

**Access to Information Responses
Petrojam Limited Internal Audit Department**

ATI Request

Date Received	Deadline Due	Information Request	Information Source	Reference Number
17-Dec-20	15-Jan-21	In light of the findings of Section 3.10 of the Auditor General's 2018 Review of Aspects of PCJ and a Comprehensive Audit of Petrojam Limited, JAMP is requesting information/documentation to substantiate what measurable steps have been taken to reconcile the actual volumes of products received against volume ordered.	General Managers Office Dwight Bailey, Internal Auditor	20201217-04

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AGD Report 3.10 Oil Loss Petrojam could not validate the volume of products received vis-à-vis volumes ordered.	No.	Audit's Response	Action Status
<p>Petrojam does not have an efficient system to reconcile the volume of products received against the volume ordered, upon the transfer of products from ships to its storage tanks.</p> <p>Consequently, Petrojam made payments for the volumes billed on the suppliers' invoices without validating the actual volumes received.</p> <p>In keeping with industry practice, Petrojam used independent cargo surveyors to gauge the actual volume of product off-loaded by observing the pre and post-product volume readings of the ship.</p> <p>However, this method of reading does not accurately compensate for temperature adjustment, which normally results in a disparity between the observed volume off-loaded and the volume actually received. These factors would have accounted for its inventory inaccuracies.</p>		The system of internal controls are being strengthened to produce more accurate volumes for product movements. Please see below:	
	1.	All product received from ships to storage tanks are verified internally and volumes are reconciled per receipt. Independent third parties verify import and exports in keeping with industry best practices.	Completed
	2.	Daily reconciliations are performed for all Terminals; these are reviewed by Internal Audit.	Completed
	3.	Internal Audit conduct routine reviews of product movement (imports, exports, transfers).	Completed
	4.	Payments for product purchases are based on validated discharged volumes in accordance with the contractual terms of the supplier.	Completed
	5.	A dedicated Internal Auditor has been appointed for Oil Loss improvements.	Completed
	6.	Implementation of a continuous Tank repairs program for storage tanks, the installation of specific meters and routine calibration of others has improved measurement accuracies. These improvements have reduced the occurrence of observing the pre and post-product volume readings of the ship as means of product measurement. New Coriolis Mass Flow Meters have been installed, which allow high precision liquid and gas measurements at various temperatures.	In-Progress
	7.	Implementation of MILR Tank Master Project (completed) and Refinery & Kingston Terminal (KILR) proposed completion of tank master project by 1st Quarter 2021/22.	In-Progress