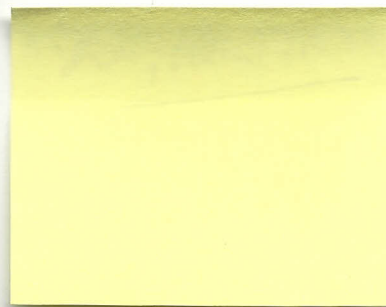
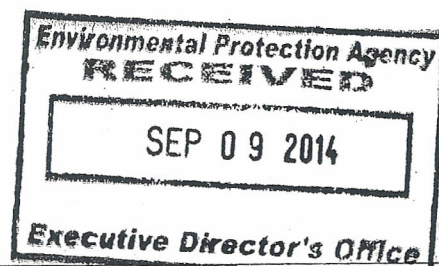


AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
THE ENVIRONMENTAL PROTECTION AGENCY/WILDLIFE DIVISION



FOR THE YEAR ENDED
31 DECEMBER 2013

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



AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
THE ENVIRONMENTAL PROTECTION AGENCY/WILDLIFE DIVISION
FOR THE YEAR ENDED 31 DECEMBER 2013

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Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

09 September 2014

183/SL: 46/2/2014

Dr. Indarjit Ramdass
Executive Director
Environmental Protection Agency
Ministry of Public Works and Communication Building
Eastern Highway
Sophia
Georgetown.

Dear Dr. Ramdass,

RE: AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
THE ENVIRONMENTAL PROTECTION AGENCY/WILDLIFE DIVISION
FOR THE YEAR ENDED 31 DECEMBER 2013

We wish to inform you that the audit of the above-mentioned Agency has been completed. Accordingly, we are pleased to forward one copy of the audited financial statements, together with the Report of the Auditor General and Management Letter thereon.

Should you need any clarification or explanations, please do not hesitate to let us know.

With kind regards.

Yours sincerely,





Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

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AG: 69/2014

09 September 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
THE ENVIRONMENTAL PROTECTION AGENCY/WILDLIFE DIVISION
FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying consolidated financial statements of Environmental Protection Agency (EPA) and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was conducted in accordance with the Audit Act 2004.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

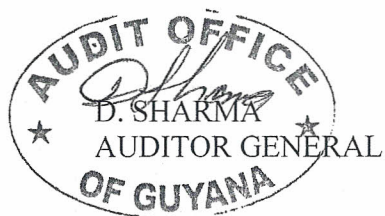
My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by International Federation of Accountants (IFAC), and those of the International Organisation of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the financial position of Environmental Protection Agency and its subsidiary as at 31 December 2013, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Environmental Protection Agency Act Chapter 20:05 of the Laws of Guyana.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

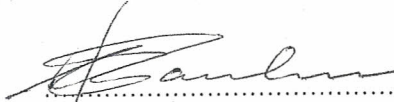
ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR EPA AND WILDLIFE DIVISION
AS AT DECEMBER 31, 2013

	Note	G \$	2013 G \$	2012 G \$
Non Current Asset				
Tangible Fixed Assets	14		24,874,422	20,886,573
Current Assets				
Receivables	15	15,115,786		2,748,218
Cash at Bank	13	210,820,318		224,445,826
Cash in Hand		1,421,213		153,976
Suspense Account		-		-
		227,357,317	227,348,020	
Total Assets			252,231,739	248,234,593
Equity				
Government Contribution		18,761,221		14,000,000
Donations		4,717,833		4,717,833
Accumulated Surplus		161,640,224		150,154,839
			185,119,278	168,872,672
Non Current Liability				
Deferred Income	5		3,766,313	10,588,066
Current Liability				
Suspense			1,003,614	1,003,614
Payables	16		62,342,534	67,770,241
Total Equity and Liability			252,231,739	248,234,593

The Financial Statements were approved by the Board of Directors on September 4, 2014 and signed on its behalf by:


Executive Director




Chairman

ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED STATEMENT OF INCOME FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	2013 G \$	2012 G \$
Income:			
Government Subvention	2	196,718,681	166,423,669
Revenue from Operations	6	87,128,656	90,873,570
Miscellaneous Receipts	6	2,132,000	375,000
Deferred Income	5	6,821,753	6,821,753
Other Income	6	6,361,483	2,329,030
Total Income		<u>299,162,573</u>	<u>266,823,022</u>
Less Expenses:			
Employment Costs	7	171,900,686	157,916,361
Materials, Equipment & Supplies	8	12,659,752	9,993,602
Maintenance of Building	9	15,304,014	4,617,877
Transport, Travel & Postage	10	16,142,548	9,113,861
Other Goods & Services	11	21,498,613	17,274,014
Other Operating Expenses	12	14,871,254	6,669,534
Training & Scholarships		4,010,038	666,164
Expenses Specific to Agency/Wildlife		10,701,136	17,932,908
Fuel & Lubricants		4,962,062	5,003,158
Utility Charges		4,035,703	3,568,422
Rental of Building		-	-
Security		5,201,008	4,464,867
Depreciation		6,161,340	12,224,742
Total Expenses		<u>287,448,154</u>	<u>249,445,510</u>
Surplus		11,714,419	17,377,512
Withholding Tax		122,161	208,293
Net Surplus for the Year		<u><u>11,592,258</u></u>	<u><u>17,169,219</u></u>

ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Government Contribution G\$	Donations G\$	Accumulated Surplus G\$	Total G\$
Balance at January 01, 2012	9,000,000	4,717,833	132,962,420	146,680,253
Prior Year Adjustment	-	-	23,200	23,200
Surplus for the year	<u>5,000,000</u>	<u>-</u>	<u>17,169,219</u>	<u>22,169,219</u>
Balance at December 31, 2012	<u>14,000,000</u>	<u>4,717,833</u>	<u>150,154,838</u>	<u>168,872,672</u>
Balance at January 01, 2013	14,000,000	4,717,833	150,154,838	168,872,671
Prior Year Adjustment	-	-	(106,872)	(106,872)
Surplus for the year	<u>4,761,221</u>	<u>-</u>	<u>11,592,258</u>	<u>16,353,479</u>
Balance at December 31, 2013	<u>18,761,221</u>	<u>4,717,833</u>	<u>161,640,224</u>	<u>185,119,278</u>

**ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED STATEMENT OF CASH FLOW FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	G \$	G \$
Operating Surplus before Tax	11,714,419	17,377,512
Adjustments for:		
Depreciation	6,161,340	12,224,742
Suspense a/c	-	-
Prior Year Adjustment	(106,872)	-
Deferred Income	(6,821,753)	(6,821,753)
Receivables	(12,367,568)	1,510,383
Payables	(5,427,707)	49,434,506
Cash Generated from Operations	<u>(6,848,141)</u>	<u>73,725,390</u>
Taxation		
Withholding Tax Paid	(122,161)	(208,293)
Cash Flow From Investing Activity		
Purchase of Tangible Fixed Asset	(10,149,189)	(5,099,721)
Cash Flow From Financing Activity		
Receipt of capital contributions	<u>4,761,221</u>	<u>5,000,000</u>
Net Increase in Cash & Cash Equivalents	(12,358,271)	73,417,376
Cash and Cash Equivalents - January 01	<u>224,599,802</u>	<u>151,182,425</u>
Cash and Cash Equivalents - December 31	<u><u>212,241,531</u></u>	<u><u>224,599,802</u></u>
 Analysis of Cash and Cash Equivalents - December 31		
Cash at Bank	210,820,318	224,445,826
Cash in Hand	<u>1,421,213</u>	<u>153,976</u>
	<u><u>212,241,531</u></u>	<u><u>224,599,802</u></u>

**ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013**

1 a) The Office of the President advised the EPA that Cabinet ruled:

- The Wildlife Unit be relocated.
- The Accounting function of the Wildlife Management Authority be done.
via the EPA's Accounting Mechanism/procedure and its Unit.
- Severance of all the Accounting Staff employed by the Wildlife Management Authority.

In keeping with this request, the Agency considered the options available accounts and have the Wildlife Management Authority transferred all funds available in its existing accounts to the EPA.

In this regard, two bank accounts were opened at the Bank of Nova Scotia (AC # 0111834 & 10021402).

The Wildlife Management Authority also handed over the statement for Bank of Baroda account # 95410300000241 which had a balance of \$14,047,151 as at June 23, 2009.

The Environmental Protection Agency became responsible for the Accounting Functions of the Wildlife Management Authority on July 14, 2009.

The Wildlife Division has responsibility for and is accountable for all transactions prior to this date.

Separate cashbooks are maintained for each bank account and requests for payment approved by the Head, Wildlife Division are submitted to the Agency for processing.

b) The Agency performs the following main activities:

- i. To effectively manage the natural environment so as to ensure conservation, protection and sustainable use of natural resources.
- ii. To prevent and control pollution.
- iii. To establish, monitor and enforce environmental regulations.
- iv. To promote public participation in the process of protecting the environment.
- v. To co-ordinate a national environmental education and public awareness programme.
- vi. To co-ordinate the activities of environmental management activities off all persons, organizations and agencies and to play a co-ordinating role in the preparation and implementation of cross sectoral programmes of environmental contents.

c) Accounting Conventions:

These Financial Statements have been prepared under the historical cost conventions as modified by the revaluation of fixed assets in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Environmental Protection Agency Act Chapter 20:05 of the Laws of Guyana.

d) Tangible Fixed Assets

Depreciation is computed on a straight line basis at the following rates:

	EPA	Wild Life
Furniture and Fixtures	12.5%	10%
Office Equipment	20%	10%
Motor Vehicles	12.5%	10%

ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

2 Government Subvention

The Agency received subventions from the Government of Guyana for the year ended December 31, 2013, totalling G\$ 196,718,681 (Capital, Subvention & Miscellaneous).

3 Application and Permit Fees

For the year ended December 31, 2013, EPA revenue received from environmental authorisations and permits issued to Developers amounted to G\$ 33,604,804. WildLife received an amount of G\$31,200.

4 Currency

Application and Permit Fees that are collected in US\$ and deposited into Bank of Nova Scotia G\$ Account #578-10. The Bank of Nova Scotia uses its daily buying rate to convert currency from US\$ to G\$ and the Agency uses the converted amount to record transactions in the receipt cash book.

5 Tangible Fixed Assets From Projects

Fixed Assets that the Agency's Benefited from under NCSA, IDB, Biosafety, CREP and FFI Projects were taken up into the accounting records based on the Net Book Value of G\$37,875,078 as at December 31, 2007. IAS 20 "Government Grants" was then applied.

ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

	EPA G \$	Wild Life G \$	Consolidation G \$	2012 G \$
6. Schedule of Income				
<u>Revenue from Operations</u>				
Application Fees	5,032,088	31,200	5,063,288	5,346,635
Permit Fees	28,572,716	-	28,572,716	39,596,794
Registration of EIA Consultants	36,880	-	36,880	27,525
Fees & Royalties (Fish)	-	1,275,437	1,275,437	1,197,924
Fees & Royalties (Other)	-	49,622,335	49,622,335	41,659,292
Export Licence	-	1,050,000	1,050,000	1,000,000
Holding Station	-	950,000	950,000	865,000
Recovery Payments on Tags	-	558,000	558,000	1,180,400
	33,641,684	53,486,972	87,128,656	90,873,570
<u>Miscellaneous Receipts</u>				
Wildlife Management Authority	2,085,000	-	2,085,000	375,000
Sale of Tender Documents	47,000	-	47,000	-
	2,132,000	-	2,132,000	375,000
<u>Other Income</u>				
Feather Sample	-	1,000	1,000	-
Interest Received	217,165	393,818	610,983	1,041,470
Cancelled Permits	-	258,000	258,000	256,580
Blood Samples	-	53,000	53,000	33,000
Other Income	4,081,900	1,356,600	5,438,500	997,980
	4,299,065	2,062,418	6,361,483	2,329,030
7. Employment Costs				
Contracted Employees	133,959,599	26,426,508	160,386,107	147,556,839
Other Direct Labour Cost	3,607,576	372,085	3,979,661	3,684,318
National Insurance	6,437,974	1,096,944	7,534,918	6,675,204
	144,005,149	27,895,537	171,900,686	157,916,361
8. Materials, Equipment and Supplies				
Drugs & Medical Supplies	156,203	3,495	159,698	154,186
Field Materials & Supplies	3,814,328	-	3,814,328	2,257,767
Office Materials & Supplies	5,035,534	828,716	5,864,250	5,431,164
Print & Non Print Materials	2,561,489	259,987	2,821,476	2,150,485
	11,567,554	1,092,198	12,659,752	9,993,602
9. Maintenance of Building				
Maintenance of Building	2,031,834	58,035	2,089,869	3,795,011
Maintenance of Compound	12,395,589	7,160	12,402,749	199,273
Janitorial & Cleaning Supplies	754,666	56,730	811,396	623,593
	15,182,089	121,925	15,304,014	4,617,877

ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

	EPA	Wild Life	Consolidation	2012
	G \$	G \$	G \$	G \$
10. Transport, Travel and Postage				
Local Travel & Subsistence	5,665,204	375,041	6,040,245	2,977,700
Overseas Conference & Official Visits	444,537	-	444,537	65,127
Postage, Telex & Cablegrams	313,080	64,920	378,000	365,605
Vehicle Spares & Services	8,515,992	763,774	9,279,766	5,705,429
	<u>14,938,813</u>	<u>1,203,735</u>	<u>16,142,548</u>	<u>9,113,861</u>
11. Other Goods and Services Purchased				
Equipment Maintenance	7,336,381	1,126,739	8,463,120	8,816,278
Cleaning & Exterminating Services	280,280	126,077	406,357	522,676
Other Expenses	10,639,201	1,989,935	12,629,136	7,935,060
	<u>18,255,862</u>	<u>3,242,751</u>	<u>21,498,613</u>	<u>17,274,014</u>
12. Other Operating Expenses				
National & Other events	8,023,384	486,880	8,510,264	3,628,338
Dietary	1,572,807	159,452	1,732,259	1,664,874
Refreshment & Meals	1,384,248	387,857	1,772,105	1,167,966
Bank Charges	-	32,400	32,400	208,356
Others	-	2,824,226	2,824,226	-
	<u>10,980,439</u>	<u>3,890,815</u>	<u>14,871,254</u>	<u>6,669,534</u>
13. Bank Balances				
Bank of Nova Scotia Account #395-14	58,753,020		58,753,020	74,839,483
Bank of Nova Scotia Account #578-10	53,686,433		53,686,433	65,058,806
Republic Bank Account #483-187-1	9,337,114		9,337,114	9,294,107
Republic Bank Account #1231237	11,452,652		11,452,652	11,325,627
Cash at Bank 01118-34		3,793,641	3,793,641	8,105,819
Cash at Bank 10021402		58,580,659	58,580,659	40,696,535
Bank of Baroda 95410300000591		15,216,799	15,216,799	15,125,449
	<u>133,229,219</u>	<u>77,591,099</u>	<u>210,820,318</u>	<u>224,445,826</u>

ENVIRONMENTAL PROTECTION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
 FOR THE YEAR ENDED DECEMBER 31, 2013

14. Tangible Fixed Assets

	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	G\$	G\$	G\$	G\$
Cost				
January 01	9,126,997	56,287,442	18,707,620	84,122,059
Additions	1,369,450	8,779,738	-	10,149,189
Disposal	-	-	-	-
Adjustments	-	-	-	-
December 31	10,496,447	65,067,180	18,707,620	94,271,248
Depreciation				
January 01	4,717,579	43,592,467	14,925,440	63,235,486
Disposal	-	-	-	-
Charged for the Year	1,051,912	3,995,998	1,113,430	6,161,340
Adjustments	-	-	-	-
December 31	5,769,491	47,588,464	16,038,870	69,396,826
Net Book Values				
December 31, 2012	4,409,418	12,694,975	3,782,180	20,886,573
December 31, 2013	4,726,956	17,478,716	2,668,750	24,874,422

**ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013**

15. Receivables	EPA	Wild Life	Consolidation	2012
	G\$	G\$	G\$	G\$
Wildlife Management Authority (Licence Fees)	3,219,245	-	3,219,245	2,136,086
Projects	11,371,476	341,504	11,712,980	612,132
Other Receivables	183,561	-	183,561	-
	<u>14,774,282</u>	<u>341,504</u>	<u>15,115,786</u>	<u>2,748,218</u>
16.				
Payables				
Unpresented Cheques	3,630,479	539,569	4,170,048	2,951,902
Other Payables	36,048,361	5,904,510	41,952,871	14,976,017
Projects	16,219,615	-	16,219,615	49,842,322
	<u>55,898,455</u>	<u>6,444,079</u>	<u>62,342,534</u>	<u>67,770,241</u>

**ENVIRONMENTAL PROTECTION AGENCY
NOTES TO THE FINANCIAL STATEMENTS FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013**

17 Key Management Personnel

Name of Personnels	Designation	Total Remuneration G\$
<u>Environmental Protection Agency</u>		
Dr. Indarjit Ramdass	Executive Director	8,601,477
Mr. Dhanraj Persaud	Administrative Director	4,740,656
Ms. Sharifah Razack	Education, Information and Training Director	5,296,483
Mrs. Geeta Singh Espinosa Ubaldo	Environmental Management Permitting Director	4,740,656
Mr. Kemraj Parsram	Environmental Management Compliance Director	4,740,656
<u>Wildlife Management Division</u>		
Ms. Alona Sankar	Head of Wildlife	4,761,372

ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED INCOME FOR EPA AND WILDLIFE DIVISION
FOR YEAR ENDED DECEMBER 31, 2013

Particulars	EPA G\$	Wildlife G\$	Consolidation G\$	2012 G\$
Application Fee	5,032,088	31,200	5,063,288	5,346,635
Permit fees	28,572,716	-	28,572,716	39,596,794
Others	4,081,900	1,356,600	5,438,500	857,980
Registration of Eia Consultants	36,880	-	36,880	27,525
Government Subvention	196,718,681	-	196,718,681	166,423,669
Deferred Income	6,821,753	-	6,821,753	6,821,753
Sale of Tender Documents	47,000	-	47,000	140,000
Wildlife Management Authority	2,085,000	-	2,085,000	375,000
Interest Received	217,165	393,818	610,983	1,041,470
Fees & Royalties (Fish)	-	1,275,437	1,275,437	1,197,924
Fees & Royalties (Other)	-	49,622,335	49,622,335	41,659,292
Export Licence	-	1,050,000	1,050,000	1,000,000
Holding Station	-	950,000	950,000	865,000
Cancelled Permits	-	258,000	258,000	256,580
Recovery Payments on Tags	-	558,000	558,000	1,180,400
Blood Samples	-	53,000	53,000	33,000
Feather Samples	-	1,000	1,000	33,000
TOTAL	243,613,183	55,549,390	299,162,573	266,823,022

ENVIRONMENTAL PROTECTION AGENCY
CONSOLIDATED EXPENSES FOR EPA AND WILDLIFE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2013

Expenses	EPA G\$	Wildlife G\$	Consolidation G\$	2012 G\$
Security	4,160,806	1,040,202	5,201,008	4,464,867
Account # 106 (Contracted Employees)	133,959,599	26,426,508	160,386,107	141,939,807
Other Direct Labour Cost	3,607,576	372,085	3,979,661	3,684,318
Account # 204 National Insurance Employer	6,437,974	1,096,944	7,534,918	6,675,204
Account # 124 (Print & Non Print Materials)	2,561,489	259,987	2,821,476	1,993,345
Account # 131 (Fuel & Lubricants)	3,651,499	1,310,563	4,962,062	5,003,158
Account # 142 (Maintenance of Building)	2,031,834	58,035	2,089,869	3,732,011
Account # 143 (Janitorial & Cleaning Supplies)	754,666	56,730	811,396	623,593
Account # 191 (National & Other Events)	8,023,384	486,880	8,510,264	3,628,338
Account # 192 (Dietary)	1,572,807	159,452	1,732,259	1,664,874
Account #162 (Overseas Conference & Official Visit)	444,537	-	444,537	65,127
Account # 163 (postage Telex & Cablegrams)	313,080	64,920	378,000	355,265
Account # 111 (Expenses Specific to the Agency)Elect	8,773,172	1,927,964	10,701,136	17,932,908
Account # 121 (Drugs & Medical Supplies)	156,203	3,495	159,698	154,186
Account # 122 (Field Materials)	3,814,328	-	3,814,328	2,257,767
Account # 212 (Training & Scholarship)	3,914,660	95,378	4,010,038	666,164
Account # 123 (Office Materials & Supplies)	5,035,534	828,716	5,864,250	5,431,164
Account # 164 Vehicle Spares & Services)	8,515,992	763,774	9,279,766	4,752,366
Account # 194 (Others)	10,639,201	4,814,161	15,453,362	4,658,220
Account # 193 (Refreshment & Meals)	1,384,248	387,857	1,772,105	883,786
Account # 182 (Equipment Maintenance)	7,336,381	1,126,739	8,463,120	7,964,078
Account # 183 (Cleaning & Exterminating Services)	280,280	126,077	406,357	500,640
Account # 161 Local Travel & Subsistence)	5,665,204	375,041	6,040,245	2,977,700
Account # 171 Telephone Charges	3,476,948	518,755	3,995,703	3,352,433
Bank charges	-	32,400	32,400	208,356
Maintanance of Compound	12,395,589	7,160	12,402,749	199,273
Withholding Tax	43,433	78,728	122,161	208,293
Depreciation	4,864,909	1,296,431	6,161,340	12,224,742
Water rates	40,000	-	40,000	215,989
	243,855,333	43,714,982	287,570,315	249,653,803

CONSOLIDATED TRIAL BALANCE FOR EPA AND WILDLIFE DIVISION

AS AT 31st DECEMBER 2013

Particulars	EPA		Wildlife		Consolidation	
	Debit	Credit	Debit	Credit	Debit	Credit
Bank A/c # 395-14(GOG Subvention)	58,753,020				58,753,020	-
Bank A/c # 578-10 (Trust Fund)	53,686,433				53,686,433	-
Republic Bank/EPA BCM a/c	9,337,114				9,337,114	-
Republic Bank Ac #1231237	11,452,652				11,452,652	-
Cash in Hand	5,836		1,415,377		1,421,213	-
Cash at Bank 01118-34			3,793,641		3,793,641	-
Cash at Bank 10020402			58,580,659		58,580,659	-
Bank of Baroda 95410300000241			15,216,799		15,216,799	-
Fixed Asset (Office Furniture & Fixtures)	9,000,454		1,495,993		10,496,447	-
Fixed Asset (Office Equipment)	56,433,502		8,633,678		65,067,180	-
Fixed Asset (Motor Vehicles)	9,930,520		8,777,100		18,707,620	-
Accumulated Depreciation (Office Furniture & Fixtures)		4,619,549		1,149,943	-	5,769,492
Accumulated Depreciation (Office Equipment)		41,870,629		5,717,835	-	47,588,464
Accumulated Depreciation (Motor Vehicles)		8,576,640		7,462,230	-	16,038,870
Depreciation (Office Furniture & Fixtures)	902,313		149,599		1,051,912	-
Depreciation (Office Equipment)	3,285,656		710,342		3,995,998	-
Depreciation (Motor Vehicles)	676,940		436,490		1,113,430	-
Accumulated Surplus		84,508,581		65,646,257	-	150,154,838
Prior Year Adjustment	106,872				106,872	-
Suspense		1,003,614			-	1,003,614
Payables(ACCRUALS)		54,530,154		6,444,079	-	60,974,233
Payable: GEF Project		1,257,055			-	1,257,055
Payable: Post Darwin Project		111,246			-	111,246
Receivable: Wildlife Management Authority	3,219,245		-		3,219,245	-
Receivable: (Other)	11,555,037		341,504		11,896,541	-
Security	4,160,806		1,040,202		5,201,008	-
Withholding Tax	43,433		78,728		122,161	-
Contracted Employees)	133,959,599		26,426,508		160,386,107	-
Other Direct Labour Cost	3,607,576		372,085		3,979,661	-
National Insurance Employer	6,437,974		1,096,944		7,534,918	-
Print & Non Print Materials)	2,561,489		259,987		2,821,476	-
Fuel & Lubricants)	3,651,499		1,310,563		4,962,062	-
Maintenance of Building)	2,031,834		58,035		2,089,869	-
Janitorial & Cleaning Supplies)	754,666		56,730		811,396	-
National & Other Events)	8,023,384		486,880		8,510,264	-
Dietary)	1,572,807		159,452		1,732,259	-
Overseas Conference & Official Visit)	444,537		-		444,537	-
Postage Telex & Cablegrams)	313,080		64,920		378,000	-
Expenses Specific to the Agency)	8,773,172		1,927,964		10,701,136	-
Drugs & Medical Supplies)	156,203		3,495		159,698	-
Training & Scholarship	3,914,660		95,378		4,010,038	-
Field Materials)	3,814,328		-		3,814,328	-

Vehicle Spares & Services)	8,515,992		763,774		9,279,766	-
Others)	10,639,201		4,814,161		15,453,362	-
(Refreshment & Meals)	1,384,248		387,857		1,772,105	-
Equipment Maintenance)	7,336,381		1,126,739		8,463,120	-
(Cleaning & Exterminating Services)	280,280		126,077		406,357	-
Local Travel & Subsistence)	5,665,204		375,041		6,040,245	-
Telephone Charges	3,476,948		518,755		3,995,703	-
Bank Charges	-		32,400		32,400	-
Maintaninace of Compound	12,395,589		7,160		12,402,749	-
Water rates	40,000				40,000	-
Donation		4,717,833			-	4,717,833
Government contribution		14,000,000			-	14,000,000
Application Fee		5,032,088			-	5,032,088
Permit fees		28,572,716			-	28,572,716
Deferred Income (Project Assets) (Balance Sheet)		3,766,313			-	3,766,313
Deferred Income (Project Assets) (Income Statement)		6,821,753			-	6,821,753
Others		1,529,900		1,356,600	-	2,886,500
Registration of Eia Consultants		36,880			-	36,880
Government Subvention		196,718,681			-	196,718,681
Capital Revenue		4,761,221			-	4,761,221
Interest Recived from BCM & FD Account		217,165			-	217,165
Sale of Tender Documents		47,000			-	47,000
Wildlife Management Authority		2,085,000			-	2,085,000
Sale of Fixed Assets		2,552,000			-	2,552,000
Fees & Royalties (Fish)				1,275,437	-	1,275,437
Fees & Royalties (Other)				49,622,335	-	49,622,335
Export Licence				1,050,000	-	1,050,000
Holding Station				950,000	-	950,000
Cancelled Permits				258,000	-	258,000
Application Fees				31,200	-	31,200
Recovery Payments on Tags				558,000	-	558,000
Blood Samples				53,000	-	53,000
Bank Interest				393,818	-	393,818
Feather Samples				1,000		1,000
	467,336,018	467,336,018	141,969,733	141,968,733	609,305,751	609,305,751



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241/SL: 46/2/2014

09 September 2014

Dr. Indarjit Ramdass
Executive Director
Environmental Protection Agency
Ministry of Public Works and Communication Building
Eastern Highway
Sophia
Georgetown.

Dear Dr. Ramdass,

RE: AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
OF THE ENVIRONMENTAL PROTECTION AGENCY/WILDLIFE DIVISION
FOR THE YEAR ENDED 31 DECEMBER 2013

Following the audit of the Consolidated Financial Statements of the Environmental Protection Agency/Wildlife Division (EPA/WD) for the year ended 31 December 2013. The findings hereunder were discussed with your Administrative Director and are now forwarded to you for appropriate action.

2. The audit was conducted in accordance with Generally Accepted Auditing Standards, including those of the International Organisation of Supreme Audit Institutions (INTOSAI) and the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). 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 Consolidated Financial Statements and to evaluate the operations of the Environmental Protection Agency to ascertain whether:

- (i) The Consolidated Financial Statements have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of the Environmental Protection Agency;
- (ii) The accounts have been faithfully and properly kept;

- (iii) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue;
- (iv) All monies expended and charged to the accounts are applied to the purpose or purposes for which they are intended; and
- (v) Essential records have been 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. Evaluation of Internal Controls

4. The evaluation of the system of accounting and internal controls of the Environmental Protection Agency was made a part of our examination of the financial statements of the Agency for the period under review. This was carried out under the following headings:-

- Organisation Structure
- Accuracy and reliability of accounting records; and
- Safeguarding of assets.

Organisation Structure

5. The Environmental Protection Agency is headed by a Board of Directors and managed by an Executive Director, who is assisted by an Inter-Agency Technical Committee and an Environmental Assessment Board and other supportive divisions. The Agency is funded by Government subventions from the Ministry of Natural Resources. For the year under review, total subvention of \$196.718M was received by the Agency.

The Wildlife Management Authority has a Head who has been in that position since her appointment in November 2004. She is assisted by an Administrative Officer and other support staff. The Wildlife Division is funded by the collection of revenue from fees and royalties, export licences and Holding Station. All the financial activities of the Division are managed by the Environmental Protection Agency.

Accuracy and Reliability of Accounting Records

6. During the year under review, EPA maintained all the necessary books of account. Further, the Agency prepared its financial records using the QuickBooks Accounting Software. The records of the Wildlife Division was kept and maintained by EPA. It was observed that the Division did not maintain a general ledger for the year under review.

Safeguarding of Assets

7. During the period under review assets were acquired by EPA for its operational use. The Fixed Assets Register are maintained and updated regularly.

In summary, our evaluation of the system of internal controls revealed that there was proper segregation of duties and adequate supervisory checks, and as such, reliance were placed on the system of internal controls as a basis for preparing the financial statements.

B. Consolidated Statement of Comprehensive Income

Income: \$299,162,573

8. The amount of \$299.162M was shown as income received for the year under review. This figure includes amounts totalling \$55.549M received from the Wildlife Division and the difference of \$243.613M represents income received by the Agency for the year under review. The amounts were verified as having been received and properly brought to account in the records of the Agency.

9. An examination of a sample of receipts and other related records in relation to the above figure reflected as income revealed the following observations:

EPA: \$243,613,183

- i. Income received was not deposited on a timely basis. Deposits are made once or twice per month despite the amount of cash on hand. As a result, there is an increase risk of losses, daily bank balances will not be up-to-date and cheques with bank errors will not be identified in a timely manner.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that deposits are made on a timely basis.

Management's Response: Management will ensure that cash is deposited more often.

- ii. Receipt books for January and part of February 2013 were not presented for audit verification. Hence, the amount received could not be verified in the records of the Agency.

Recommendation: The Audit Office recommends that the Management of the Agency locate the receipt books and provide same for audit verification.

Management's Response: Management will make the necessary efforts to locate the above.

Wildlife: \$55,549,390

- iii. An amount of \$55.549M was reported as income received for the year under review. However, audit examination on the cash book, receipts, deposits slips and bank statements revealed an amount of \$55.596M. This resulted in a difference of \$46,317. This was due to the incorrect posting of receipt number 11525.

Recommendation: The Audit Office recommends that the Management of the Agency review the difference with a view of having it cleared.

Management's Response: The difference will be accounted for in 2014.

Expenditure: \$287,570,315

10. The amount of \$287.570M represents total expenditure for the year under review. Included in this figure are amounts totalling \$43.715M which represents the expenditure for the Wildlife Division and the difference of \$243.855M represents expenditure incurred by the Environmental Protection Agency. An examination of a sample of payment vouchers of the amount shown as expenditure revealed the following observations.

EPA: \$243,855,333

Transport, Travel and Postage \$14,938,813

11. The amount of \$14.939M was expended on transport, travel and postage for the year under review. An evaluation of the vehicle maintenance cost and expenses incurred on public transportation revealed the following observations:

- i. Seven (7) motor vehicles were used by the Agency and incurred a maintenance cost of \$8.514M for the year under review, which resulted in an increase by 57% when compared to 2012 motor vehicle maintenance cost. As a result, the cost of maintenance is considered extremely high.
- ii. Maintenance costs for vehicles Nos. PHH 7648, PJJ 5247 and PLL 8417 was \$7.231M. As a result, it can be deemed as extremely high and non economical to maintain these vehicles
- iii. Further, vehicle no. PHH 7648 was fully depreciated since 2012 but no revaluation was done, although the Agency still benefits from this vehicle.

12. Similar deficiencies were mentioned in my 2011 and 2012 reports. A noteworthy observation is that the Agency increased its vehicle maintenance cost by 57%. As a result, it would appear that little or no action was taken to address this matter.

Recommendation: The Audit Office recommends that the Management of the Agency evaluate the maintenance cost of the vehicles to determine whether it is more cost effective to seek other mechanics to conduct maintenance and repairs to these vehicles, and/ or to dispose of same and acquire new ones.

Management's Response: Two vehicles were in accidents and the repair cost is what contributed to the increase cost. Further, it was decided that one of the vehicles will be disposed of in 2014 if a replacement could be acquired. IAS 16 states that if an asset was revalued, all other assets in that class should be revalued. Management has not seen any material reason to revalue the entire class of vehicles and will make a decision on whether to revalue the class in 2014 if vehicle no. PHH 7648 is not disposed of.

- iv. The Agency incurred transportation cost of \$993,100 which represents 6.6% of the total cost of Transport, Travel and Postage is considered high since the Agency has seven vehicles to its disposal.

Recommendation: The Audit Office recommends that the Management of the Agency evaluate its transportation cost to determine whether implementing the system of quotation and selecting the most cost effective transportation service would be more economical.

Management's Response: There was a high staff turnover with the drivers and significant increase in activities. Hence, the Agency had to use more taxi services.

Fuel and Lubricants: \$ 3,651,499

13. The amount of \$3.651M was expended on Fuel and Lubricants for seven (7) vehicles used by the Agency for the year under review. However, it was observed that the Agency's vehicle log books were not updated in its entirety. The fuel and lubricants columns were not being updated when purchases were made. As a result, it could not be determined whether there was effective control over the use of the Agency's vehicles and also the Agency is not in compliance of Stores Regulations 1993.

Recommendation: The Audit Office recommends that the Management of the Agency put systems in place to ensure compliance with Stores Regulations with regards to log books.

Management's Response: The log books will be reviewed and systems will be put in place to ensure it is done.

Materials, Equipment and Supplies: \$11,567,554

14. The amount of \$11.568M was expended on Materials, Equipment and Supplies. An evaluation of the Office Material and Supplies and Equipment Maintenance cost for the year under review the following observations were made:

- i. The Agency incurred equipment maintenance cost of \$5.317M which is considered high.

Recommendation: The Audit Office recommends that the Management of the Agency evaluate its equipment maintenance cost with a view that there are stricter controls in place to ensure that equipment are properly managed so as to reduce the cost of maintenance.

Management's Response: On an annual basis, the systems of the Agency would be upgraded to ensure security of our information and avoid the risk of crashes and data loss. It should be known of the Global need for increased cyber security. The Agency's expenditure was also consistent with the budgetary allocation for planned activities.

- ii. The sum of \$5.347M was expended to purchase stationery for the year under review which is considered high. It was observed that although this large sum is expended, the closing inventory is not reflected in the financial statements instead the amount is expended out in the statement of comprehensive income.

Recommendation: The Audit Office recommends that the Management of the Agency incorporate in its financial statement the closing inventory so as to reflect the true position of the Agency.

Management's Response: The Agency's activities have increased significantly whilst there were also unforeseen activities which required additional stationeries to be purchased. Please be advised that this is also consistent with our budgetary allocation for planned activities. Inventory of stationery is considered to be immaterial at year end with the exception of 2013 but if it becomes material in the future, Management will consider implementation on Financial Statements.

- iii. A sample of goods purchased for the year under review was examined and revealed that some goods were not recorded in the Goods Received Book. As a result, it could not be determined if the goods were received and properly accounted for in the records of the Agency.

Recommendation: The Audit Office recommends that the Management of the Agency ensure that all goods received be recorded in the Goods Received Book.

Management's Response: Acknowledged and systems will be put in place for non reoccurrence of same.

15. Audit review of contracts issued during the year under review revealed the following observations:

- i. The Agency does not maintain a Contract Register. It was observed that a Contract Log Book is used, however, pertinent information were not recorded therein. As a result, it was challenging and time consuming to determine what payments were made to the Contractors, if the works were completed and in some cases whether there was a variance of cost.

Recommendation: The Audit Office recommends that the Management of the Agency ensure that the Contract Log Book is updated to record pertinent information that will assist with future verification of contracts issued.

Management's Response: The Agency has a Contract Log Book which records all contracts prepared, the value, dates and details. Since the duties of the Finance and Admin are segregated, Admin has the contract details and Finance has the payment details which are verifiable. Management will consider your recommendation and decide on the modification of our current log book.

- ii. Examination of the cash book revealed that 7 payments totalling \$672,030 were made to an employee attached to the Agency's Information Technology Department for information technology services provided to the Agency during the year under review. This practice is considered unsatisfactory, since the employee is already being paid a salary to conduct services of similar nature.

Recommendation: The Audit Office recommends that the Management of the Agency take the necessary steps to ensure that this arrangement is ceased with immediate effect.

Management's Response: The additional duties were out of the employee's job description and there was no bias to such effect. The Agency was also not aware of the regulations concerning this issue. Nevertheless, this practice will cease with immediate effect.

- iii. Review of Contracts issued during the year under review revealed that the basis for awarding contracts to suppliers could not be determined. As a result, it could not be easily ascertained whether proper Tender Board procedures were followed.

Recommendation: The Audit Office recommends that the Management of the Agency ensure that the basis for awarding contracts to contractors be specified in the records of the Agency.

Management's Response: Most contracts have the basis for award and the one that did not have any basis was probably an oversight. Management will continue to strengthen controls of the Agency.

- iv. Two payments of \$3.5M and \$4.350M were paid to an Attorney-at-law of which a special service agreement was prepared. However, Tender Board approval and procedures were not applied, which is a breach of the Procurement Act 73:05 - all payments exceeding a specific value must seek the approval of the National Procurement and Tender Administration Board.

Recommendation: The Audit Office recommends that the Management of the Company comply with the requisite laws.

Management's Response: The Agency has a contract with the Attorney-at-law for years that represents the Agency in numerous litigations. However, management will ensure compliance with Procurement Act in the future.

16. A review of contracts issued for the year under review revealed that 6 payment vouchers valued at \$1.965M as detailed at Appendix II were not presented for audit review. As a result, it could not be determined whether values were received for monies expended.

Recommendation: The Audit Office recommends that the Management of the Company locate the missing vouchers and present them for audit verification.

Management's Response: Vouchers are now available for audit review.

Employment Costs: \$144,005,149 (EPA)

17. The amount of \$144.005M was expended on Employment Costs for EPA for the year under review. Audit review of the employment costs and procedures revealed the following observations:

- i. No PAYE deduction was made for an employee for the month of December 2013. Deduction should have been \$10,634.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that all statutory deductions are promptly made when salaries are prepared.

Management's Response: There was an overpayment of PAYE during the employee's maternity leave. As a result it was decided that no deduction will be made in December. To date there is a remaining balance of \$7,479 due by GRA to the employee. Please note this is a regular practice which is also satisfactory to the Guyana Revenue Authority.

- ii. The final benefits recorded in the personal file for a sample of leavers varied from the amount paid to the leavers. As a result, the information recorded in the personal files of the employees is not reliable and authentic. Appendix I.

Recommendation: The Audit Office recommends that the Management of the Agency put systems in place so as to avoid reoccurrence of this nature.

Management's Response: There was a miscalculation by the Human Resource Department but the personal files are authentic.

- iii. It was observed that 90% of the sampled joiners personal files examined for the year under review did not submit Police Clearance which is a vital document for background check of new employees.

Recommendation: The Audit Office recommends that the Management of the Agency should consider making this document a part of the employment procedure since it is a vital document for background check of new employees.

Management's Response: According to the HR Policy and Procurement Manual Police Clearance is optional and the Agency also practices a non-discriminatory approach to employment. Hence, it is not requested by the Agency only for certain positions such as Litter Wardens.

Wildlife (\$43,714,982)

- iv. A general ledger which is a critical record for the preparation of the financial statements was not maintained by the Division for the year under review. This matter was raised in my previous reports.

Recommendation: The Audit Office again recommends that the Management of the Agency put systems in place to ensure that a general ledger is introduced and maintained.

Management's Response: Acknowledged.

Employment Cost: \$ 27,895,537 (WD)

18. The amount of \$27.895M was expended on Employment Costs for the Wildlife Division for the year under review. Audit review of the employment costs and procedures revealed the following observations:

- i. A sample of ten employees was selected for audit examination, which revealed that two of the employees were being paid by the Division but were stationed at the Ministry of Natural Resources and Environment. This matter was brought to your attention in my prior year's report.

Recommendation: The Audit Office recommends that the Management of the Division review the present situation with a view of making the necessary adjustment.

Management's Response: Management will act on the matter.

- ii. Audit examination of the organisational chart revealed an approved compliment of 11 staff however, the staff list presented had an amount of 14 staff. This resulted in an excess of three staff being employed by the Division to which no approval was seen for the increase of compliment of staff.

Recommendation: The Audit Office recommends that the Management of the Division review its organisational chart and make the necessary adjustment to reflect the current employment status of the Division.

Management's Response: WLD staff establishment has always been 12 persons. I do not know the source of this information.

Fuel and Lubricants: \$1,310,563 (WD)

19. The amount of \$1.310M was expended on Fuel and Lubricants for the year under review. Audit review revealed the following observation:

- i. There were six instances where fuel were purchased payment vouchers Nos. 1622 and 1912 but were not entered into the log books. In addition, there were no supervisory checks for fuel in the log books. As a result, the Division is in non compliance with Stores Regulation 1993.

Recommendation: The Audit Office recommends that the Management of the Division put systems in place to ensure strict compliance with Stores Regulations with regards to log books.

Management's Response: All trips were authorized in the logbook but systems will be put in place to have them updated.

20. Please note, your response does not address the observation that was made.

C. Consolidated Statement of Financial Position

Fixed Assets: \$24,874,422

21. The amount of \$24.874M was shown as Tangible Fixed Assets for the year under review. This figure includes amounts totalling \$4.576M for the Wildlife Division and the difference of \$20.298M represents tangible fixed assets for the Agency for the year under review.

EPA (\$20,297,658)

- i. The Agency reported that there are no obsolete assets. However, audit observations revealed that there are many assets that are placed in a store room and others places in the Agency's compound that are not in use and has been so for prior years.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that the necessary action be taken as it relates to the obsolete assets.

Management's Response: The Agency is taking the necessary steps to dispose of these assets.

- ii. Vehicle number PHH 7648 was fully depreciated since 2012 but no revaluation was done although the vehicle was still beneficial to the Agency. This matter was brought to your attention in my previous years' reports.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that the necessary action be taken as it relates to this motor vehicle.

Management's Response: IAS 16 states that if an asset was revalued, all the assets in that class should also be revalued. Management has not seen any material reason to revalue the entire class of vehicles and will make a decision on whether to revalue the class in 2014 if vehicle PHH 7648 is not disposed of.

- iii. Physical verification of additions of fixed assets in 2011 revealed that one (1) GPS unit was missing. This matter was brought to your attention in my 2011 and 2012 report.

Recommendation: The Audit Office recommends that the Management of the Agency take Police Force and will be written off when investigations are completed. Other items were missing along with the GPS but were subsequently found and it is highly probable that the above GPS unit may also be retrieved.

Management's Response: The Guyana Police force is already investigating the matter so further steps will be taken when the investigation is completed. The Agency is also making the necessary efforts to locate the GPS.

Wildlife (\$4,576,764)

- iv. The Division reported an amount of \$4.577M as the net book value of tangible fixed assets for the year under review. A fixed assets register and a general ledger were not maintained. As a result, pertinent information such as location of assets and the condition of assets were not recorded.

Recommendation: The Audit Office recommends that the Management of the Division implement with immediate effect the General Ledger and the Fixed Asset Register which will provide assurance that the amounts recorded in the Statement of Financial Position is true and fair.

Management's Response: There is documentation for the fixed assets as this was used for previous audits and the figures are correct with additions included. There is a register, which was termed depreciation schedule for audit purposes.

- v. Audit examination on the fixed assets schedule presented revealed that five assets valued \$5.5334M were fully depreciated as at 31 December 2012 but were not re-valued in 2013. Further, two of the assets valued \$846,000 were non-operational.

Recommendation: The Audit Office recommends that the Management of the Division ensure that the necessary action be taken as it relates to the said assets.

Management's Response: These assets are still in use and are old assets, which have a low value and will be uneconomical to revalue. IAS 16 also requires the entire class to be revalued which will be uneconomical and there is no Company that provides valuations for all the assets in the class. The two non-operational assets are repairable as it is expensive to purchase a new one. Management has the commitment to repair these assets.

- vi. Audit examination revealed thirty-three assets valued \$3.976M were obsolete for the year under review. The date as to when the assets became obsolete were not provided to the auditors. In addition, the inclusion of these assets in the fixed assets schedule would result in an overstatement of Fixed Assets. To note, matter of similar nature was brought to your attention in my prior years' report.

Recommendation: The Audit Office recommends that the Management of the Division ensure that the necessary action be taken as it relates to the said assets.

Management's Response: These assets are repairable and can be operational for future use.

- vii. An approved depreciation policy was not presented for audit examination. However, the Finance Department provided the basis on which assets were depreciated and these were used to compute the depreciation shown in the financial statements. In the absence of an approved policy on depreciation, the completeness and accuracy of the computed amounts could not be relied on.

Recommendation: The Audit Office recommends that the Management of the Division establish, document and record the depreciation rates for its assets on its financial statements.

Management's Response: The policies used for depreciation are those in the Financial Statements of prior years for consistency purposes, which is in with normal accounting practices.

Current Assets: \$227,357,317

22. The amount of \$227.357M was shown as Current Assets for the year under review. This figure includes amounts totalling \$79.347M for the Wildlife Division and the difference of \$148.009M for the Agency for the year under review.

EPA (\$148,009,337)

- i. Bank reconciliation statements for the months January to December 2013 had evidence of preparation and approval. The amounts recorded as the bank balance agreed to the amount reflected on the bank statements. However, there was no evidence of when the bank reconciliation statements were prepared; as a result, it could not be determined whether they were prepared on a timely basis.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that the necessary information is implemented on the reconciliation statements.

Management's Response: The necessary action will be taken to implement such on the Bank Reconciliation.

Wildlife (\$79,347,980)

- ii. An amount of \$8,105,819 was reflected in the financial statements as the opening balance of the cash book for the year under review. However, the cash book and bank reconciliation statement for January had an opening balance of \$8,989,610 resulting in a difference of \$883,791. In addition, a general ledger was not maintained. Due to the inconsistencies, the validity and accuracy of the amount of \$3,793,641 reported as the closing cash book balance could not be verified.

Recommendation: The Audit Office recommends that the Management of the Division review the variance with a view of having it cleared

Management's Response: The audit for 2012 was done during 2013 and it was identified that the closing balance for 2012 were incorrect. An adjustment was made to the financial statements

of 2012 but was corrected in our system after the audit report was received. The balance in the Financial Statement is correct.

- iii. Bank reconciliation statements for the months January to May and November were not dated as to when they were prepared, checked or certified, as a result it could not be determined if the statements were prepared on a timely basis. In addition, bank reconciliation statements for the months July to September 2013 were prepared in November 2013.

Recommendation: The Audit Office recommends that the Management of the Division ensures

Management's Response: Management will ensure this will be done in the future.

- iv. An examination of the bank reconciliation statement for the month of December 2013 for Bank Account No. 01118-34 revealed 28 stale dated cheques totalling \$587,489 as at 31 December 2013. Appendix III.

Recommendation: The Audit Office recommends that the Management of the Division ensures that the necessary action be taken to account for the stale dated cheques.

Management's Response: It has been noted in the past that the Bank sometimes clear cheques that are due over six months and is deemed expired. The Agency will consider writing this back on the cash book if it is not cleared in 2014.

Current Liability: \$63,346,148

23. The amount of \$63.346M was shown as Current Liability for the year under review. This figure includes amounts totalling \$6.444M for the Wildlife Division and the difference of \$63.345M for the Agency for the year under review.

Wildlife (\$6,444,079)

- v. An amount of \$630,000 was reflected as payables was represented as accruals under the line item 'EPA Trust Fund'. However, audit examination revealed that an amount of \$615,000 was actually received. This therefore resulted in an overstatement of \$15,000 on the account.

Recommendation: The Audit Office recommends that the Management of the Division investigate the variance with a view of having it cleared.

Management's Response: This will be corrected in financial Year 2014.

D. Other Matters

24. Other matters for the EPA and the Wildlife Division were examined for the year under review. Hence, the following observations were made:

EPA

- i. The Agency did not maintain a Receipt Register for the period under review. As a result, it was not possible to determine whether the total number of receipt books presented for audit verification is accurate.
- ii. Further, receipt books were not used in its sequential order. Making it challenging to determine that all receipt books provided for audit verification is accurate.

Recommendation: The Audit Office recommends that the Management of the Agency implement a Receipt Register so as to provide the assurance that receipts presented for audit scrutiny is the accurate number of receipts used, in-use and unused.

Management's Response: Management acknowledged and systems will be put in place.

- iii. The Printer's Invoices for receipts printed during the year under review did not record the sequence of receipts printed. Hence, verification was not possible.

Recommendation: The Audit Office recommends that the Management of the Agency ensure that the sequential numbering of receipts be placed on the printer's invoices.

Management's Response: Request will be made for the printers to state such information on the invoices.

- iv. It was observed that the Stock Ledger and the physical stock in stores did not correspond for a sample of items selected. Appendix IV.

Recommendation: The Audit Office recommends that the Management of the Agency review these variances with a view of having them cleared.

Management's Response: Acknowledged. Systems will be put in place to address same.

- v. A sample of requisition forms reviewed for the year under review revealed that these forms were not being completed in its entirety. Further, the Requisition Forms were not pre-numbered. As a result, it is difficult to determine if proper controls are in place.

Recommendation: The Audit Office recommends that the Management of the Agency ensures that the requisition forms are completed in its entirety and sequential numbering should be inserted.

Management's Response: Management acknowledged and systems will be put in place.

Wildlife

- vi. Physical verification on a sample of items revealed differences in two items counted. The differences were due to the Stock Ledger not being updated on timely basis.

Recommendation: The Audit Office recommends that the Management of the Division review the excess/shortage with a view of having it cleared.

Management's Response: Stock ledger is updated at month end.

- vii. Store's forms and documents (purchase requisitions, bin cards and goods received book) were not maintained for the year under review. This practice is not in compliance with Stores Regulations 1993.

Recommendation: The Audit Office recommends that the Management of the Division put system in place to ensure compliance with Stores Regulations 1993.

Management's Response: Memo forms are used as purchase requisitions, stock ledger records purchases and issues.

E. General

25. The Audit Office wishes to express its sincere appreciation for the cooperation given to its officers during the course of the audit. In keeping with the Audit Office's policies, a reply is expected within thirty (30) days of the receipt of this letter.

Yours sincerely,



EPA

Appendix I

The following employees final benefits recorded in the personal file varied from the amount paid.

Name	Letter Amount (\$)	Payment Made (\$)	Variances (\$)
Joanne Ford	25,560	26,008	448
Vasquez Ramdas	86,825	83,045	-3780
Carla Anderson	25,789	35,193	9404
Deodat Puranram	89,673	89,372	-301

Appendix II

The following vouchers were not available for audit review.

Date	Voucher #	Amount (\$)
20-Feb-14	17069	599,882
23-Mar-14	17185	120,000
11-Jan-14	17907	427,808
11-Jan-14	18540	348,000
29-May-14	17351	98,000
17-Sep-14	16863	371,200
Total		1,964,890

Appendix III

The following are stale dated cheques as at December 31, 2013 totalling \$587,489.

Date	Cheque #	Amount	Date	Cheque #	Amount
11.08.2009	3	31,647	20.06.2011	789	70,354
08.10.2009	84	2,822	21.12.2011	1012	10,142
21.12.2010	586	32,000	25.01.2012	1071	32,000
21.12.2010	589	8,000	25.01.2012	1072	4,000
21.12.2010	590	12,000	25.01.2012	1077	16,000
21.12.2010	591	24,000	25.01.2012	1080	9,000
21.12.2010	594	8,000	30.03.2012	1151	73,200
21.12.2010	595	4,000	23.05.2012	1214	5,604
21.12.2010	596	4,000	31.05.2012	1221	9,000
21.12.2010	597	4,000	25.06.2012	1258	8,000
21.12.2010	599	12,000	03.07.2012	1280	7,500
21.12.2010	601	4,000	13.07.2012	1289	38,500
21.12.2010	603	30,000	31.12.2012	1522	19,000
27.04.2011	725	67,280	31.12.2012	1528	41,440

Appendix IV

The following variances existed between the stock ledger and the physical stocks in the stores

Items	Ledger Amount	Physical Amount	Excess/Shortages
Milk	30	2	(28)
Coffee	24	30	6
Soap Powder	24	16	(8)
Sugar	22	6	(16)