

**AUDITED FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION**

**FOR THE YEAR ENDED
31 DECEMBER 2013**

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

AUDITED FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013

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Audit Office of Guyana

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206/OA: 22/2/2014

25 September 2014

Ms. Amanda Jaisingh
Chief Executive Officer
Integrity Commission
94 Carmichael Street
North Cummingsburg
Georgetown.

Dear Ms. Jaisingh,

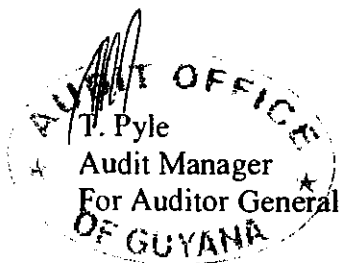
**AUDIT OF THE BOOKS AND ACCOUNTS OF THE
INTEGRITY COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013**

Please find attached four copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,





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AG: 77/2014

25 September 2014

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE COMMISSION
OF THE INTEGRITY COMMISSION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the accompanying financial statements of the Integrity Commission, which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. 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.

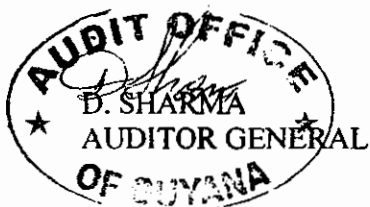
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

Included in the statement of financial position is the sum of \$1.469M which is shown as a suspense account. This resulted from significant irregularities which occurred in the accounts prior to the year 2008, which have not been corrected. In the circumstance, one or more accounts could be under/overstated.

Opinion

Except for any adjustments which might have been shown to be necessary as a result of the matter referred to in the preceding paragraph, in my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Integrity Commission as at 31 December 2013, 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

INTEGRITY COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT YEAR ENDED 31 DECEMBER 2013

	Notes	2013	2012
ASSETS		\$	\$
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	4	2,036,876	331,895
		<u>2,036,876</u>	<u>331,895</u>
<u>CURRENT ASSETS</u>			
Prepayments		1,226,714	1,098,214
Cash & Cash Equivalents	5	0	0
		<u>1,226,714</u>	<u>1,098,214</u>
TOTAL ASSETS		<u>3,263,590</u>	<u>1,430,109</u>
<u>EQUITY AND LIABILITIES</u>			
Government Contribution	6	997,809	1,068,871
Accumulated Deficit		(979,160)	(1,107,660)
Revaluation		1,776,043	0
Suspense Account		1,468,898	1,468,898
		<u>3,263,590</u>	<u>1,430,109</u>

These financial statements were approved for issuance on the 18/09/2014

Amanda Jaisingh
Amanda Jaisingh
Secretary/CEO

Omar Shariff
Omar Shariff
Permanent Secretary



INTEGRITY COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
INCOME			
Government Subvention - Current	7	16,497,000	17,921,000
Deferred Income		619,988	<u>531,390</u>
TOTAL INCOME		<u>17,116,988</u>	<u>18,452,390</u>
EXPENDITURE			
Administrative Expenses	8	12,846,573	12,913,139
Other Expenses	9	2,440,136	3,681,812
Utility Charges	10	1,081,791	227,835
Depreciation		619,988	531,390
TOTAL EXPENDITURE		<u>16,988,488</u>	<u>17,354,176</u>
Net Surplus/(Deficit)		<u>128,500</u>	<u>1,098,214</u>

INTEGRITY COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2013

	2013	2012
	\$	\$
Balance as at 01 January, 2013	(1,107,660)	(2,205,874)
Surplus/(Deficit) for year	128,500	1,098,214
Balance as at 31 December, 2013	<u>(979,160)</u>	<u>(1,107,660)</u>

INTEGRITY COMMISSION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDING 31 DECEMBER 2013

	2013	2012
Operating Activities	\$	\$
(Deficit)/Surplus for the year	128,500	1,098,214
Adjustments for : Depreciation	<u>619,988</u>	<u>531,390</u>
Operating (Surplus)/Deficit before changes in working capital	748,488	1,629,604
Operating Surplus/Deficit before changes in operating Assets and liabilities		
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Prepayments	(128,500)	(322,585)
Increase/(Decrease) in Payables	-	-
Increase/(Decrease) in Suspense Account	-	<u>(772,629)</u>
Net cashflow generated from Operating Activities	<u>619,988</u>	<u>534,390</u>
 Investing Activities		
Purchase of Fixed Assets	<u>(548,926)</u>	<u>-</u>
Net cashflow generated from Investing Activities	<u>(548,926)</u>	<u>-</u>
 Financing Activities		
Government Contribution	<u>(71,062)</u>	<u>(531,390)</u>
Net cashflow generated from Financing Activities	<u>(71,062)</u>	<u>(531,390)</u>
 Net increase/(Decrease) in cash & cash equivalents	-	(3,000)
Cash and Cash Equivalents at the beginning of the year	<u>-</u>	<u>(3,000)</u>
Cash and Cash Equivalents at end of the year	<u><u>-</u></u>	<u><u>-</u></u>

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1. Background

The Integrity Commission was established on the 24th September, 1997 and consist of a chairman and no less than two (2) nor more than four (4) other members. The chairman of the commission shall be a person who is or who was qualified to be a Puisne Judge of the High Court or any other fit and proper person and the other members appearing to the President as having experience and show capacity in law, public administration, social service, finance or accountancy or any other discipline. The chairman and other members are appointed by the President after consultation with the minority Leader and they can either be full time or part time. The names of the chairman and other members upon the establishment of the Commission and any change in membership shall be published in the Gazette and in a daily newspaper. The Commission is also a body corporate.

The vision of the Commission is: "Improved public confidence in the integrity of holders of public office and the mission statement is: "Securing the integrity of persons in public life". The objective of the Commission is to secure the integrity of persons in public life through their compliance with the provisions of the Integrity Commission Act No. 20 of 1997. The Secretariat consists of a Secretary/Chief Executive Officer and five (5) staff members. The Commission also had three (3) Commissioners as at 28th May, 2012 when the life of the Commission came to an end on the said date.

Note 2. Basis of Preparation:

These accounts have been prepared according to the Accrual Concept and follows the International Financial Reporting Standards principles and policies.

Note 3. Significant Accounting Principles & Policies:

Basis of Accounting:

These accounts have been prepared under the historical cost conventions as modified by the revaluations as assets, the assets obtained from the Office of the President were value at the current market prices as at 1st January, 2000.

Fixed Assets:

Depreciation is provided using fixed percentage on the straight line method at the following rates:-

Furniture & Fixtures	12.5%
Office Equipment	20%

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

Note 4. Property, Plant & Equipment

Description	Furniture & Fixtures	Office Equipment	Total
	\$	\$	\$
Costs as at 01 January, 2013	1,719,651	0	1,719,651
Revaluation	0	1,776,043	1,776,043
Additions	81,948	466,978	548,926
Disposal	0	0	0
Cost as at 31 December, 2013	1,801,599	2,243,021	4,044,620
Accumulated Dep'n as 1 Jan, 2013	1,387,756	0	1,387,756
Depreciation charge for the year	220,078	399,910	619,988
Disposal	0	0	0
Accumulated Dep'n as 31 Dec, 2013	1,607,834	399,910	2,007,744
Net Book Value as at 01 Jan, 2013	413,843	274,436	688,279
Net Book Value as at 31 Dec, 2013	193,765	1,843,111	2,036,876

NOTE 5. CASH & CASH EQUIVALENTS

Description	2013 \$	2012 \$
Cash in Hand	-	-
Cash in Bank	-	-
Closing balance	0	0

All unspent funds were returned to the consolidated funds.

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 6. GOVERNMENT CONTRIBUTION

Description	2013 \$	2012 \$
Opening balance	1,068,871	1,600,261
Received for the year	686,000	-
Refund to unspent balance to OP	(137,074)	
Deferred Income	(619,988)	(531,390)
Closing balance	997,809	1,068,871

NOTE 7. GOVERNMENT SUBVENTION:

The Commission received subvention totaling \$16,497,000 from the Government of Guyana for the period January 2013 to December 2013.

Note 8. Administrative Expenses

Description	2013 \$	2012 \$
Employment Costs	9,755,510	9,884,481
Stationery and Office Supplies	1,731,830	1,538,061
Travelling	47,860	37,760
Postages	22,176	0
Maintenance of Building, Office Equipment & Furniture & Fittings	1,109,978	1,252,487
Extermination Services	83,708	54,092
Refreshment and Meals	95,511	146,258
Total	12,846,573	12,913,139

Key Management personnel

The sum of \$9,755,510 shown as employment Costs includes amounts totalling \$3,796,128 which were paid to two (2) key management employees for the year 2013 as follows:

Ms. Amanda Jaisingh - Secretary/C.E.O	2,977,080
Ms. Vidyantie Bacchus - Accounts Clerk	819,048
	<u>3,796,128</u>

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013

Note 9. Other Expenses

Description	2013 \$	2012 \$
Miscellaneous	928,386	808,156
Bank charges	6,500	15,300
Refund to unspent balance to OP	1,505,250	2,858,356
Total	2,440,136	3,681,812

Note 10. Utility Charges

Description	2013 \$	2012 \$
Electricity	570,517	67,982
Telephone	265,478	99,661
Water	245,796	60,192
Total	1,081,791	227,835



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265/OA: 22/2/2014

25 September, 2014

Ms. Amanda Jaisingh
Chief Executive Officer
Integrity Commission
94 Carmichael Street
North Cummingsburg
Georgetown.

Dear Ms. Jaisingh,

AUDIT OF THE BOOKS AND ACCOUNTS OF
THE INTEGRITY COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2013

Following the audit of the financial statements of the Integrity Commission, for the year ended 31 December 2013, 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 Commission to ascertain whether:

- (i) The financial statements have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of the Commission;
- (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 were maintained, and the internal management controls and rules and procedures established and applied were sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. STATEMENT OF FINANCIAL POSITION

Fixed Assets - \$2,036,876

4. An audit examination of the Fixed Assets register with regards to Furniture and Fixtures revealed that accumulated depreciation totalling \$1,198,433 for the assets valued at \$788,953, prior to 2009 exceeded the cost of said assets, resulting in a negative net book value of \$409,480.

Audit Recommendation

The Audit Office recommends that the Management of the Commission take the necessary steps to have all Furniture and Fixtures revalued by a certified Valuation Officer as soon as possible, so as to avoid a reoccurrence of this nature.

Management's Comments

Management acknowledges this shortcoming and explained that assets prior to 2008 cannot be identified due to improper record keeping, therefore extending the useful life of the assets amounting to \$788,953. Necessary measures will be taken to correct such.

Suspense Account- \$1,468,898

5. The amount of \$1.469M stated as Suspense Account for the period reviewed remained static when compared with the previous accounting period. No details for this account was provided, hence, one or more accounts would have been under/over stated and could not be validated. As a result, the completeness, accuracy and validity of the amount stated could not be determined.

Audit Recommendation

The Audit Office recommends that the Management of Integrity Commission take immediate action to have this investigated and the relevant adjustments made.

Management's Comments

Management acknowledges this short coming and explained that this is due to improper record keeping, irregularities and misappropriation of funds prior to 2008.

B. STATEMENT OF COMPREHENSIVE INCOME

Expenditure \$16,988,488

Administrative Expenses: \$12,846,573

6. Included in the sum expended as Administrative Expenses is the sum of \$9.756M which was in relation to Employment Cost. An examination of payroll, deductions' files and other related records, revealed that deductions for Pay As You Earn (PAYE) were not made for two Officers with regards to the approved 5% increase for the period under review. See appendix I for details.

Audit Recommendation

The Audit Office recommends that the Management of the Commission put measures in place to avoid a reoccurrence of this situation.

Management Comments

Management acknowledges this oversight and explained that this will not happen in the future and the necessary payments will be made.

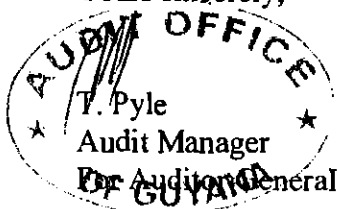
C. GENERAL

7. In keeping with Part II Section 1 of the Integrity Commission Act No. 20 of 1997 "The Commission shall consist of a chairman and not less than two or four members", however, it was noted that during the year of audit there was no appointed and functioning chairman, since the contract of the Commissioners came to an end.

8. 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 ten (10) days of its receipt.

With kind regards.

Yours sincerely,



Appendix

Instances where PAYE deductions were not made from the 5% in salaries

Name of Employee	Designation	Basic Salary \$	Amount per month \$	Amount Retro. \$	PAYE \$
Rohika Jaikarran	Clerical Officer	68,254	3,413	40,952	12,286
Vidyantie Pritipaul	Accounts Clerk	68,254	3,413	40,952	12,286
Total		136,508	6,825	81,905	24,571