

**AUDITED FINANCIAL STATEMENTS OF  
GOVERNMENT INFORMATION AGENCY**

**FOR THE YEAR ENDED  
31 DECEMBER 2008**

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

AUDITED FINANCIAL STATEMENTS OF THE  
GOVERNMENT INFORMATION AGENCY  
FOR THE YEAR ENDED 31 DECEMBER 2008

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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>

137/SO: 31/2/2014

25 July 2014

Mr. Neaz Subhan  
Director  
Guyana Information News Agency  
Area "B" Homestretch Avenue  
Georgetown.

Dear Mr. Subhan,

RE: AUDIT OF THE ACCOUNTS OF THE  
GOVERNMENT INFORMATION AGENCY  
FOR THE YEAR ENDED 31 DECEMBER 2008

Following the audit of the financial statements of the Government Information Agency for the year ending 31 December 2008, the findings hereunder were discussed with the accounting personnel within your organization and are now referred to you for appropriate action.

With kind regards.





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AG: 58 /2014

25 July 2014

**REPORT OF THE AUDITOR GENERAL**  
**TO THE BOARD OF DIRECTORS OF THE**  
**GOVERNMENT INFORMATION AGENCY**  
**ON THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2008**

I have audited the accompanying financial statements of the Government Information Agency which comprise the statement of financial position as at 31 December 2008, the income and expenditure statement, and 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 financial statements*

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

### *Auditor's responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Basis for Qualified Opinion*

The sum of \$33.190M is shown in the statement of financial position as net book value of assets as at 31 December 2008. However, the Agency did not maintain a Fixed Asset register to show the cost, accumulated depreciation and net book value of all assets owned by the Agency. In the circumstance, the completeness, accuracy and validity of this amount could not be determined.

The sum of \$80.125M is stated in the balance sheet as receivables. A comparison between the previous and current years' receivables revealed that this amount increased by \$32.383M and there was no evidence to indicate that stringent action was taken to recover these debts. In addition, an approved documented policy on debt collection and write-off was not presented for audit. In the circumstance, the completeness, accuracy and validity of this amount could not be determined.

*Qualified Opinion*

Except for any adjustments which might have been shown to be necessary as a result of the matters referred to in the preceding paragraphs, in my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Government Information Agency as at 31 December 2008, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**GOVERNMENT INFORMATION AGENCY  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER, 2008**

	Notes	2008 \$	2007 \$
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Motor Vehicles		6,848,217	4,999,984
Furniture & Equipment		<u>26,341,906</u>	<u>25,418,418</u>
	3	33,190,123	30,418,402
<b>CURRENT ASSETS</b>			
Inventories		755,747	896,883
Receivables	4	80,125,419	47,741,552
Cash in Hand		<u>125,000</u>	<u>125,000</u>
		81,006,166	48,763,435
<b>TOTAL ASSETS</b>		<u><u>114,196,289</u></u>	<u><u>79,181,837</u></u>
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>EQUITY</b>			
Gov't Capital Contribution	5	12,777,471	12,626,534
Incorporation Reserve (MOI)		9,538,765	9,538,765
Accumulated Surplus/(Deficit)	6	<u>44,123,507</u>	<u>26,138,824</u>
		66,439,743	48,304,123
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	7	30,684,922	30,877,714
Payables	8	<u>17,071,624</u>	<u>-</u>
		47,756,546	
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>114,196,289</u></u>	<u><u>79,181,837</u></u>

These Financial Statements were approved for issuance on ...July 22, 2014.....

Accountant:   
Mrs. Natalie Brhamdeow

Director :   
Mr. Neaz Subhan

**GOVERNMENT INFORMATION AGENCY  
INCOME & EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

	Notes	2008 \$	2007 \$
<b>INCOME</b>			
Current Subvention		95,195,000	106,535,247
Sale of Ads		148,636,937	109,225,926
Other Income		375,089	4,488,767
Deferred Income		4,975,063	4,183,611
<b>TOTAL INCOME</b>		<u>249,182,089</u>	<u>224,433,551</u>
<b>EXPENDITURE</b>			
Employment Cost	9	51,862,084	47,139,519
Material, Equipment and Supplies	10	147,070,352	128,969,088
Fuel and Lubricant		3,176,709	2,307,897
Rental & Maintenance of Building	11	3,419,869	515,080
Transport, Traveling and Postage	12	2,653,987	1,099,002
Security charges		3,287,987	115,342
Maintenance of Equipment	13	858,594	2,403,541
Utility charges	14	5,382,070	4,316,596
Vehicle Spares and services		1,790,177	1,362,394
Other Service Purchased	15	2,254,738	1,303,951
Other Operating Expenses	16	4,465,776	6,088,057
Depreciation & Amortisation		4,975,063	4,183,611
Suspense Account		-	21,106
<b>TOTAL EXPENDITURE</b>		<u>231,197,406</u>	<u>199,825,184</u>
<b>NET SURPLUS/(DEFICIT)</b>		<b>17,984,683</b>	<b>24,608,367</b>

The accompanying notes form an integral part of these financial statements.

**GOVERNMENT INFORMATION AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

	2008	2007
	\$	\$
<b>Operating Activities</b>		
Surplus/(Deficit) for the period	17,984,683	24,608,367
<i>Adjustments for:</i>		
Depreciation & Amortisation	4,975,063	4,183,611
<b>Operating profit before working capital changes</b>	<u>22,959,746</u>	<u>28,791,978</u>
(Increase)/Decrease in Inventories	141,136	(280,334)
(Increase)/Decrease in Receivables	(32,383,867)	(5,107,561)
Increase/(Decrease) in Payables	17,071,624	-
Increase/(Decrease) in Suspense A/C	-	-
<b>Net cashflow generated from operations</b>	<u>7,788,639</u>	<u>23,404,083</u>
<b>Investing Activities</b>		
Acquisition of Non-Current Assets	(7,746,784)	(8,040,124)
<b>Net cashflow generated from investing activities</b>	<u>(7,746,784)</u>	<u>(8,040,124)</u>
<b>Financing Activities</b>		
Government Contribution (Capital Subventions)	5,126,000	4,457,000
Deferred Income	(4,975,063)	(4,183,611)
<b>Net cashflow generated from financing activities</b>	<u>150,937</u>	<u>273,389</u>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	192,810	15,637,348
<b>Cash and cash equivalents at the beginning of the year</b>	<u>(30,752,732)</u>	<u>(46,390,062)</u>
<b>Cash and cash equivalents at end of the year</b>	<u>(30,559,922)</u>	<u>(30,752,714)</u>
<b><u>Cash &amp; Cash Equivalents as per Statement of Financial Position</u></b>		
Cash in Hand	125,000	125,000
Bank Overdraft	(30,684,922)	(30,877,714)
<b>Total</b>	<u>(30,559,922)</u>	<u>(30,752,714)</u>



**GOVERNMENT INFORMATION AGENCY -  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 1. BACKGROUND**

The Government Information Agency (GINA) was established on 15 October, 2001 via a Cabinet Decision as a subvention agency under the Office of the President and served as a replacement for the Ministry of Information and the Guyana Information Service.

The vision of GINA is to present a 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.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**(a.) Accounting Concept & Convention**

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). All transactions are reported in Guyana Dollars.

**(b.) Depreciation & Amortisation**

Depreciation/Amortisation is calculated using the "Straight Line Method" and is based on the following rates per annum:

Motor Vehicles	10%
Office Furniture/PBX System	5%
Office Equipment	10%
Video/Editing Equipment	20%
Mini Recorders	25%

**c.) Stocks**

Stocks are valued at the lower of cost or net realizable value and cost is arrived at using the "First-in, First-out" (FIFO) method.

**d.) Government Contribution**

Contributions from the Government are only recognized when received and when there is reasonable assurance that the Agency will comply with any conditions attached to it.

Contributions received as compensation for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which it was received. Those relating to assets are presented as deferred income and are amortised over the expected useful life of the assets.

**GOVERNMENT INFORMATION AGENCY  
NOTES TO THE ACCOUNTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 3. KEY MANAGEMENT PERSONNEL & DIRECTORS REMUNERATION**

Key Management Personnel: The sum of \$10,841,604 was paid to five (5) key management employees for the year 2008.

Board of Directors: GINA does not have a Board of Directors.

**NOTE 4. NON-CURRENT ASSETS SCHEDULE**

Description	Motor Vehicles \$	Equipment \$	Total \$
Cost/Valuation at Jan 1, 2008	7,301,000	38,840,925	46,141,925
Additions (8827 A/C)	2,600,000	5,146,784	7,746,784
Disposals	-	-	-
Revaluation	-	-	-
<b>Cost/Val Dec 31, 2008</b>	<b>9,901,000</b>	<b>43,987,709</b>	<b>53,888,709</b>
Acc. Dep'n at Jan 1, 2008	2,301,016	13,422,507	15,723,523
Depreciation - Current Year	751,767	4,223,296	4,975,063
Disposals	-	-	-
<b>Acc. Dep'n @ Dec 31, 2008</b>	<b>3,052,783</b>	<b>17,645,803</b>	<b>20,698,586</b>
<b>NBV at Dec 31, 2007</b>	<b>4,999,984</b>	<b>25,418,418</b>	<b>30,418,402</b>
<b>NBV at Dec 31, 2008</b>	<b>6,848,217</b>	<b>26,341,906</b>	<b>33,190,123</b>

**Breakdown of Additions to Equipment at Cost**

Description	Amount (\$)
Office Furniture	549,444
Office Equipment	1,776,561
Video/Editing Equipment	2,820,779
<b>Total</b>	<b><u>5,146,784</u></b>

**GOVERNMENT INFORMATION AGENCY  
NOTES TO THE ACCOUNTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 4. RECEIVABLES**

Description	2008	2007
	\$	\$
Sundry Debtors	79,593,259	47,741,552
Staff Loans	532,160	-
<b>Total</b>	<b>80,125,419</b>	<b>47,741,552</b>

**NOTE 5. GOV'T CAPITAL CONTRIBUTION**

Description	2008	2007
	\$	\$
Balance b/f	12,626,534	12,353,145
Capital Subvention Received	5,126,000	4,457,000
Deferred Income	(4,975,063)	(4,183,611)
<b>Balance</b>	<b>12,777,471</b>	<b>12,626,534</b>

**NOTE 6. ACCUMULATED SURPLUS/(DEFICIT)**

Description	2008	2007
	\$	\$
Accumulative Surplus/(Deficit) at Jan 01	26,138,824	1,530,457
Prior Year Adjustment	-	-
<b>Adjusted Accum. Surplus/(Deficit)</b>	<b>26,138,824</b>	<b>1,530,457</b>
Surplus/(Deficit) for Current Year	17,984,683	24,608,367
<b>Accumulative Surplus/(Deficit) at Dec 31</b>	<b>44,123,507</b>	<b>26,138,824</b>

**NOTE 7. BANK OVERDRAFT**

Description	2008	2007
	\$	\$
Scotia Bank A/C # 8827	861,557	(1,027,040)
Scotia Bank A/C # 9161	(31,546,479)	(29,850,674)
<b>Balance</b>	<b>(30,684,922)</b>	<b>(30,877,714)</b>

**GOVERNMENT INFORMATION AGENCY  
NOTES TO THE ACCOUNTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 8. PAYABLES**

Description	2008 \$	2007 \$
Sundry Creditors	16,625,715	-
Accruals	445,909	-
<b>Total</b>	<b>17,071,624</b>	<b>-</b>

**NOTE 9. EMPLOYMENT COST**

Expenditure under this category comprises of the following:

Description	2008 \$	2007 \$
Salaries	31,426,548	27,802,938
Gratuity	6,256,071	6,048,956
Stipend	1,157,919	746,060
Honorarium	63,535	343,319
PAYE	7,296,266	8,013,611
Employer NIS	4,138,980	3,340,091
Advances	1,287,160	844,544
Other Deductions	235,605	-
<b>Total</b>	<b>51,862,084</b>	<b>47,139,519</b>

**NOTE 10. MATERIALS, EQUIPMENT & SUPPLIES**

Expenditure under this category comprises of the following:

Description	2008 \$	2007 \$
Medical Supplies	24,675	365,658
Office Materials & Supplies	4,682,758	5,773,799
Printing & Non -Printing Materials	142,362,919	122,829,631
<b>Total</b>	<b>147,070,352</b>	<b>128,969,088</b>

**GOVERNMENT INFORMATION AGENCY  
 NOTES TO THE ACCOUNTS (Cont'd)  
 FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 11. RENTAL & MAINTENANCE OF BUILDINGS**

Expenditure under this category comprises of the following:

Description	2008 \$	2007 \$
Maintenance of Building	3,235,552	-
Cleaning Supplies	184,317	515,080
<b>Total</b>	<b><u>3,419,869</u></b>	<b><u>515,080</u></b>

**NOTE 12. TRANSPORT, TRAVEL & POSTAGE**

Expenditure under this category comprises of the following:

Description	2008 \$	2007 \$
Traveling and Subsistence	1,796,789	629,260
Postage	857,198	469,742
<b>Total</b>	<b><u>2,653,987</u></b>	<b><u>1,099,002</u></b>

**NOTE 13. MAINTENANCE OF EQUIPMENT**

Expenditure under this category comprises of the following:

Description	2008 \$	2007 \$
Maintenance of AC Units	-	-
Maintenance of Copier & Fax	-	-
Maintenance of Other Equipment	858,594	2,403,541
<b>Total</b>	<b><u>858,594</u></b>	<b><u>2,403,541</u></b>

**GOVERNMENT INFORMATION AGENCY  
 NOTES TO THE ACCOUNTS (Cont'd)  
 FOR THE YEAR ENDED 31 DECEMBER, 2008**

**NOTE 15. UTILITY CHARGES**

Expenditure under this category comprises of the following:

<b>Description</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Telephone Charges	1,482,070	2,199,561
Electricity Charges	3,900,000	2,100,000
Water Charges	-	17,035
<b>Total</b>	<b>5,382,070</b>	<b>4,316,596</b>

**NOTE 16. OTHER SERVICES PURCHASED**

Expenditure under this category comprises of the following:

<b>Description</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Weeding	165,000	-
Other Cleaning Services	81,821	331,918
Other Services Purchased	2,007,917	972,033
<b>Total</b>	<b>2,254,738</b>	<b>1,303,951</b>

**NOTE 17. OTHER OPERATING EXPENSES**

Expenditure under this category comprises of the following:

<b>Description</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
National & Other event	821,356	2,430,286
Meals and Refreshment	3,043,903	2,887,249
Website Ads	-	-
Others	443,504	770,522
Training	157,013	-
<b>Total</b>	<b>4,465,776</b>	<b>6,088,057</b>



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182/SO: 31/2/2014

25 July 2014

Mr. Neaz Subhan  
Director  
Government Information Agency  
Area "B" Homestretch Avenue  
Georgetown.

Dear Mr. Subhan,

**AUDIT OF THE BOOKS AND ACCOUNTS OF THE  
GOVERNMENT INFORMATION AGENCY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

Following the audit of the financial statements of the Government Information Agency (GINA) for the year ended 31 December 2008, the findings hereunder were discussed with the accounting personnel within your organization and are now referred to you for appropriate action.

2. Our audit was conducted in accordance with Generally Accepted Auditing Standards, including those of INTOSAI and the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

3. The main purpose of the audit was to express an opinion on the financial statements and evaluate the operations of Agency to ascertain whether:

- (i) The financial statements have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of 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 an account have been applied to the purpose or purposes for which they were intended; and

- (v) Essential records are maintained, and the internal management controls and rules and procedures established and applied are sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS  
BALANCE SHEET

Non-Current Assets - \$33,190,123

4. Findings

The Agency did not maintain a Fixed Asset register to show the cost, accumulated depreciation and net book value of all assets owned by the Agency. An examination of the record presented purporting to be a fixed asset register revealed that pertinent information such as cost, accumulated depreciation and net book value was not included. In addition, a physical verification of the assets revealed that several items were not marked so that they can be easily identified as the property of GINA.

Effect

As a result of the above, the completeness, accuracy and validity of the amount shown as fixed assets could not be verified.

Audit Recommendation

The Audit Office recommends that the Management of GINA take immediate steps to implement and maintain a fixed asset register as required by existing regulations. Also, efforts should be made to have all items marked so as to facilitate easy identification.

Management's Comments

Management of the Agency has taken the recommendation of the Audits. The Agency has now set up a computerised Fixed Assets register which we will sustain and, GINA is now engraved on all the assets.

Receivables - \$80,125,419

5. Findings

The amount of \$80.125M is stated in the balance sheet as receivables. A comparison between the previous and current years' receivables revealed that this amount increased by \$32.384M and there was no evidence to indicate that stringent action was taken to recover these debts. In addition, an approved documented policy on debt collection and write-off was not presented for audit.



The Audit Office sought to independently confirm seventeen of the balances shown on the receivables' listing. At the time of reporting one negative response was received. Details of these can be obtained from the Audit Office.

Effect

In the absence of an approved documented policy, it could not be determined whether there was effective control over the recovery of debts.

Audit Recommendation

The Audit Office recommends that the management of GINA take steps to have an approved documented policy established and implemented.

Management's Comments

Management of the Agency will put measures in place to have an approved documented policy established and implemented.

Inventory \$755,747

6. Findings

Despite repeated requests, stock ledgers, bin cards and stores ledgers were not presented for audit examination. This is a breach of established stores regulations and non compliance with sound accounting practices. In addition, certified year end stock count sheets were not prepared and maintained to validate the quantity and value of stock at the end of the year.

Effect

As a result of the above, the completeness, accuracy and validity of the amount shown as stocks could not be verified.

Audit Recommendation

The Audit Office recommends that the Management of GINA take immediate steps to implement and maintain the required stores records as required by existing regulations. Also, annual year end stock count should be done and certified stock count sheets kept.

Management's Comments

Management of the Agency have set up an Accounting computerised system for its inventory. The Agency's inventory is maintained in our Peachtree Accounting system. An annual year end stock count is usually done.

General

7. The Audit Office wishes to express its gratitude for the co-operation given to the staff during the audit. In keeping with the requirement of the Audit Act 2004, a reply to this report is expected within thirty (30) days of its receipt.

With kind regards.

Yours sincerely,

  
D. Pearson  
Audit Manager  
for Auditor General  
**AUDIT OFFICE**  
**OF GUYANA**