

Office of the Auditor General of Guyana



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AG:6/97

9 January 1997

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF
THE NATIONAL FREQUENCY MANAGEMENT UNIT
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1992

I have audited the financial statements of the National Frequency Management Unit for the year ended 31 December 1992 as set out on pages 1 to 6.

Respective Responsibilities of Directors and Auditors

The responsibility for the preparation of the financial statements is that of the Unit. It is my responsibility to express an independent opinion on these statements based on my audit.

Basis of Opinion

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures on the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Disclaimer of Opinion arising out of Limitation in Scope and Fundamental Uncertainty

Financial controls were generally poor and the accounting records inadequate. It was therefore not possible to satisfactorily verify the completeness, accuracy and validity of the reported transactions and assets and liabilities.

The amount of \$2,044,255 shown as Capital in the balance sheet included amounts of \$665,035 and \$700,000 representing valuations of fixed assets vested in the Unit on its establishment and a motor vehicle assigned by the Ministry of Public Works and Communications to the Unit in 1992 respectively. These valuations were not done by certified competent authorities for such matters. As a result, it could not be determined whether the amounts of \$2,044,255 and \$2,396,080 shown as Capital and Fixed Assets respectively were fairly stated.

Included in the amount of \$6,049,839, representing Administrative and General Expenses, were payments totalling \$2,358,806 which could not be verified since the related vouchers and supporting documents were not produced for examination. As a result, the validity of this expenditure could not be satisfactorily determined.

The amount of \$17,689,512, representing Licence Fees, included fees received for previous years and did not take into account fees accrued at the end of the year. Licence Fees were therefore not accounted for in accordance with the accounting policy stated at Note 2(b) to the financial statements.

The depreciation charge for the year amounted to \$304,058 and Accumulated Depreciation as at the end of the year totalled \$424,463. However, the depreciation charge for the year was not computed in accordance with the accounting policy stated at Note 2(d) to the financial statements. The method used to compute depreciation could not be satisfactorily determined. As a result, the completeness, accuracy and validity of the amounts of \$304,058 and \$2,396,080, shown as Depreciation expense and net book value of Fixed Assets respectively, could not be determined.

Because of the significance of the matters referred to in the preceding paragraphs, I am unable to form an opinion whether the financial statements fairly present the state of affairs of the National Frequency Management Unit as at 31 December 1992 and the results of its operations for the period then ended.


S. A. GOOLSARRAN
AUDITOR GENERAL

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NATIONAL FREQUENCY MANAGEMENT UNIT

BALANCE SHEET AS AT DECEMBER 31, 1992

	Notes	1992	1991
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		G\$	G\$
Fixed Assets	2(d) & 3	2,396,080	544,630
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Current Assets			
Cash on Hand & at Bank	6 (c)	22,070,894	12,021,121
Staff Loans		492,450	
		-----	-----
		24,959,424	12,565,751
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Less: Current Liabilities			
Accruals	90,000		45,000
Provision for Taxation	8,275,733		4,021,882
		-----	-----
		8,365,733	4,066,882
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Net Assets		16,593,691	8,498,869
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Represented by:			
Capital	4	2,044,255	1,344,255
Accumulated Surplus		14,549,436	7,154,614
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		16,593,691	8,498,869
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Prime Minister



Permanent Secretary
Ministry of Public Works and
Communication



Permanent Secretary

Ministry of Public Works & Communications