to have a license for QuickBooks but not use it. It is a waste of public resources.
4. GO-Invest should pursue accrual accounting within the MoF but it has to first establish capacity in cash accounting before graduating to accrual accounting.
5. GO-Invest needs to consult with its Board re enhancing its internal controls and establish the practice of annual independent external audits, prior to the Auditor General’s audit, that it pays for.
6. The internal audit function needs to be placed on the establishment at the MoB to support its portfolio agencies.

The issues that arose are inconsequential for the execution of the loan since MoB is executing and the proposed structure includes component coordinators. The results, again, make a strong case for why MoB centralized execution is optimal but it is obvious that GO-Invest has some capacity to execute as it has median level development and median level risk with respect to goods and services management and financial management in contrast to GNBS. There are, therefore, varying levels of development, capacity and risk within the Ministry of Business.

Below are the ICAS results for GO-Invest. Similar to GNBS, there is centralization of programming activities (PAS) and administrative organization system (AOS) for which the MoB as executor is responsible.



**SUMMARY OF GO-INVEST CAPACITY TO EXECUTE & RISK IDENTIFICATION**

Capacity to Execute

GO-Invest has ***some*** capacity to execute because its leadership has experience and could provide the necessary oversight. The project however requires operational expertise as opposed to just strategic oversight expertise. Fiduciary management is not strong and poses median-level risk.

Risk Identification

The following risks and risks profiles (high, medium and low) indicate the level of urgency that should be accorded, respectively.

1. Human resources/capital (**HR**)
   * There is need for financial management capacity, especially accounting and procurement, and the outsourcing of the independent internal audit function.
   * There is need to think strategically of what is required to deliver the National Export and Investment Strategy and what skill sets may be needed by the team to improve the prospects of delivering a quality output within the required timelines. A strong HR Manager is key.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (HR)
3. An integrated financial management system that can facilitate cash accounting and make the transition to the accrual accounting envisioned for public bodies (MR)

Recommendations

There is urgent need to address a few challenges and deficiencies within GO-Invest.

Priority actions include:

1. An organizational review of GO-Invest mandate and present strategic plan and a mapping of the competencies required vis-à-vis the existing skill sets. This gap analysis would determine the HR strategy going forward.
2. Identifying a staff with requisite capacity and competence to be seconded as Component Coordinator to ensure linkages of GO-Invest to project execution to build both capacity and contribute to sustainability thereafter.
3. Conduct an IT audit in order to map the systems that are needed to make the transition that GO-Invest will be making. This should occur parallel with the organizational review as it will be an input as to the competencies required to implement new, more efficient and accountable systems.
4. Contribute to the Government of Guyana’s strategic mission to build project execution capacity within the civil service by contributing to the development of a community of practitioners over the medium to long term through sustained technical assistance and training in financial management, procurement and audit.

**SUMMARY OF RISKS TO PROJECT EXECUTION**

MoB Risk Identification

1. Human resources/capital (**HR**)
   * There is a weakness in planning as the planning function is seen to be a MoF function.
   * There is no Organizational Manual and the organizational diagram has not been updated to incorporate the tourism portfolio which is now back with the MoB. Similarly, the MoB’s Strategic Plan needs to be completed.
   * MoB needs a dedicated Procurement Officer since the position is on the establishment, as well as the Monitoring and Evaluation Coordinator and a dedicated internal audit position on the establishment. The M&E Coordinator position has been placed on the establishment and needs to be filled; this person can also provide support for GY-L1059. The MoB needs to build capacity to be the internal auditor for its portfolio entities.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (**HR**)
   * There is no integration or knowledge transfer between the PEU for IDB projects and the MoB.
   * There is need to ensure that the execution structure facilitates knowledge transfer at the MoB to help achieve the sustainability and project execution capacity that is desired as an added benefit of GY-L1059.
3. Political dynamics and change of Government (**MR**)
   * The GNBS was formerly under the portfolio of the Ministry of Tourism. With the change in administration/ government, it is now under the Ministry of Business – a newly created ministry.

GNBS Risk Identification

1. Human resources/capital (**HR**)
   * There is need for financial management capacity and outsourcing of the independent internal audit function, consistent with the GNBS Act 11 of 1984.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (**HR**)
3. Political dynamics and change of Government (**MR**)
   * The GNBS was formerly under the portfolio of the Ministry of Tourism. With the change in administration/ government, it is now under the Ministry of Business – a newly created ministry.
4. Legislative autonomy exists and there is always scope to amend an act to even take on mandates or roles related to the execution of projects, if necessary (**LR**)

GO-Invest Risk Identification

1. Human resources/capital (**HR**)
   1. There is need for financial management capacity, especially accounting and procurement, and the outsourcing of the independent internal audit function.
   2. There is need to think strategically of what is required to deliver the National Export and Investment Strategy and what skill sets may be needed by the team to improve the prospects of delivering a quality output within the required timelines. A strong HR Manager is key.
2. Sustainability of project outcomes vis-à-vis contract expiry for project staff linked to non-competitive civil service salary scales which cannot retain human resource capacity post-project (**HR**)
3. An integrated financial management system that can facilitate cash accounting and make the transition to the accrual accounting envisioned for public bodies (**MR**)

The main and common risks are related to human resource development and management (**HR**) – building fiduciary management capacity – as well as sustainability of both policy and project implementation outcomes (**HR**) in aid of a competent cadre of public servants who can internalize project execution without having to outsource or contract as the first resort.

**SUMMARY OF RECOMMENDATIONS**

MoB-Specific Recommendations

The main recommendations for MoB are detailed below and are organization and project-specific.

1. Development of a technical assistance capacity-building program to facilitate the outcome of a robust planning capacity and internal audit function.
2. Identifying staff with requisite capacity and competence to shadow the project financial management and procurement functions, and provide monitoring and evaluation support for the project, so as to build both capacity and contribute to sustainability thereafter.

GNBS-Specific Recommendations

These recommendations are organization-specific but also related to project outcomes.

1. Develop a technical assistance program around an organizational review of the GNBS including necessary capacity building in areas identified including moving this statutory body to a greater emphasis on efficiency, accountability and transparency and the implementation of IT systems that facilitate these outcomes
2. Identify staff with requisite capacity and competence to be seconded as Component Coordinator to ensure linkages of the GNBS to project execution to build both capacity and contribute to sustainability thereafter.
3. Equip the GNBS to operate (business continuity considerations) regardless of a change of portfolio ministry by providing greater authority in its Act.
4. Contribute to the Government of Guyana’s strategic mission to build project execution capacity within the civil service by contributing to the development of a community of practitioners over the medium to long term through sustained technical assistance and training in financial management, procurement and audit.

GO-Invest Recommendations

These recommendations are both project and organization-specific.

Priority actions include:

1. An organizational review of GO-Invest mandate and present strategic plan and a mapping of the competencies required vis-à-vis the existing skill sets. This gap analysis would determine the HR strategy going forward.
2. Identifying a staff with requisite capacity and competence to be seconded as Component Coordinator to ensure linkages of GO-Invest to project execution to build both capacity and contribute to sustainability thereafter.
3. Conduct an IT audit in order to map the systems that are needed to make the transition that GO-Invest will be making. This should occur parallel with the organizational review as it will be an input as to the competencies required to implement new, more efficient and accountable systems.
4. Contribute to the Government of Guyana’s strategic mission to build project execution capacity within the civil service by contributing to the development of a community of practitioners over the medium to long term through sustained technical assistance and training in financial management, procurement and audit.

**CONCLUSIONS & IMPLICATIONS FOR GY-L1059**

MoB is best placed to execute based on previous executing experience, the ICAS results and the fact that it is bound by certain central government stipulations that require both compliance and conformity. GO-Invest had better capacity than GNBS but only in goods and services management and financial management, which are distinguishing characteristics for project execution. In recognition of the need for sustainability and capacity in project execution, the proposed structure seeks to bring in new persons with capacity to the PEU but use the strategy of secondment from the MoB, GNBS and GO-Invest to build some capacity and ensure that there are linkages among the entities at the operational level and not just at the level of the Project Steering Committee.

If the MoB is able to use its M&E Coordinator or Specialist to monitor at the general level of the ministry and at the granular level of the project, the capacity will be institutionalized. This concept of ***shared services*** would be a test case but, along with secondment, would address the concerns of the Government of Guyana with respect to capacity building in project execution within the public service, as well as sustainability.

The methodology in applying the ICAS was to apply the instruments based on where capacities existed or had been demonstrated. As such, the PAS and AOS were applied specifically to MoB and the remaining modules to all three entities. The results show that the strongest area of fiduciary management is in public financial management related to personnel management (**95.24**%), followed by procurement (**90.91**%) and financial management (**90.32**%) inclusive of budgeting and accounting. The weakest areas were internal and external controls, exhibiting incipient development and substantial risk (**60.00**% and **50.00**%, respectively). These weak results were for all three entities.

The MoB’s strength bolstered the overall results due to Public Service Regulations on personnel management and various PFM laws including in financial administration and procurement. In terms of ranking, the following is the relative strength of each area relative to the others.

|  |  |  |  |
| --- | --- | --- | --- |
| **ICAS INSTRUMENTS/SYSTEMS** | **RANKING** |  | **ENTITY** |
| Personnel Management System (PMS) | 1 |  | MoB Only |
| Goods and Services Management System (GSMS) | 2 |  | MoB – General[[7]](#footnote-7) |
| Financial Management System (FMS) | 3 |  | MoB – General |
| Programming Activities System (PAS) | 4 |  | MoB – General |
| Administrative Organization System (AOS) | 5 |  | MoB Only |
| External Control System (ECS) | 6 |  | MoB – General |
| Internal Control System (ICS) | 7 |  | MoB – General |



The control environment was the weakest area of the assessment. Whereas in the central ministry, there are specific provisions that have to be adhered to, the environment is less strict in the state agencies – GNBS and GO-Invest. They are also required to be compliant with the Procurement Law but in the absence of clear regulations on internal controls, it is not surprising that the financial management and procurement functions are blurred, which is a clear breach of internal audit standards. In both entities, the Accountant is playing the role of accountant, procurer and auditor. These weaknesses, especially at GNBS suggest that there will be need for specialized support to increase transparency within the organization given that as the regulator of the NQI, the entity would be expected to operate at the highest standards and be above scrutiny. The Audit Office’s reports on the GNBS have pointed to these capacity issues which are consistent with the recognition that staff is not necessarily qualified to carry out these functions at the GNBS due to lack of training or expertise in the respective areas.

For the aforementioned reasons, the PEU is best placed within the MoB but there is need for knowledge transfer to help the beneficiary entities raise their standards as far as programme management and project execution to ensure sustainability and improvements in the control environment.

The MoB is ready to execute but its portfolio entities, especially GNBS, require support that was not identified under Components I or II of the Proposal for Operations Development (POD). This support to enhance efficiencies and build requisite capacity will not only enhance the entity’s propensity to deliver the project within the five-year period but also successor projects that will continue to upgrade GNBS’s capacity to bolster the national economy’s presence on the international market as well as the reputation of Guyana’s exports. GO-Invest needs support for Human Resource capacity-building to ensure that the machinery is in place to deliver the best human resources to contribute to the outcomes expected under Component 3 of the project.

**APPENDIX 1A –**

**GO-INVEST PROPOSED TERMS OF REFERENCE FOR COMPONENT 3 COORDINATOR**

**TERMS OF REFERENCE FOR COMPONENT COORDINATOR[[8]](#footnote-8)**

**Background**

The Government of Guyana (GOG) is working closely with the Inter-American Development Bank to Enhance the National Quality Infrastructure (NQI) for Economic Diversification and Trade Promotion in order to attract Foreign Direct Investment (FDI); promote exports and greater access to new markets and products.

A NQI is the ecosystem that supports the development, adoption and compliance of standards to promote quality products. Exports and FDI potential of Guyana are not seized due to a lack of strategy, institutionalization and action plan to connect the local economy to FDI opportunities and global and regional value chains and markets. As such, there is the need to strengthen Trade and Investment Institutions and Reinforce Export and Investment Strategies.

**Objective of the Consultancy**

The Component Coordinator (CC), under the supervision and guidance of the IDB and GO-Invest, will be responsible for the co-ordination of the project and production of the outputs/products, reporting directly to the Chief Executive Officer (CEO) of GO-Invest and presenting these outputs/products to the CEO and copy to the GO-Invest Project Steering Committee (PSC).

**Scope of Services/Main Activities**

The CC will have the following key responsibilities:

* Prepares annual work plan and budget in collaboration with the implementing and executing agencies, and present the to the CEO of GO-Invest and the Steering Committee
* Provides day-to-day direction d provides inputs into project planning and implementation processes;
* Advises the CEO on project implementation, including any modification or refinement to the achieve the project’s goals;
* Conducts field visits, as required, to assist in the verification of project outputs;
* Prepares all required reports and other outputs and ensures their timely delivery
* Liaises among the IDB, GO-Invest, Coordinating Secretariat and other relevant national partner agencies and stakeholders;
* Develops the agenda for the GO-Invest Steering Committee meetings, prepares all technical background documentation in consultation with other partners;
* Acts as Technical Secretary for internal Steering Committee meetings;
* Organizes and facilitates component evaluation exercises;
* Undertakes any other activity that may be necessary for the effective management of the component; and
* Advises potential value chains and specific sectors for closer examination under the Project.

**Deliverables**

The Consultant will submit monthly performance reports to show satisfactory fulfilment of activities and results per this terms of reference.

* Coordination of day-to-day project activities;
* Timely execution of the project components and activities;
* Consolidation of project reports, including technical, environmental and financial progress reports;
* Ensuring component quality assurance and quality control (QA/QC);
* Develop and establish a network for Communications/coordination with the IDB and Project Executing Unit, Executing Agencies;
* Develop SOP for monitoring and evaluation (M&E) requirements;
* Mid-Term and Terminal Evaluation Reports;
* Completed Activity Plans;
* Completed Project Action Plan;
* Development of Terms of References for various consultants as required under the Enhancement of the National Export and Investment Strategy component of GY-L1059; and
* Completed Project Results Matrix for the Component

**Contractual Characteristics**

* **Type of Consultancy**:
* **Contract Duration**: The duration of the Consultancy is 180 days over a 9-month period.
* **Post of Duty**: Guyana Office for Investment (Georgetown, Guyana)

**Competencies**

**Languages**: Proficiency in English is required. Additionally, working knowledge of Spanish would be an asset.

**Skills**:

* Strategic Thinking: Ability to formulate objectives and set priorities and implement plans consistent with the long-term interests of the project, capitalizing on opportunities and managing risks
* Results-Orientation: Ability to meet project goals and stakeholder expectation that produce high-quality results by applying technical knowledge, analysing problems and calculating risks
* Planning and Execution: Capacity to translate strategic goals and priorities into realistic and flexible plans and project, optimizing the use of resources, monitoring implementation of plans to ensure that key results are achieved and delegating effectively
* Leading People: Competence to lead people toward meeting the project’s goals
* Building Coalitions: Ability to build coalitions internally and with other international organizations, state and local governments, non-profit and private sector organizations to achieve common goals.

**APPENDIX 1B –**

**PROPOSED TERMS OF REFERENCE FOR COMPONENT 2PROJECT ENGINEER**

**TERMS OF REFERENCE**

**COUNTRY:** Guyana

**NAME OF THE PROJECT:**

Enhancing the National Quality Infrastructure for Economic Diversification and Trade Promotion

**NUMBER OF THE PROYECT:** GY-L1059

**NAME OF THE CONSULTANCY:** Consultancy to Support the Construction Component (Component II) of Improved Laboratory Facilities and Equipment for the Guyana National Bureau of Standards (GNBS) and Key National Quality Infrastructure (NQI) Testing Entities under the Ministries of Agriculture and Health, namely the *National Agricultural Research and Extension Institute (NAREI)* which is Guyana's Sanitary and Phytosanitary Measures (SPS) enquiry point and national notification authority to the WTO and the *Food and Drug Department*

1. BACKGROUND & JUSTIFICATION FOR CONSULTANCY
   1. The current laboratories infrastructure and equipment is not adequate for supporting exports or protecting local consumers and the environment. The current laboratory facilities and equipment of the GNBS have severe limitations in terms of space and environmental conditions. Without the proper GNBS infrastructure, all the other laboratories in the system face challenges for accreditation and compliance with conformity.[[9]](#footnote-9)
   2. The main limitations and gaps of the GNBS laboratories in the system are: (i) unsuitable laboratory facilities, lacking the proper physical conditions to assure reliability; (ii) absence of a laboratory facility to perform tests for consumer protection and for dynamic sectors; (iii) limited calibration capacity in terms of capacity in temperature, moisture, pressure, force, volume and electricity;[[10]](#footnote-10) (iv) lack of adequate equipment and consumables; (v) outdated test methods that no longer meet the needs for the industry requirements; (vi) lack of accreditation and participation in proficiency testing programs; and (vii) insufficient trained staff for performing tests and calibrations and maintenance of the equipment.[[11]](#footnote-11).
   3. In addition, asymmetries within the existing laboratories in terms of physical and testing capacity, human resources and information cause an inefficient use of the existing resources.
   4. In the case of Guyana, the production and trading of goods and services face a number of non‑compliance risks in both the local and export markets with significant impact on competitiveness such as: (i) rejection of products at border inspection point; (ii) increased costs due to delays while inspections/test are being done in overseas laboratories; (iii) disruptions in trade, loss or inability to expand into new market; (iv) loss of revenue where inaccurate measurements and test results are used and (v) inability to command premium price where quality and safety products are not defined. Guyana’s Unit Rejection Rate in the US markets in the 2012 Report was 0.2 per million dollars of export, higher than the average of countries with similar income and is not competitive when compared with the two (2) larger exporters (Jamaica and Trinidad and Tobago) of food from CARICOM to these markets[[12]](#footnote-12).
   5. The construction of this facility will reduce, with a view to terminating these non-compliance risks.
2. CONSTULTANCY OBJECTIVES
   1. On a retainer basis, the Consultant will support the execution of Component II under the project by providing expertise on civil engineering works and standards that are commensurate with national building codes while meeting the international standards for national quality infrastructure.
   2. The engineer will support the Component Coordinator for Components I and II in delivering the project results and the outcome of enhanced laboratory facilities and equipment in Guyana through the construction of a state of the art laboratory that houses to metrology, testing, chemistry and microbiology, and legal metrology.
   3. The Consultant will ensure that due diligence is done with regard to infrastructural works and to make recommendations to the Component Coordinator on whether or not work completed satisfies the requirements to trigger payments under the loan.
3. MAIN ACTIVITIES
   1. The main activities of this consultancy are to:
      1. Provide technical advice to the IDB on the construction of the state of the art national laboratory for Guyana.
      2. Visit the proposed site and evaluate the site with respect to the size of the laboratory, the respective activities to be conducted, environmental implications and the scale of the respective activities with a view to determining if the site is suitable.
      3. Make recommendations for the proposed site to become acceptable or make counter-proposals on siting of the national laboratory.
      4. Provide inputs to the Procurement Plan with respect to component II to ensure that national circumstances are integrated into the procurement plan with respect to timing and the modality for procurement.
      5. Contribute to the procurement of firms to construct the facility, including: the preparation of the request for technical proposals to ensure that construction meets not only national but international specifications for national quality infrastructure and the various types of testing to be facilitated; and review of said submissions from interested firms.
      6. Review the detailed architectural drawings and designs with a view to: ensuring both safety and environmental safeguards are integrated into the design; and consistency with national building codes and standards.
      7. Contribute to the development of the IDB’s Supervision Plan with regard to Component II.
   2. Review and comment on the progress reports received from the construction firm(s).
   3. Support the PEU by providing inputs to Semi-Annual Reports and regular updates to the Steering Committee, the Minister of Business and the IDB, as required.
   4. Accompany the IDB team on Supervision Missions, as required and advise on matters related to the construction of the national laboratory.
   5. Complete a Terminal or Closing Out report on completion of the project which includes a detailed process flow.
4. Reports
   1. The activities of this consultancy will result in reports summarizing:
      1. Comments on procurement/tender documents (within a period of 5 days after receipt of tender documents);
      2. Field visits/ inspection visits resulting in reports;
      3. Any recommendations for improved project management of the construction component of the operation as well as any necessary actions for risk management to ensure timely and cost effectively delivery of the component.
5. Schedule of Payment
   1. The consultant will be paid based on invoices inclusive of all fees and re-imbursables.
   2. Payments upon submission of invoices. Invoices must be countersigned by both the Component Coordinator and the Program Coordinator for the PEU.
6. Coordination
   1. The consultancy is coordinated by.
7. Characteristics of the Consultancy
   1. **Type of consultancy**: The work requires one individual consultant who will permanently reside in Guyana.
   2. **Duration and Dates**: The nature of the consultancy requires a degree of flexibility in terms of the schedule for the execution of the work and will be for a duration up to a maximum of xxx (xx working days). The consultancy will be conducted throughout 2014; and it is planned to start by xxx, 2017 until xxxx,2021.

**Place of Work**. The consultancy will take place in Guyana.

1. Qualification
   1. **Qualifications**: Bachelor’s Degree in Civil Engineering with 10+ years of experience and experience in quantity surveying and related cost management; or an equivalent construction professional qualification with 10+ years of experience.
   2. **Working Relationship**: The consultant will directly report to both the Program Coordinator of the Project Executing Unit and the Component Coordinator for Components I and II. During Supervision visits, IDB staff will accompany the consultant on some of the field/inspection visits.
   3. **Language:** English.
   4. **Areas of expertise:** Project Management for Construction, Engineering, Structural Engineering.
2. Coordination
   1. The consultancy is coordinated by Claudia Sutherland at (202) 623-xxxx ([claudias@iadb.org](mailto:claudias@iadb.org)) and, in Guyana, xxx ([xxx@iadb.org](mailto:xxx@iadb.org)) at (xxx) xxx.
3. Characteristics of the Consultancy
   1. **Type of consultancy**: The work requires one individual consultant who will permanently reside in Guyana.
   2. **Duration and Dates**: The nature of the consultancy requires a degree of flexibility in terms of the schedule for the execution of the work and will be for a duration up to a maximum of xxx (xx working days). The consultancy will be conducted throughout 2014; and it is planned to start by xxx, 2017 until xxx, 2021.
   3. **Place of Work**. The consultancy will take place in Guyana.
4. Qualification
   1. **Qualifications**: Bachelor’s Degree in Civil Engineering with 10+ years of experience and experience in quantity surveying and related cost management; or an equivalent construction professional qualification with 10+ years of experience.
   2. **Working Relationship**: The consultant will directly report to both the Program Coordinator of the Project Executing Unit and the Component Coordinator for Components I and II. During Supervision visits, IDB staff will accompany the consultant on some of the programmed field/inspection visits.
   3. **Language:** English.
   4. **Areas of expertise:** Project Management for Construction, Engineering, Structural Engineering.

**APPENDIX 2 –**

**GOVERNMENT OF GUYANA JOB DESCRIPTIONS FOR FINANCIAL MANAGEMENT, PROCUREMENT AND MONITORING & EVALUATION**

***Appendix 2A – Guyana Civil Service Job Descriptions for Financial Management***

**JOB SPECIFICATION AND DESCRIPTION**

**JOB TITLE: PRINCIPAL ASSISTAN SECRETARY (F) JOB CODE:** T0910

**MINISTRY/DEPARTMENT:** THROUGHOUT THE PUBLIC SERVICE **DATE REVISED:** 2011-10-22

**REPORTS TO:** PERMANENT SECRETARY

**RECEIVES FUNCTIONAL DIRECTIONS FROM:** PERMANENT SECRETARY

**SUPERVISION GIVEN TO:**

**DIRECTLY:**

**INDIRECTLY:**

**LIASIES WITH:**

**INTERNALLY:**

**EXTERNALLY:**

**PURPOSE:** To manage the financial affairs of ministry/region and to advise the Permanent Secretary/Regional Executive Officer of the state of finance.

**KEY OUTPUTS:**

* Annual budget of the Ministry or Region
* Financial returns to and requisitions for funds from the Ministry of Finance
* Expenditure estimates and allocations of funds to various sections, units

**PERFORMANCE CRITERIA:**

* Timely and efficient annual budget of the Ministry or Region
* Accurate and timely financial returns to and requisitions for funds from the Ministry of Finance
* Accurate expenditure estimates and allocations of funds to various sections, units
* Well trained and motivated staff

**DUTIES AND RESPONSIBILITIES:**

* To continuously advise the Permanent Secretary/Regional Executive Officer on financial matters affecting the Ministry/Region relating to proper spending and accountability and to ensure that sound financial principles, policies and control are instituted and complied with inside the Ministry/Region
* To apply proper financial procedures and methods to ensure efficient financial controls and administration
* To monitor and control the expenditure accounts to ensure that value for money is obtained and that expenditure is kept within voted provision
* To assist the Permanent Secretary in the preparation of the Ministry’s/Region’s annual report in consultation with the other department heads to ensure that reports are compliant with the standards set by the Public Service Ministry
* To liaise with contractors re: fulfilling of contractual requirements for works or services to be carried out
* To submit a revised estimate of revenues and expenditures, applications for supplementary provision and advances from the contingencies fund, cash flow statement and report on losses
* To report on the performance of the department against approved allocation, report trends and excesses in expenditure to ensure corrective measures and inform estimates
* To serve as part of the management team of the Ministry/Region as advisors on Financial Matters
* To structure staff development training programmes aimed at improving the performance capabilities
* To perform any other related duties for the smooth functioning of the unit

**MINIMUM QUALIFICATIOONS, KNOWLEDGE AND EXPERIENCE:**

* A Bachelor’s Degree in Public/Business Administration or Accounting from a recognized University or a recognized professional accounting qualification PLUS three (3) years’ experience at the level of Assistant Secretary (Finance), or finance management within the public service, together with a good performance record

OR

* A Diploma in Public/Business Administration or Accounting from a University or a recognized professional accounting qualification PLUS five (5) years’ experience as Assistant Secretary (F) within the public service, together with a good performance record

OR

* GCE ‘O’ level/CXC in four (4) subjects including English Language, Mathematics or Principles of Accounts, PLUS twelve (12) years’ experience in the Public Service of which five (5) years should be at the level of Assistant Secretary (F) and a good performance record

**DECISION MAKING, PROBLEM SOLVING AND IMPACT ON RESULTS:**

* Work is carried out according to prescribed rules, regulations and established practices and with frequent consultation with the head of the organization and other senior officers. There is scope for some decision making e.g., allocation of financial resources to certain units or for specific works, allowing challenged claims to be paid, etc. Wrong decisions can be detected reasonably early. Impact on results average.

**RESOURCE MANAGEMENT:**

* Supervises two to four staff of the Finance Administration and the Chief Accountant Office directly. Indirectly supervises six to twelve staff of the Accountant Unit

**COMMUNICATIONS:** The job holder frequently communicates with the Permanent Secretary/Regional Executive Officer and with senior and junior officers in the ministry/region and in other ministries/agencies. He/she communicates with contractors.

**WORKING CONDITIONS:** Normal working conditions

**THIS DOCUMENT IS A TRUE AND ACCURATE DESCRIPTION OF THE JOB TITLE:**

**INCUMBENT:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**SUPERVISOR:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**CERTIFIED CORRECT:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**APPROVED:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**COUNTERSIGNED:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

***Appendix 2B – Guyana Civil Service Job Descriptions for the Procurement Officer***

**JOB SPECIFICATION AND DESCRIPTION**

**JOB TITLE: PROCUREMENT OFFICER JOB CODE:** T0941

**MINISTRY/DEPARTMENT:** THROUGHOUT THE PUBLIC SERVICE **DATE REVISED:** 2011-10-22

**REPORTS TO:** DESIGNATED OFFICER

**RECEIVES FUNCTIONAL DIRECTIONS FROM:** DESIGNATED OFFICER

**SUPERVISION GIVEN TO:**

**DIRECTLY:**

**INDIRECTLY:**

**LIASIES WITH:**

**INTERNALLY:**

**EXTERNALLY:**

**PURPOSE:** To procure adequate and appropriate materials, props and equipment as requested by Agency and to ensure safe storage of same.

**KEY OUTPUTS:**

* Adequate and appropriate equipment for use by Agency
* Secured equipment, props and other materials for future use by Agency

**PERFORMANCE CRITERIA:**

* Accurate, timely and proper distribution of all equipment within the unit

**DUTIES AND RESPONSIBILITIES:**

* To work in collaboration with all units in relation to the procurement of equipment, props and other materials
* To request finance to purchase equipment for use by the Agency
* To procure equipment and props as needed by the Agency
* To prepare inventory of equipment and other materials are stored safely for future use
* To prepare inventory of equipment stored to facilitate stock checks and verification when necessary
* To perform any other related duties for the smooth functioning of the Department/Agency

**MINIMUM QUALIFICATIOONS, KNOWLEDGE AND EXPERIENCE:**

* Five subjects in CXC/GCE ‘O’ level including English Language and Mathematics five (5) years’ experience in accounting or stores

**DECISION MAKING, PROBLEM SOLVING AND IMPACT ON RESULTS:**

* The job holder has to make decisions constantly as to the type of equipment to be procured for the particular occasion, but seeks the appropriate guidance in relation to the description of the item. In case of an incorrect purchase, for example radios which do not have the required volume, listeners or users will be affected

**RESOURCE MANAGEMENT:**

* The job holder report when requested to do so. He/she while not being a budget holder is responsible for all purchases, including office equipment. No subordinates are supervised by the job holder.

**COMMUNICATIONS:** The job holder relates to personnel in all other departments in response to their request for material and equipment needed for specific activities.

**WORKING CONDITIONS:** The job holder is not office bound. He/she is required to be out in the field to acquire finance, equipment and other material required by the Unit. Being in the field for about twenty-five percent (25%) of the time. The job holder is exposed to minimal risk.

**THIS DOCUMENT IS A TRUE AND ACCURATE DESCRIPTION OF THE JOB TITLE:**

**INCUMBENT:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**SUPERVISOR:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**CERTIFIED CORRECT:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**APPROVED:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

**COUNTERSIGNED:**

**SIGNATURE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ NAME\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_ DATE\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_**

***Appendix 2C – Guyana Civil Service Job Descriptions for Monitoring & Evaluation Coordinator***

**JOB TITLE: MONITORING & EVALUATION COORDINATOR[[13]](#footnote-13) JOB CODE:** T3153

**REPORTS TO:** PERMANENT SECRETARY

**MINISTRY/DEPARTMENT:** MINISTRY OF LEGAL AFFAIRS/HOME AFFAIRS

**DATE REVISED:** 2012-10-10

**PURPOSE:** To implement the Monitoring & Evaluation strategy and coordinate the activities of the Monitoring & Evaluation Unit.

**KEY OUTPUTS:**

* Improved Justice Sector Performance
* Properly managed information systems
* Accurate and up-to-date data
* Implemented Communications Strategy
* Timely and accurate reports

**RANGE OF ACTIVITIES:**

* To enforce the Monitoring & Evaluation decisions and strategy designed by the Judicial Steering Committee
* To implement the Monitoring & Evaluation framework so as to be able to evaluate outcomes and long-term impact made
* To review existing approaches and management information systems, in consultation with implementing partner justice institutions and make changes and updates where necessary
* To formulate and implement systems, working closely with Monitoring & Evaluation Personnel at the Justice Sector Institutions, to help improve data production and collection
* To review and analyze monitoring reports for impact evaluation with a view of identifying the causes of potential bottlenecks in project implementation and resolving them
* To conduct semi-annual Users’ Survey, analyze the data and prepare semi-annual reports on the findings
* To develop and implement a Monitoring & Evaluation Communication Strategy
* To perform any other duties for the smooth functioning of the department

**MINIMUM QUALIFICATIOONS, KNOWLEDGE AND EXPERIENCE:**

* A Master’s Degree in Public Management, Public Administration, Business Administration or Law from a recognized University PLUS two (2) years’ experience in Public Sector Reform

OR

* A Degree in Public Management, Public Administration, Business Administration or Law from a recognized University PLUS six (6) years’ experience in Public Sector Reform

**DECISION MAKING, PROBLEM SOLVING AND IMPACT ON RESULTS:**

* The incumbent is expected to give effective guidance to the Steering Committee in assessing the strengths and weaknesses of the Justice Sector. He/she is expected to identify and understand issues, problems and opportunities, comparing data from different sources to draw conclusions. He/she is expected to use effective approaches for choosing a course of action or developing appropriate solutions, taking action that is consistent with available facts, constraints and probable consequences.

**RESOURCE MANAGEMENT:**

* He/she supervises the Monitoring & Evaluation Information System Officer and is responsible for all equipment assigned to him/her.

**COMMUNICATIONS:** The incumbent communicates regularly with the Attorney General, members of the Steering Committee and representatives of each Justice Sector institution among others. He/she is expected to have excellent communications and interpersonal skills, important more so when conducting data collection exercises.

**WORKING CONDITIONS:** The incumbent is expected to go out into the fields to conduct research. Spends approximately 70% of the time office bound.

**PREPARED BY:** S.P.O.

**CHECKED BY:** P.P.O.

**APPENDIX 3A –**

**EXCERPTS OF ISSUES FROM THE 2006 & 2007 AUDIT OFFICE REPORTS ON THE GNBS**

***Fiscal Year (FY) Ended December 31, 2006[[14]](#footnote-14) Audit***

The audit for FY ending 2006 was published with a letter dated 05 October 2015. That is a full 8 to 9 years after the end of FY 2006. According to the Auditor General, the audit was conducted in accordance with the Audit Act 2004.

There was a qualified opinion (page 3) as expenditure was listed as fixed assets when it should have been expressed as expenditure since GNBS does not own the building it renovated. The result of that initial error was an overstatement of assets. Similarly, an amount shown as stock did not include external auditors observe the stock count so accuracy and validity of the amount stated as stock could not be verified.

The Auditor General opined that the audit is “not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control” (page 2). Notes to the account cite the GNBS Act 11 of 1984.

Page 12 – Fixed assets were overvalued and management indicated it would correct it but the Audit Office indicated that the correction was not evident in the Financial Statements.

Also (page 12), an amount was paid for computer supplies that were never received as the company went out of business. Nonetheless, the Bureau kept depreciating assets it had not received. Attempts were made to recover the amount, including through writing to the Director of Public Prosecutions. On page 13, Audit Office recommends that Management seek approval to write off the amount and adjust the fin statements to reflect the true position.

Page 13

Other issues identified by the Auditor General

* Fixed assets register not properly prepared
* System of quotations required for making purchases was not adhered to and payment vouchers were not prepared for purchases made via bank draft (journal voucher was created and supporting documents filed separately)
* Assets were not marked, precisely recorded or coded (Appendix VI)

Page 14

* Some physical assets that were to be verified by the Audit Office could not be located to verify existence (listed in Appendix I)
* A sample of 14 items was selected to verify the accuracy of the stock ledger maintained by the Bureau. On physical count, 10 of the 14 had differenced when cross referenced with the stock ledger so the stock ledger did not reflect the true position of the physical items (listed in Appendix VII).

Pages 14 to 15

* Debtors amount was wrong as opening balance in general ledger was not same as closing balance for FY ended 2005 and closing balance was not accurate

Page 15

* Advances to staff were not accurately reflected – advances were not reflected in the debtor’s ledger
* An advance to an employee in 2005 did not have repayment start until 2012 so there is concern re the procedures to effect prompt repayment of advances
* Cash at hand in bank had an opening ledger difference resulting in general ledger opening balance being understated

Page 16

* Bank reconciliation statements were not provided to verify amounts listed in other income account and subvention account
* Independent cash count was not done so amount cannot be verified
* Accumulated deficit is incorrect given inconsistencies listed

Page 17

* Accruals could not be verified as there was no supporting documentation – the ledger did not reflect the accruals
* Suspense account reflects negative balances which are actually unreconciled balances over a number of years. The negative figure is a balancing figure in the Bureau’s accounts and is not good accounting practice as it is an indication that one or more accounts may be under/over stated
* Cash received could not be traced to a specific deposit slip and it was observed that cash would be used to change cheques and deposited days after being received so accuracy of amounts banked could not be verified

Page 18

* Expenditure for others had differences in the general ledger due to the amount brought forward for ‘overseas conference’ from the previous year
* A purchase of tyres could not be reconciled as there was no indication which vehicle the tyres were purchased for physical verification to occur
* Bureau had six vehicles and log books were not maintained for four of the vehicles to ascertain if travel undertaken was in the interest of the Bureau’s business
* The statement of cash flows was not prepared in accordance with existing accounting standards

***FY Ended 2007 Audit***

The Auditor General’s letter is also dated October 5, 2015.

Page 3

The Auditor’s opinion was qualified. There is a difference between the opening balance on the fixed assets schedule and the General Ledger. The amount in the financial statements cannot be relied on.

In addition, the year-end stock count was not verified by external auditors.

Page 11

Error in letter to Acting Executive Director of the Bureau. It refers to the Government Information Agency (GINA) in par 1 but in par 3 refers rightly to the Bureau.

Page 12

Issues identified

* Monies deposited into the wrong account (Other Income rather than Subvention)
* Refunds for subvention for the month of July 2007 were unverifiable
* Deposit slips did not indicate “what” income
* Director’s contract expired on June 31, 2007 (SWG: June only has 30 days) and no renewal was produced to verify is payments were compliant with contract documents

Page 13

* Not all payments that should be traceable to the Goods Received book were traceable
* Log books were not presented for audit verification for 4 vehicles so it could not be determined if vehicles were utilized in the interest of the Bureau (listed in Appendix II)

Page 14

* Checks were not used in a sequential order, contrary to existing Regulations
* Inconsistency between the Fixed Assets Schedule and the General Ledger so the financial statements could not be relied upon
* Fixed Assets register were not recorded as they were written up so additions to the fixed assets register could not be validated

Page 15

* The system of quotation was not used so items valued at $1.349 million purchased during FY 2007 could not be determined if as far as being purchased from the most competitive supplier (listed in Appendix III)
* Physical verification of 27 assets revealed issues e.g. 13 were not marked to identify as property of the Bureau, contrary to Stores Regulation (listed in Appendix IV); fixed assets register had assets which could not be found in the locations stated in the Register because the Register was not updated when assets were moved to another location (listed in Appendix V); seven obsolete items were not written off from the fixed asset register (listed in Appendix VI); and said items were in the storeroom.

Page 16

* Stock count was done without external auditors and so could not be verified
* Current assets were overstated and not consistent with the Bureau’s policy to expense out items purchased i.e. there should not be a figure representing stock for these items. The general ledger and financial statement balances resulted in the difference or overstatement. Management indicated it would take the necessary steps to ensure proper disclosure in the financial statements but the Auditor General indicated that these adjustments were not reflected in the revised financial statements.
* Physical verification of items in the stores reflected both excesses and shortages (listed in Appendix VII). Management’s response was that there were unposted requisitions because the Auditor General had the register in its position but the Auditor General found this unsatisfactory.

Page 17

* Amount reflected as Other Income was not updated from the previous year but no details were provided for audit
* Advance from 2005 for which repayment started in 2012 did not state criteria used for repayment
* Advances granted to employees to perform official duties were not recorded in the advances ledger so it is not clear if these were cleared and cleared promptly

Page 18

* Cash in hand representing the balance in two bank accounts had no supporting documentation to substantiate it i.e. no reconciliation statements
* The Bureau reflected an increase in accumulated deficit over the previous year which was unsatisfactory
* Accruals reflect amounts brought forward form 2005 and un-cleared.
* No evidence that accrual from 2006 was settled in 2007.

Page 19

* Statement of cash flows were not prepared in accordance with the existing accounting standard. Management did not respond to the Audit Office’s recommendation that the Bureau become compliant.

**APPENDIX 3B –**

**AUDITOR GENERAL’S OPINION ON THE 2013 AUDIT OF GO-INVEST**

The Auditor General found audit evidence sufficient to provide a fair basis for his opinion. The Opinion was that the financial statements gave a true and fair view, as at 31 December 2013, and that there was compliance with the International Financial Reporting Standards (IFRS). Additionally, the Financial Statements were prepared in accordance with the law.

**APPENDIX 4 –**

**PROCESS MAPS FOR FIDUCIARY MANAGEMENT OF IDB FUNDS**

Linking Budget Call & Budget Preparation to Accounts

ACCOUNTS at MOB receives the IDB General Ledger for IDB Resources and Aligned Expense Accounts which are approved by the PS and incorporated into MOB budget as a line item and submitted to Finance

**Project Execution Unit (PEU)**

**(Financial Specialist)**

**Submits 12-month Budget on IDB Forms (separate IDB account would be opened as a condition precedent for disbursement at Bank of Guyana, pending MOF approval)**

IDB disburses funds directly to separate **IDB** US$/GY$ account at Central Bank (set up as a condition precedent to disbursement)

ACCOUNTS requests Funds from the IDB, pending Management’s Approval

STEP 4

STEP 3

STEP 2

Linking Procurement and Expenditure Management with Records Management

**PEU Procurement Specialist**

**Makes recommendation for expenditure to Fin Specialist with appropriate supporting documentation (completed procurement report) and Fin Specialist gets PM’s approval prior to forwarding to Accounts @ MoB**

The Accountant reviews the request and forwards to PS; if approved, the voucher system is effected

(Voucher # corresponds to check # and the Project Procurement Plan references voucher and cheque numbers)

Accounts issues check for expenditure/procurement activity for GY-L1059 signed by the PS or DPS

Accounts expenses the request in the IDB General Ledger Expense Account

STEP 4

STEP 3

STEP 2

Linking Records Management with Audit & Accountability

**PEU Financial Management Specialist & Accounts @ MoB document each financial transaction and maintain records – physical and/or electronic**

**Accounts has a line item in IFMAS for the revenue and expenditure**

(i)

MoF audits monthly and annually

(ii)

Internal project auditor audits at the end of the FY

(iii)

Auditor General audits at the end of FY

Fin Man Specialist submits Semi-Annual Progress report to IDB for reconciliation and audit

(2 annual FY audits- 1 during fiscal year and one early in the subsequent fiscal year)

Monthly Audit is conducted by MoF acting as internal auditor for MoB as well as independent IDB contracted auditor

(11 during each fiscal year related to current fiscal year)

STEP 4

STEP 3

STEP 2

**APPENDIX 5 –**

**INSTITUTIONAL CAPACITY ASSESSMENT SYSTEM (ICAS) RESULTS FOR MoB (GENERAL)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programming activities system** | | **Yes** | **NO** | **NA** | **Answer justification** |
|  | | | | | **Ms. Rajdai Jagarnauth, Permanent Secretary (r\_jagarnauth@yahoo.com)** |
| **1** | Are the Planning and Programming responsibilities and functions adequately defined and assigned among the Entity's personnel? | **1** |  |  | There is no planning unit but there is a management team, that consists of the ministry and agencies, that does the planning and programming. MoF recommended a Planning and Expenditure Officer but that post has not been filled as yet. |
| **2** | Are there defined programming procedures in place, such as: manuals, formats, models and methodologies, for the preparation of the Plans and Programs, as well as a procedure for their approval and modification? | **1** |  |  | MoF Circulars and Guidelines are followed. Finance is considered the key planning arm of Government. |
| **3** | Have monitoring and follow-up procedures or mechanisms been designed, so that proper compliance with Plans and Programs can be determined (Including compliance with indicators; identification of between programmed and executed activities and the preparation of execution reports)? | **1** |  |  | There is an officer doing Monitoring and Evaluation but there is an attempt to get an M&E Coordinator to head the Business Strategy and Policy Unit. The Unit would liaise with other Departments and agencies to get ministry-level information for planning, strategy and evaluative purposes. Once the M&E Coordinator is on board, the expectation is that there will be more persons actively undertaking M&E. |
| **4** | Has an Annual Program of Operations (APO) or equivalent document been prepared and is it consistent with the general Planning? |  | **0** |  | Small Business Bureau (SBB) has an IDB grant. They have an APO and they report to MoF as well but this is not central government. SBB submits to IDB through the MoF. The project has been extended to Dec 2017. SBB was given the go ahead for release of funds so it has met all its requirements. |
| **The planning document (POA) establishes:** | |  |  |  |  |
| **5** | What are the general and specific objectives (components) and goals (indicators)? | **1** |  |  | This is evident in Semi-Annual Progress Reports for the IDB, including the Support for Competitiveness Program, GY-L1006. |
| **6** | The activities or tasks necessary to reach these objectives and goals? | **1** |  |  |  |
| **7** | A diagram or flowchart representing the necessary order and interdependence of the activities to reach the objectives? |  |  |  |  |
| **8** | Estimated time to carry out each activity or task? | **1** |  |  |  |
| **9** | The Responsible parties for executing or coordinating the activities or tasks? | **1** |  |  |  |
| **10** | The indicators of results and means for verification that allow measuring the achievement of the established goals? | **1** |  |  |  |
| **11** | The risks (assumed) to the success of planning and the necessary actions to prevent or mitigate them? | **1** |  |  |  |
| **Execution:** | |  |  |  |  |
| **12** | Are reports being issued on the progress of the APO, according to what had been planned on previous policies? | **1** |  |  | The Semi-Annual Progress Report on the Support for Competitiveness Program, GY-L1006, is an example of this adherence to Bank requirements. |
| **13** | When the reports identify non-fulfilment or considerable risks for effectiveness, were actions taken to address these risks and to improve the probability of execution? |  | **0** |  | The Semi-Annual Progress Report on the Support for Competitiveness Program, GY-L1006, proposed mitigating measures to align with the identified risk(s). |
| **14** | In practice, does the execution represent the actions previously mentioned? | **1** |  |  |  |
| **15** | If APOs have been modified, is there sufficient and adequate evidence to justify those modifications? | **1** |  |  | Re the grant to the SBB, in particular, there was a recommendation to get the grants moving at a faster pace by getting banks involved. In general, the IDB would not accept modifications to APOs without sufficient justification. |
| **16** | Have the changes to the APO been approved by the Bank? | **1** |  |  |  |
|  | TOTALES | **13** | **2** |  |  |
|  |  |  |  |  |  |
| **QUANTIFICATION:** | | Yes | | \* 100 | [**86.67**](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C10) |
| (YES+NO) | |
| **DEVELOPMENT:** | | **There is no** |  |  | [**SD**](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F10) |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory SD (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [**RB**](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G10) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Administrative Organization System** | | **Yes** | **NO** | **NA** | **Answer justification** |
| **Organization Manual** | | | | | **Ms. Rajdai Jagarnauth, Permanent Secretary (r\_jagarnauth@yahoo.com)** |
| **1** | Is there an Organizational Manual (OM) or equivalent instrument? |  | **0** |  | A structure exists but, given changes, it would not be easy to have one that is up to date. It is not clear if Personnel had one for the old ministry (previously the Ministry of Tourism). |
| **2** | Are there procedures for periodical update and validation of the OM? |  | **0** |  |  |
| **3** | Does the OM include the functions, responsibilities and authority for the performance of each position? |  | **0** |  |  |
| **4** | Did the OM include the decentralization and delegation of authority and functions to the lower levels? |  | **0** |  |  |
| **5** | Were the manual's functions assigned in such a way to maintain independence of those in charge of authorizing, executing, recording transactions and to watch over goods and valuables? |  | **0** |  |  |
| **6** | Were the OM or organizational diagram and functions made known to all related personnel? | **1** |  |  | It is being reviewed as part of the Ministry's Strategic plan. Personnel has provided physical copies. |
| **7** | If so, did each employee sign a form that he/she has read and understands his/her functions and responsibilities? | **1** |  |  | Consistent with Public Service Commission (Orders and Regulations) |
| **8** | Are the OM and organizational diagram properly authorized by the Board of Directors or competent authority related to the Executing Agency (EA)? | **1** |  |  | Consistent with Public Service Commission (Orders and Regulations) |
| **The organizational diagram indicates:** | |  |  |  |  |
| **9** | The areas of activity and their functional relationship (General Management, Finance, Personnel, Procurement, Production of goods and services, etc.) | **1** |  |  |  |
| **10** | The levels of authority and supervision? | **1** |  |  |  |
| **11** | The levels of advisory functions (without level of responsibility) | **1** |  |  | The Minister's Secretariat has specific advisory posts, including, for example, a Business Advisory Council with public-private representation |
| **12** | The lines of communication? | **1** |  |  |  |
| **Positions profiles:** | |  |  |  |  |
| **13** | Were the profiles of the positions needed for the execution of the anticipated functions (also including Consultants) designed and approved? (Academic background and experience) | **1** |  |  | Consultants are contractual so they would have ToRs as opposed to those on the establishment who have Job Descriptions (JDs). |
| **14** | Have the profiles indicated in 13 been associated with payment levels that are equivalent to the market value? |  | **0** |  | JDs are developed in partnership with the Public Service Ministry and are not market value i.e. comparable with similar positions in the private sector. |
| **15** | Is the organizational climate a reflection of what has been planned in the OM? (Take into account the statements of weaknesses and strengths made by those responsible of this sub-system and the impressions gathered in the different interviews) | **1** |  |  | The organizational climate exists even without/ independent of the OM. |
| **16** | Does the delegation of functions allow each level to make decisions and fulfil the functions assigned to them? | **1** |  |  | PS delegates, to the Deputy Permanent Secretary, the Principal Assistant Secretaries (PASes) for Finance and General and the Principal Personnel Officer (PPO), but has to make certain higher level decisions with reference to the Minister. |
| **Execution** | |  |  |  |  |
| **17** | Has there been a definition and formalization of the administrative (autonomy), organizational, and legal aspects of the executing agency, and the co-executing agencies? | **1** |  |  | No MoU/ A Management Committee will have oversight and MoF will also have oversight because of its relationship with the funding agencies. For example, the head of the PIU/PEU would report formally to the PS. |
| **18** | Does the EA have the legal and financial mechanisms for its autonomous or independent development? | **1** |  |  | In case of the SBB, PS is a signatory on the Special Bank Accounts. There are special reporting requirements of the IDB and the SBB has a Fund Manager. |
| **19** | Were the OM and organizational diagram of the EA and its components designed according to the needs established in the planning process and in the APO? |  |  | **N/A** | Planning process is not complete but the org diagram will reflect the planning process, on approval. When the Project Executing Unit is established is when the APO will be developed. There is no current PEU in the MoB. |
| **20** | Are the functions and responsibilities identified in the project report fulfilled for the project's execution? |  |  | **N/A** | The project has not yet started. |
| **21** | In practice, are all the Organizational Units working with the planned personnel? | **1** |  |  | A few departments are short-staffed e.g. the Policy Unit and Investment but for the majority - yes, those departments are working at the establishment levels. |
| **Operations Regulations Manual (OR), Audit Regulations Manual (CR):** | |  |  |  |  |
| **22** | If applicable, has an Operations Regulations Manual (OR) or Audit Regulations Manual (CR) been prepared with previous approval of the Bank? | **1** |  |  | Both the Competitiveness and the SBB projects would have had these manuals prepared. |
| **23** | Were the OR/CR formalized and made known among the participants in the execution of the operation, documenting these actions? | **1** |  |  |  |
| **24** | Did the OR/CR establish that all financial or administrative operations have the necessary back up documentation? | **1** |  |  |  |
| **25** | Does this documentation allow for the identification, the nature, purpose and results of each operation? | **1** |  |  |  |
| **26** | Does the designed OR/CR describe the procedures for authorization, movement, registration and timely control procedures of all technical, financial and administrative operations related to the project? | **1** |  |  | It is standards for Bank-financed projects to be compliant. These are usually conditions precedent to disbursement. |
| **In case of a global program of investments, the RO includes the following sections:** | |  |  |  | **The loan is not a global program of investments.** |
| **27** | Purpose and definitions? |  |  | **N/A** |  |
| **28** | Objectives and Description of the Program? |  |  | **N/A** |  |
| **29** | Eligibility criteria for the co-executors and the investments (technical, economic and financial)? |  |  | **N/A** |  |
| **30** | Assignment of Program resources? |  |  | **N/A** |  |
| **31** | Resource transfer, disbursements, revolving fund, and accountability mechanisms? |  |  | **N/A** |  |
| **32** | Tracking (reports)? |  |  | **N/A** |  |
| **In case of a global program of credit, the CR includes the following sections:** | |  |  |  | The loan is not a global program of credit. |
| **33** | Purpose and definitions? |  |  | **N/A** |  |
| **34** | Program Objectives and Description? |  |  | **N/A** |  |
| **35** | Eligibility and participation criteria for the IFIs? |  |  | **N/A** |  |
| **36** | Eligibility criteria for the sub-borrowers and sub-loans? |  |  | **N/A** |  |
| **37** | Terms and conditions of the sub-loans? |  |  | **N/A** |  |
| **38** | Formalization of the sub loans? |  |  | **N/A** |  |
| **39** | Use of repayments and follow up (reports) |  |  | **N/A** |  |
| **In the case decentralized execution of projects, with multiple co-executors, is planned by the UCP:** | |  |  |  |  |
| **40** | A flowchart with responsibilities and functions of the PCU and of co-executors? | **1** |  |  | This was evident for the Competitiveness project and will be included in this report specific to GY-L1059. |
| **41** | A flowchart with responsibilities and functions of the managing entity, when the participation of a private or specialized agency is anticipated? |  |  | **N/A** | As required by the operation but not currently applicable to GY-L1059. |
| **42** | Monitoring systems and report to track the use of resources by the co-executors? |  |  | **N/A** | This will have to be developed for GY-L1059. A possible recommendation is to staff the Business Strategy and Policy Unit and use this Unit to do project M&E as well as general Ministry-level M&E. This "shared services" concept would allow the MoB to leverage its M&E and build capacity in project M&E by performing these functions for the PEU. |
|  | **Total** | **19** | **6** |  |  |
|  |  |  |  |  |  |
| **QUANTIFICATION:** | | Yes | | \* 100 | [76.00](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C11) |
| (YES+NO) | |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  | [MD](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F11) |
| **Incipient DI (0-60)** | **ID (41-60)** | |
| **Median MD (61-80)** |  |  |
| **Satisfactory SD (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [RM](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G11) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |
|  | |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Personnel management system** | | **Yes** | **NO** | **NA** | **Answer justification** |
|  | | | | | Mr. Doodnauth Chan PPO (chandoodnauth@yahoo.com, Ms. Alicia Grundall (aliciagrundall@yahoo.com), Senior PO **GNBS**: Candelle Bostwick, Head, Conformity Assessment/ Officer in Charge (cbostwick@gnbsgy.org, cwalcottbostwick@yahoo.com) **GoInvest**: Owen Verwey, CEO (overwey@goinvest.gov.gy) & Leanna Damond, Investment Officer (ldamond@goinvest.gov.gy) |
| **1** | Have the responsibilities to manage personnel issues been formally assigned? | **1** |  |  | Job Description for PPO/ **GNBS** has an Administrative Officer albeit not a HR Manager/ **GoI**: Yes |
| **2** | Does the person (or persons) in charge of personnel management functions have the skills and experience required in Human Resources? | **1** |  |  | Experience and qualification in HR/ **GNBS**: Not in all areas (e.g staff training records, provision of training and staff evaluation) and the HR Management System is being upgraded currently. Org audit is to be done to see how better to improve HR system at the Bureau/ **GoI**: Yes |
| **3** | Does the Entity have authorized policies and procedures formally included in a Manual or equivalent document, about personnel management? | **1** |  |  | The Public Service Rules/ **GNBS**: Admin Manual and complies with PS Rules as far as possible given that the GNBS is autonomous/ **GoI**: Yes |
| **The current policies and procedures, include such things as:** | |  |  |  | **GNBS & GoI score the same as MoB for the following section.** |
| **4** | Existing policies and procedures include the following: Search and Selection | **1** |  |  |  |
| **5** | Orientation and training? | **1** |  |  | Ministry of the Presidency, Department of the Public Service (develops and implements all policies which other ministries comply with) - centralized, provisions are made for internal training as well |
| **6** | Professional development? | **1** |  |  | **GoI** queried if this exists and how different is this from training. |
| **7** | Performance evaluation? | **1** |  |  | Staff Performance Appraisal done at the level of MoB |
| **8** | Classification of positions and salary levels? | **1** |  |  | Ministry of the Presidency, Department of the Public Service - centralilzed, provisions are made for internal training as well/ **GNBS** may need to review salary scale and classification of staff |
| **9** | Social security? | **1** |  |  | National Insurance Scheme - MoB processes, mandatory/ **GNBS**: NIS, pension scheme and medical scheme/ **GoI**: same |
| **10** | Taxes and other labor obligations? | **1** |  |  | MoB/ **GNBS**/ **GoI** |
| **Other requirements** | |  |  |  | **GNBS & GoI score the same as MoB for the following section with the exception of indicator 15 (1/3 = 0.33).** |
| **11** | Are there procedures for the control of staff attendance? | **1** |  |  | Time sheet/ **GNBS**: Employment letter states hours of work and staff have to sign time sheets and need medical certificates if they stay home for 3 days. Everyone signs Time Sheets except for HoDs/ **GoI**: Time book for junior staff and mechanism for senior staff |
| **12** | Is there a duly approved vacation program for all personnel? | **1** |  |  | Entitled to leave and fixed criteria, roster (exigency determines if approved or not but there is personal choice)/ **GNBS**: Staff apply at their discretion. Schedule is circulated at the beginning of the year and staff are entitled to go on scheduled leave as long as the GNBS is not left "manless"/ **GoI**: Yes |
| **13** | Is there a plan to replace key personnel in case of temporary absence? | **1** |  |  | Seniority - a junior person acts when a senior person goes on leave/ **GNBS**: Memo done to designate who is to Act and duties (HoD level) and at lower levels, responsibilities are shared/ **GoI**: Acting |
| **14** | Are there policies about the procurement of insurance policies for the key positions in charge of the administration of liquid assets and goods? |  | **0** |  | Speak to Procurement/GNBS: Bostwick is to confirm. There is an Assets Register and a Fire Insurance Policy. Not certain. Will verify/GoI: MoF provides guidance on procurement for capital goods but not for insurance |
| **15** | Have the insured amounts been determined? | **0.333333** |  |  | **GoI**: pre-determined in budget (only GoI could attest to this practice). |
| **16** | In general, is there stability in the composition of the Entity's personnel? | **1** |  |  | Stable - the attrition rate is low. In personnel, it is even lower and staff turnover in general is low as well/ **GNBS**: low attrition rate (average time at agency is 10 years)/ **GoI**: Yes - there is stability of staff. |
| **Execution** | |  |  |  | **As it was the MoB - central government - that had the responsibility for housing the PEU, GNBS and GoInvest cannot speak to this so the MoB's response is generally applicable.** |
| **17** | The current policies and procedures are consistent with the Bank's requirements in terms of recruiting of personnel, including consultants, as indicated in the project’s documents and in the loan contracts or cooperation agreement | **1** |  |  | There has to be consistency to get the Bank (IDB's) no objection. |
| **18** | Is the personnel actually hired for the execution of the project consistent with the personnel requirements included in the project document? | **1** |  |  | There has to be consistency to get the Bank (IDB's) no objection. |
| **19** | Did the project's personnel selection and recruiting process follow what had been recommended in the project report and loan contract? | **1** |  |  | IDB has strict criteria and will not approve if not adhered to. |
| **20** | Do the recruited employees/consultants fulfil the profiles anticipated in the terms of reference or requirements of the positions previously approved by the Bank? | **1** |  |  | There has to be consistency to get the Bank (IDB's) no objection. |
| **21** | The contracting of employees/consultants for the project received the prior no-objection of the Bank. | **1** |  |  | There has to be consistency to get the Bank (IDB's) no objection. |
| **22** | Are the salary levels approved by the EA's classification of positions compatible with the budgeted amount included for this type of expenditures on the program's budget? |  |  |  | There has to be consistency to get the Bank (IDB's) no objection. |
|  | **TOTAL** | **20** | **1** |  |  |
|  |  |  |  |  |  |
| **QUANTIFICATION:** | | Yes | | \* 100 | [95.24](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C13) |
| (YES+NO) | |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  | [SD](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F13) |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory D (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [RB](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G13) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Goods and services management system** | | **YES** | **NO** | **NA** | **Answer justification** |
|  | | | | | Avonie Lekha-West, Assistant Secretary General (Acting) - pretawest@yahoo.com; **GNBS**: Candelle Bostwick, Head, Conformity Assessment/ Officer in Charge (cbostwick@gnbsgy.org, cwalcottbostwick@yahoo.com) **GoInvest**: Owen Verwey, CEO (overwey@goinvest.gov.gy) & Leanna Damond, Investment Officer (ldamond@goinvest.gov.gy) |
| **1** | Is there a formal assignment of functions and responsibilities (in one organizational unit or equivalent) for procurement processes relating to works, goods and consulting services, and that is proportional to the project that is being financed? |  | **0** |  | This is to be streamlined. The Department of the Public Service has a Job Specification and Description for a Procurement Officer, in addition to a Job Code (T0941). There are Standard Policies that emanate from the Procurement Act of 2003 e.g. obtaining 3 to 4 quotations/ **GNBS**: Resides in Admin and Finance Dept but not really an assigned Procurement Officer/ **GoI**: Yes. Accounting Department |
| **2** | Is there a formal assignment of functions and responsibilities (in one organizational unit or equivalent) for processes relating to the receipt, inventory, and maintenance of works, goods and consulting services, according to the nature and size of the future IDB financed project? | **1** |  |  | PS has assigned Lekha-West/ **GNBS**: Accounts but not specific to an IDB project/ **GoI**: Accounts |
| **3** | Does the Unit have the human resources and knowledge needed to efficiently execute and manage the program? | **0.333333** |  |  | Lekha-West benefitted from IDB training and has some capacity as well as knowledge of the Procurement Act./ **GNBS**: No/ **GoI**: No |
| **4** | The Unit has clearly established the procedures, responsibilities and personnel assignment to the following tasks: • Procurement planning • Advertising and bid announcements • Prequalification of contractors, suppliers and consultants • Preparation of Requests for Proposals and contract models • Reception and Opening of proposals • Analysis and Evaluation of Proposals • Awarding of contracts • Contract Administration. | **0.666667** |  |  | MoB is compliant. / **GNBS**: Processes are increasing so there is need to centralize it. Accounts Department does the non-technical procurement. Each Dept, otherwise, does its own procurement/ **GoI**: Accounting does this. Research does some advertising and Accounts others |
| **5** | Were the procurement personnel trained on the procurement of goods, consulting services and works (either the Bank's procurement policies and procedures or the local legislation)? | **0.333333** |  |  | MoB:Yes-IDB & MoF/ **GNBS**: No/ **GoI**: No |
| **6** | Is there any formal evidence related to the training of the Co-executor's personnel on policies and procurement procedures? | **0.333333** |  |  | MoB: Lekha-West had her certificate of participation/ **GNBS**: No. (GNBS ***may*** receive training from MoF)/ **GoI**: No |
| **7** | Have the types of contracting and procurement and the authorization levels by amount and complexity level been planned and regulated? | **0.333333** |  |  | MoB - Yes/ **GNBS**: Directors evaluate but there is no control as to thresholds. For capital projects, the Tender Board is used but for operational procurement, no internal controls/ **GoI**: MoF has policies about how procurement should occur at a general level. Tender Board for capital projects |
| **8** | Does the procurement administration system ensure that each transaction has the necessary and sufficient documentation to support it? (Invoices, Contracts, estimates, etc., as applicable) | **0.333333** |  |  | MoB: No internal auditor resident at the MoB and no JD for the position either. MoF is fulfilling internal audit functions for the MoB which is not good practice. MoB should have an internal auditor that would be responsible for the internal audit function foe the entire ministry including its agencies/ **GNBS**: No internal auditor to be independent of accounts and procurement/ **GoI**: Yes |
| **9** | Does the documentation mentioned in the previous question, allow the identification of the nature, purpose and results of each transaction and in particular, to establish compliance with the IDB procurement procedures (already agreed upon or to be agreed upon with the Bank? | **0.833333** |  |  | MoB - Yes/ **GNBS**: Tender Board items - yes but not operational things/ **GoI**: Yes |
| **10** | Do the procurement procedures define a separation of incompatible functions that allow to clearly differentiate personnel's attributions in each one of the different phases of the process? (Contracting Regulation or equivalent) | **0.333333** |  |  | MoB - Yes/ **GNBS**: No/ **GoI**: No |
| **11** | Do the procedures consider that the requests for procurement for goods and services are properly based on a justified need by the responsible person or area? | **0.666667** |  |  | MoB: Yes - based on needs assessment/ **GNBS**: Tender Board items - yes but not operational things/ **GoI**: Only for capital goods |
| **12** | Is it expected that the requests would only be approved only when there are budget resources previously earmarked and available? | **0.666667** |  |  | MoB: Yes - only if there are savings can new procurements be included. Otherwise, seek MoF's approval for inclusion in the next year's budget/ **GNBS**: An Annual Procurement Plan is not existent but the capital items in the budget would be a quasi-Annual Procurement Plan/ **GoI**: Virements are allowed with respect to procurement. No Annual Procurement Plan |
| **13** | Is there a system of pre-numbered forms (electronic form preferred) in support of the procurement activities and procedures? | **0.666667** |  |  | MoB: Yes - for quotations, etc/ **GNBS**: No. Only related to capital goods i.e. budget forms/ **GoI**: No. Maybe for capital |
| **14** | Does the system provide for the number of copies to issue, the destination of each one and the signatures required? | **0.666667** |  |  | MoB: Yes - original and copy to send to PS for approval and the original goes to MoF/ **GNBS**: not defined/ **GoI**: Yes - Policy |
| **15** | When applicable, is there a system of permanent recording of inventories to control their variations per units of similar characteristics? | **0.666667** |  |  | MoB: Yes and it is up to date/ **GNB**S: No/ **GoI**: Yes |
| **16** | Does the inventory control system include minimum and maximum quantities? |  | **0** |  | MoB: No min-max thresholds as it is a small ministry/ **GNBS**: No inventory management system/**GoI**: No min-max |
| **17** | Have appropriate physical spaces been assigned, according to the type of inventories, for their appropriate storage and control? | **1** |  |  | MoB: Yes - storage room but space is limited - no AC or extractor fan/ **GNBS**: Storage room exists and is manned by accounts/ **GoI**: Storage room |
| **18** | The system of procurement administration allows to identify the commitments and all other transactions from the beginning of the process, and establishes a link among the creation of the obligation, the receipt of the goods, works, and consulting services, and the corresponding payments, thus providing a reasonable assurance on the information system reliability and integrity? | **0.5** |  |  | MoB: Yes/ **GNBS**: No formal system/ **GoI**: Quasi system in place that works |
| **19** | Are there adequate procedures for the maintenance, security and appropriate handling of stored goods and parts? | **0.833333** |  |  | MoB: Yes (not large amounts)/ GNBS: Informal stock room, vehicles are outside. GNBS does not have technology to secure the building. New location will be key/ **GoI**: IMS (inventory management system) |
| **20** | Are there periodic verifications of the physical existence of inventories? | **1** |  |  | MoB - Yes/ **GNBS**: Accounts verifies through Assets register/ **GoI**: Every quarter. Assets Register as well |
| **21** | Has it been established that these verifications should be reconciled against the accounting records? | **1** |  |  | MoB - Yes/ **GNBS**: Ledger exists/ **GoI**: Yes. Ledger |
| **22** | Are these verifications performed by employees who are independent from the handling and recording of goods? | **0.5** |  |  | MoB: MoF and Aud Gen send auditors to validate/ **GNB**S: Accounts is doing both. / **GoI**: Accounts does it but with a separate team doing IMS, under the Accountant |
| **23** | Does Internal Audit (Internal Control) participate in the planning and observation of the verification? |  | **0** |  | MoB: No IA/ **GNBS**: No internal audit - only when recommended by the Board/ **GoI**: Does not exist |
| **24** | Is there an insurance plan to protect the goods in general? | **0.5** |  |  | MoB: No but there should be in case of flood or fire/ **GNBS**: There is general fire insurance but not at the value of assets/ **GoI**: covers physical, capital assets and employees of org (does not cover contents of building - content insurance) |
| **25** | Are there specific instructions regarding obsolete, damaged, lost or for sale goods in terms of their disposition (both physical and in the accounting records)? | **1** |  |  | MoB - Disposal of Assets Policy/ **GNBS**: No formal system but there is a process re capital items where the PS has to be written to get approval and the Auditor General has to come in and review before it is written off/ **GoI**: Board approval for asset disposal, guided by MoF and Auditor General on Disposal of Assets Policy - only covers capital acquisitions/MoB: same as GoI - yes |
| **26** | Are these instructions in agreement with the current legal regulations? | **1** |  |  | Disposal of Assets Policy |
| **27** | Are there permanent records of fixed assets showing the purchases, retirements, transfers and improvements? | **1** |  |  | MoB - Yes/ **GNBS**: Accounts keeps these records/ **GoI**: Yes |
| **28** | Is there a policy to formally assign responsibility to each administrative area and their employees regarding the utilization of fixed assets under their purview and their exclusive utilization for the intended purposes? | **0.333333** |  |  | MoB - Yes but at the end of the year there is reconciliation and new requests, for example upgrading/ **GNBS**: This does not exist/ **GoI**: No |
| **29** | Is there a general maintenance plan for the acquired works and goods? | **0.5** |  |  | MoB - Yes/ **GNBS**: Partial implementation but will be fully implemented in 2017/ **GoI**: No |
| **30** | Do they issue reports on the compliance with the preventive maintenance program? | **0.333333** |  |  | MoB - Yes, there are write-ups but item for item - general/ **GNBS**: Admin Officer - not a preventative maintenance plan/ **GoI**: No |
| **31** | Are procured goods and contracted and received services been compared against the Purchase orders previously issued? | **1** |  |  | MoB - Yes/ **GNBS**: Accounts/ **GoI**: Accounts |
| **32** | Is there a coding system to identify the fixed assets? | **1** |  |  | MoB - Yes/ **GNBS**: Accounts/ **GoI**: Yes |
| **33** | Is there a filing system for the documentation that supports the procurement of goods and consulting services as well as the contracted works, which allows to directly index and identify the transactions that have been performed, and also to make possible their audit as required by the Bank? | **1** |  |  | MoB - Yes/ **GNBS**: Accounts/ **GoI**: Yes - Accounts |
| **34** | Is the EA appropriately complying, in a sequential manner, with the Bank's procurement policies and procedures (short lists, preparation of terms of reference, no-objections, evaluations, etc.)? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **35** | In the event of projects of decentralized execution with the participation of multiple co-executors, have procedures been established to regulate the filing system of support documentation of the procurement of goods and services as well as contracting of consultants, which allows the indexing and identification of the transactions incurred with project resources? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **36** | Have procurements performed by the EA been included in the project's procurement plan? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **37** | If project's resources had been utilized to finance eligible expenditures incurred before the operation was approved by the Bank, have these expenditures been reviewed regarding their eligibility, according to the Bank's procedures? (Such expenditures should be the result of procurement procedures for works, goods and consulting services that were conducted under requirements similar to those set forth in the Bank's loan contract.) |  |  | **N/A** | GY-L1059 has not begun execution. |
|  | **TOTAL** | **30** | **3** |  |  |
|  |  |  |  |  |  |
| **QUANTIFICATION:** | | YES | | \* 100 | [90.91](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C14) |
| (YES+NO) | |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  | [SD](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F14) |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory D (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [RB](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G14) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Management System** | | **YES** | **NO** | **NA** | **Answer justification** |
|  | | | | | Dacia Ferguson, Principal Assistant Secretary, Finance (daciapet@yahoo.com)/ GNBS: Candelle Bostwick, Head, Conformity Assessment/ Officer in Charge (cbostwick@gnbsgy.org, cwalcottbostwick@yahoo.com) GoInvest: Owen Verwey, CEO (overwey@goinvest.gov.gy) & Leanna Damond, Investment Officer (ldamond@goinvest.gov.gy) |
| **1** | A formal assignment of matters related to Financial Management (Budget, Treasury, Accounting) has been granted to an organizational unit or equivalent, with the hierarchical level and sufficient authority? | **0.666667** |  |  | MoB: The Department of the Public Service has a Job Specification and Description for a Principal Assistant Secretary (Finance), in addition to a Job Code (T0910). The Dept has 7 persons reporting to the PAS/ **GNBS**: No Treasury. Accounts is responsible. Accountant does Budget with Heads/ **GoI**: Accountant deals with that |
| **2** | Does the person (or persons) in charge of such functions have the required financial management skills and experience? | **0.333333** |  |  | Only MoB could attest to the required financial management skills and experience. |
| **3** | Is the personnel familiar with the Bank's procedures on the preparation of disbursement requests? |  | **0** |  | There is no familiarity in any of the three entities. These Bank procedures were disseminated via email to the entities by the Consultant (post consultations) |
| **4** | Is there an authorized and effective Procedures Manual for Financial Management? | **0.5** |  |  | MoB - No manual (other than for IFMAS) but there is the FAA Act/ **GNBS**: No/ **GoI**: Accounting Policies (SOPs re Expenditure Mgmt, etc) |
| **5** | Is there an automated system of accounting and financial records integrated with the Entity's general accounting, that allows the identification of the project's transactions by source of funding and investment categories, in agreement with the Chart of Accounts approved by the Bank, and independent from the rest of the Entity activities? | **0.333333** |  |  | MoB - IFMAS. NB: Finance did not approve IFMAS training for agencies under MoB/ **GNBS**: Excel is used - no accounting or fin man package/ **GoI**: Have QuickBooks but don't use it |
| **6** | Does this system allow timely and reliable access to financial information for the preparation of Financial Statements and other reports? | **0.333333** |  |  | MoB - Yes. IFMAS is able to facilitate this/ **GNBS**: It requires human updating as it is not automated (manual). GNBS does not do Financial Statements. It does cash flows and Income and Expenditure statements/ **GoI**: Excel |
| **The records of the project are taken in a way that:** | |  |  |  |  |
| **7** | In case of projects of decentralized execution, is there an integrated accounting system that allows the identification of resources and transactions made by each participant co-executor, separated by categories and sub-categories of investment, in accordance with the chart of accounts approved by the Bank? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **8** | Do they show the cost of the investment in each category and sub-category in agreement with the Chart of Accounts approved by the Bank, as well as the progress of works? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **9** | Has the Project Executing Unit (PEU), or the Coordinating Unit (CU), whichever applies, prepared an accounting manual applicable to the project? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **10** | In relation with global credit programs, do the records also specify the credits granted, repayments made and their use? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **11** | Is there a filing system of the support documentation of financial transactions, which allows direct indexing and identification of the operations? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **12** | In the case of projects of decentralized execution, do the co-executors have a filing system of the support documentation of financial transactions, which allows the direct indexing and identification of the operations financed with project resources, including disbursement requests presented to the PCU? |  |  | **N/A** | GY-L159 will be centrally executed. There is a recommendation to have Component Coordinators as part of the PEU structure to ensure the flow of information to the beneficiary agencies (GNBS and GoInvest). These persons would report to both the PEU and the heads of the beneficiary entities. |
| **Programming and budget:** | |  |  |  |  |
| **13** | Are there clear and properly approved procedures to formulate, execute and control the budget? | **1** |  |  | MoB: Budget Circular goes out. Each Dept prepares a budget and then MoB consolidates. When Finance approves, the percentage by which it is approved, is allocated across the board to the agencies. Control occurs through monthly reports to MoB and quarterly reports to MoF to ensure there is no overspending/ **GNBS**: MoF provides forms that have to be used/ **GoI**: Yes |
| **14** | Have short, medium and long term mechanisms and procedures of financial management been designed? | **0.556667** |  |  | MoB - There is the annual budget e.g. the forthcoming 2017 budget plus indicative budgets for four forward years. The Strategic Plan is aligned with the budget/ **GNB**S: emphasis is on the annual/ short term budget/ **GoI**: Short-term and medium-term (4 years) |
| **15** | Is there an automated and integrated budget system? | **0.5** |  |  | MoB - IFMAS informs the budget/ **GNBS**: No/ **GoI**: Integrated but not automated. The answer would be yes if IFMAS was extended to agencies and not just central government |
| **16** | Are there mechanisms of control, evaluation and follow up of the budgetary execution? | **1** |  |  | MoB - Quarterly and annual reports are submitted to Finance/ **GNBS**: MoB does monthly monitoring to effect subvention release/ **GoI**: Yes. CEO and Board of Directors plus to MoB for the release of monthly subventions |
| **17** | For programs of decentralized execution, has a mechanism been designed for the consolidation and budgetary control of the financial transactions under the responsibility of the co-executors? (decentralized units) |  |  | **N/A** | GY-L059 execution will be centralized. Refer to the answer justification to time 12 above. |
| **Treasury** | |  |  |  |  |
| **It has been anticipated that:** | |  |  |  | **Treasury functions would only be performed by MoB since it provides subventions to GNBS and GoInvest.** |
| **18** | Is there an operational regulation manual for the management of both the Bank's financing and the counterpart resources including: functions, delegations of authority, restrictions, etc.? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **19** | Have bank accounts with the Central Bank or Commercial Banks been opened under the project's name and for the exclusive handling of the Bank's funding or contribution to be used for the project? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **20** | Have bank accounts with Commercial Banks been opened under the project's name and for the exclusive handling of local counterpart resources to be used for the project? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **21** | When dealing with projects of decentralized execution, have bank accounts with Commercial Banks been opened by the co-executors under the project's name and for the exclusive handling of the financing and the counterpart resources? |  |  | **N/A** | GY-L1059 has not begun execution. However, there was a previous project, in 2006, which required a separate bank account. |
| **22** | Are there cash flow programs integrating the needs of all the Units? | **1** |  |  | MoB - Yes/ **GNBS**: Done manually/ **GoI**: Yes, but manual |
| **23** | Is there periodic preparation of records, reports and reconciliations showing the balances and movement of the bank accounts and liabilities? | **1** |  |  | MoB: Monthly bank reconciliation. MoB is integrated into the Consolidated Fund that Finance holds but each entity has an imprest account/ **GNBS**: monthly/ **GoI**: monthly |
| **24** | Are the bank reconciliations prepared by personnel independent from the ones with access to the recording and handling of funds? | **0.5** |  |  | MoB: Assistant Accountant controls the imprest and Chief Accountant does the Bank reconciliation/ **GNBS**: No/ **GoI**: same team but goes through two to three people |
| **25** | Are the bank reconciliations up-to-date for each end-of-month closing? | **1** |  |  | Yes, for all, as MoF requires these reconciliations. |
| **26** | Bank reconciliations do not reveal old transactions without adjustments or when timely actions have been established for their removal, when they exist. | **1** |  |  | MoB - cleared monthly/ **GNBS**: Cleared monthly/ **GoI**: cleared monthly |
| **27** | Have periodic reconciliations been made to the Revolving Fund among the available bank balances, the executor's and the Bank's records, and are the reconciliation transactions properly explained or have the pertinent adjustments been implemented? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **28** | Are there mechanisms for the preparation and presentation of semi-annual reports of the Revolving Fund, within the 60 days following the closing of each semester? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **29** | In case of projects of decentralized execution, is there sufficient explanation of the cash flow among the Bank (or other co-financing organisms), the PCU and the co-executors (graphic outlines)? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **30** | For programs of decentralized execution, is there sufficient explanation of the regulating the accountability mechanism and financial reporting, the transfer of funds and the type of support documentation related to disbursement requests? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **31** | In the event of projects of decentralized execution, with multiple co-executioners, are there procedures for the ex-post review of disbursement requests support documents, according to the Bank? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **If it is a credit program, the OE has planned and implemented mechanisms to** | |  |  |  | **This is not a credit program.** |
| **32** | Ensure that the sub-loans granted are eligible according to the conditions established in the CR? |  |  | **N/A** |  |
| **33** | Are there records, control and use of the repayments? |  |  | **N/A** |  |
| **34** | Is there control and follow up on the application of interest rates with the conditions established in the CR? |  |  | **N/A** |  |
| **Records and documents** | | | | |  |
| **It has been planned mechanisms that are operative, for:** | |  |  |  |  |
| **35** | Are all financial transactions, including commitments properly recorded at the moment of their occurrence? | **1** |  |  | MoB - Yes/ **GNBS**: Yes/ **GoI**: Yes, and the entity wants to do accrual accounting |
| **36** | Is an official receipt issued, for each financial transaction, (revenues and expenses) via a pre-numbered form with the necessary information for its identification, classification and accounting entry? | **1** |  |  | MoB - Official receipt with T3 - requested from MoF each year/ **GNB**S: Receipt books with serial numbers; books are coded/ **GoI** - same as GNBS |
| **37** | Have the deposits been made totally and entirely in the authorized bank accounts? | **1** |  |  | MoB - not applicable as the ministry is not revenue-making and uses imprest. Tenders bring in funds but the funds are deposited at the end of tender period/ **GNBS**: Yes/ **GoI**: Yes |
| **38** | Are such deposits made daily or, at the latest, in the next business day after receipt? |  | **0** |  | MoB - The Ministry is not really revenue making. There would be minimal amounts to deposit and this would not require the frequency referenced/ **GNBS**: Monthly but there is the directive from the Council to do this twice weekly/ **GoI**: Funds are vaulted and deposited; additionally, GoI is not a revenue making entity, *per se* |
| **39** | Is each payment accompanied by support documentation such as: authorized purchase order, original proof of receipt of goods and services, original invoice and receipt of payment? | **1** |  |  | Yes, for all three entities |
| **40** | Have the responsibilities to commit resources, review and authorize payments been defined? | **1** |  |  | MoB - PS authorizes. Chief Accountant reviews and signs off. PAS Ferguson commits/ **GNBS**: Three signatories and at least two have to sign at any one time. ED signs off on commitment of resources/ **GoI**: Yes, in Policy mentioned above |
| **41** | Except for petty cash, or in cases required by Law, are all payments made by a non-transferable check made out to the beneficiary or by electronic transfer? | **1** |  |  | MoB - cheques/ **GNBS**: Cheques and wire transfers overseas/ **GoI**: Yes |
| **42** | Is the original support documentation of all transactions filed only when it has been signed, according to the expected regulations? | **1** |  |  | Yes, for all three entities |
| **Accounting and processed information in computing systems** | |  |  |  |  |
| **It has been planned an accounting system that:** | |  |  |  |  |
| **43** | Makes it possible the preparation of the project's financial statements and other financial reports required by the Bank? | **0.333333** |  |  | MoB - cash flow forecasting only but IFMAS has additional modules that could be activated to use for Bank-financed projects/ **GNBS**: No/ **GoI**: No |
| **44** | Are there defined deadlines for the preparation and timely presentation of the Financial Statements and other financial reports required by the Bank? |  |  | **N/A** | GY-L1059 has not begun execution. |
| **45** | Are there defined policies and procedures to develop/modify, test and implement the accounting systems, including computer programs and files of related data? | **0.333333** |  |  | MoB - IFMAS does come with a manual/ **GNBS** and **GoI** are not using integrated accounting systems |
| **46** | Is there a procedure for the periodic back-up (data and system back-up) that assures the recovery of financial and accounting information? | **0.66667** |  |  | MoB - there is no electronic back up that IT would have responsibility for. Back up of IFMAS occurs at MoF/ **GNBS**: No/ **GoI**: Back up system at 8pm each evening |
| **47** | Are there methods (passwords, authorization levels, validation, etc.) to prevent unauthorized access to the database and to the accounting and financial information systems? | **1.00000** |  |  | The answer is yes for all entities - despite the level of development of the systems. Passwords/access codes are used. |
| **48** | Is there an approved contingency plan and periodic review policy to assure the timely and continuous processing of financial and accounting information? | **0.666667** |  |  | MoB - MoF Serves as the back-up and anyone with a password can go to any ministry and log in/ **GNB**S: No/ **GoI**: Yes |
| **49** | Are the programs and applications properly documented? | **0.333333** |  |  | MoB - IFMAS has a manual/ **GNBS** and **GoI** cannot affirm |
| **50** | Is there a formal restriction to access the computer centre? | **1** |  |  | MoB - IT at MoB has no link to the IFMAS. IT-MoF would provide support for IFMAS/ **GNBS**: Restrictions to what departments can access/ **GoI**: Yes - passwords |
| **Other requirements** | |  |  |  | There is no familiarity with the documentation. In addition, this instrument needs to be updated as the documents referenced are no longer used. There is: (i) Financial Reports and External Audit Handbook for IDB-financed projects (v2) dated May 2015 and (ii) Financial Management Guidelines for IDB-financed Projects (OP-273-6) dated October 2014. Both documents have been shared with the Ministry of Business. |
| **51** | Are the persons responsible for the financial information familiar with the Documents AF-100 Bank’s Policy on the Audit of Projects and Entities, and AF-300 Guidelines for the Preparation of Financial Statements? |  | **0** |  |  |
| **52** | Have the Financial Statements and other financial information required by the Bank's standards and procedures, been submitted to the Bank periodically and within the dates established in the contract? |  |  | **N/A** |  |
|  | **TOTAL** | **28** | **3** |  |  |
|  |  |  |  |  | [90.32](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C15) |
| **QUANTIFICATION:** | | YES | | \* 100 |
| (YES+NO) | | [SD](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F15) |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory D (81-100)** |  |  | [RB](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G15) |
| **RISK:** | | **High RA (0-40)** |  |  |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Internal Control Systems** | | **YES** | **NO** | **NA** | **Answer justification** |
| **Environmental Control** | |  |  |  | GNBS/GO-Invest/MoB: Underdeveloped internal control |
| **1** | Has a code of conduct (ethics) or equivalent guidelines been designed? | **1** |  |  |  |
| **2** | Is there personnel orientation on the code of conduct? | **1** |  |  | At the start of employment |
| **3** | Do the employees state that they know and understand the code of conduct upon start of employment and at least once a year? |  | **0** |  | Upon start of employment - it is not a document to sign; it is for reading and familiarization |
| **4** | Do the employees state the existence or nonexistence of conflicts of interest at the beginning of their employment and at least once a year? |  |  | **N/A** | Internal audit function - which does not exist |
| **5** | Has it been assigned at an appropriate level the responsibility to evaluate and solve situations of supposed breach of the code of conduct, frauds, other noncompliance and recommendations to improve the control? | **1** |  |  |  |
| **6** | Is the Entity's management style based on the fulfilment of standards geared towards efficiency, effectiveness and operational transparency? (Verify if there is a formal institutional code of values and if the personnel are aware of it and of the existence of an organizational culture: performance evaluation, definition of vision, mission, POA, indicators and standards). | **1** |  |  | There is performance evaluation, vision, mission, strategic plan (MoB), standards (GNBS) |
| **7** | Are there reports, or documents equivalent, by which it can be observed whether management promotes and practices self-evaluation in such a way that shows the existence of a control environment which has also been improved? | **1** |  |  | Auditor General's external reports would confirm whether this occurs |
| **8** | Has an Internal Audit function, or the equivalent, been developed (without responsibility for other existing functions)? |  | **0** |  |  |
| **9** | Does the Management consider and timely corrects the inconsistencies in the control activities reported by IA |  |  | **N/A** | No internal audit function across MoB |
| **Risk value:** | |  |  |  |  |
| **10** | Is there a clear identification of the relationship between the Entity's planning and programming of activities? | **1** |  |  |  |
| **11** | Do personnel responsible for the achievement of objectives and goals participate in their design or did they receive an appropriate orientation about them? | **0.5** |  |  | MoB: Senior management participate in design, unclear if this is transmitted to other staff/GNBS: Heads of Departments; GoI - CEO, Board, senior mgmt |
| **12** | Is there a structured and advertised methodology for the Risk Analysis 'RA?' |  | **0** |  |  |
| **13** | Are there reports to illustrate that the AR methodology works in practice and contributes to the timely risk management? |  |  | **N/A** |  |
| **Activities or control procedures:** | |  |  |  |  |
| **14** | In general, are the control activities interrelated or are they a result of the risk evaluation? | **1** |  |  | Inter-related |
| **15** | Have procedures been formalized to establish that the processed data is complete and based on real authorized transactions, in such a way as to be used to prepare reliable and timely reports? | **1** |  |  | Monthly reports from GNBS and GoInvest to MoB and MoB reports to Finance |
| **16** | In each important process, have the activities that contribute to the objectives of the ICS been identified? |  | **0** |  |  |
| **17** | Is there formal evidence that the personnel responsible for the processes has the knowledge and understanding of the control activities? |  | **0** |  | At GNBS and GO-Invest, Accounting undertakes a multiplicity of control functions without clear separation of tasks. |
| **Information and communication:** | |  |  |  |  |
| **18** | Is the information system supported by a technological platform that facilitates the processing and consultation of data in a comprehensive and timely manner? |  | **0** |  | MoB; work-in-progress |
| **19** | Have procedures been formally defined to protect the equipment and computer applications from correlated risks? | **1** |  |  | GO-Invest has procedures in place. GNBS has procedures too. Normally the function of the IT department. |
| **20** | Are there appropriate mechanisms in place that facilitate communication inside of the Organization (communication of policies, standards, procedures, appointments and retirement of personnel, explanations, report of unusual matters, consideration of staff suggestions, etc. )? | **1** |  |  |  |
| **21** | Are there mechanisms that facilitate the communication outside the Organization (channels of communication with suppliers, multilateral, governmental and financial entities, etc.)? | **1** |  |  |  |
| **Monitoring:** | |  |  |  |  |
| **22** | Have functions and procedures for the supervision of the key processes been defined? |  |  | **N/A** | MoB recently acquired a M&E Specialist and is seeking to have a M&E Coordinator to head a small unit |
| **23** | Is there formal evidence that the supervision is actually performed (identify evidence of documents and reports that show the participation of the supervisory levels in reviewing the quality of the processes) |  | **0** |  |  |
| **24** | Have mechanisms been put in place for the personnel to self-evaluate how the controls corresponding to their areas of responsibility have been working? |  |  | **N/A** |  |
| **25** | Has it been clearly established the responsibility and actions related to the receipt, evaluation and transaction of the employee's initiatives, in relation to the Internal Control System (ICS)? |  |  | **N/A** |  |
| **26** | If the creation and operation of an Internal Audit Unit has been formalized, is it working in agreement with the International Standards on Audit (ISAs)? (Verify the existence of an IA Manual, Unit size, expertise on ISAs, scope of audits). |  |  | **N/A** |  |
| **27** | Has responsibility been assigned and procedures put in place to receive, evaluate and process the recommendations and conclusions of Internal Audit on the ICS? |  |  | **N/A** |  |
| **28** | Are the levels of responsibility and authority satisfied with the services received from the IA? |  |  | **N/A** |  |
| **29** | Is there an up-to-date Internal Audit report or equivalent document, which shows that the detailed requirements have been completed for each one of the five components of internal control, described in the five sections of this questionnaire? |  | **0** |  |  |
|  | **TOTAL** | **12** | **8** |  |  |
|  | |  |  |  |  |
| **QUANTIFICATION:** | | YES | | \* 100 | [60.00](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C17) |
| (YESI+NO) | |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  | [ID](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F17) |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory D (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [RS](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!A1) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **External Control System** | | **YES** | **NO** | **NA** | **Answer justification** |
|  | | | | | Mona Singh, Audit Supervisor (monasingh75@hotmail.com); Rosamund Hall, Audit Manager (rosamund.hall@audit.org.gy) |
| **1** | If the Entity is subject to an external audit, has it been performed annually? | **1** |  |  | Available online for central government - new min (will be in current audit reports) |
| **2** | Are there formal procedures for the administration of the external audit services (responsibilities for the preparation and supply of information, follow up on deadlines, receipt of results, clarifications and communication with External Auditors, etc.) | **1** |  |  | Audit Act 2004 - check online |
| **3** | Is there a formal contract, or equivalent, for the execution of the external Audit? |  | **0** |  |  |
| **4** | Do the statements regarding the nature and scope of the audit services clearly reflect the benefits expected from this service? | **1** |  |  |  |
| **5** | Are the estimated fees based on reasonable calculations per hour/person or days/person, based on the scope and nature of the work? (verify if there is formal supporting evidence of these calculations) |  | **0** |  |  |
| **6** | Have the fees been paid according to what have been stated in the contract? |  |  | **N/A** |  |
| **7** | In case of payment delays, have they been justified based on the independent audit firm non-compliance. |  |  | **N/A** |  |
| **8** | Does the firm of external auditors only offer this type of service to the entity? |  | **0** |  | No. It offers services to other entities. |
| **9** | Have the reports from the contracted audit, or from a SAI's audit, been delivered in the expected time as stated in the contract or as described in the required legal standards? |  | **1** |  | In at least 4 months or April 30, the statements should be submitted for auditing/ first year and delivered on time |
| **10** | If the audit reports include opinions that are not "unqualified"/ (qualified) and findings and/or reportable conditions on the internal control have been reported, has the Entity taken formal actions to address those problems in a timely fashion? |  | **0** |  | There were instances in which the Report stated that Management at GNBS did not respond adequately (not MoB in general). |
| **11** | If there were limitations to the audit scope, were they due to the Entity's lack of knowledge of the necessary support to comply with the audit's objectives? |  |  | **N/A** | GNBS: lack of capacity of the Accountant |
| **12** | Is there evidence of the effective correction of the matters reported on the audit report? |  |  | **N/A** | GNBS: Some evidence of correction |
| **13** | Is the nature of the corrections geared towards solving the causes of the problems, so that they are not repeated in following years? | **1** |  |  |  |
| **14** | If issues arising from audit reports are still pending, it is not attributed to the management's lack of will to implement solutions, or to a lack of knowledge of an external audit's benefits? | **1** |  |  | GNBS: lack of capacity and perhaps lack of management's will to implement solutions and because the reports though lay in Parliament are not scrutinized by civil society (so no shaming effect) |
|  | **TOTAL** | **5** | **5** |  |  |
|  | |  |  |  |  |
| **QUANTIFICATION:** | | YES | | \* 100 | [50.00](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!C18) |
| (YES+NO) | |
| **DEVELOPMENT:** | | **There is no ND (0-40)** |  |  | [ID](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!F18) |
| **Incipient DI (0-60)** | **ID (41-60)** |  |
| **Median MD (61-80)** |  |  |
| **Satisfactory D (81-100)** |  |  |
| **RISK:** | | **High RA (0-40)** |  |  | [RS](file:///C:\Users\Sophia\Dropbox\IDB-GUYANA\CLAUDIA\Institutional_Capacity_SECI_MOB%2015-18Aug2016.xls#RANGE!G18) |
| **Substantial RS (41-60)** |  |  |
| **Medium RM (61-80)** | | |
| **Low RB (81-100)** |  |  |

1. The Spanish acronym for ICAS is SECI. [↑](#footnote-ref-1)
2. See Appendix 4 for the flow charts of key fiduciary management processes. [↑](#footnote-ref-2)
3. See paragraph 1.13 of the Proposal for Operation Development for GY-L1059. [↑](#footnote-ref-3)
4. See Appendix 2 for the financial management, procurement and monitoring and evaluation job descriptions. [↑](#footnote-ref-4)
5. These were the most current audits the officer in charge was able to provide. [↑](#footnote-ref-5)
6. Go to <http://goinvest.gov.gy/investment/legislations/> [↑](#footnote-ref-6)
7. General refers to MoB central government, GNBS and GO-Invest. [↑](#footnote-ref-7)
8. This ToR will require significant modification to reflect the proposed project structure and component requirements as the CC would be integrated in the PEU, reporting to the Project Coordinator and the CEO of GO-Invest and will have to liaise with the PEU’s Financial Management Specialist and Procurement Coordinator while ensuring that the needs of GO-Invest are fully reflected in both financial and procurement programming, which are integrated in the APO. The proposed component coordinator would be operating out of GO-Invest and would be undertaking a multiplicity of duties. [↑](#footnote-ref-8)
9. There are 20 existing main national laboratories (public and private) that provide different testing services. There are only two accredited labs in Guyana: the Guyana Rice Board Laboratory and the Eureka Medical Lab got accredited on May 2015 and March 20016 respectively. (ISO/IEC 17025). [↑](#footnote-ref-9)
10. Unsuitable type of construction materials to ensure a sterile environment, layouts that may conduce to cross contamination, locations subject to flooding, poor ventilation, humidity and direct sunlight. Needs’ Assessment Report, 2014. [↑](#footnote-ref-10)
11. Ibid. [↑](#footnote-ref-11)
12. UNIDO. 2012. Trade Standards and Compliance Report [↑](#footnote-ref-12)
13. This position was an outcome of the previous Justice Sector Transformation Loan funded by the IDB. The Job Description needs to be generalized to the public service as it is not only the justice sector that needs M&E. The person for whom this is JD was created is now the Permanent Secretary at the Ministry of Legal Affairs. [↑](#footnote-ref-13)
14. Government of Guyana’s fiscal year is January 1 through December 31. [↑](#footnote-ref-14)