

# **Audit Office of Guyana**

**Audited Financial Statements**

**For the year ended December 31, 2014**

**D. Bahadur & Co.**  
**Chartered Accountants**  
Lot 125 Laluni Street,  
Queenstown,  
Georgetown.

# **Audit Office of Guyana**

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14 March 2016

Mr. Deodat Sharma  
Auditor General  
**Audit Office of Guyana**  
High Street,  
Kingston,  
Georgetown.

Dear Mr. Sharma,

**Re: Audit of Audit Office of Guyana**  
**Financial Statements for the year ended 31 December 2014**

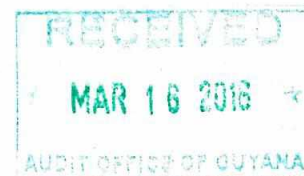
We enclose four copies of the financial statements of the Audit Office of Guyana for the year ended 31 December 2014 together with report of the auditors.

These are for your records.

Yours sincerely,

  
.....  
Drubahadur (FCCA)  
Managing Partner

D. BAHADUR & CO.  
Chartered Accountants  
125 Laluni Street, Queenstown, Georgetown  
Phone: 225-1278-9 | Fax: 226-0352  
Email: drubahadur@yahoo.com



14 March 2016

Mr. Deodat Sharma  
Auditor General  
**Audit Office of Guyana**  
High Street,  
Kingston,  
Georgetown.

Dear Mr. Sharma,

**Re: Audit 2014**

In addition to our responsibility as the external auditors of your organisation, we have recognised the importance to report to management on the weaknesses identified in the organisation's internal controls, their possible implications and to recommend suitable solutions to eliminate or reduce the effects of these weaknesses.

We, therefore, have highlighted a number of areas below that management needs to review.

**Weaknesses**

- (1) The Organisation Chart had a number of vacancies in the area of Audit operations for:
- |                                |   |   |
|--------------------------------|---|---|
| ● Director - Group             | - | 1 |
| ● Director – Works & Structure | - | 1 |
| ● Audit Managers               | - | 4 |
| ● Finance Manager              | - | 1 |
| ● Other staff – HR Division    | - | 3 |
| ● Other staff – IT Division    | - | 3 |

**Implications**

- (1) A lack of key personnel may affect the effective and efficient operations of the Organisation.



## **Recommendations**

- (1) All key vacancies should be filled in a timely manner.

## **Client's comments**

- (1) The Audit Office has taken note of your comments and would like to inform you that strides have been made over the years to fill some of its vacant positions. However, during 2014 a consultant was retained by the Audit Office to review and strengthen the Human Resource function, specifically in the areas of performance management, recruitment policies, including the evaluation criteria for the appointment of senior officers, training needs analysis and retention strategies.

The evaluation criteria were sent to the Public Accounts Committee for approval which was granted at the end of 2014. Since ten of the thirteen vacant positions were senior positions which required ratification of the Public Accounts Committee, the filling of these positions could not have been made possible as at 31 December 2014.

Yours faithfully,

*Drubahadur*

.....  
*Drubahadur (FCCA, MAAT)*  
**Managing Partner**

<p><b>D. BAHADUR &amp; CO.</b> Chartered Accountants 125 Laluni Street, Queenstown, G/Town Phone: 225-1278/9 Tel fax: 226-0352 Email: drubahadur@yahoo.com</p>
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INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF  
PUBLIC ACCOUNTS COMMITTEE

**Report on the Financial Statements.**

We have audited the accompanying financial statements of **Audit Office of Guyana** which comprise the Statement of Financial Position as at December 31, 2014 and the Statement of Receipts and Expenditures, for the year then ended, 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 for Small and Medium-sized Entities. 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, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Management's policy is to prepare the accompanying statements on the cash receipts and disbursement basis in conformity with International Financial Reporting Standards for Small and Medium-sized Entities. On this basis cash receipts are recognised when received and cash expenditure are recognised when paid rather than when incurred.

**Auditor's 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 the 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 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 at December 31, 2014 and of its cash receipts and expenditures for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

*D. Bahadur & Co*  
D. Bahadur & Co  
Chartered Accountants  
14 March 2016

125 Laluni Street  
Queenstown,  
Georgetown

**D. BAHADUR & CO.**  
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**Audit Office of Guyana**  
**Statement of Financial Position**  
**As at December 31, 2014**

<u>ASSETS</u>	<u>Notes</u>	<u>G\$</u> <u>2014</u>	<u>G\$</u> <u>2013</u>
<b>Current asset</b>			
Cash & cash equivalents		-	-
<b>Non-current asset</b>			
Furniture and equipment	4	43,405,806	37,405,806
<b><u>TOTAL ASSETS</u></b>		<u><u>43,405,806</u></u>	<u><u>37,405,806</u></u>
 <b><u>LIABILITY AND EQUITY</u></b>			
<b>Current liability</b>			
Pension contributions	5	-	-
<b>Equity</b>			
Capital contribution	4	43,405,806	37,405,806
<b><u>TOTAL LIABILITY AND EQUITY</u></b>		<u><u>43,405,806</u></u>	<u><u>37,405,806</u></u>

*The notes on pages 3 to 6 form an integral part of these financial statement*

  
 .....  
 Leona Persaud  
 Finance Manager (ag)

  
 .....  
 Lakeram Ramkoomar  
 Audit Director (ag)



**Audit Office of Guyana**  
**Statement of Receipts and Expenditures**  
**As at December 31, 2014**

<u>Income</u>	<u>Notes</u>	<u>G\$</u> <u>2014</u>	<u>G\$</u> <u>2013</u>
Receipts	6 - 8	614,470,375	604,013,117
<u>Expense</u>			
Operating expenses	9	614,470,375	604,013,117
<b>Funds to be reimbursed</b>		<u>-</u>	<u>-</u>

*The notes on pages 3 to 6 form an integral part of these financial statement*

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2014**

**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 Government

**2 Principal activities**

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

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

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 principal accounting policies applied in the preparation of these financial statements are set out below:

**(a) Basis of preparation and accounting policies**

These financial statements have been prepared under the historical convention. This method of accounting emphasises that the accounts are intended to record, analyse and present impact of transactions that have already occurred.

**(b) Receipts and payments**

The cash basis method of accounting is used to account for income and expenditure in these financial statements i.e. funds and expenses are recognised when cash is received or disbursed rather than the occurrences of these transactions.

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2014**

**4 Furniture and equipment**

Items of furniture and equipment are measured at cost.

<u>Particulars</u>	<u>G\$</u> <u>2014</u>	<u>G\$</u> <u>2013</u>
January 1	37,405,806	25,616,551
Additions	6,000,000	11,789,255
<b>December 31</b>	<b><u>43,405,806</u></b>	<b><u>37,405,806</u></b>

**5 Pension contribution**

The Audit Office commenced the new private contributory scheme with the Hand-in-Hand Mutual Life Assurance Co. Ltd. with effect from January 2011. Under this new arrangement, employees contributes 5% of their salary and government contributes 7% towards the scheme and this scheme is managed by trustees comprising members of staff and is subject to an

**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 subvention approved by the National Assembly after review and approval of the Audit Office's budget as a part of the process of the determination of the

<u>Particulars</u>	<u>G\$</u> <u>2014</u>	<u>G\$</u> <u>2013</u>
Current subvention	582,599,698	570,876,469
Capital subvention	7,571,523	15,830,000
<b>Total</b>	<b><u>590,171,221</u></b>	<b><u>586,706,469</u></b>

**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.

<u>Name of organisation</u>	<u>G\$</u> <u>2014</u>	<u>G\$</u> <u>2013</u>
Bank of Guyana (FY 2013, FY 2011)	3,580,170	3,170,528
Transport & Harbours Department (FY 1998 - 2002)	773,104	-
National Data Management Authority (FY 2003 - 2010)	1,497,460	-
Guyana Energy Agency (FY 2003 - 2012)	5,914,547	-
<b>Total</b>	<b><u>11,765,281</u></b>	<b><u>3,170,528</u></b>

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2014**

<b>7 Audit fees (cont'd)</b>	<b>G\$</b>	<b>G\$</b>
<u><b>Name of organisation</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Guyana National Cooperative Bank (FY 2008 - 2010)	2,604,970	-
Guyana Oil Company Limited (FY 2013, 2011)	4,617,770	4,642,311
MMA/ADA (FY 2006 - 2007)	2,241,163	-
Kwakwani Utility Inc. (FY 2012)	810,528	-
Dependant Pension Fund (FY 2013, 2011)	300,000	299,146
Guyana Forestry Commission (FY 2006-2008)	-	2,130,638
Guyana Geology and Mines Commission (FY2009)	-	1,432,290
GEC (2009-2011 &2012)	-	696,515
Mahdia Power & Light Co.(FY 2009-2011)	-	378,009
NICIL (FY 2012, 2011)	1,861,834	1,775,236
NICIL Consol. Accounts (FY 2004-2006)	-	923,919
Property Holdings Inc. (FY2011 -2012)	-	294,106
Port Kaituma Power & Light (FY 2010-2011)	-	378,009
LINMINE (FY 2012)	-	102,166
Matthews Ridge Power & Light(FY 2011-2012)	-	167,491
Lethem Power Co.(FY 2009-2010)	-	896,284
<b>Total</b>	<u><u><b>24,201,546</b></u></u>	<u><u><b>17,286,648</b></u></u>
 <b>8 Income</b>		
This account comprises:		
<u><b>Description</b></u>		
Government subvention	<b>6</b> 590,171,221	586,706,469
Audit fees	<b>7</b> 24,201,546	17,286,648
Other receipts	97,608	20,000
<b>Total</b>	<u><u><b>614,470,375</b></u></u>	<u><u><b>604,013,117</b></u></u>
 <b>9 Operating expenses</b>		
Employment cost	484,938,345	494,051,519
Office materials and supplies	10,648,029	6,462,513
Fuel and lubricants	2,504,964	1,899,131
Repairs and maintenance - building	5,373,778	2,508,916
Repairs and maintenance - vehicles	1,889,043	657,686
Repairs and maintenance - equipment	3,971,550	4,157,957
<b>Total</b>	<u><u><b>509,325,709</b></u></u>	<u><u><b>509,737,722</b></u></u>

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2014**

<b>9 Operating expenses (cont'd)</b>	<b>G\$</b>	<b>G\$</b>
	<b>2014</b>	<b>2013</b>
Cleaning and sanitation	2,399,715	1,925,894
Local travelling and subsistence	10,277,281	8,652,400
Postage & cablegram	42,730	5,340
Meals & refreshments	5,149,037	4,318,688
Telephone	1,934,261	2,323,368
Electricity	14,865,669	13,685,271
Water rates	1,317,120	1,344,000
Security	7,405,278	7,586,710
Education subvention & training	5,270,714	1,550,798
Others	24,609,118	19,745,719
Capital expenditure - institutional strengthening	0	3,828,834
Capital expenditure - office furniture & equipment	6,000,000	5,988,799
Capital expenditure - land transport	0	5,800,456
Capital expenditure - building	1,573,523	0
Revenue paid over to consolidated fund	24,299,154	17,306,648
Current subvention returned to consolidated fund	1,066	559
Capital subvention returned to consolidated fund	0	211,911
<b>Total</b>	<b><u>614,470,375</u></b>	<b><u>604,013,117</u></b>