



AUDIT OFFICE OF GUYANA

PROMOTING GOOD GOVERNANCE, TRANSPARENCY
AND IMPROVED PUBLIC ACCOUNTABILITY

REPORT OF THE AUDITOR GENERAL

**A REVIEW OF ASSET MANAGEMENT AT THE
NATIONAL DRAINAGE AND IRRIGATION AUTHORITY (NDIA)
FOR THE PERIOD 1 JANUARY 2021 - 30 JUNE 2024**

A PERFORMANCE AUDIT



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This report has been prepared in accordance with Part V Section 24 (1) (b) of the Audit Act 2004. In conducting this Performance Audit, we followed the Code of Ethics and Standards and Guidelines for Performance Auditing of the International Organization of Supreme Audit Institutions (INTOSAI), of which the Audit Office of Guyana is a member.

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EXECUTIVE SUMMARY

Why we did this audit

The National Drainage and Irrigation Authority (NDIA) is a department under the Ministry of Agriculture, primarily responsible for drainage, irrigation, and flood control nationally. There was a significant increase in the NDIA expenditure for maintaining its assets over the years, from \$1.079 billion in 2021 to \$ 2.461 billion in 2023. However, there were some concerns that clear systems to guide asset management operations may not be in place, which could make it challenging to ensure the best value is achieved from spending on asset maintenance activities. A Performance Audit was conducted from 1 January 2021 to 31 June 2024 to determine whether NDIA's asset management system is efficiently and effectively managed to achieve its objective.

Key messages

The NDIA has ensured that the necessary machines and equipment for drainage and irrigation are available across all regions of Guyana. Between 2021 and 2024, over \$6.6B was allocated to maintain these assets in working condition. At the same time, there are still notable gaps in planning, monitoring, and verification processes and key positions were still vacant. In addition, management records were either not presented or not properly maintained, and formal documents to guide operations and support sound asset management were not fully in place. Filling vacant positions, strengthening documentation, oversight, and structured asset management systems presents opportunities for the Authority to ensure sustained performance of these asset investments.”

What we found

Continuous shortage of staff and key positions remains unfilled - The Authority continues to have over 30 vacant positions in its organisational structure annually. Positions such as Chief Executive Officer, Deputy Chief Executive Officer, Corporate Secretary/Legal Officer, Manager of Operations and Maintenance, among others, were vacant up to September 2024 when the audit field work was concluded. These were necessary for the effective management of assets.

The asset register lacks vital information – The asset register maintained by the authority was not properly and accurately maintained. Information on asset location, asset serial number, asset identification number, and asset transfer details was not evident. As a result, the Authority could not properly identify and track assets owned and controlled.

Asset management system not properly monitored and evaluated – Asset Performance Indicators were not established, and a comprehensive monitoring and evaluation of the system used to manage assets was not done. As such, information provided for decision making may not be accurate, stakeholders would not be reliably and adequately informed, and the effectiveness of the Authority's performance would not be accurate.

Way forward

The Audit Office made 22 recommendations to management for improvement. Through the full implementation of the recommendation, NDÍA will be able to better manage its assets.

Introduction

1. A performance audit of the National Drainage and Irrigation Authority (NDIA) was conducted to assess the effectiveness of the Authority's operations in fulfilling its mandate. As the primary agency responsible for the maintenance and management of the country's drainage and irrigation infrastructure, NDIA plays a critical role in safeguarding agricultural productivity, mitigating flood risks, and supporting national development goals. Given the significance of these responsibilities, the audit sought to determine whether NDIA managed its assets in an effective and efficient manner to achieve set objectives in fulfilling its mandate. The audit covers the period 1 January 2021 to 30 June 2024.

2. Asset management is defined as “a systematic process of developing, operating, maintaining, upgrading, and disposing of assets in the most cost-effective manner.” This process is guided by international standards such as ISO 55000 – Asset Management, developed by the International Organization for Standardization (ISO), which provides the requirements specification for a management system for asset management.

3. According to the standards, Asset management consists of four components shown in the figure below. These components are guided by four fundamentals as follows:

- 1) **Value** - asset management does not focus on the asset itself, but on the value the asset can provide to the organization.
- 2) **Alignment** - asset management translates organizational objectives into technical and financial decisions, plans, and activities.
- 3) **Assurance** - asset management gives assurance that assets will fulfil their required purpose.
- 4) **Leadership** - asset management seeks to enable leadership and organizational commitment at all levels to help realize value enabled by assets.



Figure №. 1 – Asset Management Components
Source: ISO 55000

4. The component named “Asset Management Systems” is further guided by seven features. These were used to guide the audit and are as follows:

- **Context of the Organization:** a statement of the organization's mission, vision, goals, and objectives in alignment with stakeholder needs and expectations. This is used to structure requirements that will be captured in a strategic asset management plan.
- **Leadership:** Ensure asset management activities are in alignment with the strategic asset management plan. This requires clear policy, assignment of responsibility, and delegation of roles and authorities.
- **Planning:** a well-understood and adaptive approach to translate risks and opportunities into well-articulated asset management plans, including specific objectives, actions, and criteria for success. This must be a continuous process.
- **Support:** asset management plans must be supported by resources, personnel, awareness, effective communications, clearly stated requirements, and capable information / decision-support systems.
- **Operations:** asset management plans are carried out through operations that direct strategies and activities. This includes active management of resources in alignment with plan objectives and strategies.
- **Performance Evaluation:** asset management systems must include performance monitoring, measurement, analysis, and evaluation activities.
- **Improvement:** asset management systems must also include systems and strategies to manage nonconformities, corrective and preventative actions, and strategically organized continual improvements.

Background

5. The NDIA is a semi-autonomous agency established in 2004 under the Ministry of Agriculture to take over the technical and operational responsibilities from the previous Drainage and Irrigation Board, with an expanded mandate to manage the country's drainage and irrigation systems.

6. The Authority plays a crucial role in flood control, irrigation supply, and land drainage. Over the years, NDIA has overseen several major infrastructure projects, including the installation of high-capacity drainage pumps, canal rehabilitation, and the modernisation of coastal and inland water systems. The Authority also collaborates with Regional Democratic Councils (RDCs), Neighbourhood Democratic Councils (NDCs), and farmers to enhance its operations.

7. Through its mission, the NDIA continues to support national food security, rural development, and environmental protection, establishing itself as a vital agency in Guyana to manage the risks posed by climate change and promote sustainable agricultural growth.

Roles and responsibilities of key players

8. The NDIA's management structure consists of a Board of Directors, a CEO, and officers in Engineering, Finance, Human Resources, and Procurement, organized into three departments: Operations and Maintenance, Construction and Development, and General Administration. The Minister appoints the Board for policy implementation and governance, while the CEO manages daily operations, ensuring infrastructure efficiency and legal compliance, and oversees technical issues and partnerships for agricultural and residential drainage and irrigation.

9. In Operations and Maintenance, the Mechanical and Electrical Engineering team maintains equipment through servicing, installation, and preventative maintenance. The Monitoring and Evaluation department handles data collection, annual work plans, and performance reports, while the GIS section focuses on mapping drainage and irrigation infrastructure and inter-agency collaboration. In Construction and Development, the Engineering section coordinates drainage and irrigation activities, conducts cost analyses, manages water resources, and provides monthly progress updates to the CEO.

Reasons for undertaking the audit

10. This audit was selected based on the significance of (i) the concerns highlighted by citizens in the media over the years regarding the effects of flooding on their livelihoods and consequent losses, (ii) the substantial increase in NDIA expenditure for maintaining its assets from 2021 to 2024.

Audit objective

11. The objective of the audit is to determine whether NDIA's asset management system in place is effective and efficiently managed.

Audit Scope

12. The audit covers the period 1 January 2021 to 30 June 2024. It focuses on the assessment of the Authority's systems, processes, and operations to determine whether it is effectively managing its assets.

13. The audit did not focus on the equipment located in Regions № 1, 7, and 8, the construction of infrastructure, the purchasing of equipment, assessing the fairness and accuracy of NDIA's financial

statements, or evaluating the broader policy frameworks of the Ministry of Agriculture or environmental impact.

Audit criteria

14. Audit criteria are reasonable standards against which management practices, controls and reporting systems can be assessed. The audit criteria and sources are presented in the “About the Audit” section of this report.

Financial management

15. The management of the NDIA falls under the Ministry of Agriculture. The Permanent Secretary is expected to establish and maintain adequate management controls over financial and human resources, monitor the effectiveness of the controls, and ensure relevant legislation such as the Fiscal Management and Accountability Act 2003, the Procurement Act 2003, and Stores Regulation Sections 1993, is complied with. Funding for the management of the NDIA programme is provided through the annual appropriations received from the Consolidated Fund.

Report structure

16. This report consists of the following three chapters, which cover the Lines of Enquiry considered by this audit:

- Asset Management System.
- Accountability of the Asset Management Operations.
- Asset Maintenance and Performance Measurement.

Chapter One

Asset Management Systems

1. There are four phases in the asset management lifecycle process. This chapter focuses on the first phase, PLANNING, as shown in the diagram below.

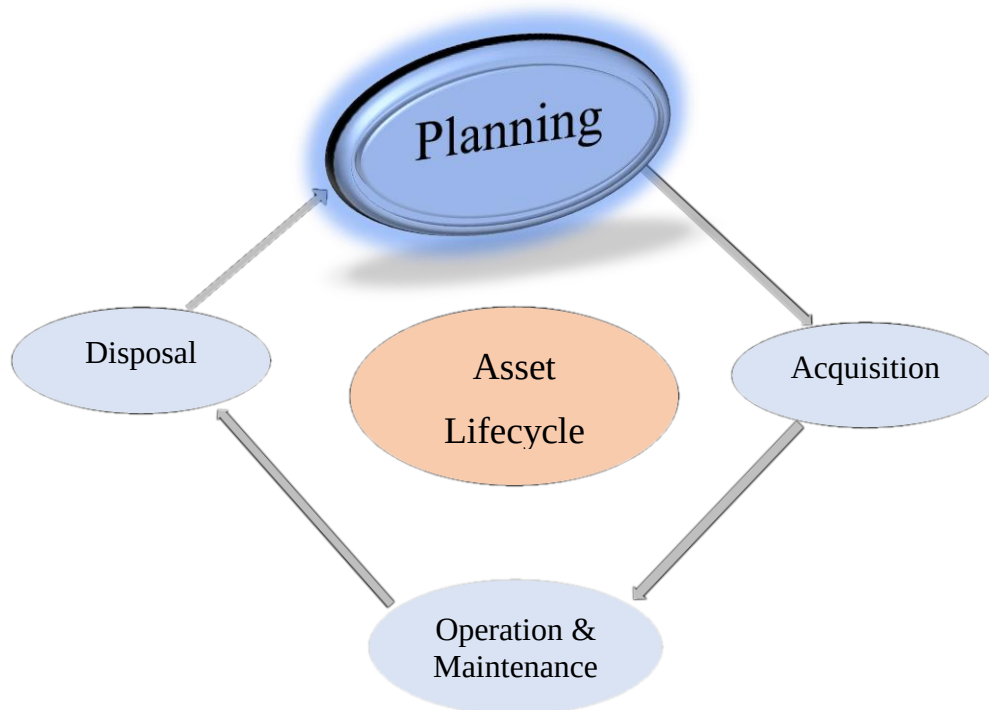


Figure № 1: The stages of the asset management lifecycle process
Source: International Organization of Standardization (ISO) Standard 55000

2. Planning is a strategic roadmap that guides an organisation on how to use its resources efficiently to achieve its objectives. It defines what to do, how to do it, when to do it, and who should do it. Asset management planning describes (a) organisational strategies, (b) risks and mitigation measures, (c) budget and the allocation of resources, (e) performance requirements, and (f) monitoring and evaluation criteria. This is to enhance operations and workflow, ensuring alignment with organisational goals and objectives.

Criterion 1.

The National Drainage and Irrigation Authority establishes documents to guide the management of its assets.

3. The National Drainage and Irrigation Authority should have systems in place to guide the management of its assets. This will maintain functioning drainage, irrigation, and flood control systems to safeguard citizens' livelihood and help boost agricultural productivity.

Asset management policy not presented

4. The Authority explained that a policy was established to manage its assets. However, despite several requests, the policy was not presented for audit scrutiny. As such, it could not be determined how the Authority decides on the assets to purchase, best usage practices, effective and economical maintenance, the degree of their useful life, and proper disposal methods. The lack of a document to guide the organization's operations could lead to non-compliance with laws and regulations, operational problems, and financial losses to citizens.

Recommendation: *The Audit Office recommends that the Authority present the policy governing its operations or the management of assets for audit verification.*

Management Response: *The Authority manages its assets in keeping with the Stores Regulation (1993).*

Operational activities were not properly guided

5. The management of the Authority indicated that an assessment of its operations was conducted and a multi-year strategic plan was prepared. However, documentation to support the same was not presented for audit scrutiny. This indicates that the organisation's operations may not have been structured and properly guided. Additionally, current asset management practices may not be aligned with the strategic goals and objectives of the Authority. The lack of an established and approved document to guide asset management practices could result in a lack of direction, confusion and overlaps in tasks, misallocation and misuse of resources, and unachieved objectives.

Recommendation: *The Audit Office recommends that the Authority present (a) documentation to support that its operations were assessed and (b) present the multi-year strategic plan that was prepared for audit verification.*

Management Response: *The Authority will review its asset management practices to align with its strategic plans and submit the multi-year strategic plan.*

Criterion 1.2

The structure established to manage assets is fully equipped and functioning.

6. The NDIA should have an operational management structure that is properly staffed. This ensures citizens receive efficient and effective drainage and irrigation services while meeting the Authority's goals and objectives.

A continuous shortage of staff and key positions remained vacant

7. The NDIA organisational structure has sixteen departments, eleven of which are operational. To effectively manage these departments, the government has approved and authorised a staff strength of 173 employees for each year during the period under review. The authorised staff strength was distributed as shown in the following table.

Department	Authorised Staff Strength
Finance Department	21
Procurement Department	8
Human Resource Department	31
Audit Department	2
Administrative Department	23
Mechanical Department	20
Region 2	7
Region 3	14
Region 4 (Georgetown)	5
Region 4 (East Coast)	6
Region 4 (East Bank /Region 10)	6
Region 5	5
Region 6	10
Region 8 & 9	2
East Demerara Water Conservancy	4
Designs engineering	9
Total	173

Table №. 1 - Staffing as at 30 September 2024
Source: NDIA Staff Inventory

8. For the period under review, the authority did not operate with its full staff capacity. There were over 30 positions vacant for each year under review. The table below details the total vacancy the Authority experienced each year during the period under review.

Year	Authorised	Actual	Difference
2021	173	140	33
2022	173	136	37
2023	173	126	47
2024	173	122	51

Table №.2 - Staffing for the years 2021 to 2024
Source: NDIA Staff Inventory

9. Further, there was a steady increase in the number of vacancies in the Authority's employment over the years, as shown in the graph below.

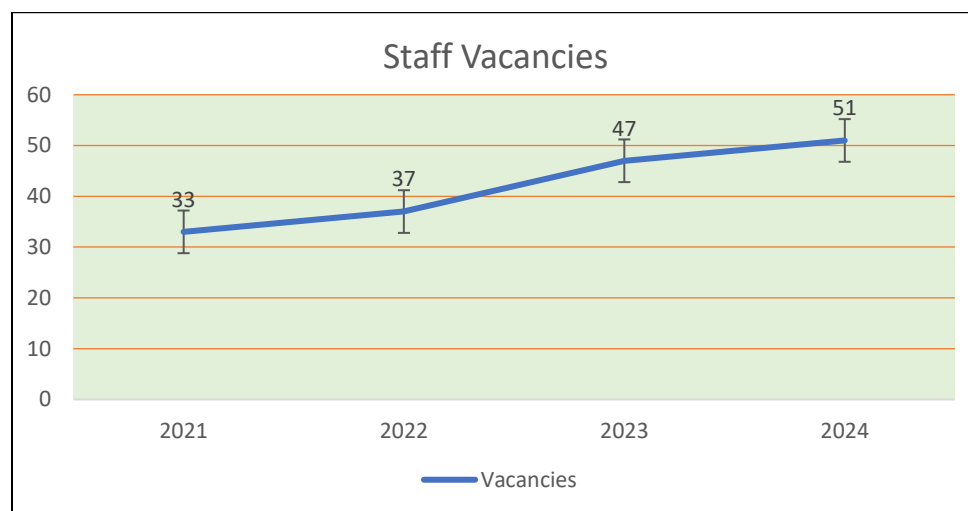


Figure № 2: Number of vacancies in the Authority during the years 2021 – September 2024
Source: NDIA Staff Inventory

10. Additionally, the positions of Chief Executive Officer, Deputy Chief Executive Officer, Corporate Secretary/Legal Officer, Manager of Operations and Maintenance, Mechanical Engineers, Internal Auditor, and Engineering Technicians were vacant as of September 2024.

11. A consistent rise in the number of vacancies and the prolonged absence of key personnel highlight gaps in the asset management planning process. As a result, workload may have increased for existing staff, project execution delayed, and challenges in maintaining the quality of services provided to stakeholders would have been created. This would have affected the Authority's ability to properly manage its assets and efficiently and effectively achieve its objective.

Recommendation: *The Audit Office recommends that the Authority take the necessary steps (a) to determine its human resources needs against the organisational objectives and (b) promptly fill existing vacancies to ensure efficient and effective service delivery.*

Management's Response: *The Authority is aware of its institutional needs and will continue to fill vacant positions.*

Staff training needs were not assessed

12. Training needs assessment in an organization is necessary, since training can be aligned with its goals and objectives. Additionally, competencies' gaps will be identified to facilitate relevant training, which will enhance staff knowledge and skills. Therefore, the Authority should have conducted training needs assessments to plan for training accordingly.

13. However, during interviews conducted with the Authority's Human Resources Manager and other officials, it was revealed that neither staff training needs assessments nor training sessions were conducted. Further, there was no evidence that a training plan or program was developed to demonstrate that continuous training was considered for staff. This would have allowed staff to maintain and enhance their competencies in carrying out their tasks.

14. The Authority's failure to establish a training plan to improve staff knowledge and skills can result in loss of productivity, an increase in accidents and/ or errors, and a lack of innovation. Further, staff will be lacking the necessary skills to adjust to new technologies and trends.

Recommendation: *The Audit Office recommends that the Management of the Authority assess the knowledge and skills of staff to identify competency gaps and plan appropriate training to bridge those gaps.*

Management's Response: *The Authority acknowledges the findings. The Authority has a Performance Appraisal System that evaluates staff performance as part of the staff development process and training needs will be identified.*

Criterion 1.3

Financial needs established, and resources allocated and spent with due regard to economy for efficient and effective asset management.

15. An organization's budget represents its financial plan for a defined period. The responsibility to prepare a comprehensive budget to ensure the acquisition and maintenance of assets for efficient and effective drainage and irrigation is that of NDIA. The budget should include amounts to acquire new assets, procure parts and lubricants for existing assets maintained by Authority staff, and amounts to pay private contractors who provide maintenance services. Money for training of equipment operators and maintenance personnel should also be included.

A detailed budget for maintenance was not presented

16. For the period under review, the Authority proposed to spend \$4.522B to maintain assets under its control. The budget catered for routine and major repairs to equipment, pumps, and motor vehicles for 2021 to 2023, and motor vehicles only for 2024. The following table provides details of the amounts budgeted.

Year	Amount Budgeted \$
2021	1,104,864,549
2022	1,462,140,000
2023	1,808,040,000
Jan - June 2024	147,000,000
Total	4,522,044,549

Table №. 3 - Amount budgeted for the period January 2021 to June 2024
Source: NDIA Budget Document # 5

17. Management did not indicate the factors that were considered and the method used to arrive at the budgeted cost. As such, it could not be determined whether: (a) all requirements were taken into consideration when determining the budgeted amounts, and (b) the amounts provided were adequate to execute asset management activities and acquire all the necessary equipment, parts, and lubricants needed for use.

Recommendation: *The Audit Office recommends that the Authority provide information to justify the budgeted amount, prepare and provide a complete budget for maintenance of asset.*

Management's Response: *The Authority acknowledge the finding. However, the Authority Asset Maintenance Budget is compiled in keeping with the Ministry of Finance Budget requirements.*

Maintenance activities were fully funded

18. The proposed budget of the Authority for asset maintenance amounted to \$4.522B for the period under review. However, it could not be determined how much funding was approved in the national estimates for such ventures. Nevertheless, for the same period, the Authority spent \$5.183B, a difference of \$533.786M from the proposed amount.

19. The difference was offset by supplementary provisions granted to the agency. This created no financial burden and allowed scheduled maintenance works to be completed without interruption. The table below details the finances for each year.

Year	Proposed Budgeted Amount \$	Actual Expenditure \$	Difference \$
2021	1,104,864,549	1,079,341,875	-25,522,674
2022	1,462,140,000	1,642,953,520	180,813,520
2023	1,808,040,000	2,461,135,025	653,095,025
Jan - June 2024	147,000,000	1,490,172,028	-1,342,172,028
Total	4,522,044,549	6,673,602,448	-533,786,157

Table №. 4 - Difference between budgeted amount and actual expenditure
Source: NDIA Budget Document # 5 and Mechanical Expense Report

20. Budgeting for the maintenance of assets also involves forecasting future asset needs and related expenses through an in-depth analysis of historical data and current trends. One such trend is cost benefit, as it allows proper planning for the management of assets with due regard to economy. As such, the Authority's asset maintenance budget for the period under review should have considered maintenance expenses of previous years, and other maintenance-related factors.

Inadequate financial reporting

21. The Authority prepares a monthly Mechanical Expenses Report to account for money spent on repairs and maintenance of assets under its control. The audit sought to determine (a) the total amount spent under each maintenance category and (b) the total amount spent on each type of equipment.

22. An examination of the report reveals it contains the identification number, asset description, and total expenditure for each asset. This allowed us to calculate the total amount spent on each asset category and individual assets for the period under review. However, information about the maintenance categories was not included. As such, it could not be determined the composition of the expenditure and the cost-effectiveness of the various maintenance activities.

23. The failure of the Authority to prepare detailed and relevant financial reports would have limit the information available to make informed decisions. This could result in inadequate budgeting and poor planning for asset maintenance.

Recommendation: The Audit Office recommends that the Authority enhance its Mechanical Expense Reporting by providing detailed breakdowns of maintenance costs by asset, equipment type, maintenance category, and other relevant expense categories.

Management's Response: The Authority acknowledges the finding and will take corrective action to ensure that the relevant financial reports are prepared promptly.

The accuracy of maintenance expenditure could not be determined

24. According to documentation presented by the Authority, during the period reviewed, they had over 500 assets in their possession. The sum of \$6.674B was spent to maintain these assets to ensure the authority met its mandate. See Table 5 below.

Asset Type	2021 \$'000	2022 \$'000	2023 \$'000	Jan. - June 2024 \$'000	Total \$'000
	Amount				
Excavators & Bulldozer	447,320	720,989	1,388,786	662,160	3,219,256
Pumps	460,206	727,230	840,418	727,230	2,755,084
Vehicles	137,869	122,170	138,965	70,370	469,373
Pontoons	33,622	67,061	86,566	28,234	215,483
Bowser - Region 9	-	-	6,400	-	6,400
Generator	325	5,503	-	2,177	8,006
Total	1,079,342	1,642,953	2,461,135	1,490,172	6,673,602

Table №. 5 - Maintenance Expenses for the period January 2021 to June 2024
Source: Audit Office of Guyana and NDIA, Mechanical Expense Report

25. The audit sought to determine the accuracy of the money spent, and as such, we selected a random sample of 99 assets from the Mechanical Expense Report with a total maintenance cost of \$2.314B for verification. A breakdown of the sample is as follows:

Asset Type	Sample Size	Maintenance Expenses \$
Excavator	37	1,343,330,992
Motor Vehicle	34	285,881,166
Drainage Pump	28	685,258,509
Total	99	2,314,470,667

Table №. 6 - Expense Verification Sample
Source: Audit Office of Guyana

26. To undertake this activity, the audit requested all payment vouchers for each of the assets in the selected sample for the period under review. These payments were compared with the cost on the Mechanical Expense Report for accuracy and completeness. However, the Authority only presented vouchers for expenses totalling \$1.126B, which represent 49% of the selected sample. As a result, the accuracy and validity of \$1.188B or 51% of the sample could not have been verified. See the following table for details.

Asset Type	Audit Sample (Quantity)	Total Maintenance Cost \$'000	Value of Payment Vouchers Presented \$'000	Difference \$'000
Excavator	37	1,343,331	771,992	571,339
Motor Vehicle	34	285,881	150,459	135,422
Drainage Pump	28	685,259	203,853	481,405
Total	99	2,314,471	1,126,304	1,188,166

Table №. 7: Value of vouchers not presented for audit verification
Source: Audit Office of Guyana

27. The Authority's failure to present expense source documents reflects poor management of records. This raises concern about the accuracy of financial reporting for budgeting and maintenance planning.

Recommendation: *The Audit Office recommends that the Authority review and strengthen its financial record-keeping and document management systems, to ensure all payment vouchers and supporting documentation are readily available for verification.*

Management's Response: *The Authority acknowledges the finding. To extract selected payment vouchers, based on the Assets Number as you requested, which often are not representative of the cost for maintenance works to one equipment but rather for multiple equipment, is not practical. However, the Authority transactions are recorded to suit its reporting requirements. Further, the Authority maintains its financial records in the form of Cash Books, Details Cash Book, Contract Register, supporting payment vouchers provided, and Payment Vouchers are filed in a chronological order.*

28. A further examination of the payment vouchers presented reveals that money budgeted was actually spent on routine, major, and emergency maintenance/repairs. It should be noted that the proposed budgets of the Authority made no provision for emergency works. This further highlights gaps in the Authority's planning process and the need for key management positions to be filled.

Recommendation: *The Audit Office recommends that the Authority strengthen its budgetary process to ensure that all types of maintenance are catered for in the budget prepared for asset maintenance.*

Management's Response: *The Authority's repair and maintenance budget captures all elements of maintenance for the Authority's assets.*

Conclusion

29. The Authority did not have a structured system in place to properly manage its assets. This conclusion was reached since there was no documentation to guide asset management activities. Additionally, key management positions remained vacant, there was a shortage of other operational staff, and gaps in staff competency to properly perform duties were not determined. Further, pertinent information used for asset maintenance planning was either not presented or incomplete.

Chapter Two

Asset Operations Accountability

30. The lifecycle of an asset has four main stages, according to the International Standardization Organization, Standard 55000. This chapter focuses on the Operational aspect within the Operations and Maintenance Stage of the lifecycle, as shown in the diagram below:

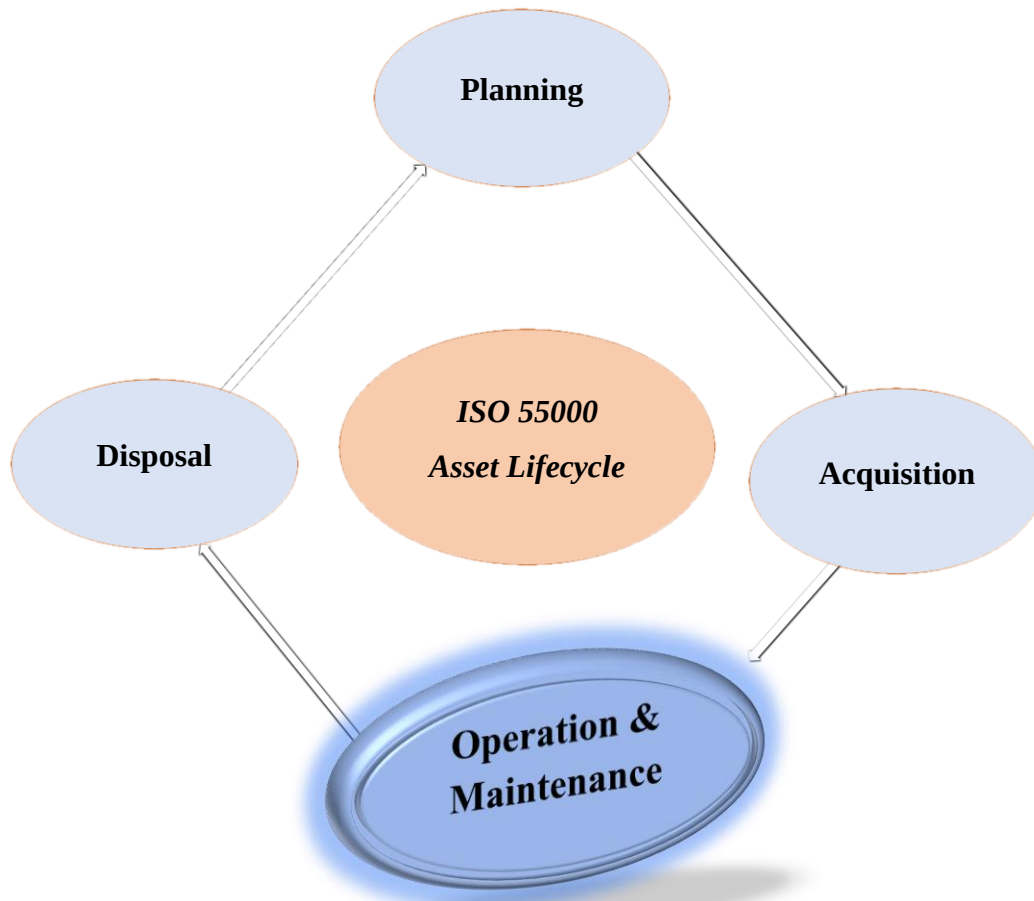


Figure № 4: Components of an Asset's Lifecycle
Source: ISO 55000

Criterion 2.1

The National Drainage and Irrigation Authority accurately accounts for assets under its control.

31. The Authority should have kept complete and accurate records to properly account for and track its assets. This will enable the Authority to track asset performance, foresee failures, and make informed decisions. Proper record maintenance will also prevent loss, theft, or misuse of assets.

Proof of ownership of assets not provided

32. The audit sought to verify the ownership of over 500 assets recorded in the Authority's Asset Register. However, despite several requests for the relevant documentation to prove ownership, only twenty-one of the total requested were presented for audit. As a result, we were unable to determine the quantity of assets owned by the Authority. Further, it could not be determined whether maintenance expenditure was in the interest of the Authority.

Recommendation: *The Audit Office recommends that the Management of the Authority take the required steps to ensure pertinent records for the assets under their control are available and presented for audit verification.*

Management's Response: *The Authority will take corrective action to ensure that its records are kept, complies with the Store Regulation of 1993.*

Asset Register lacks vital information

33. The main aim of an Asset Register is to enable an organisation to record and maintain complete information on each of its assets, including easily tracking an asset when necessary. This will allow the organization to properly manage and account for all of its assets. In accordance with best practices, an asset register should include essential information, as shown in the following diagram below.

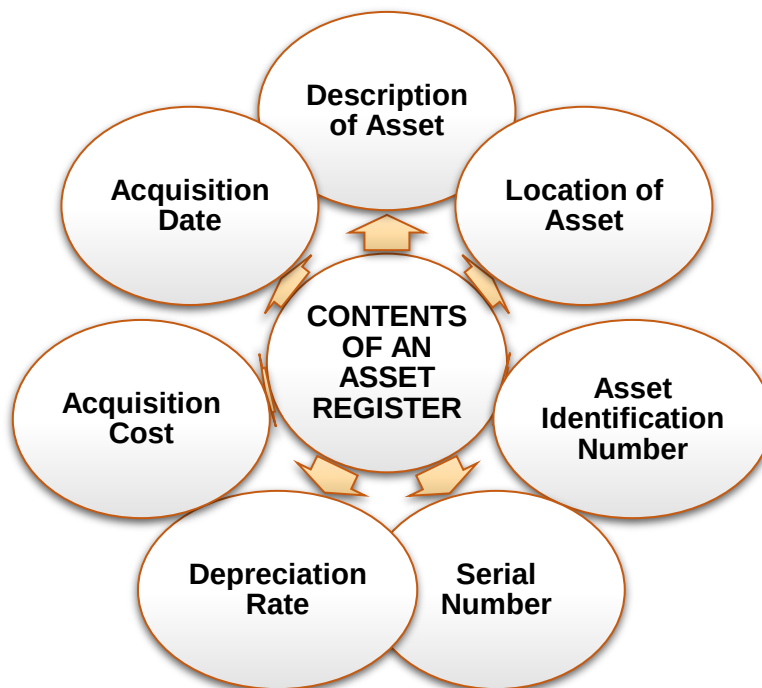


Figure № 4: Components of an Asset Register
Source: Institute of Community Director Australia

34. The Authority maintained an Asset Register for the audited period to account for the assets under its control. However, an examination of the register revealed that it was not properly written up and pertinent information was omitted, namely, as follows:

- ❖ the location of the asset,
- ❖ asset serial number,
- ❖ asset identification number and,
- ❖ assets' transfers between Regions/ locations.

35. As a result, the accuracy and completeness of the Asset Register could not be determined. The failure of the Authority to properly account for its assets could result in losses, theft, and misuse.

Recommendation: *The Audit Office recommends that the Management of the Authority take the necessary steps to update the Assets Register with the required information for each asset and to properly account for all assets under its control.*

Management's Response: *The Authority acknowledges the finding and the Assets Register is now updated.*

All assets not recorded in the Asset Register

36. The audit team sought to physically verify the Authority's assets located in Regions №. 2, 3, 4, 5, and 6. A comparison was made between the information gathered from the physical verification exercise and that contained in the Asset Register. It was revealed that ten pieces of heavy-duty equipment, motor vehicles, and cycles were not recorded in the register. Details are shown in the table below:

Location	Description of Asset	Serial №.	NDIA №.
<i>Heavy duty equipment</i>			
Region №. 2	Mini-Short Boom	S/N - 66SE063JNR1024949	200
Region №. 2	Short Boom	S/N - 66SE06EJNR1024659	201
Region №. 2	Long Boom	S/N - DHKCEBEEPR0004093	199
Region №. 6	Irrigation/ Hydra Flow Pump	EBPPA179996	53/40
<i>Motor Vehicles/ Cycle</i>			
Region №. 3	Hilux	PAF 463	
Region №. 3	Motor Cycle	CK 9497	
Region №. 4	Hilux	PAE 2566	
Region №. 5	Toyota Hilux Revo	PAC 3517	
Region №. 6	Toyota Hilux Revo	PAC 3540	
Region №. 6	Pick Up	PHH 2524	

Table № 8: Assets not recorded in the Asset Register
Source: Audit Office analysis

37. Additionally, the Mechanical Reports produced by the Maintenance Department were examined for the audited period. The Asset Register was verified with the assets listed therein for accuracy and completeness. We found that twenty pieces of heavy-duty equipment and motor vehicles, serviced at a total cost of \$27.326M, were not recorded in the register. Details are shown in the table below:

Description	No. of Equipment	Total Exp. 2021 - June 2024 \$
Motor cycle	3	518,555
Tractor	2	3,539,837
Motor Vehicle	14	21,847,439
Trench Cleaner	1	1,420,200
Total	20	27,326,031

Table № 9: Assets not recorded in the Asset Register
Source: Audit Office analysis

Recommendation: *The Audit Office recommends that the Management of the Authority implement measures to properly account for all assets under its control. This will facilitate proper tracking for improved budgeting and maintenance planning, as well as prevent loss or theft.*

Management's Response: *The Authority acknowledges the finding and has updated its Asset Register. However, Pickup PHH 2524 under Table №. 9 is registered under the Ministry of Agriculture.*

All assets were not marked

38. According to the Stores Regulations 1993 and best practices, assets are to be marked with an identification number to easily track and manage them throughout their life cycle. This will enable the Authority to, among other things, improve its efficiency, properly plan for maintenance, and prevent loss.

39. During the audit, the Authority indicated that all assets were marked with identification numbers to easily detect them. However, during the physical verification exercise, 392 pieces of vehicles, equipment, and machinery were said to be owned by the Authority. However, we found that the Authority did not mark 20 Motor Vehicles as required by the Stores Regulations of 1993.

40. The failure of the Authority to mark all assets is a breach of the Stores Regulations of 1993, and could result in losses, theft, and misuse of assets. Further, operational costs may increase since machinery and equipment may not be serviced on time.

Recommendation: *The Audit Office recommends that the Management of the Authority take the required actions to mark all assets under its control so that they may be identified as the Authority's property and prevent theft or misuse.*

Management's Response: *The Authority acknowledges the finding and has commenced the exercise of remarking the assets. Please note all of the Authority's equipment is marked before being put into operation, and over time, these marks fade due to the harsh terrain that the equipment operates within.*

Historical records were poorly kept

41. In accordance with the Stores Regulations 1993, historical records of vehicles, plant, and equipment shall be maintained, as shown in Form 16. The relevant information contained therein comprises the following:

- + Description
- + Make
- + Model
- + Serial/ Chassis number
- + Identification/ Registration number
- + Engine type
- + Engine number
- + Date
- + Internal Stores Requisition number
- + Quantity and cost for - (i) fuel, (ii) lubricants, and (iii) repairs and maintenance.

42. Audit checks were carried out to determine whether the Authority's personnel were keeping the required records, regarding maintenance costs of the vehicles and equipment, under their control. To substantiate this, we requested a sample of 146 historical files for vehicles and equipment of the Authority's fleet.

43. However, the Authority did not present 128 or 88% of the files requested. Further, the eighteen files presented were examined and found to be poorly maintained. Significant information, such as proof of ownership, related specifications, usage patterns, and maintenance history, was omitted from the files.

44. As a result of poorly kept records, the Authority was non-compliant with the Stores Regulations 1993. This could lead to increased maintenance costs and unpredictable equipment failure/ breakdowns.

Recommendation: *The Audit Office recommends that the Management of the Authority locate and present the files not submitted and ensure that all files are properly maintained.*

Management's Response: *The Authority acknowledges the finding and will locate and present the files for audit scrutiny.*

Log Books were not presented

45. The Stores Regulations 1993 state that “*log books in Form 17 shall be maintained for all motor vehicles, plant, machinery, and equipment.....*”. The log books are maintained to record the usage information relating to the vehicles, machinery, and equipment. The information that should be recorded includes: the date, location, and purpose of the journey, mileage, time, odometer readings, fuel and lubricants supplied, and signatures of the driver/ operator, authorising officer, and checking officer. The Authority should also be able to record any downtime brought on by an asset's non-functional state in the logbook entries.

46. A status report presented by the Authority, during the audit, revealed that there were 388 serviceable vehicles and equipment on hand. A sample of log books for 123 pieces of equipment, chosen from the asset register and expenditure report, was requested for audit verification. However, only 34 or 28% of the logbooks were presented for audit. Notably, despite several requests, the outstanding 89 log books remained unpresented.

Recommendation: *The Audit Office recommends that the Management of the Authority present all log books that are still pending for audit verification.*

Management’s Response: *All log books have since been located and available for Audit Review.*

Log Books presented were not properly maintained

47. The 34 log books presented were examined to verify whether they were properly written up. It was noted that pertinent information, such as signatures of the driver/ operator and authorising officer, date of journey, and fuel and lubricants supplied, was omitted.

48. The Authority’s failure to properly maintain log books is a breach of the Stores Regulations 1993. As a result, tracking the function and scheduling required maintenance of the equipment may be delayed. Additionally, the assets could be misused, and fuel and lubricants supplied may not be properly accounted for.

Recommendation: *The Audit Office recommends that the Management of the Authority take the necessary steps to: (i) properly write up the log books with all required information and (ii) seek approval from the designated officials, to ensure the assets are used for their intended purposes.*

Management’s Response: *The Authority acknowledges the finding and will immediately take corrective action to include training of officers to input information correctly into log books.*

Assets were stationed in Regions throughout Guyana

49. The Drainage and Irrigation Act №. 10 of 2004, Section 4, has areas declared as Drainage and Irrigation Areas under the provisions of the Act. The areas are covered under the Administrative Regions №s 2, 3, 4, 5, 6, and 8 in Guyana. However, NDIA operates in all ten administrative regions of the country.

50. A physical verification exercise undertaken by the audit team during October to November 2024, in five of the administrative regions, revealed that:

- a) 395 pieces of assets were being controlled by the Authority.
- b) 385 of those assets are in working order or operable.
- c) 257 were stationed and working in the Regions that cover the NDIA areas, as shown below:

Location	Equipment Category								
	Excavator	Bulldozer	Grader	Pump	Tractor	Soil Compactor	Truck	Vehicles	Total
Region №. 2	20	1	1	20	-	-	-	3	45
Region №. 3	22	3	-	15	-	-	-	2	42
Region №. 4	25	3	1	48	2	1	2	11	93
Region №. 5	10	1	1	-	-	-	-	3	15
Region №. 6	26	1	1	30	-	-	-	4	62
Total	103	9	4	113	2	1	2	23	257

Table № 10: Location of Assets across the Regions
Source: D&I Act, Audit Office physical verification & analysis

Serviceable and unserviceable equipment kept at the same location

51. The Stores Regulations 1993, Section 4, states, among other things, that “*the storekeeper's duties include keeping serviceable and unserviceable stores separate*”. During the physical verification exercise conducted, it was observed that:

- i. The Authority kept serviceable and unserviceable equipment in government compounds in Regions №s. 2, 3, 4, and 6.
- ii. These locations were not marked to differentiate serviceable from unserviceable assets.
- iii. Decommissioned equipment and used parts for disposal were also stored there.

52. This situation paves the way for misuse of assets and theft of serviceable parts. As a result, the functionality of the serviceable equipment could become compromised, and the Authority may suffer from financial losses.

Recommendation: *The Audit Office recommends that the Management of the Authority place signs or markings to clearly separate serviceable from unserviceable assets. Also, promptly seek the necessary approval for the disposal of decommissioned assets, old parts, and equipment.*

Management's Response: *The Authority acknowledges the finding and will take action to ensure that serviceable and unserviceable equipment stored in the Authority compound are separated. Also, the Authority will re-engage the Minister of Finance to continue the process of disposal of its unserviceable assets.*



Figure: №. 5: Serviceable and unserviceable assets stored in same location Lusignan Region №. 4
Source: Audit Office Photo taken on 16 October 2024

Conclusion

There was no proper accountability for the assets owned and controlled by the authority. This is evident as the Asset Register presented was incomplete and inaccurate, historical records lacked pertinent information, and log books were partially or not written up. Also, physical verification of the assets proved that some were omitted from the register.

Chapter Three

Asset Maintenance and Performance Measurement

53. According to best practices, an organization should have a system in place to effectively maintain its assets. Asset maintenance refers to the steps an organization takes to ensure that its assets perform at their best for an extended period of time. Properly maintained assets are dependable, meet manufacturer care requirements, and make workplaces safer. Furthermore, the likelihood of unforeseen malfunctions and productivity loss will be reduced. The stages of asset management are shown in the diagram below:

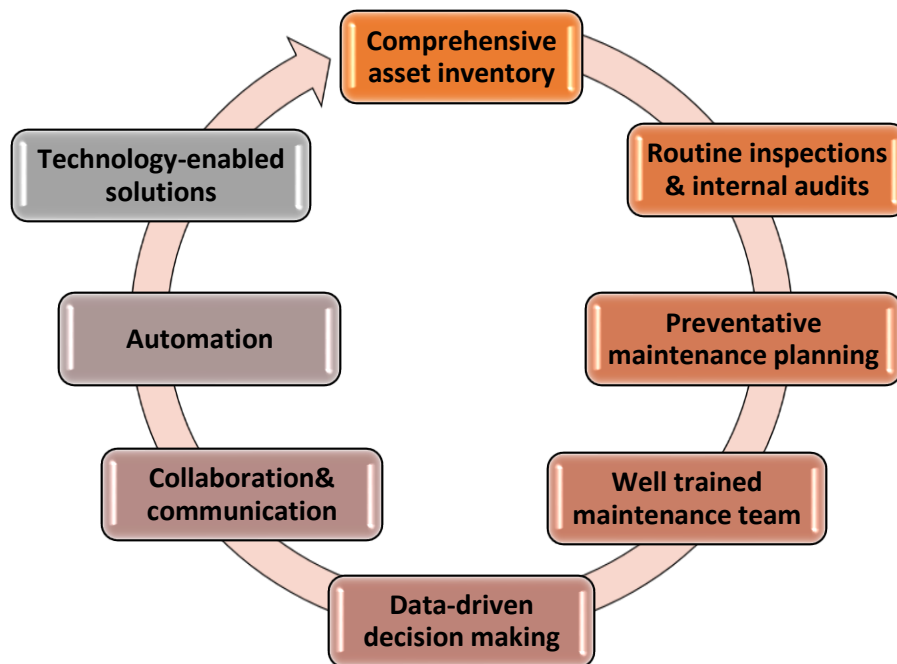


Figure № 6: Principles of Asset Maintenance system

Source: <https://limblecmms.com/learn/asset-maintenance/management/>

54. The asset maintenance activities that should be undertaken by an organization are to:

- ❖ develop plans that will provide a basis for tasks and procedures for various asset types;
- ❖ produce, allocate, and track tasks to ensure timely completion of maintenance works;
- ❖ evaluate the condition of the asset to avoid failures;
- ❖ allocate the necessary resources;
- ❖ manage maintenance expenses and;
- ❖ maintain detailed records of all activities undertaken.

Criterion 3.1

The National Drainage and Irrigation Authority developed and implemented systems to carry out asset maintenance activities effectively.

55. The implementation of an approved maintenance system will provide a basis for organized plans, accurate asset tracking, increased productivity, and compliance. Further, the accompanying procedures and guidelines will enable staff to execute their duties in an efficient manner, to achieve the organisation's goals. This will lead to improved efficiency, longer asset life, reduced risk of errors, and downtime. In this regard, the Authority should have established systems in place to guide asset maintenance effectively.

Maintenance system not in place

56. The Authority functions as the main organization to *“handle all public matters pertaining to management, improvement, extension and provision of drainage, irrigation and flood control infrastructure, and services, in declared areas of the country”*. To accomplish this, the Authority had in its possession over 500 assets, including heavy-duty equipment and machinery. Therefore, in keeping with best practices, the Authority should have an approved system in place to properly operate and maintain its assets.

57. During the audited period, the Authority did not establish a system to guide and oversee its operation. The lack of an organized system can result in increased downtime, frequent equipment failures and costly unforeseen repairs. This could lead to non-compliance with regulations and operational inefficiencies, resulting in unmet objectives.

Recommendation: *The Audit Office recommends that the Management of the Authority develop and implement a comprehensive system to guide its operations, including maintenance.*

Management’s Response: *The Authority uses the Government Policy and Regulations to guide the management of its assets.*

Maintenance planning is not comprehensive, properly documented, or approved

58. In the absence of an approved system, the Authority’s personnel indicated that there were practices currently being used to maintain its assets. The practices were developed from the collective expertise and insights of staff, along with the needs of specific machinery.

59. The Authority presented an unapproved, one-page “maintenance schedule” for audit purposes. An examination of the document reveals it is very vague and lacks detailed information, such as the model, type of equipment/ machinery, and usage. The practices employed are shown in the table below:

Service Type	Equipment	Description	Personnel executing duties
NDIA Equipment Maintenance Schedule			
Daily	Excavators	Check fluid levels – oils, coolant, fuel, and drain water	Service Man/ Operators
		Lubricate – arm, boom, pins, front attachment, check track adjuster	
	Bulldozers, Graders, Compactors	Check fluid levels – oils, coolant, fuel, and drain water	
		Lubricate - pins and bearings	
Monthly (250 hours)	Excavators	Change oil and filter, fuel filter, check final drive and swing drive oil levels	NDIA Mechanics/ Dealers/ Contractors
Planned maintenance	Bulldozers, Graders, Compactors	Change engine oil and filter, fuel filter, and check the final drive	
As needed (Unplanned maintenance)	Excavators and Bulldozers	Repairs done due to failure of components and include repairs, such as: mechanical, hydraulic, electrical, air conditioning, and welding works	
NDIA Pump Maintenance Schedule			
Daily	Mobile pumps	Check fluid levels – oils, coolant, fuel, and drain water	Service Man/ Operators
		Hydraulic - inspect hoses, check oil, cooler, and suction head	
	Fixed Pumps (Line Shaft)	Check fluid levels – oils, coolant, fuel, and drain water	
		Pump column - check drive shaft, gearbox oil, and drive shaft bearings are lubricated	
	Fixed Pumps (Electrical)	Motor - check power supply, no cracks	
		Pump column - dive shaft bearings are lubricated	
Monthly (250 hours)	Mobile pumps	Change oil and filter, fuel filter	Dealers/ Contractors
Planned maintenance	Fixed Pumps (Line Shaft)	Change oil and filter, fuel filter	
As needed (Unplanned maintenance)	Mobile, Fixed, and Electrical Pumps	Repairs done due to failure of components and include repairs, such as: mechanical, hydraulic, electrical, and welding works	Dealers/ Contractors

Table № 11: Asset Maintenance Practices
Source: NDIA Maintenance Schedule

60. Lack of a comprehensive maintenance schedule will prevent staff from identifying issues before they become major problems. This can lead to frequent equipment failures, increased downtime, higher maintenance costs, and operational inefficiencies.

Recommendation: *The Audit Office recommends that the Management of the Authority develop, approve, and implement a comprehensive maintenance schedule to improve operational effectiveness and lower costs by enabling proactive maintenance and preventing malfunctions.*

Management Response: *The Authority acknowledges the finding and will take action to adhere to the recommendation.*

Maintenance practices are not communicated to staff

61. Staff who are aware of their organisation's operational practices when executing their tasks will improve overall efficiency, contribute to high-quality results, and ensure safety. Thus, an organization's management must communicate its practices to staff members. However, we found that the Authority's staff were unaware of the current asset maintenance practices in place. Instead, to complete their assigned tasks, they were dependent on supervisors and colleagues for directives. Not communicating operational practices with staff members can cause uncertainties among employees when executing tasks. This can result in inefficiencies, reduced productivity, and missed deadlines.

Recommendation: *The Audit Office recommends that the Management of the Authority effectively communicate its practices to the relevant staff. This will enhance operational efficiencies and ensure goals are achieved on time.*

Management Response: *The Authority communicates and implements its practices and procedures via the chain of delegation modality to its employees, i.e., through Managers and Supervisors.*

62. Performance measurement is the process used to assess the efficiency and effectiveness of projects, programs, and initiatives. It is a systematic approach to collecting, analyzing, and evaluating how "on track" a project/program is to achieve its desired outcomes, goals, and objectives.

63. Performance measurement is typically done by an organization to demonstrate accountability, support decision-making, and improve processes. It is not an approach that prescribes what must be measured; organizations need to develop their own performance measures based on their project plans and situation.

64. Performance measurement should be treated as an integral part of any planning process from the outset and should be built into any plan or project that has clear goals and objectives.

65. Performance measures provide the information to assist in making strategic decisions about what an organization does and how it performs. Performance measurement frameworks are flexible and can be used to measure the effectiveness of a pilot project, a multi-year program, or a strategic planning process, and can be applied to a new or existing initiative.

Criterion 3.2

The performance of assets is measured and evaluated to identify gaps and make informed decisions for operational improvements.

66. The NDIA should monitor and evaluate its asset management system to provide stakeholders with information on progress or delays in achieving objectives. In so doing, it will determine if tasks performed are in keeping with standard operational procedures; whether records maintained allow for transparency and accountability; there is efficient and effective performance, and the impact gaps have on achieving objectives.

Lack of a structured Performance Measurement System

67. The Authority has a monitoring and evaluation officer whose responsibilities include providing management with regular updates on the location, status, and performance of its assets. Therefore, we expect a system to monitor and evaluate asset performance to be established and operational, offering management current and accurate information about assets under their control. This will enable them to make informed decisions to improve operational efficiency and effectiveness.

68. It was noted that several documents issued by the Ministry of Finance are used to guide and regulate monitoring and evaluation activities within the Authority. However, we found that only information on operable and inoperable machines was reported on.

69. This did not demonstrate that a structured system or framework was established and approved to properly monitor, evaluate, and report on asset performance. It also highlights gaps in management practices. As such, management would not have been properly informed to make suitable decisions for operational efficiency and effectiveness. This could result in outdated practices, non-compliance, and the waste of financial resources.

Recommendation: The Audit Office recommends that the Authority establish a system or framework to measure the performance of its asset management system.

Management's Response: The Authority acknowledges the finding and will implement a system to measure the performance of its Assets.

Asset Performance Indicators were not established

70. Asset Performance Indicators (API) are parameters developed to measure performance and how objectives are being achieved. They collect data on alignment, identify gaps, drive improvements, and guide decision-making.

71. Although an established performance measurement system or framework was not established and in place, we expect the Authority to develop clear APIs to guide the information collected and reported for asset management.

72. We found that the Authority collects data on the number and percentage of excavators and pumps. This information was used to report on the number of operable and inoperable machinery in the Authority's possession. However, it was collected without structured and proper guidance. As such, it would be insufficient, irrelevant, and incomplete to accurately measure performance and report to management for effective decision-making.

Recommendation: *The Audit Office recommends that the Authority develop and implement structured Asset Performance Indicators to guide monitoring and evaluation activities.*

Management's Response: *The Authority will engage the Board to establish the Asset Performance Indicators.*

The asset management systems not properly monitored and evaluated

73. Although the Authority collected data and reported on some operational activities during the period under review, it did not conduct comprehensive monitoring and evaluation of its asset management system. This further highlights the need for established and approved systems to be in place. These will guide and enforce compliance with the Authority's asset management operations.

74. Failure to measure and properly report on the performance of its asset management system would deny stakeholders the opportunity to be reliably informed, make informed decisions, and determine whether value was received for money spent.

Recommendation: *The Audit Office recommends that the Management of the Authority properly measure the performance of its asset management system to provide reliable and timely information to stakeholders so as to make informed decisions.*

Management's Response: *The Authority acknowledges the finding and will implement a system to provide reliable and timely information to stakeholders.*

Conclusion

75. The Authority failed to establish, approve, and implement an asset maintenance system. Further, it did not measure the performance of its operations. This conclusion was reached as the maintenance schedule presented bore no evidence of approval and lacked pertinent details. Additionally, staff were unaware of the practices relating to asset maintenance, and asset performance indicators were not established, and monitoring and evaluation were not done.

Overall Conclusion

76. The Authority's mandate is to ensure the proper functioning of drainage, irrigation, and flood control systems to boost agricultural productivity, ultimately protecting the livelihood of citizens. Its operations are spread across all ten administrative regions in Guyana and is fully supported with funds from the public treasury, current and capital estimates.

77. To enable the achievement of its mandate, the Authority ensures assets under its control are placed in all regions in which it operates. Nevertheless, these assets were not properly managed. This conclusion was reached due to the following:

- No documented policy or system is in place to guide and enforce planning, maintenance, and performance measurement activities. As such, there was a continuous shortage of staff, key positions remained vacant, and staff training needs were not assessed.
- The total assets owned, controlled, and operated could not be determined, as ownership records were not presented, and permanent store records were not properly maintained.
- 20 assets seen were not marked to be identified as property of the Authority.
- Asset performance indicators were not established, and the asset management system was not monitored and evaluated.

About the Audit

78. This report, prepared by the Audit Office of Guyana, looked at the NDIA asset management system in place to achieve its objectives. Our responsibility was to provide objective information and advice, and conclude whether the NDIA effectively manages its assets to achieve its mandate.

Scope and Approach

79. The audit covered the period 1 January 2021 to 30 June 2024 and focused on the following lines of enquiry:

- Asset Management System
- Accountability of the Asset Management Operations
- Asset Maintenance and Performance Measurement

We sought to determine whether:

- a) The Authority established documents to guide the management of its assets.
- b) The Authority management structure is fully equipped and functioning.
- c) Financial needs were determined, and resources allocated and spent with due regard to economy. for efficient and effective asset management.
- d) The Authority developed, approved, and implemented systems to ensure effective asset maintenance.
- e) The Authority monitors and evaluates its asset performance to accurately report for better planning, budgeting, accountability, and operational efficiency.

Audit Methodology

80. We conducted structured interviews with officials of the NDIA and other relevant stakeholders in the Agriculture Sector, from public and private organisations. We also reviewed relevant documents and reports and analysed the information collected to arrive at our conclusion.

Audit Criteria and Source

81. The main criteria that we used to conduct this audit and their sources are as follows:

Criteria	Source
The National Drainage and Irrigation Authority establishes documents to guide the management of its assets	NDIA Act of 2004 ISO 55000
The structure established to manage assets is fully equipped and functioning.	Best Practice.
Financial needs established and resources allocated and spent with due regard to economy for efficient and effective asset management.	NDIA Act of 2004 ISO 55000 IAS 16
The National Drainage and Irrigation Authority accurately accounts for assets under its control.	Store Regulation of 1993 NDIA Act of 2004 ISO 55000 IAS 16
The National Drainage and Irrigation Authority develops and implements systems to carry out asset maintenance activities effectively.	ISO 55000 Best practices
The performance of assets is measured and evaluated to identify gaps and make informed decisions for operational improvements.	ISO 55000 Best practices

Definition of the terms used in the report

Strategic Development Goals (SDG)	SDGs, also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
International Organization of Supreme Audit Institutions (INTOSAI)	INTOSAI operates as an umbrella organization for the external government audit community. It is a non-governmental organization with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.
National Drainage and Irrigation (NDIA)	NDIA is a semi-autonomous agency established in 2004 under the Ministry of Agriculture mandate to manage the country's drainage and irrigation systems.
International Organisation for Standardisation (ISO)	ISO is an independent, non-governmental international organization that develops and publishes standards to ensure the quality, safety, efficiency, and interoperability of products, services, and systems.
Store Regulation	Store Regulation is a set of rules and procedures established by the government to govern the management, control, custody, and accountability of public stores (government-owned goods and materials).
Occupational Safety and Health (OSH)	OSH refers to the field of public health and safety that is concerned with the protection, health, and welfare of people engaged in work or employment. Its goal is to promote safe and healthy working environments by preventing workplace injuries, illnesses, and fatalities.



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September 10, 2025

Mr. Deodat Sharma
Auditor General
Audit Office of Guyana
Lot 63 High Street
Kingston



Thru: Ms. Dacia Ferguson 
Permanent Secretary (ag)
Ministry of Agriculture

Dear Mr. Sharma

**Re: Management Response to NDIA Asset Performance Report for the period
January 1, 2021, to June 30, 2024 (55/A:2/2024)**

Further to your correspondence on the subject at caption, please see the response below:

Audit Query 4:

Management Response: *The Authority manages its assets in keeping with the Stores Regulation (1993).*

Audit Query 5:

Management Response: *The Authority will review its asset management practices to align with its strategic plans and submit the multi-year strategic plan.*

Audit Query 11:

Management's Response: *The Authority is aware of its institutional needs and will continue to fill vacant positions.*

Audit Query 14:

Management's Response: *The Authority acknowledges the findings. The Authority has a Performance Appraisal System that evaluates staff performance as part of the staff development process, and training needs will be identified.*

Audit Query 17:

Management's Response: *The Authority acknowledges the findings. However, the Authority Asset Maintenance Budget is compiled in keeping with the Ministry of Finance Budget requirements*

Audit Query 23:

Management's Response: *The Authority acknowledges the finding and will take corrective action to ensure that the relevant financial reports are prepared promptly*

Audit Query 27:

Management's Response: *The Authority acknowledges the finding. To extract selected payment vouchers, based on the Assets Number as you requested, which often are not representative of the cost for maintenance works to one equipment but rather for multiple equipment, is not practical. However, the Authority transactions are recorded to suit its reporting requirements. Further, the Authority maintains its financial records in the form of Cash Books, Details Cash Book, Contract Register, supporting payment vouchers provided, and Payment Vouchers are filed in a chronological order.*

Audit Query 28:

Management's Response: *The Authority's repair and maintenance budget captures all elements of maintenance for the Authority's assets.*

Audit Query 32:

Management's Response: *The Authority will take corrective action to ensure that its records that are kept, complies with the Store Regulation of 1993.*

Audit Query 35:

Management's Response: *The Authority acknowledges the finding and the Assets Register is now updated.*

Audit Query 37:

Management's Response: *The Authority acknowledges the finding and has updated its Asset Register. However, Pickup PHH 2524 under Table №. 9 is registered under the Ministry of Agriculture.*

Audit Query 40:

Management's Response: *The Authority acknowledges the finding and has commenced the exercise of remarking the assets. Please note all of the Authority's equipment is marked before being put into operation, and over time, these marks fade due to the harsh terrain that the equipment operates within.*

Audit Query 44:

Management's Response: *The Authority acknowledges the finding and will locate and present the files for audit scrutiny.*

Audit Query 46:

Management's Response: *All logbooks have since been located and available for Audit Review.*

Audit Query 48:

Management's Response: *The Authority acknowledges the finding and will immediately take corrective action to include training of officers to input information correctly into log books.*

Audit Query 52

Management's Response: *The Authority acknowledges the finding and will take action to ensure that serviceable and unserviceable equipment stored in the Authority compound are separated. Also, the Authority will reengage the Ministry of Finance to continue the process of disposal of its unserviceable assets.*

Audit Query 57:

Management's Response: *The Authority uses the Government Policy and Regulations to guide the management of its assets.*

Audit Query 60:

Management Response: *The Authority acknowledges the finding and will take action to adhere to the recommendation.*

Audit Query 61:

Management Response: *The Authority communicates and implements its practices and procedures via the chain of delegation modality to its employees, i.e., through Managers and Supervisors.*

Audit Query 69:

Management's Response: *The Authority acknowledges the finding and will implement a system to measure the performance of its Assets.*

Audit Query 72:

Management's Response: *The Authority will engage the Board to establish the Asset Performance Indicators.*

Audit Query 74:

Management's Response: *The Authority acknowledges the finding and will implement a system to provide reliable and timely information to stakeholders.*

Yours sincerely,



Mr. Timothy Inniss
Chief Executive Officer (ag)

**CHIEF EXECUTIVE OFFICER
NATIONAL DRAINAGE &
IRRIGATION AUTHORITY
MINISTRY OF AGRICULTURE**