



GOVERNMENT OF ST. LUCIA

OFFICE OF THE DIRECTOR OF AUDIT

AUDIT REPORT

ON

**THE SUPPLY OF OFFICE EQUIPMENT, FURNITURE, SUPPLIES
/ STATIONERY TO GOVERNMENT MINISTRIES /
DEPARTMENTS BY THE PROCUREMENT UNIT**

TABLE OF CONTENTS

	PAGE
INTRODUCTION	3
BACKGROUND	3
AUDIT OBJECTIVES	6
AUDIT SCOPE AND METHODOLOGY	6
AUDIT FINDINGS AND CONCLUSION	8
DETAILED AUDIT FINDINGS AND RECOMMENDATIONS	9

INTRODUCTION

Based on our audit research it was the intention of the government to set up a central procurement unit within the Ministry of Finance to buy supplies and materials for distribution to ministries and departments. The objective was to obtain economies of scale when purchasing and save the government money by making bulk purchases. Every year the Central Procurement Unit spends in excess of two million dollars on supplies, office equipment and furniture for ministries and departments.

Within the current economic environment, it is pertinent that Government enforce good business practices in order to; (1) protect its resources against waste, fraud, and inefficiency; (2) ensure the accuracy and reliability of accounting and operating data; (3) secure compliance with the prevailing Laws, Regulations and policies; and (4) evaluate its level of performance.

In this context the Office of the Director of Audit decided to conduct an audit on the purchase of office equipment, furniture and office supplies by the Central Procurement Unit for distribution to the ministries and departments.

The Office of the Director of Audit conducts its audits under the authority of the Revised Laws of Saint Lucia Chapter 15.19 (Audit Act). In conducting the audit we were guided by the International Auditing Standards for Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI). The audit was conducted by a qualified team of auditors who established audit objectives and criteria.

1. BACKGROUND

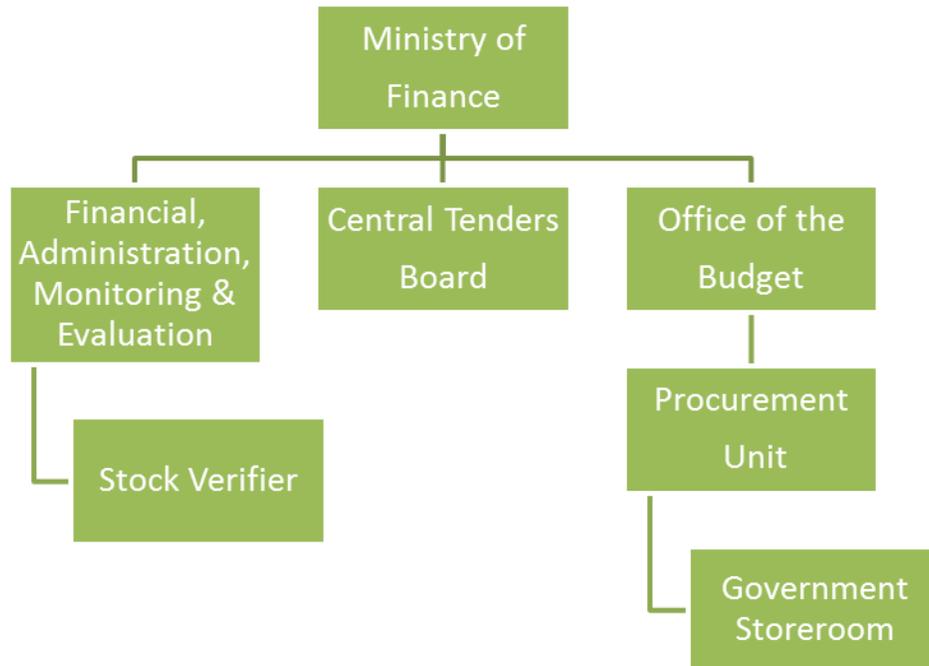
1.1 The Office of the Budget is the agency responsible for the efficient procurement and distribution of office supplies, furniture, equipment and computers to ministries and departments.

1.2 The Procurement Unit was set up to coordinate the procurement of goods through competitive tendering and engage in the efficient procurement and distribution of goods government wide while ensuring value for money on those acquisitions.

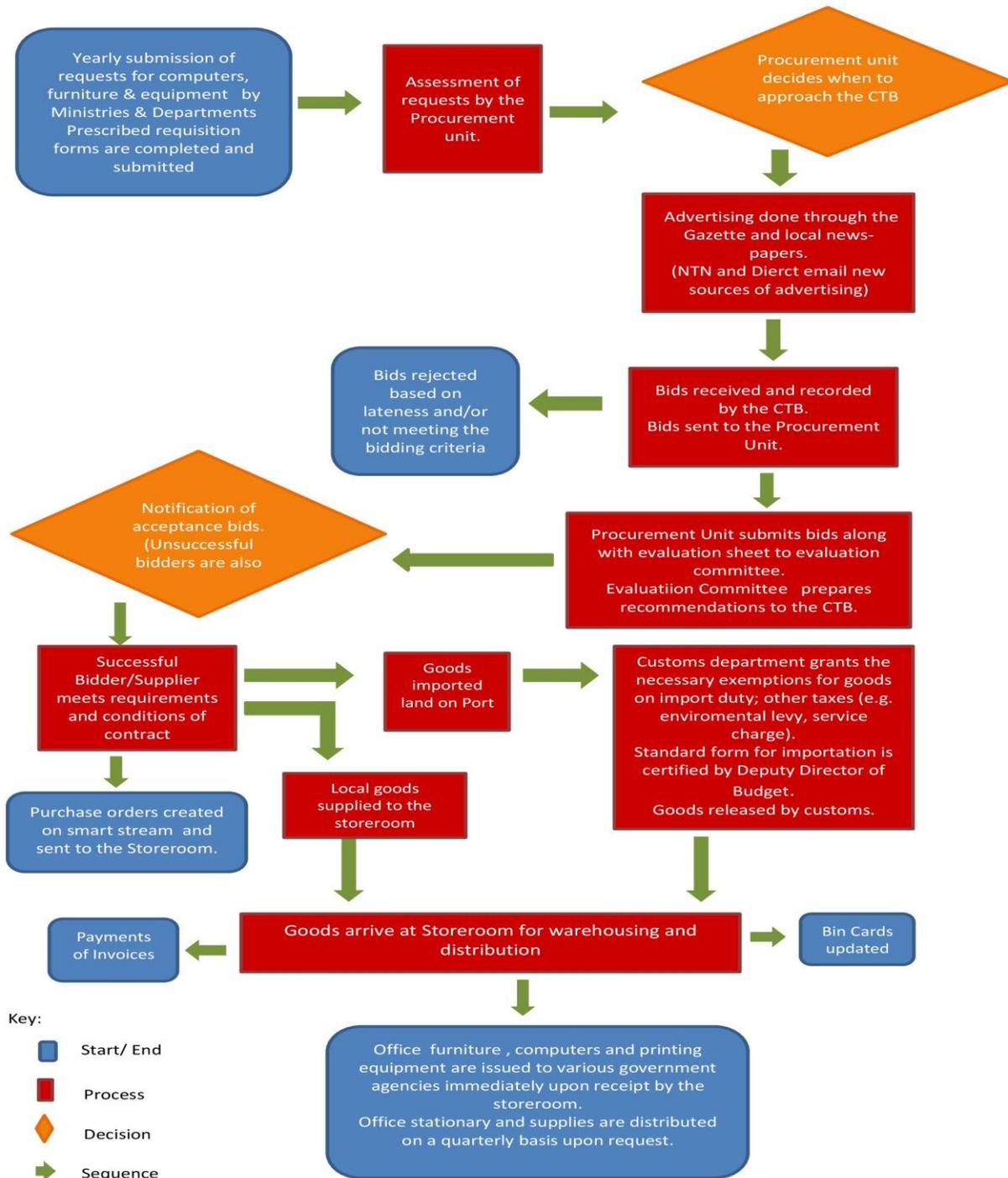
1.3 The Financial Administration Evaluation & Monitoring programme (FAEM) oversees the procurement process in order to ensure greater transparency and economy in the use of government resources. The FAEM programme is also responsible for the establishment of a public procurement manual and guidelines.

1.4 The central storage point prior to distribution of all goods is the government storeroom located in Massade, Gros Islet.

Relationship between key stakeholders in the Procurement Process



Flow Chart of Procurement and Distribution Activities of Office Equipment, Furniture & Office Supplies to Government Ministries by the Budget Office



2. AUDIT OBJECTIVES

2.1 The objectives of the audit were to determine whether:

- The procuring, distributing and recording of office equipment, furniture and office supplies were done in accordance with The Revised Laws of Saint Lucia Cap 15.01 (Procurement and Stores Regulation) and in accordance with procurement best practices where necessary;
- The procuring of goods and was done through competitive tendering; and
- The distribution and recording of office equipment and furniture were done efficiently.

3. AUDIT SCOPE AND METHODOLOGY

Audit Scope

3.1 The scope of the audit focused on procuring, distributing and recording of office equipment, furniture and office supplies.

3.2 The audit sample included seven ministries and departments that represented 32% of the total number of ministries and departments in the public service. These were the:

- Ministry of Agriculture, Food Production, Fisheries and Rural Development
- Ministry of Infrastructure, Port Services and Transport
- Ministry of Education, Human Resource Development and Labour
- Ministry of Physical Development, Housing and Urban Renewal
- Ministry of Finance , Economic Affairs, Planning & Social Security
- Ministry of Health, Wellness, Human Services and Gender Relations
- Ministry of Home Affairs & National Security

3.3 Data and evidence collected covered the three year period April 1, 2010 to March 31, 2013. During the financial years 2010/2011 and 2011/2012 a sum of \$6,325,000 was set aside for the procurement of office equipment, furniture and office supplies. This amount increased by 1.2% in 2012/2013. The budget was subsequently revised to \$8,532,246.40 and total expenditure over the three years was \$8,223,562.48.

Assessment Criteria

3.4 The Revised Laws of Saint Lucia Cap. 15.01 (Financial and Procurement Regulations), circulars (policy documents) and best practices for the effective procurement of office supplies, furniture and equipment were used to assess the procurement process.

Methodology

3.5 In achieving the objectives we gathered sufficient, competent and appropriate evidence, reported findings, concluded against the established audit objectives and where appropriate, made recommendations for improvement.

The methodology involved:

Document review and data analysis

3.6 This included the Estimates of Expenditure Volume 1 and 11, systems documentation, information from the treasury financial system (SMARTSTREAM), purchase orders, invoices, tender documents, receipts of goods, bin cards, correspondence between budget office and ministries and departments, budget submissions, awards of contracts, and minutes from the Central Tenders Board meetings.

Site Visits

3.7 We visited the storeroom and inspected the quantum and condition of stores/supplies.

Interviews

3.8 Semi-structured interviews were carried out with the human resource officers, accountants, senior executive officers, administrative assistants, accounts clerks and senior management at the selected ministries and departments who prepared the budget, requested and received office equipment, furniture and supplies. We also interviewed the Deputy Budget Director, Senior Procurement Officer, Procurement Officer I, Assistant Store Keeper, Financial Analyst – Financial Administration, Evaluation a& Monitoring Unit and Secretary of the Central Tenders Board.

4. SUMMARY OF THE AUDIT FINDINGS

4.1 Our audit determined that there were weaknesses in the internal control system governing the procurement of office furniture, equipment and supplies.

4.2 While the Procurement Unit's objective was to ensure that goods were tendered through a competitive process, there was insufficient information to determine whether the outcome of the tendering process generated substantial savings to the Government of Saint Lucia.

4.3 We noted that the Unit failed to prepare an operational manual that detailed specific procedures and processes for each stage of the procurement process. While, in some instances ministries and departments carried out similar processes, however these processes did not come from the Procurement Unit or the Ministry of Finance.

4.4 There was not an efficient system for recording and distributing of stores. As a result, the unit was unable to effectively assess whether the supplies purchased were equitably distributed and whether within the constraints of the budget, purchases were optimal. In addition, records pertaining to procurement, storage and distribution of goods were poorly filed. A master control register was not kept by the Ministry of Finance.

4.5 Management had not undertaken a risk assessment. In conducting our internal control assessment, we noted the following risks existed but the Unit did not have adequate mitigation measures in place to address those risks:

- The risk that information generated through the system for budget purposes was accurate,
- The risk that there was collusion between suppliers and employees,
- The risk that there was insufficient supervision over the different stages of the procurement and distribution cycle,
- The risk that key players in the cycle were not independent,
- The risk of losses, theft and fraud; and
- The risk that there was insufficient communication between key personnel.

4.6 As a result, the system which currently exists is at risk of fraud, misappropriation, theft and losses.

4.7 There was very little reconciling of stores purchased, delivered and distributed. The store room operated in isolation with little supervision and monitoring by the Procurement Unit. The storeroom did not periodically report on its activities to the Procurement Unit. This situation made it difficult to assess the stores levels, the necessary reorder levels, and to determine whether the needs of the ministries and departments were met. Hence, management did not have proper information to make sound decisions.

4.8 There was poor communication and collaboration between the Financial Evaluation and Monitoring Unit (FAEM) and the Procurement Unit. Consequently, vital information was not properly shared between the two units.

4.9 There were instances of non-compliance with the requirements of the Revised Laws of Saint Lucia Cap 15.01 Procurement and Stores Regulations, in that, the required records were not kept in their prescribed formats.

4.10 Most ministries complained about the poor quality of office equipment, furniture and stationery supplied by the Procurement Unit.

5. DETAILED AUDIT FINDINGS

Deficiencies in the internal control system

5.1 Effective controls provide reasonable assurance regarding the accomplishment of established objectives. Determining whether a particular internal control system is effective is a judgment resulting from an assessment of whether the five components - Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring - are present and functioning.

Choosing the right internal controls and ensuring that they are consistently applied will help ensure that public assets are efficiently protected against loss, waste and abuse.

5.2 It is in this context, that we examined the system of internal control in order to report on whether a proper risk management assessment was done, whether there was proper monitoring by relevant authorities throughout the entire procurement and distribution process, whether proper segregation of duties existed, whether proper and well documented policies and procedures were effectively communicated to all stakeholders and whether there was an effective records/information management system. All of these elements are integral to the functioning of an effective internal control system.

5.3 In conducting this audit, we noted the following deficiencies in internal control:

- ***The Procurement Unit did not have an operations manual***

5.4 It is important for every entity to have an operations manual to guide all users in implementing specific tasks in order to encourage efficiency, uniformity and standardization. Given the vast number of ministries and departments and the constant change in personnel, it is imperative for the procurement activities to be well documented so that tasks are uniformly implemented across ministries and departments.

5.5 We noted that the Procurement Unit failed to prepare an operations manual detailing the procedures that ministries and departments should follow when requesting office supplies, furniture and equipment as well as the procedures the Unit should follow from the time it procures the items to distribution.

5.6 Although the Revised Laws of Saint Lucia Cap. 15:01 (Procurement and Stores Regulation) provides a set of guidelines; however the Regulations did not specify activities at an operational level. Given the nature of the procurement activities it would be advantageous for the Procurement Unit to have an operations manual to ensure that specific tasks are carried out thoroughly and consistently.

5.7 For example, the Procurement Unit required and expected that requests for stores would be directed to its main office. However, we found that some ministries and departments made requests directly to the store room. Consequently, stores were issued by storeroom staff unknowingly to the Procurement Unit.

5.8 We also noted that while ministries and departments were required to use a standard form for budget submissions, 91% of the persons interviewed stated that they were unaware of this form and did not know the requirements of the Procurement Unit.

6. RECOMMENDATION

The Procurement Unit should develop an operations manual to guide its operations. .

- ***Only staff of the Procurement Unit formed the evaluation committee for office equipment, furniture and stationery***

6.1 Each year, the Procurement Unit invites suppliers to submit competitive bids for the supply of office equipment, furniture and stationery. The tender request attracts small, medium and large businesses across a wide range of sectors. An evaluation committee evaluates the bids using established criteria. The committee prepares the evaluation sheets and recommendations and submits those to the Central Tenders Board.

6.2 We found that except for the procurement of computers only the staff of the Procurement Unit formed the evaluation committee. At times the composition of the evaluation committee included the Procurement Officer 111 and two employees of the store room.

6.3 We are of the view that the evaluation committee should include persons with the right mix of knowledge and skills to enable thorough consideration of all offers and the identification and assessment of the associated risks. Therefore, the evaluation committee should not comprise only the staff of the Procurement Unit.

6.4 We found that in every instance within our sample, the Central Tenders Board always awarded the contracts to the suppliers that were recommended by the evaluation committee. Given the level of influence and credence that is placed on the work of the evaluation committee it is even more important for there to be a balance of internal and external persons forming the evaluation committee for all purchases.

7. RECOMMENDATION

The Ministry of Finance should reconsider the composition of the evaluation committee for furniture, office equipment and stationery to assure the integrity of the process.

▪ ***A risk assessment was not done***

7.1 An efficient internal control system requires that the risk assessment be done every 3 to 5 years to assess any potential risks and identify measures necessary to mitigate against such risks.

7.2 We found that a risk assessment of the Procurement Unit's activities was never done. As a result, the Unit was unaware whether the current internal control system mitigated against any risks.

7.3 In performing our audit, we conducted an internal control evaluation of the system, and found that the control systems were weak and that there were inadequate measures in place to manage the following:

- The risk that information generated through the system for budget purposes was accurate,
- The risk that there was collusion between suppliers and employees,
- The risk that there was insufficient supervision over the different stages of the procurement and distribution cycle,
- The risk that key players in the cycle were not independent,
- The risk of losses, theft and fraud,
- The risk that there was insufficient communication between key personnel.

7.4 Considering the amount of monies spent on purchasing office supplies, equipment and furniture it would be prudent for management to conduct a risk assessment to ensure that the internal control system governing procurement and distribution activities are efficient.

8. RECOMMENDATION

The Office of the Budget should perform a risk assessment of the internal control system governing the procurement, storage and distribution of office furniture, equipment and supplies with a view to minimizing any identified risks.

- ***Lack of oversight and little or no communication and collaboration between the FAEM Unit and the Procurement Unit***

8.1 The FAEM Unit monitoring role is a key aspect of ensuring accountability in respect of the procurement process.

8.2 The monitoring role of the FAEM unit involves the collection of data which enables the Unit to identify evolving problems and therefore determine and implement timely measures to ensure that resources are utilized appropriately, efficiently and effectively.

8.3 The Objective of the FAEM Unit as stated in the Estimates of Expenditure 2011/12, volume 1, is ***to oversee the Financial (Administration) Act and attendant regulations as well as the procurement process to ensure greater transparency and economy in the use of government resources.***

8.4 The Procurement Officers at the Budget Office and the Financial Analyst at the FAEM unit, expressed that there was very little or no communication and collaboration between the FAEM and the Procurement Unit. As a result, the two agencies were often working independent of each other. For instance, the FAEM Unit had no knowledge of the goods to be procured before the submissions reached the Tenders Board. In addition, the tenders were published before the documents were sent to the FAEM Unit. We were informed that The FAEM unit is currently trying to engage the Budget Office in devising a strategy to resolve those issues.

8.5 A key recommendation that the FAEM is proposing is that the Budget Office sends the invitations to tenders directly to FAEM Unit before they are published. By doing so it would reduce the incidence of advertising the wrong specifications which were often identified by the FAEM Unit after the invitations to tender were published.

8.6 Collaboration and information sharing are very critical for the effective functioning of the FAEM Unit and the Procurement Unit, given their responsibilities and organizational structures.

8.7 The stock verifier plays an integral role in the procurement process, in that the officer is responsible for monitoring the storeroom and checking the inventory listings throughout the various ministries and departments. This officer is housed at the FAEM Unit.

8.8 Given the role of the stock verifier and the fact that the Procurement Officers at the Procurement Unit do not have the mandate to inspect and monitor stores at the ministries and departments there is need for the Procurement Unit to be advised on the disposal of office furniture and equipment. This information would assist the Procurement Unit in determining whether the requests from the ministries for replacements of office furniture and equipment are necessary and justified.

9. RECOMMENDATION

There should be greater collaboration and communication between the Budget Office (Procurement Unit) and the FAEM Unit on procurement related activities.

- ***There was inadequate reporting and monitoring of the store room activities.***

9.1 In order for the Procurement Unit to make critical purchasing decisions information on current stock levels at the store room should be readily available.

9.2 As per the job description, the storekeeper and also the assistant storekeeper are responsible for preparing and submitting to the Procurement Unit monthly reports of stock balances.

9.3 We found that reports from the store room were very sporadic. Since the recent resignation of the storekeeper, the assistant storekeeper is of the view that it is not his responsibility to prepare reports. The Procurement Unit did not request these reports from the assistant store keeper.

9.4 Since the Procurement Unit rarely received monthly reports of stock balances from the store room the correct stock balances were not always determined when purchasing decisions were made. This also made it difficult to assess the stores levels, the necessary reorder levels, and whether the needs of the ministries and departments were met. Hence, management did not have the proper information to make sound decisions.

9.5 Further, we found that the Procurement Unit failed to reconcile its records of stores purchased, delivered and distributed with the records of the store room. The store room operated almost in isolation with very little supervision and guidance from the Procurement Unit. During our audit, we found that in cases when the storeroom received excess goods the Procurement Unit was not informed, neither was the excess stock recorded. We were informed that the storeroom returned the

excess goods to suppliers; however we found no evidence to substantiate this information.

9.6 Bin cards, purchase orders and issue vouchers were kept, however we were unable to trace the quantities from the purchase orders to the bin cards because the bin cards were randomly stored. In some cases multiple bin cards were used for one item and kept in an extremely haphazard manner. Generally, the record keeping at the store room was very poor.

We saw no evidence that the bin cards and ledgers were checked or verified by a supervisor during the last five years.

10. RECOMMENDATIONS

The Procurement Unit should receive from the store room monthly reports of stock balances, goods received and distributed.

There should be greater monitoring and of the store room operations by the Budget Office.

▪ ***Poor communication between the Procurement Unit and the ministries and departments***

10.1 There was poor communication between the Procurement Unit and the ministries and departments with respect to feedback on requests made for office supplies, furniture and equipment and collection of stores from the store room.

10.2 The Procurement Unit compiled a master list of items requested from each ministry. As part of our audit procedures we planned to verify whether ministries received the furniture and equipment that they requested. We were unable to carry out this audit procedure because the Procurement Unit did not have a system to track requests against items purchased and delivered. As a result, we concluded that it was quite possible for ministries to receive furniture and equipment that they did not request. Our audit revealed that only 28% of the ministries verified that the office furniture and equipment they received were included in the budget submissions.

10.3 Most ministries and departments lamented over the extremely long period of time taken to receive the office equipment and furniture, and in most cases, there was little or no communication between the Budget Office and the ministries about the items requested. The audit showed that it took as long as 153 days for a ministry to receive the items that it requested.

10.4 All the ministries/departments in our audit sample never received all the items requested mostly due to financial constraints on the part of the Procurement Unit. In some instances, the ministries and departments were

made aware of the quantities that were available to them by the storeroom attendants at the point of collection.

10.5 We also found that in some instances ministries and departments made separate special requests for furniture and equipment in addition to the yearly budget submissions. In most instances, the same items of furniture and equipment were requested. This resulted in duplicated requests unknown to the Procurement Unit because the Unit did not track the status of the requests made by ministries and departments in their budget submissions. Consequently, in some cases the ministries received double the items that were requested.

10.6 Ministries and departments also lamented over the fact that when stores were not picked up at the storeroom after a certain period of time, the store room would re-distribute the stores to another entity. The assistant store keeper confirmed that ministries and department were aware of the redistribution policy when stores were not collected within one month; therefore, the onus was on them to collect the stores within the timeframe.

11. RECOMMENDATIONS

The Procurement Unit should implement a proper records management system.

The Procurement Unit should develop a sound communication strategy and feedback mechanism.

▪ ***Ministries and departments and the Procurement Unit purchased stationery, office equipment and furniture***

11.1 The Procurement Unit relies on the information provided by ministries and departments to prepare its annual budget. Therefore, it is important for ministries and departments to provide the Unit with complete and accurate information.

11.2 Personnel from the Procurement Unit indicated that the purchase of office supplies and stationery was based on the annual trend of quarterly requisitions made by ministries and departments; unlike office equipment and furniture which are included in the budget submissions.

11.3 During our interviews we were informed that most ministries requested only the items typically kept in stock at the storeroom and did not necessarily communicate to the Procurement Unit the items of stationery that were needed in order for the Unit to order and stock those items.

11.4 The Procurement Unit did not have a system to inform ministries and departments of the availability of supplies, rather the onus was on the ministries to inquire of the storeroom the items that were available before they placed the

requisitions. If the items needed were not available at the storeroom then the ministries and departments would purchase these items from their budgetary allocations under Office and General Expenses

11.5 The aim of having a Procurement Unit is to benefit from economies of scale, however, due to the purchasing practices of the ministries and departments the benefits and cost savings that should have been derived from central purchasing was not realized.

11.6 We determined that the selected ministries spent approximately \$738,555.54 in the financial year 2010/2011 for office supplies compared to the Procurement Unit which spent \$577,288.17 for the same period. Ministries and departments incurred, on average, 29% higher per unit costs than the Procurement Unit on similar items such as pencils, ink, envelopes, pens, electrical pencil sharpeners, sticky notes, calculators staple machines, garbage bins, toner, desk organizers and paper purchased from the same suppliers.

11.7 We also found that ministries purchased office desks, computer desks, microwaves, calculators, printers and scanners. We were told that these ministries did not inform the Procurement Unit that these items were needed. The Procurement Officer was of the view that the Treasury Department should not have authorized the payments for these items since the requests were not made through the Procurement Unit. In addition, ministries were able to purchase those items under recurrent expenditure account – Office and General Expenses which should only be used to purchase stationery.

12. RECOMMENDATIONS

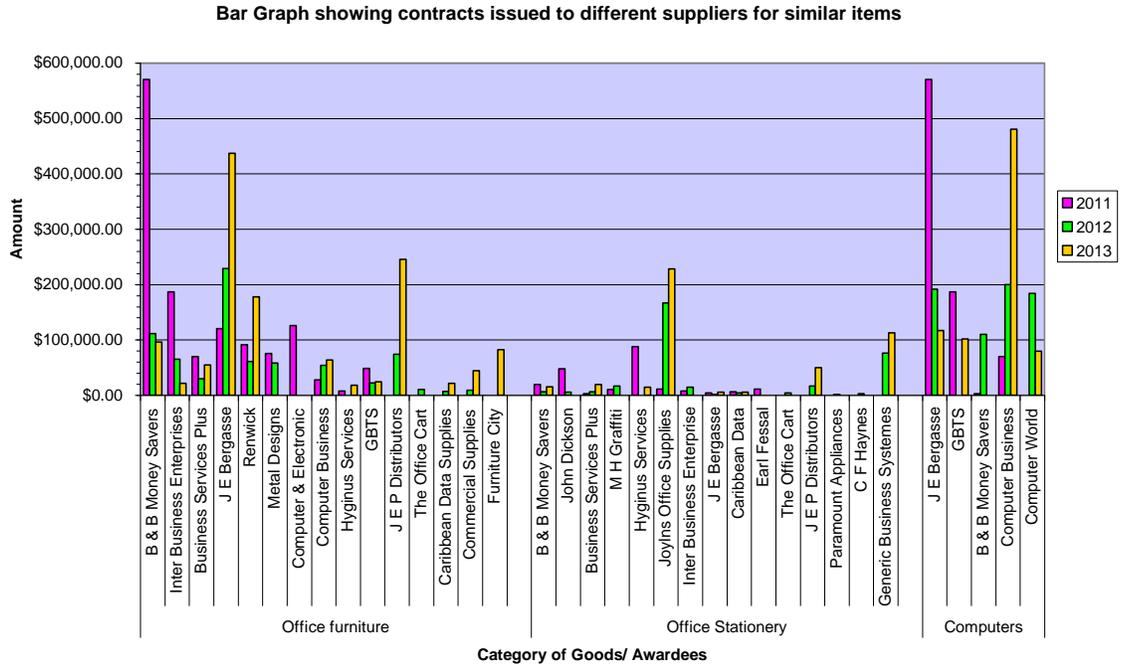
The Procurement Unit should have a system in place that accurately determines the stationery and office supplies needs of ministries and departments in order to have a sufficient supply of stock on hand.

Accounting staff at the ministerial and departmental levels as well as the Treasury approvers should be more diligent when performing their roles and recognize that office furniture should not be approved and purchased under head 109: Office and General Expenses.

- **Formal contract documents were not prepared and signed for the supply of office furniture, equipment and stationery**

12.1 The Government of St. Lucia spends approximately two (2) million dollars yearly on computers, office equipment, furniture and supplies. For the audited period the Government of St. Lucia purchased office equipment, furniture and office supplies from twenty three (23) companies. The value of business ranged

from \$700,000.00 to \$1,000.00 per supplier. The graph depicts the volume of business between the government and the various suppliers.



12.2 Given this volume of business and the substantial amount of money that was spent on a yearly basis we expected to find written contracts between the Government of St. Lucia and the suppliers.

12.3 Our audit revealed that there were no written and signed contract agreements for the acceptance of the offer and the specific terms and deliverables between the supplier and the Government of St. Lucia.

12.4 The current practice is that the Central Tenders Board informs the Budget Office of the approved awards of contracts to successful bidders. The memorandum from the Central Tenders Board states the category of items to be procured such as furniture and equipment, stationery/office supplies and computers and the cost. In turn, the Procurement Unit informs the successful bidders of the Central Tenders Board decision by way of a letter which is twofold in its purpose. The letter seeks to inform of the award of the contract and to confirm the acceptance of the terms and conditions which are stated.

12.5 The Procurement Officer explained that the letter sufficiently represented a contracts. Since there was offer and acceptance, then in his view formal contract documents were not needed.

12.6 Notwithstanding the sentiments expressed by the Procurement Officer, we are of the opinion that formal contract documents should be prepared and signed by both parties.

12.7 We saw instances where modifications to the cost and quantities were made to the tenders awarded by the Central Tenders Board. There was also a re-assignment of award of tender. In this instance, a company was selected to provide 50 cases of folding chairs at a unit cost of \$161.00 per chair. However, subsequent to accepting the offer the company supplied only 13 cases containing 4 chairs each. The company claimed that it was contracted to supply 50 chairs and not 50 cases and was not willing to supply any more chairs. As a result, the Procurement Unit recommended a local firm which originally submitted a bid of \$295.00 per case to supply the remaining chairs at a cost of \$350.00 per case even though the next best price as per the tenders received was \$163.01 submitted by a foreign company. The Procurement Unit in justifying its decision citing reasons such as:

- Time constraints with respect to year end,
- Limited transaction processing time,
- History of relative reliability of the supplier,
- Price comparatively the best among the more reliable local suppliers.

12.8 We must reiterate that formal contracts are necessary and important for the procurement of goods considering the substantial sum of money, modifications and re-assignments that occur. These contract should describe in detail the rights and responsibilities of the supplier and the Government of St. Lucia. A contract will provide the parties with a joint understanding of the terms and conditions, making sure that each party's expectations will be met. A written contract can be helpful in case of a dispute especially when the dispute has to go to court.

13. RECOMMENDATIONS

Contract documents should be prepared, processed and signed by the supplier (s) and the Government of St. Lucia for office furniture, equipment computers and supplies/ stationery.

Copies of the contract documents should be sent to the Accountant General and the Director of Audit.

- ***A master control register was not maintained***

13.1 The Revised Laws of Saint Lucia Cap 15.01 (Procurement and Stores Regulations) No 38 (1) and (2) require that the all purchases and issues of furniture and equipment should be recorded in a master control register.

13.2 A master control register which tracked all purchases and the ministries to which they were delivered was not kept. As a result, the Procurement Unit was unable to effectively assess whether the supplies purchased were equitably distributed and whether within the constraints of the budget, purchases were optimal.

13.3 The purpose of this register is to maintain a record and the location of the furniture and equipment purchased and distributed to ministries and departments. This master control register can be used as a data gathering tool for budgetary information analyzing trends and decision making.

13.4 It is also important that the Government has a main database of all office equipment and furniture. This information is important not only for safeguarding and monitoring assets but also important for accounting purposes.

14. RECOMMENDATION

The Procurement Unit should have a master control register of all furniture and equipment distributed to the various ministries and departments.

- ***Furniture, equipment and office supplies purchased by the Procurement Unit were very poor quality***

14.1 Generally staff at the selected ministries and departments was dissatisfied with the quality of furniture and equipment supplied by the store room. These included the executive desks, work stations and filing cabinets. Staff mentioned that although the furniture looked attractive, most were not durable.

14.2 Some of the complaints registered by staff were that the executive desks were mounted with plastic screws which were not durable; the filing cabinets although they were new the locks did not work and that the calculators came with the wrong voltage and were immediately damaged when plugged.

14.3 71% of ministries were dissatisfied with the quality of the paper. Due to the poor quality of the paper the printers and photo copying machines jammed constantly. When this occurred it often resulted in the ministries paying for costly repairs. Oftentimes the storeroom did not carry the specific paper recommended by the supplier for the smooth operation of the equipment. For instance, one

Ministry reported that a supplier advised that Xerox paper should be used in the Xerox machines to enhance durability and reduce costs of maintenance. Most times the store room did not carry Xerox paper although the equipment was supplied by the storeroom.

14.4 Pens, pencils, staple machines and paper punches were also considered to be of very poor quality. For example, the pens dried up quickly; the pencils were very weak and needed constant sharpening and the staple machines and paper punchers broke easily.

14.5 Ministries stated that an avenue to provide feedback to the Unit on the quality of the stores/supplies did not exist. Consequently, the Unit continued to purchase the poor quality items that often resulted in wastage because the stores were quickly damaged and had to be replaced.

15. RECOMMENDATION

The Procurement Unit should establish a feedback system in order to obtain critical information about the stores that are supplied to ministries and departments in order to make better quality purchases.

- ***Large quantities of obsolete stock at the storeroom***

15.1 We found a very large quantity of ink in stock at the store room. The ink was in storage for about seven years because the Procurement Unit discontinued purchasing the printers which used that type of ink. Due to the poor filing system, we were unable to retrieve the invoices to determine the value of the ink.

15.2 Large quantities of diskettes and typewriter ribbons were found at the store room. These items became obsolete because of new technology.

16. RECOMMENDATION

A board of condemnation should be requested for the disposal of the obsolete stock at the store room.