

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

**FOR THE YEAR ENDED
31 DECEMBER 2004**

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



Audit Office of Guyana

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171/SO: 31/2/2010

22 April 2010

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 2004**

Please find attached the original and three (3) copies of the audited financial statements of the Government Information Agency for the year ended 31 December 2004, 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,


* *C. James* *
CHAIRE ANN JAMES
AUDIT MANAGER (ag.)

**THE AUDITED FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2004**

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AG: 20/2010

22 April 2010

**REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2004**

I have audited the Financial Statements of the Government Information Agency (GINA) for the year ended 31 December 2004, and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes. The audit was conducted in accordance with the Audit Act of 2004.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount 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 controls 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 appropriateness of accounting policies used and the reasonableness 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 our audit opinion.

Disclaimer of Opinion arising from Limitation in Scope and Fundamental Uncertainty

The sum of \$61,769,957 is shown in the Income & Expenditure Statement as income received for the period under review. However, income received from advertisement for the period under review was not disclosed in the accounts, resulting in the income figure being understated by an undetermined amount.

Included in the Income and Expenditure Statement is the sum of \$32,687,642, which represents Employment Cost. However, audit checks revealed that amounts totalling \$31,194,537 were expended resulting in an unexplained difference of \$1,493,105, for which supporting evidence was not presented.

The sum of \$3,090,132 was disclosed in the Financial Statement for Other Operating Expenditure. However, audit checks revealed that amounts totalling \$3,485,511 were expended, resulting in a difference of \$395,379 for which no supporting documents was presented.

The sum of \$20,530,732 represents Fixed Assets in the Balance Sheet. However, included in the figure are fixed assets purchased totalling \$1,325,754, which was not presented for audit verification. In view of the above, the completeness, accuracy and validity of the amounts shown could not be determined.

The sum of \$643,397 represents stocks held by GINA as at 31 December 2004. However, supporting evidence to verify that a physical count was carried out on the items of stores was not presented for verification. In the circumstance, it could not be determined whether the stocks figure was fairly stated in the accounts.

Included in the financial statement is the sum of \$124,957, representing a balance in the suspense account. In this regard, one or more accounts could be under/overstated.

Included in the cash flow statement is a sum of \$55,995, representing a decrease in creditors. However, this amount is incorrectly stated, resulting in a difference of \$1,944,005. As a result, the accuracy of the cash flow statement would be affected.

The Agency maintained three bank accounts for which bank reconciliation statements and other supporting documents were not presented for bank accounts numbers 8827, 9161 and 7114. In view of the above, the completeness, accuracy and validity of the 'nil' cash and bank balances shown in the Balance Sheet could not be determined.

Because of the significance of the matters referred to in the preceding paragraphs, I am unable to form an opinion as to whether the financial statements presents fairly in all material respects the state of affairs of the Government Information Agency as at 31 December 2004, and the results of its operations and cash flows for the period then ended in conformity with International Financial Reporting Standards.



AUDIT OFFICE
★ *D. Sharma* ★
D. SHARMA
AUDITOR GENERAL (ag.)

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

**GOVERNMENT INFORMATION AGENCY
BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2004**

2003			2004
15,721,175	<u>FIXED ASSETS</u>	Note 1	20,530,732
	<u>CURRENT ASSETS</u>		
114,513	Stocks		643,397
443,577	Debtors	Note 12	49,650
-	Bank		-
-	Cash		-
<u>558,090</u>	TOTAL CURRENT ASSET		<u>693,047</u>
	<u>CURRENT LIABILITIES</u>		
<u>(55,995)</u>	Creditors (other)	Note 13	<u>(2,000,000)</u>
<u>(55,995)</u>	TOTAL CURRENT LIABILITY		<u>(2,000,000)</u>
502,095	Working Capital		(1,306,953)
<u>16,223,270</u>	TOTAL ASSETS		<u>19,223,779</u>
	<u>FINANCED BY</u>		
9,570,238	Gov't Capital Contribution		11,068,376
9,538,765	Incorporated Reserve (MOI)		9,538,765
(2,885,733)	Acc. Surplus/(Deficit)		(1,383,362)
<u>16,223,270</u>			<u>19,223,779</u>

Authorised By: H. Renaud

Approved By: [Signature]

**GOVERNMENT INFORMATION AGENCY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004**

2003		2004
\$	INCOME	Note
58,710,229	Subvention	61,769,957
	Proceeds from asset disposal paid to OP	503,000
	Surcharge	20,000
<u>58,710,229</u>	TOTAL INCOME	<u>62,292,957</u>
	EXPENDITURE:	
35,455,862	Employment Cost	32,687,642
6,177,798	Material, Equipment and Supplies	10,629,696
1,163,099	Fuel and Lubricant	1,638,814
357,854	Rental & Maintenance of Building	1,328,956
608,260	Transport, Traveling and Postage	654,637
6,203,280	Security charges	760,860
570,502	Maintenance of Equipment	580,992
4,369,024	Utility charges	3,921,453
710,615	Vehicle Spares and services	1,358,983
1,094,364	Other Service Purchased	1,151,193
2,015,163	Other Operating Expenses	3,090,132
1,953,285	Depreciation	2,314,221
	Loss on disposal of equipment	25,050
	Surcharge on equipment paid to OP	20,000
	Proceeds from asset disposal paid to OP	503,000
	Suspense Account	124,957
<u>60,679,106</u>	TOTAL EXPENDITURE	<u>60,790,586</u>
<u>(1,968,877)</u>	Net Surplus/(Deficit)	<u>1,502,371</u>
(866,156)	Accumulative Surplus/(Deficit) Jan 01	(2,885,733)
(50,700)	Prior Year Adjustment	-
(916,856)	Adjusted Accum. Surplus/(Deficit)	(2,885,733)
(1,968,877)	Surplus/(Deficit) for Current Year	1,502,371
<u>(2,885,733)</u>	Accumulative Surplus Dec 31	<u>(1,383,362)</u>

Authorised By: H. Penavel

Approved By: [Signature]

**GOVERNMENT INFORMATION AGENCY
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004**

Net Cash Flow from Operating Activities		Note 11	
Net Income			1,502,371
Add	Depreciation Charges		2,314,221
Add	Loss on Equipment		25,050
Less	Gain on disposal of asset		(327,825)
Less	Decrease in Creditor		(55,995)
Less	Increase in Stock		(528,884)
Add	Decrease in Debtors		393,927
Net Income from Operating Activities			<u>3,322,865</u>
Investment Activities			
	Payment to Acquire Furniture & Equipment	(5,344,003)	
	Payment to Acquire Vehicle	(2,000,000)	
	Proceeds from sale of Asset	<u>523,000</u>	
Total Cash Outflow form Investing Activities			(6,821,003)
Total Cash Flow before Financing			<u>(3,498,138)</u>
Financed by:			
	Gov't Capital Contribution		1,498,138
	Loan from Gina A/c 7114		2,000,000
Increase/decrease in cash or cash equivalent at Dec 31, 04			<u><u>-</u></u>

Authorised By: H. Renaud

Approved By: [Signature]

**GOVERNMENT INFORMATION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

Note 1

FIXED ASSET SCHEDULE 2004

Details	Vehicle	Furniture & Equipment	Total
	\$	\$	\$
Cost/Val Jan 1, 2004	3,058,600	16,443,724	19,502,324
Addition	3,200,000	5,344,003	8,544,003
Disposal	(1,558,600)	(79,500)	(1,638,100)
Revaluation Reserve Realised	(245,000)	-	(245,000)
Cost/Val Dec 31, 2004	4,455,000	21,708,227	26,163,227
Acc. Dep Jan 1, 2004	688,185	3,092,964	3,781,149
Decrepreciation Current Year	368,014	1,946,207	2,314,221
Disposal	(428,425)	(34,450)	(462,875)
Acc. Deprn @ Dec 31, 04	627,774	5,004,721	5,632,495
NBV @ Dec 31, 2004	3,827,226	16,703,506	20,530,732

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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 enhanced quality of life for all Guyanese through fulfilling the Government and the public's information needs.

SIGNIFICANT ACCOUNTING POLICIES

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

Depreciation is calculated by using the "Straight Line Method" and is calculated base on the following rates per annum

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

Stock is valued using the FIFO method

Office materials stock at January 1, 2004 valued \$114,513
Office materials stock at December 31, 2004 valued \$643,397

Vehicle Registration No: PGG 9569 was revalued to \$1,200,000 on July 21, 2004. This vehicle was traded in on July 21, 2004 for the value of \$1,200,000.

Vehicle Registration No: PFF 3671 was sold on May 29, 2004 for \$503,000. However this transaction was handle directly from the Office of the President.

One minolta Still Camera Serial No. 9773596 was misplaced by the Camera Room personnel. Four (4) officers were surcharged and the sum of \$20,000 was recovered. This amount was paid over the Office of the President.

Income statement includes a suspense account totalling \$124,957 being balancing figure.

**GOVERNMENT INFORMATION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

Note 3

EMPLOYMENT COST

Expenditure under this head comprises of the following:

Description	Amount \$
Salaries	21,233,809
Gratuity	4,570,240
NIS Employer	1,457,992
PAYE	5,078,251
Other Deductions	347,350
Total	32,687,642

Note 4

MATERIALS, EQUIPMENT AND SUPPLIES

Expenditure under this head comprises of the following:

Description	Amount \$
Medical Supplies	39,303
Office Supplies:	3,702,517
Printing & Non - Printing Materials	3,887,876
Advertising	3,000,000
Total	10,629,696

Note 5

Rental and Maintenance of Building

Expenditure under this head comprises of the following:

Description	Amount \$
Rental of building	-
Maintenance of Building	1,230,607
Cleaning Supplies	98,349
Total	1,328,956

**GOVERNMENT INFORMATION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

Note 6

Transport, traveling and Postage

Expenditure under this head comprises of the following:

Description	Amount \$
Traveling and subsistence	590,020
Postage	64,617
Total	654,637

Note 7

Maintenance of Equipment

Expenditure under this head comprises of the following:

Description	Amount \$
Maintenance of AC units	129,700
Maintenance of Computers	275,300
Maintenance of Copier & Fax	109,000
Maintenance of Other Equipment	66,992
Total	580,992

Note 8

UTILITY CHARGES

Expenditure under this head comprises of the following:

Description	Amount \$
Telephone Charges	763,419
Internet Charges	241,440
Electricity Charges	2,916,594
Total	3,921,453

**GOVERNMENT INFORMATION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

Note 9

OTHER SERVICES PURCHASED

Expenditure under this head comprises of the following:

Description	Amount \$
Weeding	146,000
Sanitech Services	17,850
Cleaning Offices	183,310
Other Cleaning Services	2,000
Other Services Purchased	802,033
Total	1,151,193

Note 10

OTHER OPERATING EXPENSES

Expenditure under this head comprises of the following:

Description	Amount \$
National & Other event	147,575
Staff Social Funct.	251,297
Rental of AC	27,000
Meals and Refreshment	720,140
Freight	446,295
Honorarium	395,500
Stipend	829,177
Website Ads	60,000
Others	112,633
Training	100,515
Total	3,090,132

**GOVERNMENT INFORMATION AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2004**

CHANGES IN CASH AND CASH EQUIVALENT

	31-Dec-04	31-Dec-03	Change
CASH AT BANK	0	0	0

Note 12

List of Debtors	Description	Outstanding Amount
Beverley Alert	Balance on advance (Cell Phone Purchase)	10,150
Ranveer Rickford	Balance on advance (Cell Phone Purchase)	15,500
Karen Persaud	Balance on advance (Cell Phone Purchase)	24,000
Total Debtors		<u><u>49,650</u></u>

Note 13

List of Creditors		Outstanding Amount
GINA A/c -7114 (Beharry Auto)	Procurement of Vehicle PJJ 3119	2,000,000
Total Creditors		<u><u>2,000,000</u></u>



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170/SO: 31/2/2010

13 April 2010

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 2004**

The audit of the Government Information Agency (GINA) for the year ended 31 December 2004, 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 2004. Also, 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 2004 to 31 December 2004. 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 has 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 general ledger, payment vouchers and other related records. Based on checks carried out, the cash book and other related records for GINA advertising account # 9161 were not presented for audit examination to ascertain the income received. In addition, bank reconciliations statements with supporting documents were not presented for bank accounts # 7114 and 8827. Also, some amounts disclosed on the financial statements were not in agreement with the accounting records. Therefore, reliance could not be placed on the record keeping as the basis for the preparation of the financial statements.

Safeguarding of Assets

3.4 Assets purchased during the period included computer work stations, stabilizers, VCRs, Air condition unit, sitting and secretarial chairs, digital camcorders, microwaves ovens, refrigerators, televisions, computer, fax machine, radios, cubicles and venetian blinds. At the time of the audit all items were not brought to account in the fixed asset register, however the asset register was subsequently updated. In addition, the assets were not marked and items totalling \$1,325,754 were not presented for audit verification of their existence. Therefore, the system of internal control over fixed assets was not effective and reliance could not be placed on the record keeping as the basis for the preparation of the financial statements.

4. INCOME - \$61,769,957

4.1 Amounts totalling \$61.770M were received from the Office of the President as current subvention for the efficient running of GINA. However, audit checks revealed that amounts totalling \$62,041,082 were received as subvention for the period and the sum of \$271,125 was refunded to the Office of the President in February 2005. In addition, income earned by GINA from advertisement and other sources for the period under review was not disclosed in the accounts, causing the income figure to be understated by an undetermined amount. In the circumstance, the completeness, accuracy and validity of the amount shown could not be determined.

The Audit Office recommends that the Management of GINA put systems in place to have all income received from operations disclosed in its accounts and financial statement.

EXPENDITURE – \$60.791M

5. Employment Costs - \$32.688M

5.1 Amounts totalling \$32,687,642 were disclosed for the payment of salaries, gratuity, national insurance and other deductions for forty-one employees during the period audited. However, audit checks revealed that sums totalling \$31,164,537 were expended resulting in an unexplained difference of \$1,523,105. As a result, the amount shown was overstated by \$1,493,105.

The Audit Office recommends that the Management of GINA put systems in place to have the unexplained difference investigated and the relevant adjustments made to the accounts.

Fuel & Lubricants - \$1,638,814

5.2 The sum of \$1.639M was shown in the financial statements as amounts expended on Fuel and Lubricants for the Agency's four vehicles. However, log books for the vehicles were not presented for audit examination. As a result, it could not be determined whether the journeys undertaken were properly authorised and whether there was effective control over the use of these vehicles.

Rental and Maintenance of Buildings - \$1,328,956

5.3 For the period reviewed, amounts totalling \$1.329M were expended on the purchase of building materials, cleaning supplies, purchase and installation of carpet, relocation of AC unit and purchase of fixed assets. However, audit checks revealed that the sum of \$1,908,440 was actually expended, resulting in a difference of \$579,484, which was expended on fixed assets. Adjustments were subsequently made in the accounts to capitalize this amount.

Vehicles Spares and Services - \$1,358,983M

5.4 An amount of \$1.359M was expended on Vehicles Spares and Services. Audit checks revealed that the sum of \$47,500 was utilized for the purchase and installation of an alarm system to motorcar PJJ 1112, which is not owned by GINA. As such, the legitimacy of the transaction could not be determined.

The Audit Office recommends that the Management of GINA investigates the purchase for the vehicle listed above with a view to recovering same.

Other Operating Expenses - \$3.090M

5.5 Amounts totalling \$3,090,132 were expended on training, national and other events, meals and refreshment, stipend, freight charges, among others. However, audit checks revealed that amounts totalling \$3,499,525 were actually expended, resulting in a difference of \$409,393, which was expended on the purchase of fixed assets. However, adjustments were subsequently made in the accounts to capitalize this expenditure.

Loss on Equipment - \$25,050

5.6 The sum of \$25,050 represents losses on one Still Minolta camera, which was misplaced in June 2004. The camera was purchased for \$79,500, and its net book value was \$45,050. Four officers of GINA were surcharged and restitution totalling \$20,000 was paid over to the Office of the President.

Proceeds From Asset Disposal - \$503,000

5.7 The amount of \$503,000 represents income from sale of vehicle PFF 3671. This vehicle was recorded in the fixed asset schedule even though GINA did not own the vehicle. The vehicle was sold and the proceeds were paid to the Office of the President. However, acknowledgement receipt was not presented for audit examination to verify the completeness, accuracy and validity of the transaction.

Suspense Account - \$124,957

5.8 The above figure represents a difference in the accounts for the year 2004, which was accounted for in the suspense account. The supporting accounting entries were not presented for audit verification of the completeness of the accounting entries. In this regard, one or more accounts could be under/overstated.

BALANCE SHEET

6. Fixed Assets - \$20,530,732

6.1 Included in the above figure, are fixed assets totalling \$1,325,754 that were not presented for audit verification, as shown below. As a result, we could not determine whether the assets purchased were received by the Agency, as their existence could not be verified. In addition, fixed assets verified were not marked to identify them as the property of GINA.

Date	Supplier	Particulars	Amount \$
14.05.04	Singh Electrical	1 sharp VCR	23,900
17.05.04	Pressy Enterprise	1 Nikon camera	89,995
16.06.04	B & H Photos	1 Sony camcorder	390,948
26.11.04	Central Electronics	1 Coby Discman	7,995
12.07.04	B & H Photos	1 Conon digital camera	66,581
09.10.04	House Hold Plus	1 Panasonic TV	36,995
09.10.04	do	1 Panasonic VCR	19,500
27.10.04	Dell Products	1 Dell computer & accessories	327,216
21.11.04	Central Electronics	2 Cobra radios	35,000
30.11.04	Pro Video Sales	1 Sony Camcorder with batteries	327,624
TOTAL			1,325,754

6.2 In view of the above, the completeness, accuracy and validity of the amount shown could not be determined.

The Audit Office recommends that the Management of GINA put systems in place to (a) mark all assets owned by the Agency, and (b) have all outstanding assets presented for audit verification.

Stock - \$643,397

6.3 This amount represents the closing stock held by GINA as at 31 December 2004. However, the stock figure could not be verified, since the stock ledger and other supporting records to verify that a stock count was done were not presented for audit verification. As a result, it could not be determined whether stock of \$643,397 was fairly stated in the accounts.

The Audit Office recommends that the Management of GINA make a special effort to locate and present the stock ledger and other records for audit examination.

Current Liabilities - \$2,000,000

6.4 Current Liabilities of \$2M as at 31 December 2004, represents an outstanding loan balance of \$2M owed to GINA UNESCO Account # 7114 for the purchase of one Toyota Hilux double cab vehicle. Motor vehicle PGG 9569 valued at \$1.2M was trade-in for the acquisition of one Toyota Hilux double cab vehicle PJJ 3119 valued at \$3.2M. The amount was brought to account in the records of GINA, however, the vehicle was not presented for audit verification.

Cash and Bank

6.5 For the period under review, GINA operated three bank accounts which were held at the Bank of Nova Scotia. The accounts are the 8827 (GINA General), 7114 (UNESCO), and 9161(Advertisement). It should be noted that the Balance Sheet reflects a nil balance in the bank account for the period reviewed. However, bank reconciliation statements and supporting records were not presented for audit examination to ascertain the 'nil' bank balances for bank accounts # 8827, 7114 and 9161 for the period under review. As a result, of the limitation in scope and weakness in the record keeping system, the agency is vulnerable to fraud and misappropriation of funds due to its lax accounting system.

As was stated in my previous Audit Report, the Audit Office recommends that the Agency make a special effort to have all its bank accounts reconciled and reconciliations presented for audit verification.

CASH FLOW STATEMENT

7. Decrease in Creditors – \$55,995

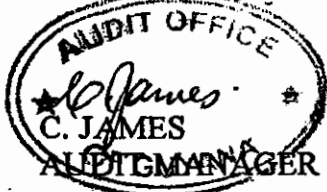
7.1 Included in the Cash Flow Statement is an amount of \$55,995, representing a decrease in creditors. The creditor amount of \$2M for the current year was not taken into account when the statement was prepared, which would have an increase in creditors of \$1,944,005. Therefore, the accuracy of the amounts in the Cash Flow Statement would be affected.

8. General

8.1 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,


C. JAMES
AUDIT MANAGER (ag.)