

# **Audit Office of Guyana**

**Audited Financial Statements**

**For the year ended December 31, 2017**

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

# Audit Office of Guyana

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### 2017 Audited Financial Statements

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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, 2017, 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 2017, 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 2004 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 2004 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 reasonable be thought to bear on our independence, and where applicable, related safeguards.

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

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|---|
| <p><b>D. BAHADUR &amp; CO.</b><br/>Chartered Accountants<br/>125 Laluni Street, Queenstown, G' Town<br/>Phone: 225-1278/9 Tel fax: 226 0352<br/>Email: drubahadur@yahoo.com</p> |
|---|

April 11, 2018

**Audit Office of Guyana**  
**Statement of Financial Position**  
**As at December 31, 2017**

| <u>ASSETS</u>                            | <u>Notes</u> | <u>GS<br/>2017</u>       | <u>GS<br/>2016</u>       |
|--|--------------|--------------------------|--------------------------|
| <b>Current asset</b>                     |              |                          |                          |
| Cash & cash equivalents                  |              | -                        | -                        |
| <b>Non-current asset</b>                 |              |                          |                          |
| Furniture and equipment                  | 4            | 77,416,242               | 53,916,423               |
| <b><u>TOTAL ASSETS</u></b>               |              | <b><u>77,416,242</u></b> | <b><u>53,916,423</u></b> |
| <br><b><u>LIABILITY AND EQUITY</u></b>   |              |                          |                          |
| <b>Current liability</b>                 |              |                          |                          |
| Pension contributions                    | 5            | -                        | -                        |
| <b>Equity</b>                            |              |                          |                          |
| Capital contribution                     | 4            | 77,416,242               | 53,916,423               |
| <b><u>TOTAL LIABILITY AND EQUITY</u></b> |              | <b><u>77,416,242</u></b> | <b><u>53,916,423</u></b> |

  
 Leona Persaud  
 Finance Manager (ag)

  
 Lakeram Ramkoomar  
 Director - Administration and Finance (ag)

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

**Audit Office of Guyana**  
**Statement of Receipts and Expenditures**  
**As at December 31, 2017**

| <b><u>Income</u></b>          | <b><u>Notes</u></b> | <b><u>G\$</u></b><br><b><u>2017</u></b> | <b><u>G\$</u></b><br><b><u>2016</u></b> |
|-------------------------------|---------------------|---|---|
| Receipts                      | 6 - 8               | 768,013,893                             | 747,375,464                             |
| <b><u>Expense</u></b>         |                     |   |   |
| Operating expenses            | 9                   | 768,013,893                             | 747,375,464                             |
| <b>Funds to be reimbursed</b> |                     | <b><u>-</u></b>                         | <b><u>-</u></b>                         |

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2017**

**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, 2017**

**4 Furniture and equipment**

Items of furniture and equipment are measured at cost.

| <u>Particulars</u> | <u>G\$</u><br><u>2017</u> | <u>G\$</u><br><u>2016</u> |
|--------------------|---------------------------|---------------------------|
| January 1          | 53,916,423                | 50,914,692                |
| Additions          | 23,499,819                | 3,001,731                 |
| <b>December 31</b> | <b><u>77,416,242</u></b>  | <b><u>53,916,423</u></b>  |

**5 Pension contribution**

The Audit Office commenced a private contributory scheme with the Hand-in-Hand Mutual Life Assurance Co. Ltd. with effect from January 2011. Under this 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><br><u>2017</u> | <u>G\$</u><br><u>2016</u> |
|--------------------|---------------------------|---------------------------|
| Current subvention | 722,068,000               | 686,458,722               |
| Capital subvention | 32,728,201                | 41,190,392                |
| <b>Total</b>       | <b><u>754,796,201</u></b> | <b><u>727,649,114</u></b> |

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2017**

**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.

| <b><u>Name of organisation</u></b>                                       | <b>G\$<br/>2017</b>      | <b>G\$<br/>2016</b>      |
|--|--------------------------|--------------------------|
| Bank of Guyana (FY 2016, 2015)   | 4,473,654                | 4,460,475                |
| N.D.M.A. (FY 2012 - 2013, 2014)  | 507,616                  | 941,775                  |
| Dependant's Pension Fund (FY 2015 - 2016)                                | 400,000                  | 381,969                  |
| Sugar Industry Welfare Fund Committee (FY 2013 -2014,<br>FY 2007 - 2012) | 955,943                  | 1,584,525                |
| Guyana Energy Agency (FY 2013, 2014)                                     | -                        | 795,958                  |
| Guyana Oil Company Limited (FY 2014, 2015)                               | -                        | 4,895,190                |
| 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                |
| Bank of Guyana (Pension Scheme FY 2014 - 2016)                           | 2,399,348                | -                        |
| National Frequency Management Unit (FY 2010 - 2015)                      | 1,459,598                | -                        |
| Central Housing and Planning Authority (FY 2015)                         | 1,701,712                | -                        |
| Linden Electricity Co. Ltd (FY 2014)                                     | 418,262                  | -                        |
| Public Utilities Commission (FY 2016)                                    | 498,802                  | -                        |
| Property Holdings Incorporated (FY 2016)                                 | 383,757                  | -                        |
| <b>Total</b>   | <b><u>13,198,692</u></b> | <b><u>19,671,350</u></b> |

**8 Income**

This account comprises:

| <b><u>Description</u></b> |          |                           |                           |
|---------------------------|----------|---------------------------|---------------------------|
| Government subvention     | <b>6</b> | 754,796,201               | 727,649,114               |
| Audit fees                | <b>7</b> | 13,198,692                | 19,671,350                |
| Other receipts            |          | 19,000                    | 55,000                    |
| <b>Total</b>              |          | <b><u>768,013,893</u></b> | <b><u>747,375,464</u></b> |

**9 Operating expenses**

|                                     |                           |                           |
|-------------------------------------|---------------------------|---------------------------|
| Employment cost                     | 594,792,273               | 583,171,951               |
| Office materials and supplies       | 10,692,955                | 10,528,770                |
| Fuel and lubricants                 | 905,578                   | 1,886,506                 |
| Repairs and maintenance - building  | 9,247,347                 | 8,055,730                 |
| Repairs and maintenance - vehicles  | 689,255                   | 1,227,604                 |
| Repairs and maintenance - equipment | 22,443,498                | 6,772,117                 |
| <b>Total</b>                        | <b><u>638,770,906</u></b> | <b><u>611,642,678</u></b> |

**Audit Office of Guyana**  
**Notes to the Financial Statements**  
**As at December 31, 2017**

|  | <b>G\$</b>                | <b>G\$</b>                |
|--|---------------------------|---------------------------|
| <b>9 Operating expenses (cont'd)</b>               | <b>2017</b>               | <b>2016</b>               |
| Cleaning and sanitation                            | 3,063,728                 | 1,958,401                 |
| Local travelling and subsistence                   | 15,014,644                | 19,379,801                |
| Overseas conferences and official visits           | 8,579,531                 | -                         |
| Postage & cablegram                                | 16,500                    | 17,500                    |
| Meals & refreshments                               | 3,753,648                 | 3,920,137                 |
| Telephone  | 2,189,942                 | 1,937,070                 |
| Electricity  | 12,917,986                | 12,252,519                |
| Water rates  | 1,511,350                 | 1,330,220                 |
| Security   | 3,473,400                 | 4,114,600                 |
| Education subvention & training                    | 1,330,046                 | 2,776,863                 |
| Others   | 31,446,500                | 27,129,161                |
| Capital expenditure - Office furniture & equipment | 12,418,800                | 3,001,731                 |
| Capital expenditure - Land transport               | 11,081,019                | -                         |
| Capital expenditure - Institutional strengthening  | 9,228,201                 | 38,188,392                |
| Revenue paid over to consolidated fund             | 13,217,692                | 19,726,350                |
| Subvention returned to consolidated fund           | -                         | 41                        |
| <b>Total</b>                                       | <b><u>768,013,893</u></b> | <b><u>747,375,464</u></b> |