

Audit Office of Guyana

Audited Financial Statements
For the year ended December 31, 2016

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

Audit Office of Guyana

Index

2016 Audited Financial Statements

	Page
Auditor's Report	
Statement of Financial Position as at December 31, 2016	1
Statement of Receipts and Expenditures for the year ended December 31, 2016	2
Notes to Financial Statements for the year ended December 31, 2016	3-6

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, 2016, and its cash receipts and expenditures for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of **Audit Office of Guyana** as at 31 December 2016, and its cash receipts and expenditures for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, the Audit Act 2015 and Fiscal Management and Accountability Act 2003.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Audit Office in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, the Audit Act 2015 and Fiscal Management and Accountability Act 2003 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. 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, and selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Office's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes that opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit 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
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimated and related disclosures made by management

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the office to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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May 29, 2017

Audit Office of Guyana
Statement of Financial Position
As at December 31, 2016

<u>ASSETS</u>	<u>Notes</u>	<u>G\$</u> <u>2016</u>	<u>G\$</u> <u>2015</u>
Current asset			
Cash & cash equivalents		-	-
Non-current asset			
Furniture and equipment	4	53,916,423	50,914,692
<u>TOTAL ASSETS</u>		<u>53,916,423</u>	<u>50,914,692</u>
 <u>LIABILITY AND EQUITY</u>			
Current liability			
Pension contributions	5	-	-
Equity			
Capital contribution	4	53,916,423	50,914,692
<u>TOTAL LIABILITY AND EQUITY</u>		<u>53,916,423</u>	<u>50,914,692</u>

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



 Leona Persaud
 Finance Manager (ag)



 Lakeram Ramkoomar
 Director - Administration and Finance (ag)

Audit Office of Guyana
Statement of Receipts and Expenditures
As at December 31, 2016

<u>Income</u>	<u>Notes</u>	<u>G\$</u> <u>2016</u>	<u>G\$</u> <u>2015</u>
Receipts	6 - 8	747,375,464	630,388,579
<u>Expense</u>			
Operating expenses	9	747,375,464	630,388,579
Funds to be reimbursed		<u>-</u>	<u>-</u>

Audit Office of Guyana
Notes to the Financial Statements
As at December 31, 2016

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 with effect from 1 September 2015 under the following:

Budget Agency:	08 Audit Office
Chart of Account:	6323 Constitutional Agencies

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, 2016

4 Furniture and equipment

Items of furniture and equipment are measured at cost.

<u>Particulars</u>	<u>G\$</u> <u>2016</u>	<u>G\$</u> <u>2015</u>
January 1	50,914,692	43,405,806
Additions	3,001,731	7,508,886
December 31	<u>53,916,423</u>	<u>50,914,692</u>

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>2016</u>	<u>G\$</u> <u>2015</u>
Current subvention	686,458,722	606,952,708
Capital subvention	41,190,392	7,510,813
Total	<u>727,649,114</u>	<u>614,463,521</u>

Audit Office of Guyana
Notes to the Financial Statements
As at December 31, 2016

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>2016</u>	<u>G\$</u> <u>2015</u>
Bank of Guyana (FY 2014, 2015)	4,460,475	4,065,403
Bank of Guyana (Pension Scheme FY 2011 - 2013)	-	1,978,807
NDMA (FY 2011, 2012, 2003)	941,775	400,000
Guyana Energy Agency (FY 2013, 2014)	795,958	708,208
Guyana Oil Company Limited (FY 2014, 2015)	4,895,190	4,795,925
NICIL (FY 2013)	-	2,065,725
Dependant's Pension Fund (FY2014, 2015)	381,969	354,993
NARI (FY 2011)	-	850,000
Linden Electricity Co. Ltd (FY 2012 -2013)	-	589,517
Guyana Oil Company Limited Aviation (FY 2015)	850,085	-
Guyana National Cooperative Bank (FY 2011)	713,517	-
Atlantic Hotel Incorporated (FY 2012-2014)	2,005,331	-
University of Guyana (FY 2012-2013)	3,042,525	-
Sugar Industry Welfare Fund Committee (FY 2007-2012)	1,584,525	-
Total	<u>19,671,350</u>	<u>15,808,578</u>

8 Income

This account comprises:

<u>Description</u>			
Government subvention	6	727,649,114	614,463,521
Audit fees	7	19,671,350	15,808,578
Other receipts		55,000	116,480
Total		<u>747,375,464</u>	<u>630,388,579</u>

9 Operating expenses

Employment cost	583,171,951	525,231,478
Office materials and supplies	10,528,770	8,603,371
Fuel and lubricants	1,886,506	3,321,152
Repairs and maintenance - building	8,055,730	5,181,335
Repairs and maintenance - vehicles	1,227,604	1,897,136
Repairs and maintenance - equipment	6,772,117	3,677,684
Total	<u>611,642,678</u>	<u>547,912,156</u>

Audit Office of Guyana
Notes to the Financial Statements
As at December 31, 2016

	G\$	G\$
9 Operating expenses (cont'd)	2016	2015
Cleaning and sanitation	1,958,401	2,220,118
Local travelling and subsistence	19,379,801	11,759,083
Postage & cablegram	17,500	3,550
Meals & refreshments	3,920,137	3,564,141
Telephone	1,937,070	1,958,216
Electricity	12,252,519	11,770,692
Water rates	1,330,220	1,326,820
Security	4,114,600	7,524,946
Education subvention & training	2,776,863	1,098,367
Others	27,129,161	17,816,512
Capital expenditure - Institutional strengthening	38,188,392	-
Capital expenditure - Office furniture & equipment	3,001,731	6,199,999
Capital expenditure - Building	-	1,308,887
Revenue paid over to consolidated fund	19,726,350	15,925,058
Subvention returned to consolidated fund	41	34
Total	<u>747,375,464</u>	<u>630,388,579</u>