

AUDIT OFFICE OF GUYANA

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

TOGETHER WITH

REPORT OF THE AUDITORS

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AUDIT OFFICE OF GUYANA

31 DECEMBER 2010

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**REPORT OF THE AUDITORS
TO THE MEMBERS OF
PUBLIC ACCOUNTS COMMITTEE**

We have audited the attached financial statements of Audit Office of Guyana as set out in pages 2 to 5 which comprise the statement of financial position as at 31 December 2010 and the statement of receipts and expenditures for the year ended 31 December 2010, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

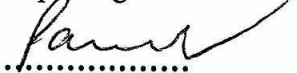
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's policy is to prepare the accompanying statements on the cash receipts and disbursement basis in conformity with International Financial Reporting Standards. On this basis cash receipts are recognised when received and cash expenditures are recognised when paid rather than when incurred.

AUDITORS' RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION:

In our opinion, the financial statements give a true and fair view, in all material respects of the financial position of Audit Office of Guyana as of 31 December 2010, and of its cash receipts and expenditures for the year ended 31 December 2010 in accordance with International Financial Reporting Standards.



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PARMESAR

PARMESAR

16 August 2011

AUDIT OFFICE OF GUYANA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

ASSETS	Note	2010 G\$	2009 G\$
NON - CURRENT ASSETS			
Furniture and equipment	4	17,717,097 -----	14,726,857 -----
CURRENT ASSETS			
Cash at bank		28,817,014 -----	13,827,776 -----
TOTAL ASSETS		46,534,111	28,554,633
<hr/>			
EQUITY AND LIABILITIES			
Capital contribution	4	17,717,097 -----	14,726,857 -----
LIABILITIES			
Pension contribution on hold	5	28,817,014 -----	13,827,776 -----
TOTAL EQUITY AND LIABILITIES		46,534,111	28,554,633

The financial statements were approved for issue on 10 August 2011.



Heeralal Gendon
Finance Manager (acting)



Donna Ellis
Director - Administration (acting)

The notes on pages 4 to 5 form an integral part of these financial statements.

AUDIT OFFICE OF GUYANA

STATEMENT OF RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2010

RECEIPTS	Note	2010 G\$	2009 G\$
Government subvention	6	354,274,081	315,841,670
Audit Fees	7	9,299,302	7,881,196
Other receipts		256,212	50,000
		363,829,595	323,772,866
 OPERATING EXPENDITURES			
Employment cost		289,557,256	251,655,688
Office materials and supplies		5,093,306	4,063,788
Fuel and lubricants		2,298,628	2,377,951
Repairs and maintenance - building		3,618,177	1,712,988
Repairs and maintenance - vehicles		1,777,569	508,922
Repairs and maintenance - equipment		2,711,017	1,813,270
Cleaning and sanitation		1,118,646	1,223,830
Local travelling and subsistence		5,295,392	7,719,706
Postage and cablegram		17,465	10,340
Meals and refreshments		2,712,882	2,416,462
Telephone		2,019,110	1,847,684
Electricity		10,812,650	9,627,782
Water rates		672,000	657,000
Security		7,967,808	7,455,101
Education subvention and training		1,155,447	1,552,485
Others		9,319,696	6,502,261
Capital expenditure - building		4,999,188	5,633,719
Capital expenditure - institutional strengthening		2,978,839	5,786,149
Revenue paid over to consolidated fund		9,555,514	7,931,196
Current subvention returned to consolidated fund		117,272	2,407,587
Capital subvention returned to consolidated fund		31,733	868,957
		363,829,595	323,772,866
Less: Pension contribution on hold		(14,989,238)	(13,827,776)
NET OPERATING EXPENDITURES		348,840,357	309,945,090

The notes on pages 4 to 5 form an integral part of these financial statements.

AUDIT OFFICE OF GUYANA

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2010

1. IDENTIFICATION

The Audit Office was granted the status of a subvention agency with effect from 1 April 2006 under the following Budget Agency details:

Budget Agency :	7 Parliament Office
Programme :	071 National Assembly
Chart of Account :	6231 Subsidies and Contribution to Local Organisations

2. PRINCIPAL ACTIVITY

(1) There shall, in accordance with article 223 of the Constitution, be an Auditor General for Guyana, whose office shall be a public office.

(2) There shall be an Audit Office comprising the Auditor General and the officers and employees appointed thereto.

(3) The Auditor General shall be the external auditor of the public accounts of Guyana and, in the discharge of his functions, shall have complete discretion in examining and reporting on the receipt, disbursements, and control of public monies and on the economy, efficiency and effectiveness in the use of such monies.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are:

(a) Accounting Convention

These financial statements have been prepared under the historical cost convention. The statement of receipts and expenditures was prepared using the cash accounting basis. Under this method, funds and expenditures are recognised when cash is received or paid rather than the occurrences of these transactions.

These financial statements are presented in Guyana dollars.

(b) Furniture and Equipment

Furniture and equipment are stated at historical cost.

AUDIT OFFICE OF GUYANA

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2010

4. FURNITURE AND EQUIPMENT	2010	2009
	G\$	G\$
As at beginning of year	14,726,857	12,053,435
Additions	2,990,240	2,673,422
	<u>17,717,097</u>	<u>14,726,857</u>

The amount represents furniture and equipment acquired during the year from capital grant. The Audit Office also has the use of other furniture and equipment and motor vehicles, ownership of which are not vested in the Audit Office.

5. PENSION CONTRIBUTION ON HOLD

This amount represents pension contributions deducted under the Colonial Life Insurance Company pension scheme plan, for the period March 2009 to December 2010. This amount was held in the Office's bank account until March 2011, when it was paid over to Hand-in-Hand Insurance Company.

28,817,014	13,827,776
<u>28,817,014</u>	<u>13,827,776</u>

6. GOVERNMENT SUBVENTION

The expenditure of the Audit Office shall, in accordance with article 222A(a) of the constitution, be financed as a direct charge on the Consolidated Fund, determined as a lump sum by way of an annual approval of the Audit Office's budget as a part of the process of the determination of the National Budget.

Current subvention	346,264,321	303,552,845
Capital subvention	8,009,760	12,288,825
	<u>354,274,081</u>	<u>315,841,670</u>

7. AUDIT FEES

These are derived from entities such as Statutory Bodies, Municipal and Neighbourhood Democratic Councils and Public Corporations and are paid over to the Consolidated Fund.

Bank of Guyana (FY 2009)	1,843,205	2,135,242
Guyana Geology & Mines	-	987,736
National Frequency Management Unit (FY2008)	382,375	362,583
National Communications Network (FY 2004-2005)	2,119,201	-
Guyana Oil Company Limited (FY 2009)	3,187,525	3,395,635
Guyana Forestry Commission (FY 2003-2005)	1,330,792	-
Dependant Pension Fund (FY 2008)	436,204	1,000,000
	<u>9,299,302</u>	<u>7,881,196</u>