

# AUDIT OFFICE OF GUYANA

Audited Financial Statements  
for the year ended December 31, 2015



*"Promoting Good Governance, Transparency and Improved Public Accountability"*

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

We have audited the accompanying financial statements of the **Audit Office of Guyana**, which comprise the statement of financial position as at December 31, 2015, and the related statement of receipts and expenditures for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

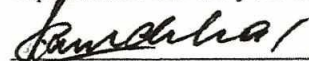
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 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 on pages 2 to 7 present fairly, in all material respects, the financial position of the **Audit Office of Guyana** as at December 31, 2015 and of its cash receipts and expenditures for the year then ended in accordance with Generally Accepted Accounting Principles.

  
**CHATERAM RAMDIHAL**  
Chartered Accountants,  
Professional Services Firm  
128 A Carmichael Street,  
South Cummingsburg,  
Georgetown, Guyana.

6<sup>th</sup> July, 2016

**Audit Office of Guyana**  
**Statement of Financial Position**  
**As at December 31, 2015**

<u>ASSETS</u>	<u>Notes</u>	<u>G\$</u> <u>2015</u>	<u>G\$</u> <u>2014</u>
<b>Current asset</b>			
Cash & cash equivalents		-	-
<b>Non-current asset</b>			
Furniture and equipment	4	50,914,692	43,405,806
<b><u>TOTAL ASSETS</u></b>		<b><u>50,914,692</u></b>	<b><u>43,405,806</u></b>
 <b><u>LIABILITY AND EQUITY</u></b>			
<b>Current liability</b>			
Pension contributions	5	-	-
<b>Equity</b>			
Capital contribution	4	50,914,692	43,405,806
<b><u>TOTAL LIABILITY AND EQUITY</u></b>		<b><u>50,914,692</u></b>	<b><u>43,405,806</u></b>

  
 Leona Persaud  
 Finance Manager (ag)

  
 Lakeram Ramkoomar  
 Audit Director (ag)

*The notes on pages 4 to 7 form an integral part of these financial statements*

**Audit Office of Guyana**  
**Statement of Receipts and Expenditures**  
**for the year ended December 31, 2015**

<u>Income</u>	<u>Notes</u>	<u>G\$</u> <u>2015</u>	<u>G\$</u> <u>2014</u>
Receipts	6 - 8	630,388,579	614,470,375
<u>Expense</u>			
Operating expenses	9	630,388,579	614,470,375
<b>Funds to be reimbursed</b>		<u><u>-</u></u>	<u><u>-</u></u>

*The notes on pages 4 to 7 form an integral part of these financial statements*

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**for the year ended December 31, 2015**

**1 Identification**

The Audit Office was granted the status of a subvention agency with effect from 1 April 2006 to 31 August 2015. The Audit Office being a Constitutional Agency was thereafter given a Budget Agency status from 1 September 2015 to 31 December 2015 under the following:

Budget Agency:	08 Audit Office
Chart of Account:	6231 Subsidies and Contribution to Local Organisations

**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**  
**for the year ended December 31, 2015**

**4 Furniture and equipment**

Items of furniture and equipment are measured at cost.

<u>Particulars</u>	<u>G\$</u> <u>2015</u>	<u>G\$</u> <u>2014</u>
January 1	43,405,806	37,405,806
Additions	7,508,886	6,000,000
<b>December 31</b>	<b><u>50,914,692</u></b>	<b><u>43,405,806</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 independent audit.

**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 National Budget.

<u>Particulars</u>	<u>G\$</u> <u>2015</u>	<u>G\$</u> <u>2014</u>
Current subvention	606,952,708	582,599,698
Capital subvention	7,510,813	7,571,523
<b>Total</b>	<b><u>614,463,521</u></b>	<b><u>590,171,221</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>2015</u>	<u>G\$</u> <u>2014</u>
Bank of Guyana (FY 2014; FY 2013)	4,065,403	3,580,170
Bank of Guyana (Pension scheme FY 2011-2013)	1,978,807	-
N.D.M.A (FY 2011-2012; FY 2003-2010)	400,000	1,497,460
Guyana Energy Agency (FY2013; FY 2003-2012)	708,208	5,914,547
<b>Total</b>	<b><u>7,152,418</u></b>	<b><u>10,992,177</u></b>

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**for the year ended December 31, 2015**

<b>7 Audit fees (cont'd)</b>	<b>G\$</b>	<b>G\$</b>
<b><u>Name of organisation</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Guyana Oil Company Limited (FY 2014; FY 2013)	4,795,925	4,617,770
NICIL (FY 2013; FY 2012)	2,065,725	1,861,834
Dependant Pension Fund (FY 2014; FY 2013)	354,993	300,000
N.A.R.I (FY 2011)	850,000	-
Linden Electricity Co. Ltd (FY 2012-2013)	589,517	-
Transport & Harbours Department (FY 1998 - 2002)	-	773,104
Guyana National Cooperative Bank (FY 2008 - 2010)	-	2,604,970
MMA/ADA (FY 2006 - 2007)	-	2,241,163
Kwakwani Utility Inc. (FY 2012)	-	810,528
<b>Total</b>	<b><u>15,808,578</u></b>	<b><u>24,201,546</u></b>

**8 Income**

This account comprises:

**Description**

Government subvention	<b>6</b>	614,463,521	590,171,221
Audit fees	<b>7</b>	15,808,578	24,201,546
Other receipts		116,480	97,608
<b>Total</b>		<b><u>630,388,579</u></b>	<b><u>614,470,375</u></b>

**9 Operating expenses**

Employment cost		525,231,478	484,938,345
Office materials and supplies		8,603,371	10,648,029
Fuel and lubricants		3,321,152	2,504,964
Repairs and maintenance - building		5,181,335	5,373,778
Repairs and maintenance - vehicles		1,897,136	1,889,043
Repairs and maintenance - equipment		3,677,684	3,971,550
<b>Total</b>		<b><u>547,912,156</u></b>	<b><u>509,325,709</u></b>



**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**for the year ended December 31, 2015**

	<b>GS</b>	<b>GS</b>
<b>9 Operating expenses (cont'd)</b>	<b>2015</b>	<b>2014</b>
Cleaning and sanitation	2,220,118	2,399,715
Local travelling and subsistence	11,759,083	10,277,281
Postage & cablegram	3,550	42,730
Meals & refreshments	3,564,141	5,149,037
Telephone	1,958,216	1,934,261
Electricity	11,770,692	14,865,669
Water rates	1,326,820	1,317,120
Security	7,524,946	7,405,278
Education subvention & training	1,098,367	5,270,714
Others	17,816,512	24,609,118
Capital expenditure - office furniture & equipment	6,199,999	6,000,000
Capital expenditure - building	1,308,887	1,573,523
Revenue paid over to consolidated fund	15,925,058	24,299,154
Subvention returned to consolidated fund	34	1,066
<b>Total</b>	<b><u>630,388,579</u></b>	<b><u>614,470,375</u></b>