

**AUDITED FINANCIAL STATEMENTS OF THE
PROTECTED AREAS COMMISSION**

FOR THE YEAR ENDED 31 DECEMBER 2013

**AUDITORS: AUDIT OFFICE OF GUYANA
 63 HIGH STREET
 KINGSTON
 GEORGETOWN
 GUYANA**

**AUDITED FINANCIAL STATEMENTS OF THE
PROTECTED AREAS COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013**

TABLE OF CONTENTS

	PAGE
1. TRANSMITTAL LETTER	1
2. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS	2
3. AUDITED FINANCIAL STATEMENTS	4
4. MANAGEMENT LETTER	18



Audit Office of Guyana

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567/SL: 62/2/2018

1 October 2018

Ms. Denise Fraser
Commissioner
Protected Areas Commission
National Park
Thomas Lands
Georgetown.

Dear Ms. Fraser,

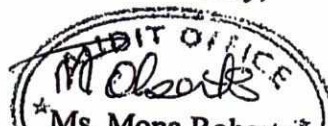
**AUDIT OF THE FINANCIAL STATEMENTS
OF THE PROTECTED AREAS COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013**

I forward herewith two copies of the audited financial statements for the above-mentioned Commission for the year ended 31 December 2013, together with the Report of the Auditor General and the Management Letter thereon.

Should you need any clarification or explanation, please do not hesitate to let me know.

With best regards.

Yours sincerely,


Ms. Mona Roberts
Audit Manager (ag)
For Auditor General



Audit Office of Guyana

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AG: 245/2018

1 October 2018

**REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
ON THE FINANCIAL STATEMENTS
OF THE PROTECTED AREAS COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013**

I have audited the accompanying financial statements of Protected Areas Commission, which comprise the statement of financial position as at 31 December 2013, and the statement of income, statement of changes in equity and statement of cash flows 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.

Auditor's responsibility

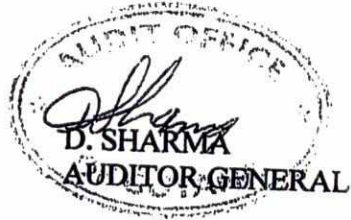
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (ISAs), issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. Those standards require that I 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 judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, of the financial position of Protected Areas Commission for the year ended 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

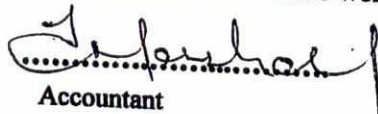


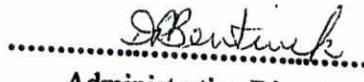
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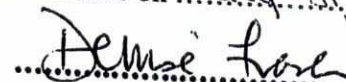
**PROTECTED AREAS COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	Note	2013 G \$	2012 G \$
Non Current Asset			
Tangible Fixed Assets	3a	48,629,552	
Infrastructural Works	4	<u>1,903,445</u>	1,038,208
		50,532,997	<u>1,139,465</u>
Current Assets			
Receivables	5	5,455,740	
Prepayments	6	5,751,650	135,000
Cash at Bank	7	<u>123,207,849</u>	7,703,749
		134,415,239	<u>6,020,682</u>
			13,859,431
Total Assets		<u><u>184,948,236</u></u>	<u><u>16,037,104</u></u>
Equity			
Capital Subvention		7,530,140	
Donations	3	43,144,257	240,000
Three Parks Initiative Fund		109,936,293	2,079,073
Accumulated Surplus		<u>22,247,734</u>	-
		182,858,424	<u>13,111,293</u>
Current Liability			15,430,366
Payables	8	<u>2,089,812</u>	
Total Equity and Liability		<u><u>184,948,236</u></u>	<u><u>606,738</u></u>
			<u><u>16,037,104</u></u>

The Financial Statements were approved by the Board of Directors for issuance on July 31, 2018


Accountant


Administrative Director


Commissioner

The accompanying notes form an integral part of these Financial Statements.

PROTECTED AREAS COMMISSION

**PROTECTED AREAS COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Capital Subvention G\$	Donations G\$	Three Parks Initiative Fund G\$	Accumulated Surplus G\$	Total G\$
Balance at January 01, 2013	240,000	2,079,073		13,111,293	15,430,366
Additional Capital/ Donations for the Year	7,300,000	43,208,593	109,936,293	-	160,444,886
Amortization	(9,860)	(2,143,409)		-	(2,153,269)
Surplus for the year	-	-	-	9,136,441	-
Balance at December 31, 2013	<u>7,530,140</u>	<u>43,144,257</u>	<u>109,936,293</u>	<u>22,247,734</u>	<u>182,858,424</u>

**PROTECTED AREAS COMMISSION
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Note	2013 G \$	2012 G \$
Income:			
Current Subvention Three Parks Initiative	9	42,719,970	25,000,000
Deferred Income		17,608,567	-
Total Income		<u>2,153,269</u>	<u>17,471</u>
		62,481,806	25,017,471
Less Expenses:			
Employment Costs	10	23,910,561	6,498,805
Materials, Equipment & Supplies	11	1,551,161	923,311
Fuel and Lubricants	12	217,558	-
Maintenance of Building	13	75,129	98,729
Transport, Travel & Postage	14	5,370,958	1,178,700
Utility Charges	15	527,769	100,077
Other Goods & Services Purchased	16	109,040	137,140
Other Operating Expenses	17	1,821,353	2,775,506
Education Subvention and Training	18	-	176,439
Three Parks Initiative Expenses	19	17,608,567	-
Depreciation		2,153,269	17,471
Total Expenses		<u>53,345,365</u>	<u>11,906,178</u>
		-	-
Net Surplus for the Year		<u><u>9,136,441</u></u>	<u><u>13,111,293</u></u>

**PROTECTED AREAS COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	G \$	G \$
OPERATING ACTIVITIES		
Operating Surplus before Tax	9,136,441	13,111,293
Adjustments for:		
Prepayments (Fuel, Air services and Nigels)	1,952,099	(7,703,749)
Receivables	(5,320,740)	(135,000)
Payables	1,483,074	606,738
	7,250,874	5,879,282
INVESTMENT ACTIVITIES		
Capital Work- in - Progress	(20,220,555)	-
Purchase of Tangible Fixed Asset	(9,534,585)	(98,600)
FINANCING ACTIVITIES		
Three Parks Initiative Fund	132,391,433	-
Capital contribution from Government	7,300,000	240,000
	117,187,167	6,020,682
Net Increase in Cash & Cash Equivalents	6,020,682	-
Cash and Cash Equivalents - January 01, 2013	123,207,849	6,020,682
Cash and Cash Equivalents -December 31, 2013	123,207,849	6,020,682
Analysis of Cash and Cash Equivalents - December 31		
Cash at Bank	123,207,849	6,020,682
	123,207,849	6,020,682

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1 ESTABLISHMENT, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

The Protected Areas Commission (PAC) came into existence in July 2012 under the Protected Areas (PA) Act 2011 and falls under the purview of the Ministry of Natural Resources and the Environment. The Protected Areas Commission is located at National Park, Thomas Lands, Georgetown. The Commission's principal activities as defined in section 8 are:

- Establishment, manage, maintain, promote and expand the national protected areas system.
- Identify and evaluate areas that are of ecological significances and make recommendations for the establishment of new protected areas.
- Ensure that the national protected areas system contains ecologically viable areas that are representative of Guyana's habitats and ecosystems.
- Ensure that the national protected areas system contains viable populations of all indigenous species.
- Manage or ensure the proper management of each protected area within the national protected areas system in a manner that is consistent with:
 - (i) the classification applied to the protected area; and
 - (ii) the management plan approved for the protected area
- Regulate activities and use of resources within each national protected area so as to leave each national protected area unimpaired for the enjoyment and use of future generation;
- Prepare, develop, review and approve as appropriate the management plans and budgets for each protected area;
- Promote public understanding, appreciation and awareness of Guyana's natural heritage and promote environmental awareness and education through the national protected areas system.
- Promote public involvement in decision making process and activities for the achievement for the objective of the Act.

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
Three Parks Initiative**

The Botanical Gardens, Zoological Park and National Park form the core components of Georgetown's network of green spaces. These sites are heavily utilized by the residents of Georgetown and surrounding areas, as they are among the very few places within the city that provide large recreational spaces and the opportunity to interact with natural areas and biodiversity. In particular, the Zoo and Botanical Gardens play key roles in increasing environmental educational and awareness among the city's residents, and can serve as important links between Guyana's large urban population and our efforts to conserve our forests under the Low Carbon Development Strategy.

Although important, these three sites are built around infrastructure and facilities that are decades old, and that are becoming increasingly difficult and expensive to simply maintain. The areas have experienced significant erosion and land settling since they were first established, and are now prone to regular flooding. This restricts the amount of areas available to the public during rainy weather, and constrains landscaping and recreational options. Limited lighting systems and the related reliance on daylight also restricts the operating hours of each site, which presents challenges for working persons who wish to access these areas after work.

Studies have shown that urban parks have a number of social benefits including the following:

1. They contribute significantly to social interaction and inclusion, as they are free and accessible to all;
2. They also provide important health benefits resulting from healthy outdoor exercise and the positive psychological effects of being able to less stressful natural environments;
3. They contribute to child development through outdoor, energetic and imaginative play and may positively influence the behaviour of both individuals and the wider society.
4. They offer key educational opportunities.

Economic benefits include direct employment and income generation.

There are also a number of environmental benefits:

1. Maintaining biodiversity through the conservation and enhancement of urban habitats
2. Moderating the extremes of the urban climate
3. Providing some influence as sinks for carbon dioxide
4. Cultural heritage
5. Improvement of the physical urban environment by reducing pollution

In an effort to rehabilitate and maintain these green spaces in Georgetown for their benefits to the population, the PAC launched the *Three Parks Initiative* in 2013 with special funding from the Government of Guyana and donors/ private sector. This on-going initiative involves interventions to improve drainage, increase security, upgrade key facilities and improve the services provided by the Parks. It is expected to increase the use of the urban parks and it is envisaged that this increased use will enhance the benefits of the park for the population of Georgetown and surrounding areas; act as a catalyst for more private sector and donor funding, and promote additional income generating opportunities for long-term improvement and maintenance of the parks.

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

2 ACCOUNTING PRINCIPLES & POLICIES

a) Accounting Conventions and Currency:

These Financial Statements have been prepared on the accruals basis of accounting in conformity with Generally Accepted Accounting Principles.

The currency used in the preparation of the Financial Statements is Guyana Dollars (\$G)

b) Tangible Fixed Assets

Depreciation is computed on or before the 15th of month that the asset is purchased on a reducing balance method, at the following rates:

Infrastructural Works	10%
Furniture and Fixtures	10%
Office Equipment	10%
Motor Vehicles	20%

3 Tangible Fixed Assets From Projects

Fixed Assets that the Commission benefited from was the KfW- EPA Conservation of Tropical Forest -GPAS Phase II Project and Three Parks Initiative Funds. Fixed Assets from GPAS Phase III Project were recognised in the accounting records as Donations and is based on the Fair Value of G\$45,305,137 as at December 31, 2013. IAS 20 "Government Grant" was applied.

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

3 (a) PAC Tangible Fixed Assets

	Furniture & Fixtures G\$	Office Equipment G\$	Motor Vehicles G\$	Capital Work-in- Progress G\$	Total G\$
Cost					
January 01, 2013	1,046,104	-	-	-	1,046,104
Additions	1,407,202	4,191,772	23,780,864	20,220,555	49,600,393
Disposal	-	-	-	-	-
Adjustments	-	-	-	-	-
December 31, 2013	<u>2,453,306</u>	<u>4,191,772</u>	<u>23,780,864</u>	<u>20,220,555</u>	<u>50,646,497</u>
Depreciation					
January 01, 2013	7,896	-	-	-	7,896
Disposal	-	-	-	-	-
Charged for the Year	141,119	219,844	1,648,086	-	2,009,049
Adjustments	-	-	-	-	-
December 31, 2013	<u>149,015</u>	<u>219,844</u>	<u>1,648,086</u>	-	<u>2,016,945</u>
Net Book Value					
December 31, 2013	<u>2,304,291</u>	<u>3,971,928</u>	<u>22,132,778</u>	<u>20,220,555</u>	<u>48,629,552</u>
Net Book Value					
December 31, 2012	<u>1,038,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,208</u>

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

4 Infrastructural Works

Cost	PAC G\$	KfW G\$	Three Parks Initiative G\$	Total G\$
January 01, 2013	-	1,149,040	-	1,149,040
Additions	-	-	908,200	908,200
December 31, 2013	-	1,149,040	908,200	2,057,240
Depreciation				
January 01, 2013	-	9,575	-	9,575
Charged for the Year	-	113,947	30,273	144,220
December 31, 2013	-	123,522	30,273	153,795
Net Book Value				
December 31, 2013	-	1,025,518	877,927	1,903,445
Net Book Value				
December 31, 2012	-	1,139,465	-	1,139,465

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 G \$	2012 G \$
5 Protected Areas Commission - Receivables		
Salod Marketing Agency	135,000	135,000
C. Rampertab	264,762	-
Three Parks Initiative (Fazal Nazeem Electrical)	22,000	-
Three Parks Initiative (Sentinel Security Inc.)	232,522	-
Ministry of Finance	4,623,456	-
GPAS Phase II Project	178,000	-
	<u>5,455,740</u>	<u>135,000</u>
6 Protected Areas Commission - Prepayments		
Guyoil - Fuel	1,782,441	1,999,999
Air Sevices Limited - Air fares	3,561,312	5,703,750
Nigels Supermarket - Janitorial and Cleaning Supplies	407,897	-
	<u>5,751,650</u>	<u>7,703,749</u>
7 Bank Balances		
Demerara Bank Account # 401-897-4	13,271,556	6,020,682
Demerara Bank Account # 401-935-2	109,936,293	-
	<u>123,207,849</u>	<u>6,020,682</u>
Unspent funds to be refunded to Ministry of Natural Resources - Account # 401-897-4	17,288,274	5,413,944
The Subvention for December 2013 was deposited in January 2014 this would increase the December 2013 closing balance of \$13,271,556 to \$ 17,895,012.		

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

8 Protected Areas Commission - Payables	2013 G \$	2012 G \$
U- Mobile		
Maggies Snackette	-	12,756
H. Alam- Gratuity ,Vacation Allowance and Leave	-	19,744
A. Beresford -Gratuity ,Vacation Allowance and Leave	-	128,840
S. Veerapen - Gratuity and Vacation Leave	-	146,122
D. Fraser - Gratuity and Vacation Allowance	-	33,064
A. Isaacs- Gratuity and Vacation Allowance	190,034	180,988
Guyana Revenue Authority	27,567	69,829
D. Fernandes - Gratuity and Vacation Allowance	17,824	15,395
C. Rampertab - Gratuity and Vacation Allowance	1,039,240	-
T. Yussuff - Gratuity and Vacation Allowance	286,765	-
A. Bayney - Gratuity and Vacation Allowance	102,560	-
J. Breems - Gratuity and Vacation Allowance	110,076	-
C. Harilal - Gratuity and Vacation Allowance	102,560	-
Digicel	161,876	-
Guyana Telephone and Telegraph	15,503	-
	35,807	-
	2,089,812	606,738

9 Government Subvention

The Protected Areas Commission received Recurrent Subventions from the Government of Guyana for the Year ended December 31, 2013 totalling G\$42,719,970.

10 Protected Areas Commission - Employment Costs

Contracted Employees

23,910,561	6,498,805
23,910,561	6,498,805

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 G \$	2012 G \$
11 Protected Areas Commission - Materials, Equipment and Supplies		
Field Materials & Supplies	-	76,241
Office Materials & Supplies	658,609	434,622
Print & Non Print Materials	892,552	412,448
	<u>1,551,161</u>	<u>923,311</u>
12 Protected Areas Commission - Fuel and Lubricants		
Fuel and Lubricants	217,558	-
	<u>217,558</u>	<u>-</u>
13 Protected Areas Commission - Maintenance of Building		
Maintenance of Building	22,342	-
Janitorial & Cleaning Supplies	52,787	98,729
	<u>75,129</u>	<u>98,729</u>
14 Protected Areas Commission - Transport, Travel and Postage		
Local Travel & Subsistence	5,181,861	1,164,700
Overseas Conference & Official Visits	103,700	-
Postage, Telex & Cablegrams	-	14,000
Vehicle Spares & Services	85,397	-
	<u>5,370,958</u>	<u>1,178,700</u>
15 Protected Areas Commission - Utility Charges		
Telephone charges	527,769	100,077
	<u>527,769</u>	<u>100,077</u>
16 Protected Areas Commission - Other Goods and Services Purchased		
Equipment Maintenance	9,860	4,900
Cleaning & Exterminating Services	99,180	132,240
	<u>109,040</u>	<u>137,140</u>

**PROTECTED AREAS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	G \$	G \$
17 Protected Areas Commission - Other Operating Expenses		
National & Other events	6,225	50,000
Dietary Supplies	49,438	74,728
Refreshment & Meals	244,704	278,061
Other	1,520,986	2,372,717
	1,821,353	2,775,506
	1,821,353	2,775,506
18 Protected Areas Commission - Education Subvention and Training		
Training (including Scholarships)	-	176,439
	-	176,439
	-	176,439
19 Three Parks Initiative - Materials, Equipment and Supplies		
Field Materials & Supplies	38,945	-
Office Materials & Supplies	92,630	-
Print & Non Print Materials	460,886	-
Three Parks Initiative - Transport, Travel and Postage		
Overseas Conference & Official Visits	1,267,611	-
Three Parks Initiative- Other Goods and Services Purchased		
Security Services	1,574,664	-
Other	13,817,500	-
Three Parks Initiative - Other Operating Expenses		
Refreshment & Meals	126,582	-
Other	229,749	-
	17,608,567	-
	17,608,567	-



Audit Office of Guyana

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566/SL: 62/2/2018

1 October 2018

Ms. Denise Fraser
Commissioner
Protected Areas Commission
Thomas Lands
Georgetown.

Dear Ms. Fraser,

**AUDIT OF THE FINANCIAL STATEMENTS
OF THE PROTECTED AREAS COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013**

Following the audit of the financial statements of the Protected Areas Commission (PAC) for the year ended 31 December 2013, the findings hereunder were discussed with your Accountant and are now forwarded to you for appropriate action.

2. The audit was conducted in accordance with International Standards on Auditing (ISAs), issued by the International Federation of Accountants (IFAC), and the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatements.
3. The main purpose of the audit was to express an opinion on the financial statements and to evaluate the operations of the Protected Areas Commission to ascertain whether:
 - a) The financial statements have been properly prepared, in accordance with applicable laws, and properly present the operations and affairs of the Protected Areas Commission.
 - b) The accounts have been faithfully and properly kept.
 - c) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue.

- d) All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended.
- e) Essential records are maintained, and the internal management controls, rules and procedures established and applied are sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. STATEMENT OF FINANCIAL POSITION

Non-Current Assets: \$50,532,997

Tangible Fixed Assets: \$30,312,442

4. The amount of \$50.533M represents non-current assets for the year ended 31 December 2013. Examination of the fixed assets register and related documents revealed the following discrepancies:

(i) It is a requirement of Section 28 of the Stores Regulations of 1993 that non-current assets be marked as property of the Government. However, there were forty-three assets with a net book value of \$20.623M which were not marked to be readily identified as property of the Government.

(ii) The locations of fifty-nine assets with a net book value of \$21.822M were not included in the Fixed Asset register, hence their locations could not be determined. As a result, the existence and condition of the assets could not be ascertained.

5. According to Section 24 of the Stores Regulation of 1993, it is a requirement that the Commission should keep and properly maintain master and sectional inventories. However, the Commission did not adhere to the requirement of the Stores Regulations in this regard, since neither a master nor sectional inventories for non-current assets were maintained. Notwithstanding Management's response only the chairs were verified.

Management's Response: (i) The chairs and dell computer have been marked and are available for audit verification. The Commission will make arrangements to have the lights in the Park marked (ii) The Asset register was subsequently updated to include all the assets of the Commission. (iii) The Commission is currently maintaining a master inventory and will put systems in place to have a sectional inventory.

Recommendation: The Audit Office recommends that the Management of the Commission make every effort to (i) comply fully with the Stores Regulations as it relates to the marking of assets and recording on the Inventory; and (ii) ensure that the records are properly maintained and readily available for audit.

Capital Work-In- Progress: \$20,220,555

6. The amount of \$20.221M was stated as capital work in progress for the year ended 31 December 2013. However audit verifications undertaken revealed the following:

(i) A contract register was not maintained by the Commission for the year ended 31 December 2013.

(ii) A contract for the sum of \$350,000 was approved for the supply of 375 cubic yards of earth to the National Park. An examination of the contract document and other related records revealed that the contract was signed on 20 September 2013. However, a schedule of works completed and submitted by the contractor revealed that works commenced on 18 September 2013, and was completed on the 20 September 2013. The contractor received full payment on 24 September 2013. Also, on the 17 September 2013, the Inspector verified that all works were completed, which is prior to the actual commencement of works and the signing of the contract. It should be noted that due to the inconsistencies of dates of completion as against contract date, it could not be determined if there was adequate supervision of the works done.

Management's Response: (i) The Commission would have maintained contract files in year 2013. A Contract Register is currently being maintained; (ii) in 2013 the Finance Officer was the only Accounting Officer in the Commission with the duties of preparing vouchers and these were approved by the Commissioner. Currently, the Accounts Clerk is responsible for preparing the vouchers, whilst the Accountant is responsible for checking the vouchers and source documents and the Administrative Director is responsible for certifying payment and then the Commissioner would approve payment voucher; (iii) The Engineer may have made an error when he signed the date 17 September, 2013 on the invoice since it was only submitted to the Commission on the 23 September, 2013.

Recommendation: The Audit Office recommends that the Management of the Commission make every effort to (i) ensure that all records are properly maintained and readily available; and (ii) put systems in place to ensure that there is adequate internal control, including supervisory control, as it relates to the preparation, checking and approval of all transactions.

Current Assets: \$134,415,239

Receivables: \$5,455,740

7. The amount of \$5.456M was stated as receivables for the year ended 31 December 2013. However audit verifications undertaken revealed the following:

(i) According to Financial Regulations 248 (2), all heads of departments are responsible for seeing that advances on account of travelling and subsistence allowances are accounted for in full immediately on return of the officer or employee. However, it was observed that two advances were issued in the sums of \$133,320 and \$2M to conduct North Rupununi District Development Board (NRDDB) fisheries stakeholders meetings and Kanuku Mountains Protected Area (KMPA) management plan respectively, but were not in compliance with the financial regulations.

In addition, unspent balances on the aforementioned advances amounting to \$46,320 and \$526,500 were not refunded. Instead, the sum of \$261,738 was utilized for purposes other than stated on the advance. The sum of \$190,442 was refunded in March of 2014 leaving an outstanding balance of \$74,320.

(ii) Advance forms were not implemented; instead memorandums were used for the issuance of advances. These memorandums did not stipulate the date when the advances should be cleared, resulting in advances being cleared or not completely cleared long after they were issued.

(iii) An amount of \$135,000 stated as receivables for a conference table was paid for in full in 2012, but was not received by the Commission

Management's Response: (i) the unspent balance of \$46,320 was refunded to the Finance Officer and this was subsequently provided to a staff of the Commission as an advance. Evidence of this was shown to the auditor. The Commission currently maintains an advance register whereby advances are entered when issued and when cleared (ii) the amount of \$135,000 paid to Salod Marketing Agency represents a payment for a conference table that was never received by PAC. Efforts were made to have the monies recovered but to no avail so that matter was handed over to the Guyana Police Force. Calls were made at regular intervals to the Guyana Police Force but no progress was made, we will continue to follow up with them.

Recommendation: The Audit Office recommends that the Management of the Commission make every effort to (i) ensure that all balances are reconciled and accurately accounted for; and (ii) take stringent action to have the conference table delivered and follow up the matter with the Guyana Police Force.

Prepayments: \$5,751,650

8. The sum of \$5.752M was stated as prepayments for the year ended 31 December 2013. Included in this amount, is the sum of \$5.344M which was not utilised from the sum of \$7.704M which was prepaid as at 31 December 2012. As a result, it should be noted that funds were excessively spent on goods and services which were to be procured in the future, thereby grossly understating the net profit which in return would have a negative impact on the Commission's cash flow position.

Management's Response: The Commission plans to avoid making large prepayments.

Recommendation: The Audit Office recommends that the Management of the Commission be more prudent in the disbursement of funds in order to avoid large prepayments.

Cash at Bank: \$123,207,849

9. The sum of \$123.208M stated as cash at bank on the financial statements relates to two bank accounts under the control of the Commission. An examination of the bank reconciliation statements, cash books, bank statements and other related records revealed that an amount of \$12.571M represented un-presented cheques as at 31 December 2013. However, six cheques totaling \$140,000 were stale dated and were not written back to the cash book at the time of reporting.

Management's Response: On approval, these stale dated cheques will be cancelled and monies written back to the cashbook.

Recommendation: The Audit Office recommends that the Management of the Commission seek to ensure that all stale dated cheques are written back to the cash book.

B. STATEMENT OF INCOME

Expenses: \$53,345,365

Employment Costs: \$23,910,561

10. The amount of \$23.911M represents employment costs for the year ended 31 December 2013. An examination of the payroll, payment vouchers and related records revealed the following:

- (i) There were five new employees with effective dates between the months of August and November 2013, who received amounts totaling \$2.316M. However, there were no certificates of qualifications, police clearance or references seen in their personal files.
- (ii) There was no evidence that NIS and PAYE deductions totalling \$384,120 were paid over to the relevant authorities for the month of August 2013.

Management's Response: (i) Relevant documentation such as application forms were provided for audit examination. Certificates would have been retained by the Public Service Ministry and Police clearances were not a requirement in Year 2013, and (ii) Management has written to GRA and NIS on October 31, 2016 to request copies of documentation relating to these payments. Currently all statutory deductions are paid to the relevant authorities in a timely manner.

Recommendation: The Audit Office recommends that the Management of the Commission ensure (i) that all supporting documentations are available for examination (ii) all statutory deductions are paid over to the relevant authorities in a timely manner.

C. OTHER MATTERS

11. A requirement of Section 6 (1) of the Stores Regulation 1993, is that every storekeeper shall keep Bin Cards, Good Receipt Notes, Internal Stores Requisitions, and a Goods Received Book. However, this was not implemented by the Commission. Also, physical verification of the stores revealed that there were five instances of shortages and two instances of excesses when compared with the records of the stock ledger (see Appendix V). As a result, the Commission is not in compliance with the Stores Regulation 1993.

12. According to Section 6 (2) of the Stores Regulations 1993, the Stock Ledger is to be maintained by the Accounts Department. However, these duties were done by the store keeper for the year ended 31 December 2013 instead of an Officer from the Accounts Department.

13. An examination of a sample of payment vouchers revealed the following:

(i) There was a lack of evidence to show that goods and services paid for were actually received by the Commission in seventeen instances totaling \$2.825M;

(ii) there was no paid stamp in use by the Commission for the year ended 31 December 2013;

(iii) there were nineteen instances where payment vouchers totaling \$4.925M were not coded according to line item. Also, signatures were not seen for "Checked By" Officers for these payment vouchers; and

(iv) three vouchers valued at \$451,786 were not properly prepared and approved for payment.

Management's Response: (i) Management acknowledges this oversight and plans to procure a goods received stamp and intends to implement the system whereby staff maintains the Requisition to Purchase, Internal Stores Requisitions Books, Goods received sheets and Bin cards (ii) The Commission has procured a PAID stamp and all 2016 payment vouchers were cancelled with the PAID stamp.


In 2013, the Finance Officer was the only Accounting Officer in the Commission with the duties of preparing vouchers and these were then approved by the Commissioner. Currently, the Accounts Clerk is responsible for preparing the vouchers, whilst the Accountant is responsible for checking the vouchers and source documents and the Administrative Director is responsible for certifying payment and then the Commissioner would approve payment voucher.

Recommendation: The Audit Office recommends that the Management of the Commission take necessary action to (i) ensure strict adherence to the Stores Regulations; and (ii) put systems in place to ensure that there are adequate internal controls, including supervisory controls, as it relates to the preparation, checking and approval of all transactions.

D. GENERAL

14. The Audit Office wishes to express its gratitude for the co-operation given by the staff of the Commission during the course of this audit.

Yours sincerely


Ms Mona Roberts
Auditor General (Ag)
For Auditor General

AUDIT OFFICE
OF GUYANA