

**AUDITED FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY**

**FOR THE YEAR ENDED
31 DECEMBER 2003**

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

**THE AUDITED FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2003**

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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.gov.gy>*

5/SO: 31/2

20 June 2007

Mr. Neaz Subhan
Head, Government Information Agency
Area 'B' Homestretch Avenue
Durban Park Backlands
Georgetown.

Dear Mr. Subhan,

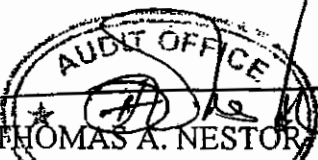
**RE: AUDIT OF THE FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2003**

Please find attached four (4) copies of the audited financial statements of the Government Information Agency for the year ended 31 December 2003, together with the Report of the Auditor General thereon.

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

With kind regards.

Yours sincerely,


THOMAS A. NESTOR
AUDITOR GENERAL (sg.)
GUYANA



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

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AG: 65/2007

20 June 2007

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2003

I have audited the Financial Statements of the Government Information Agency (GINA) for the year ended 31 December 2003, as set out on pages 4 to 14. These statements have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

Respective Responsibilities of Management and Auditors

The responsibility for the preparation of the financial statements; including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations, is that of the Management of the Government Information Agency. My responsibility is to express an independent opinion on the statements based on these assertions and to report that opinion.

Basis of Opinion

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

Opinion

In my opinion, the financial statements referred to above present fairly in all material respects the state of affairs of the Government Information Agency as at 31 December 2003 and its net deficit for the year then ended in conformity with Generally Accepted Accounting Principles.



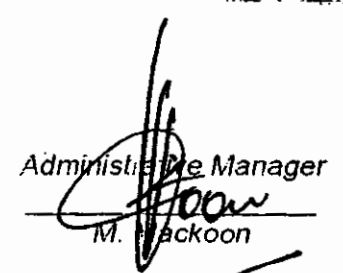
AUDIT OFFICE
63 HIGH STREET
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GUYANA

GOVERNMENT INFORMATION AGENCY
BALANCE SHEET
AS AT DECEMBER 31, 2003

<p>2,002</p> <p>(Restated)</p> <p>16,142,311</p>		
	<u>FIXED ASSETS</u>	Note 1 15,721,175
	<u>CURRENT ASSETS</u>	
166,193	Stock	114,513
50,700	Debtors	443,577
0	Bank	0
0	Cash	0
0		558,090
	TOTAL CURRENT ASSET	
	CURRENT LIABILITIES	(55,995)
	Creditors	55,995
216,893	Working Capital	502,095
	TOTAL ASSETS	<u>16,223,270</u>
<u>16,359,204</u>		
	FINANCED BY	
7,686,595	Gov't Capital Contribution	9,570,238
9,538,765	Incorporated reserve (MCI)	9,538,765
(866,156)	Acc Surplus/ Deficit	2,885,733
<u>16,359,204</u>		<u>16,223,270</u>

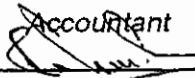
Accountant

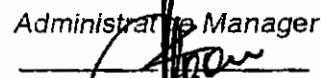
 Rishi Lakhram

Administrative Manager

 M. Jackson

GOVERNMENT INFORMATION AGENCY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

2,002 (Restated) \$	INCOME:	Note	2,003 \$
63,773,061	Subvention		58,710,229
<u>63,773,061</u>	TOTAL INCOME		58,710,229
	EXPENDITURE:		
41,237.746	Employment Cost		35,455,862
5,610.004	Materials, Equipment and Supplies		6,177.798
1,088.646	Fuel and Lubricant		1,163.099
1,460.143	Rental and maintenance of Buildin		357.854
581,387	Transport, Traveling and Postage		608.260
5,435.525	Security charges		8,203,280
450.600	Maintenance of Equipment		570.502
3,329.576	Utility charges		4,369,024
1,060.276	Vehicle Spares and Service		710,615
861,480	Other Service Purchased		1,094,364
1,695,970	Other Operating Expenses		2,015,163
1,546,041	Depreciation		1,953,285
<u>64,357,394</u>	TOTAL EXPENDITURE		60,679,106
<u>(584,333)</u>	Net Surplus/(Deficit)		<u>(1,968,877)</u>
2,665,215	Accumulative Surplus/ (Deficit) Jan 01		(866,156)
2,947,038	Prior Year Adjustment		(50,700)
(281,823)	Adjusted Accum. Surplus/(Deficit)		(916,856)
(584,333)	Surplus/ (Deficit) for Current Year		<u>(1,968,877)</u>
<u>(866,156)</u>	Accumulative Surplus Dec 31		<u>(2,885,733)</u>

Accountant

 Rishi Lakhram

Administrative Manager

 M. M. Kroon

GOVERNMENT INFORMATION AGENCY
Notes to the financial Statement
For the year ended December 31, 2003

Note 2

BACKGROUND

GINA was established on October 1, 2001 by a Cabinet Decision.

The vision of the Government Information Agency is to present vital and significant contribution with the Government for an enhance quality of life for all Guyanese through fulfilling the Government and the public's information needs.

SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Statements have been prepared in accordance with the Government Accounting Framework and Policies.

B. Depreciation is calculated by using the "Straight Line Method"

Schedule of Rates Used per annum

Motor Vehicle	10%
Office Furniture/PBX System	5%
Office Equipment / Editing Equipment	10%
VideoEquipment / Cleaning Equipment	20%
Mini Recorders	25%

C. Stock is valued using FIFO method

Office materials stock at Jan 1, 2003 valued \$166,193

Office materials stock as at December 31, 2003 valued \$114513

GOVERNMENT INFORMATION AGENCY
CASHFLOW STATEMENT
FOR PERIOD ENDED DECEMBER 31, 2003

Net Cash Flow from Operating Activities	Note 12	(300,794)
Investing Activities		
Prior year adjustment	(50,700)	
Payment to Acquire Asset	<u>(1,532,149)</u>	
Total Cash outflow from Investing Act		(1,582,849)
Total Cash flow before Financing		<u>(1,883,643)</u>
Financed by:		
Gov't Capital Contribution		1,883,643
Total Cash Flow for the period		<u><u>0</u></u>

FIXED ASSET SCHEDULE 2003

	Vehicle	Furn and Equip	Total
	\$	\$	\$
Cost /Val Jan 1, 2003	3,058,600	14,911,575	17,970,175
Addition	0	1,532,149	1,532,149
Disposal			0
Cost /Val Dec 31, 2003	3,058,600	16,443,724	19,502,324
Acc Dep Jan 1, 2003	382,325	1,445,539	1,827,864
Dep Current Year	305,860	1,647,425	1,953,285
Disposal			
Acc Dep Dec 31, 2003	688,185	3,092,964	3,781,149
NBV Dec 31, 2003	2,370,415	13,350,760	15,721,175

Note 3

Employment Cost

Expenditure under this head comprises of the following

Description	Amount
Salaries	\$22,972,802
Gratuity	\$5,228,703
NIS Employer	\$1,525,401
PAYE	\$5,645,706
Other deductions	\$83,250
TOTAL	\$35,455,862

Note 4

Materials, Equipment and Supplies

Expenditure under this head comprises of the following

Description	Amount
Medical Supplies	\$13,862
Office Supplies:	
Opening Stock (Jan 01)	\$166,193
Office Supplies	\$1,852,652
Closing Stock	-\$114,513
Print and Non print materials	\$4,259,604
TOTAL	\$6,177,798

Note 5

Rental and Maintenance of Building

Expenditure under this head comprises of the following

Description	Amount
Rental of building	\$150,000
Maintenance of Building	\$99,749
Cleaning Supplies	\$108,105
TOTAL	\$357,854

Note 6

Transport , Traveling and Postage

Expenditure under this head comprises of the following

Description	Amount
Travelling and Subsistence	\$600,945
Postage	\$7,315
TOTAL	\$608,260

Note 7

Maintenance of Equipment

Expenditure under this head comprises of the following

Description	Amount
Maintenance of Air Condition Units	\$246,200
Maintenance of Computers	\$121,450
Maintenance of Copiers & Fax	\$117,500
Maintenance of other equipment	\$85,352
TOTAL	\$570,502

Note 8

Utility charges

Expenditure under this head comprises of the following

Description	Amount
Telephone Charge	\$879,431
Internet Charges	\$144,000
Electricity Charges	\$3,345,593
TOTAL	\$4,369,024

Other Service Purchased

Expenditure under this head comprises of the following:

Description	Amount
Welding	\$300,000
Welding Service	421,000
Welding Treatment	100,000
Other Service Purchased	\$70,000
TOTAL	\$1,091,000

Other Operating Expenses

Expenditure under this head comprises of the following:

Description	Amount
General and Other Event	100,000
General Social Function	100,000
General AG	100,000
General and Refreshment	100,000
General	100,000
General	100,000
General	100,000
General for Office of GNF	100,000
General for Office of GNF	100,000
General for Office of GNF	100,000
General for Office of GNF	100,000
General for Office of GNF	100,000
TOTAL	\$2,015,163

Prior Year Adjustment

Amount Repaid on Subvention -1,248,078

Amount Refund To Office Of The President 1,197,378

Prior Year Adjustment - 50,700

Note 12

Reconciliation of Net income from Operating Activities

Net Income	(1,968,877)
Add Depreciation Charges	1,953,285
Add decrease in Stock	51,680
Add increase in Creditors	55,995
Less increase in Debtors	(392,877)
Net income from operating activities	(300,794)

CHANGES IN CASH AND CASH EQUIVALENT

	31-Dec-03	31-Dec-02	Change
CASH AT BANK	0	0	0



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2/SO: 31/2

20 June 2007

Mr. Neaz Subhan
Head, Government Information Agency
Area 'B' Homestretch Avenue
Durban Park Backlands
Georgetown.

Dear Mr. Subhan,

**RE: AUDIT OF THE FINANCIAL STATEMENTS
OF THE GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2003.**

We are pleased to inform you that the audit of the Government Information Agency (GINA) for the year ended 31 December 2003 has been completed. The following observations arising from the audit have been forwarded for your comments and such actions that may be necessary.

1. BACKGROUND

1.1 The Government Information Agency was established on 15 October 2001, via a Cabinet Decision memorandum CP (2001)7:5 dated 31 July 2001, under the Office of the President and served as a replacement for the Ministry of Information and the Guyana Information Service.

1.2 The objective of the Agency was to play a vital and significant contribution with the Government for an enhanced quality of life for all Guyana through fulfilling the Government and public information needs.

1.3 The functions of the Agency involve broadcasting production, media monitoring, incorporating the Internet and media interface support/replacement.

1.4 The key responsibilities of the Agency are to:-

- Produce radio spots;
- Provide video duplication;
- Monitor news and current issues in the print and electronic media;
- Publish information via the Internet;
- Organize media conferences;
- Present commentaries and viewpoints in the print and electronic media;

- Produce media statements; and
- Disseminate appropriate information.

AUDIT OBJECTIVES

1.5 The objectives of the audit were to obtain sufficient, relevant and reliable information from the accounting records to enable the Auditor General to issue his opinion on the financial statement of GINA for the year ended 31 December 2003 and to ascertain whether the transactions and cash flows for the year ended were in accordance with generally accepted accounting principles.

2. SCOPE AND METHODOLOGY

2.1 The audit covered the period 1 January 2003 to 31 December 2003. We conducted compliance tests to ascertain whether adequate internal controls were in place. In addition, we carried out substantive tests on significant account balances and related transactions we considered necessary to form an opinion as to whether the financial statements present fairly the state of affairs of the entity. We also verified the Government contributions and subventions using information from audited accounts of the Office of the President.

2.2 We selected transactions on a judgmental basis to ascertain whether they were properly approved/certified, classified, accurate and supported by bills/receipts and were incurred with due regards to the avoidance of waste and extravagance. In addition, we tested the tender procedures to ensure that they complied with established tender procedures.

2.3 We followed cut-off procedures to ensure that all possible items of receipts, expenditure, assets and liabilities were included in the accounts. Our audit also, included physical verification of fixed assets and the examination of bank reconciliation statements.

3. FINDINGS AND RECOMMENDATIONS

Evaluation of Internal Controls

3.1 Our study and evaluation of the system of accounting and internal controls were done as part of the examination of the accounting records and the financial statements of GINA under the following headings:

- organisation structure;
- accuracy and reliability of accounting records; and
- safeguarding of assets.

Organisation Structure

3.2 The Administrative Manager, Editor in Chief and two (2) Senior Communication Officers report to the Head of the Government Information Agency (GINA). The Administrative Manager was assisted by the Accountant and two (2) clerks. The accounting section had responsibility for verification of all expenditures. In addition, the section was responsible for the maintenance of accounting records and the preparation of periodic reports. Our audit checks revealed that payment documents were prepared, checked, authorized and payments were made in accordance with existing financial regulations. We consider the management structure to be adequate having regards to the nature of operations.

Accuracy and Reliability of Accounting Records

3.3 The accounting records maintained by GINA were the cashbook, general ledger and other related records. Based on checks carried out, these records were properly maintained and reflected accurately the receipts and expenditure incurred. In addition, the entity maintained adequate documentation of all transactions. Therefore, reliance could be placed on the record keeping as the basis for the preparation of the financial statements.

Safeguarding of Assets

3.4 During the period under review amounts totalling \$1.532M were expended on the purchase of one computer and accessories, five stabilizers, two VCRs one Air condition unit, six chairs, one digital camcorder, two filing cabinets, one water pump and one clock. The items purchased were verified as having been received and properly brought to account.

4. INCOME - \$58.710M

4.1 Amounts totalling \$58.710M were received from the Office of the President as current subvention for the efficient running of GINA. Of the amount received, sums totalling \$1.532M were expended to purchase fixed assets. The amounts received were verified as having been received and properly brought to account.

5. EXPENDITURE - 60.679M

5.1 Employment Costs - \$35.456M.

5.1.1 The amounts expended for employment costs were in relation to payments made for salaries, gratuity, National Insurance and other deductions paid to forty-nine contracted officers of GINA for the period under review. The amounts were verified and properly brought to account in the records.

5.2 Materials, Equipment and Supplies - \$6.178M

5.2.1 Amounts totalling \$6.178M were expended on the purchase of print and non-print materials, office and medical supplies and processing of films. However, it was observed that supporting documents were not presented for seven (7) purchases totalling \$84,765. As a result, it could not be ascertained whether value was received for the amount expended and whether the items were received and properly brought to account. The Administrative Manager explained that the documents were misplaced.

5.3 Fuel and Lubricants - \$1.163M

5.3.1 The sum of \$1.163M was expended on the purchase of fuel and lubricants for four vehicles under the control of the Agency. However, log books were not submitted for three of the vehicles. An examination of the log book presented, revealed, that it was not written up for the months of April to October 2003. As a result, it could not be determined whether journeys undertaken were properly authorised and whether effective control was exercised over the use of the vehicles. The Administrative Manager explained that one of the vehicles was used by the Director, who was not required to maintain a log book.

5.4 Maintenance of Buildings - \$357,854.

5.4.1 Amounts totalling \$357,854 were expended on rental and maintenance of building. Audit checks revealed that sums totalling \$99,749 were expended on repairs to stairway, installation of gutter fittings and door closer, while amounts totalling \$108,105 were expended on the supply of janitorial items. The difference of \$150,000 relates to rental of building. However, seven payments totalling \$92,645 were presented for audit verification without supporting documents attached. Hence, it could not be determined whether value was received for the amounts expended and whether the items purchased were received and properly brought to account in the stores records of the entity. It was explained by the Administrative Manager that the supporting documents were misplaced.

The Audit Office recommends that the Management of GINA put systems in place to have all supporting documents attached to the relevant vouchers and present them for audit verification.

5.5 Other Services Purchased - \$1.094M

5.5.1 The following gives a breakdown of the amounts expended: -

DESCRIPTION	AMOUNT \$
Weeding and Cleaning	388,000
Purchase of Electrical items	351,190
Electrical Services	129,519
Planning Service	110,690
Miscellaneous	114,965
TOTAL	1,094,364

5.5.2 In relation to weeding and cleaning, nine (9) payments totalling \$300,000 had no certificates of work satisfactorily completed attached to the payment voucher. As a result, we were unable to determine whether the works were satisfactorily completed. The Administrative Manager explained that the works were verified, but it was an oversight that the vouchers were not certified.

6. Prior Year Adjustments - \$50,700

6.1 The above figure represents the difference of the unspent balance for the year 2002, which was refunded to Office of the President in May 2003. Supporting documents were presented to verify the completeness, accuracy and validity of the amount refunded.

7. BALANCE SHEET

7.1 Stock - \$114,513

7.1.1 This amount represents the closing stock balance, which was valued by the first-in first-out method as at 31 December 2003. However, an examination of the stock ledger revealed that the value was understated by \$67,673. The closing stock balance should have been \$182,186, which was supported by the stock sheet.

7.2 Debtors - \$443,577

7.2.1 The figure represents the value of outstanding items, which were outstanding at the close of the financial year. The items were delivered in 2004 and were received and properly brought to account.

8. Other Matters

8.1 Bank Reconciliation

Bank reconciliation statements were prepared for the period under review. However, it was observed that a cheque to the value of \$7,000 was stale dated at 31 December 2003. Efforts should be made to have it updated and issued to the payee as early as possible.

9. General

The Audit Office wishes to express its sincere gratitude for the cooperation given 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.

With kind regards.

Yours sincerely,



A circular stamp from the Audit Office of Guyana. The outer ring contains the text "AUDIT OFFICE" at the top and "OF GUYANA" at the bottom. Inside the ring, the name "C. James" is written in cursive. Below the name, the text "C. JAMES" is printed in a serif font, followed by "AUDIT MANAGER (ag.)" in a larger, bold serif font. A small star is visible to the right of the name.