

Office of the Auditor General of Guyana



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AG:18/97

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30 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 1994**

I have audited the financial statements of the National Frequency Management Unit for the year ended 31 December 1994 as set out on pages 1 to 7.

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 \$6,936,752 shown as Capital and Fixed Assets respectively were fairly stated.

The amount of \$28,571,397 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 Accumulated Depreciation of \$424,464 as at the end of the year 1992 was subject to an audit qualification, not having been calculated in accordance with the accounting policy. This amount affected the computation of the current year's depreciation and the net book value of fixed assets at the end of the year. As a result, the accuracy and validity of the amounts of \$1,355,765 and \$6,936,752 shown as Depreciation for the year and net book value of Fixed Assets at the end of the year respectively could not be satisfactorily 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 1994 and the results of its operations for the year then ended.


S A GOOLSARRAN
AUDITOR GENERAL

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NATIONAL FREQUENCY MANAGEMENT UNIT

 BALANCE SHEET AS AT DECEMBER 31, 1994

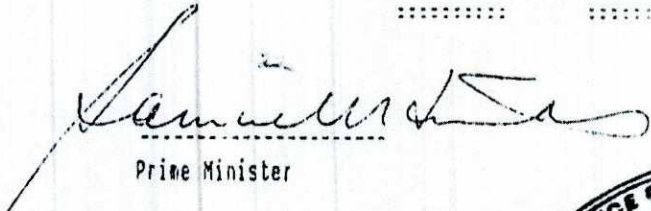
	Notes	1994	1993
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		G\$	G\$
Fixed Assets	2(d)63	6,936,752	4,645,662

Current Assets			


Cash on Hand & at Bank	8(c)	50,814,941	21,317,056
Staff Loans		628,907	528,907
Suspense	3	47,352	0
		-----	-----
		56,427,945	36,491,794
Less: Current Liabilities			

Accruals		180,000	135,000
Provision for Taxation		18,675,335	11,689,278
		-----	-----
		18,855,335	11,824,278
Net Assets		-----	-----
		39,572,610	24,667,516
		-----	-----
Represented by:			

Capital	5	2,044,255	2,044,255
Accumulated Surplus		37,528,355	22,623,261
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		39,572,610	24,667,516
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 Prime Minister



 Permanent Secretary
 Ministry of Public Works and Communications



Ministry of Public Works & Communications