

**AUDIT OF THE FINANCIAL STATEMENTS OF  
THE GUYANA CIVIL AVIATION AUTHORITY**

**FOR THE YEAR ENDED  
31 DECEMBER 2010**

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

AUDIT OF THE FINANCIAL STATEMENTS OF  
THE GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

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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>*

346/CA: 2/2016

22 September 2016

Lt. Col. Egbert Field  
Director General  
Guyana Civil Aviation Authority  
73 High Street, Kingston  
Georgetown.

Dear Lt. Col. Field,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

We wish to inform you that the audit of the above-mentioned Authority has been completed. Accordingly, we are pleased to forward two (2) copies 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,

  
T. Pyle  
Audit Manager  
for Auditor General





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347/CA: 2/2016

22 September 2016

Mr. Balraj Balram  
Permanent Secretary  
Ministry of Public Infrastructure  
Wight's Lane, Kingston  
Georgetown.

Dear Mr. Balram,

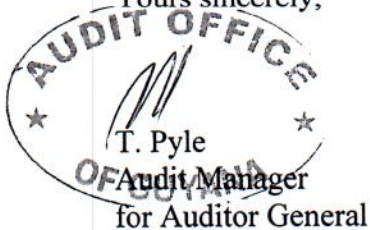
AUDIT OF THE FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

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

With kind regards.

Yours sincerely,

  
T. Pyle  
Audit Manager  
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AG: 56/2016

22 September 2016

REPORT OF THE AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

I have audited the accompanying financial statements of the Guyana Civil Aviation Authority, which comprise the statement of financial position as at 31 December 2010, 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*

The amount of \$531,099,609 was shown as Property, Plant and Equipment. However, a Fixed Assets Register was not produced for audit examination. As a result, the completeness, accuracy and validity of the amount of \$531,099,609 shown as Property, Plant and Equipment could not be verified.

An amount of \$20,992,454 was stated as Suspense Account for the year under review. However, no details and nature of this account was provided, hence, one or more accounts were under/overstated and could not be validated. As a result, the completeness, accuracy and validity of the amount stated could not be determined.

*Qualified Opinion*

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements give a true and fair view, in all material respects, of the financial position of Guyana Civil Aviation Authority as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.




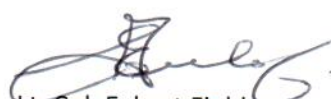
AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN GUYANA

**Guyana Civil Aviation Authority**  
**Statement of Financial Position**  
**As at 31 December 2010**

	Notes	2010 G\$	2009 G\$
<b>Assets</b>			
Property Plant & Equipment	3	531,099,609	570,747,019
<b>Current Assets</b>			
Debtors	4	195,371,994	119,258,972
Prepayments	5	159,240	99,780
Bank Balance	6	612,737,269	411,007,509
Suspense account		20,992,454	2,764,485
<b>Total Assets</b>		1,360,360,566	1,103,877,765
 <b>Equity and Liabilities</b>			
Financed by			
Accumulated Fund	7	1,373,635,669	1,233,635,669
Accumulated Surplus/Deficit	8	(31,828,243)	(174,830,008)
		1,341,807,426	1,058,805,661
 <b>Current Liabilities</b>			
Account Payables	9	14,357,808	41,035,670
Accruals	10	4,195,332	4,036,434
		18,553,140	45,072,104
<b>Total Equity and Liabilities</b>		1,360,360,566	1,103,877,765

These Financial statements were approved for issue on 2016/9/8

  
 Marcia Lespoir Clarke  
 Accountant

  
 Lt. Col. Egbert Field  
 Director General

**Guyana Civil Aviation Authority**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2010**

	Notes	2010 G\$	2009 G\$
<b>Income</b>			
Licences		2,316,000	2,880,720
Airworthiness Certificates		15,655,000	14,365,000
Aircraft Maintenance Organisations		1,000,000	-
AOC's		1,533,015	430,000
International Overflights		385,636,461	230,989,672
International Arrivals and Departures		93,677,837	85,410,500
Domestic Flights		34,160,780	24,794,690
Fees and Fines		5,077,160	4,808,436
AIP		4,206,790	574,490
ATM Licence		534,482	1,369,810
Other		-	75,000
Interest on investment		-	11,800,520
<b>Total Income</b>		<b>543,797,525</b>	<b>377,498,838</b>
<b>Expenditure</b>			
Employment Costs	11	277,960,610	269,323,641
Expenses Specific to the Agency		-	360,000
Materials Equipment and Supplies		5,019,366	4,908,880
Fuel and Lubricants		2,444,949	2,720,895
Rental and Maintenance of Buildings		8,920,354	4,884,347
Maintenance of Infrastructure		1,256,041	4,638,192
Transport Travel and Postage		3,761,341	2,229,769
Utility Charges		8,762,943	9,234,249
Other Goods and Services Purchased		23,359,324	22,252,097
Other Operating Expenses		3,279,374	5,002,243
Training		10,790,444	7,192,199
Depreciation		55,241,014	54,553,849
<b>Total Expenditures</b>		<b>400,795,760</b>	<b>387,300,361</b>
<b>Net Surplus /(Deficit)</b>		<b>143,001,765</b>	<b>(9,801,523)</b>



**Guyana Civil Aviation Authority**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2010**

	<b>Accumulated Surplus</b>	<b>Accumulated Fund</b>	<b>Total</b>
Opening Balance 01/01/2009	(165,028,485)	1,203,635,669	1,038,607,184
Government Capital Funds		30,000,000	30,000,000
Net loss for the year	(9,801,523)		(9,801,523)
<b>Balance as at 31/12/2009</b>	<b>(174,830,008)</b>	<b>1,233,635,669</b>	<b>1,058,805,661</b>
Balance as at 01/01/2010	(174,830,008)	1,233,635,669	1,058,805,661
Capital grant		140,000,000	140,000,000
Net loss for the year	143,001,765		143,001,765
<b>Balance as at 31/12/2010</b>	<b>(31,828,243)</b>	<b>1,373,635,669</b>	<b>1,341,807,426</b>

**Guyana Civil Aviation Authority**  
**Statement of Cash Flows**  
**For the year ended 31 December 2010**

	2010	2009
	G\$	G\$
Operating income	143,001,765	(9,801,523)
<b>Adjustments</b>		
Depreciation	55,241,014	54,553,849
Suspense account	(18,227,969)	3,543,924
Operating Surplus /Deficit before changes in working capital	<u>180,014,810</u>	<u>48,296,250</u>
Loss on disposal of assets		
(Increase)/decrease in accounts receivables	(76,113,022)	4,841,681
(Increase)/decrease in prepaid expenses	(59,460)	194,220
increase/ (decrease) in accounts payable	(26,677,862)	25,596,581
Decrease/( decrease) in accruals	<u>158,898</u>	<u>1,876,210</u>
<b>Net Cash Flow from operating activities</b>	77,323,364	80,804,942
Cash flow investing activities		
Purchase of equipment	(15,593,604)	(416,376,450)
Financing activities		
Government Capital funds	<u>140,000,000</u>	<u>30,000,000</u>
<b>Net increase/decrease in cash and cash equivalent</b>	201,729,760	(305,571,508)
<b>Summary</b>		
Cash \ equivalent at start	411,007,509	716,579,017
cash \ equivalent at end	<u>612,737,269</u>	<u>411,007,509</u>
Net increase/decrease in cash equivalent	201,729,760	(305,571,508)

**Guyana Civil Aviation Authority**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2010**

1. **Background of the entity**

The Guyana Civil Aviation Authority (GCAA) was established in March 2002 by Act No. 10 of 2000. The accounting functions were taken over from the Ministry of Public Works in August 2002. The Authority is divided into four Directorates namely Director of Air Navigation Services, Director of Aviation Safety Regulations, Director of Air Transport Management and Director of Finance and Administration.

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Authority have been prepared in accordance with International Financial Reporting Standards, using the Accrual accounting convention, Assets are carried at historical cost (reduced by depreciation-actual and notional) and where historical cost is unavailable the estimated replacement cost have been used,

Government subvention/grants have been accounted for in accordance with **IAS 20** *Accounting for Government Grants and Disclosure of Government Assistance*.

A professional valuation is still to be done to confirm the relevant values and useful life span of our Navigation Equipment and related assets. Amounts carried in the balance sheet are our best estimates of replacement cost from available market prices (obtained by way of quotes and prices used in similar recent transactions).

A Pension Scheme was set up for the benefit of the employees of the Authority in 2002. The nature of the scheme is a Defined Benefit scheme and 15% of each permanent employee's basic salary is contributed by the Authority. No contribution is made by employees. Hand-in-Hand insurance company is the Manager of the scheme and three employees of the Authority were nominated as trustees.

Expenses for the Authority is broken down into employment cost and other charges

Employment cost: It is broken down into two headings which are wages and salary (code 101-107) of which 106 represent contracted employees and 107 temporary employees and employment overhead (201-205), 201 represent overtime for employees, 202 incentives, 203 benefits and allowance, 204 NIS for employee and employer and 205 pensions for employees.

**Guyana Civil Aviation Authority**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2010**

2. **Principal Accounting Policies**

a. **Basis of Presentation**

The Financial Statement has been prepared in accordance with International Financial Reporting Standards.

b. **Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention and modified to include the revaluation of assets where necessary.

c. **Income and Expenditure Recognition**

The Financial Statements have been prepared on the accrual basis. Income is recognized in the period in which it has been earned and not necessarily when collected while expenditure is recorded in the period in which it has been incurred. However all income stated in the financial statements are those which have been actually earned by the Authority.

d. **Depreciation**

Assets are depreciated using the straight line depreciated method. (See schedule Attached) at note 3.

<b>Asset Categories</b>	<b>Depreciation rate %</b>
Land & Building	2.5
Plant & Machinery	3.59
Fixtures & Fittings	4.67
Computer equipment	6.5
Electrical equipment	4.99
Motor Vehicle	5.28
Office Furniture	4.53
General equipment	9.34

3. **Property Plant & Equipment (See attached) Page 10**

**Note 3**

**Guyana Civil Aviation Authority  
Depreciation Schedule 2010  
Asset Categories**

	Land & Building	Plant & Machinery	Fixtures & Fittings	Computer Equipment	Electrical Equipment	Motor Vehicle	Office Furniture	General Equipment	Total
<b>Cost (Estimated)</b>									
Balance as at 01/01/2010	240,997,111	662,640,802	19,288,096	12,588,378	419,035,358	24,088,464	12,838,708	2,760,077	1,394,236,994
Additions for the year	-	9,224,876	-	1,004,683	4,334,711	-	452,310	577,024	15,593,604
Total as at 31/12/2010	240,997,111	671,865,678	19,288,096	13,593,061	423,370,069	24,088,464	13,291,018	3,337,101	1,409,830,598
<b>Accumulated Depreciation</b>									
Balance as at 01/01/2010	93,315,636	657,952,082	17,006,106	5,804,522	29,387,076	10,899,366	8,610,405	514,782	823,489,975
Charges for the year	6,024,928	24,119,978	900,754	883,549	21,126,166	1,271,871	602,083	311,685	55,241,014
Total Acc. Dep. As at 31/12/2010	99,340,564	682,072,060	17,906,860	6,688,071	50,513,242	12,171,237	9,212,488	826,467	878,730,989
<b>Net Book Value (2010)</b>	<b>141,656,547</b>	<b>-10,206,382</b>	<b>1,381,236</b>	<b>6,904,990</b>	<b>372,856,827</b>	<b>11,917,227</b>	<b>4,078,530</b>	<b>2,510,634</b>	<b>531,099,609</b>
<b>Net Book Value (2009)</b>	<b>147,681,475</b>	<b>4,688,720</b>	<b>2,281,990</b>	<b>6,783,856</b>	<b>389,648,282</b>	<b>13,189,098</b>	<b>4,228,303</b>	<b>2,245,295</b>	<b>570,747,019</b>

**Guyana Civil Aviation Authority**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2010**

4. **Debtors**

Debtors are reflected as G\$195,371,994 which shows monies outstanding for Air Navigation charges. Please see breakdown below.

Description	2010 G\$	2009 G\$
Overflight	121,775,537	62,591,910
Arrival & Departure	30,438,859	19,927,648
Domestic	43,157,598	36,739,414
<b>Total</b>	<b>195,371,994</b>	<b>119,258,972</b>

5. **List of prepayments for 2010 and 2009**

List of prepayments (expenses paid in advance) are attached for 2010

Description	2010 G\$	2009 G\$
Prepayment	159,240	99,780

6. **Bank balances**

Bank balances at the end of 2010 showed the total of \$612,737,269 available to cover expenses. See breakdown:

Banks & Balances	2010 G\$	2009 G\$
Bank of Guyana	94,818,851	21,982,090
Republic Bank	56,905,933	68,012,934
Nova Scotia Bank	461,012,485	321,012,485
<b>Total</b>	<b>612,737,269</b>	<b>411,007,509</b>

7. **Accumulated Fund**

Accumulated fund comprises the value of all assets transferred to the Authority, All capital grants received, total opening balances of Accounts Receivables obtained from CJIA in September 2004 and additions.

**Guyana Civil Aviation Authority**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2010.**

8. **Accumulated surplus/deficit**

<b>Balances</b>	<b>2010 G\$</b>	<b>2009 G\$</b>
Balance at 1/1/2010	(174,830,008)	(165,028,485)
Injection/Income for 2010	143,001,765	(9,801,523)
<b>Balance as at 31/12/2010</b>	<b>(31,828,243)</b>	<b>(174,830,008)</b>

9. **List of payables**

<b>Line Item</b>	<b>2010 G\$</b>	<b>2009 G\$</b>
Employment Costs	12,057,264	8,777,039
Materials Equipment	101,786	30,000
Utility charges	821,738	364,649
Other goods and services purchased	721,220	-
Other operating expenses	96,190	808,982
Capital expenses	559,610	31,055,000
<b>Total</b>	<b>14,357,808</b>	<b>41,035,670</b>

10. **List of Accruals.**

<b>Line Item</b>	<b>2010 G\$</b>	<b>2009 G\$</b>
Employment Costs	2,291,242	2,621,525
Materials Equipment and Supplies		3,600
Fuel and Lubricants	135,282	217,036
Utility Charges	1,090,758	1,193,273
Other goods and services purchased	678,050	1,000
<b>Total</b>	<b>4,195,332</b>	<b>4,036,434</b>

**Guyana Civil Aviation Authority**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2010.**

11. **Employment Cost**

(a) Total employment cost amounted to \$277,960,610 for 2010 and \$269,323,641 for 2009. See breakdown below:

Description	2010 G\$	2009 G\$
Administration	18,091,508	22,164,286
Senior technical	51,700,852	57,415,466
Other technical & craft skilled	74,860,267	67,823,321
Clerical & Office support	14,462,528	13,898,349
Semi-Skilled & Unskilled	5,283,730	4,700,286
Contracted employees	10,682,127	3,524,800
Temporary employees	13,999,682	7,227,752
Other direct labour cost	28,466,452	34,238,063
Benefits and Allowances	30,462,720	29,342,644
National Insurance	7,669,064	6,442,977
Pensions	22,281,680	22,545,697
<b>Total</b>	<b>277,960,610</b>	<b>269,323,641</b>

(b) Included in the employment cost, are the gross salaries for the following key management officers listed below:

Name	Designation	Amount \$
Zulficar Mohamed	Director General	13,731,607
Paula Mc Adam	Director, Air Safety Regulation	9,713,451
Chaitrani Heeralall	Director-ANS (ag)	10,858,6273
Ankar Doobay	Manager-ASR	9,362,047
Mohamed S.Khan	Manager, Personnel Licensing	7,135,356
Rickford Samaroo	Manager, ANS	9,046,059





## *Audit Office of Guyana*

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348 /CA: 2/2016

22 September 2016

Lt. Col. Egbert Field  
Director General  
Guyana Civil Aviation Authority  
73 High Street, Kingston  
Georgetown.

Dear Lt. Col. Field,

AUDIT OF THE FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2010

The audit of the financial statements of the Guyana Civil Aviation Authority (GCAA) for the year ended 31 December 2010 has been completed. The findings hereunder were discussed with the Accountant of the Authority 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 Organization 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 from material misstatements.

3. The main purpose of the audit was to evaluate the operations of the Authority to ascertain whether:

- (a) The financial statements have been properly prepared, in accordance with applicable laws, and properly present the operations and affairs of the Authority;
- (b) The accounts have been faithfully and properly kept;
- (c) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue;
- (d) All monies expended and charged to the accounts have been applied to the purpose or purposes for which they were intended; and

- (e) Essential records are 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. Statement of Financial Position**

Property Plant and Equipment: \$531,099,609

4. The amount of \$531.100M was stated as property plant and equipment for the year under review. An examination of the related records revealed the following observations:

- a) A Fixed Assets Register was not presented for examination. As such, the brought forward cost and the net book value of the assets valued at \$1.394B and \$531.1M respectively could not be verified.

*Recommendation:* The Audit Office recommends that the Management of the Authority seek to implement and maintain the Fixed Assets Register, showing all relevant information pertaining to its assets.

*Management's Response:* The Management explained that the Fixed Assets Register would be set up and installed.

- b) In relation to additions for the year under review, there were 13 payment vouchers totalling \$5.136M which were submitted without the relevant documentation. Also, three assets valued at \$76,362 were not presented for physical verification. (See Appendix I & II).

*Recommendation:* The Audit Office recommends that the Management of the Authority locate the supporting documents for the payment vouchers and present them for examination and have the assets available for physical verification.

*Management's Response:* The Management explained that action would be taken to locate these assets and have them verified, also steps will be taken to introduce a unique asset code and payments vouchers will be investigated and the relevant documents when located will be made available

- c) Master nor sectional inventories were not maintained for the various departments of the Authority contrary to Stores Regulations.

*Recommendation:* The Audit Office recommends that the Management of the Authority put systems in place to ensure adherence to the Stores Regulations.

*Management's Response:* The Management explained that steps will be taken to implement and maintain a master and sectional inventory for all the departments.

5. As a result, the accuracy, completeness and validity of the sum of \$531.1M stated as property plant & equipment could not be verified.

Debtors: \$195,371,994

6. The sum of \$195.372M was stated as debtors for the year under review. An examination of the debtors report and other related records revealed the following observations:

- (i) Invoices in relation to international overflights, arrival and departure and domestic flights totalled \$516.980M, however, the debtors report presented totalled \$498.668M resulting in a difference of \$18.312M. (See Appendix III).
- (ii) In addition, receipts presented for overflights, arrival & departure and domestic flights totalled \$424.010M. However, the debtors report revealed an amount of \$423.002M resulting in a difference of \$1.008M. (See Appendix IV).
- (iii) An examination of the register of receivables revealed that the register was still not updated in a timely manner. This was highlighted in the previous year's report. Statements were not sent to customers on a frequent basis and reconciliations between the receivables control account and individual accounts were not carried out.
- (iv) A Debtor's schedule and age analysis were not presented for the period August to December 2010 for examination.
- (v) Further, there is a significant amount of debts which are long overdue and there was no indication of these are being pursued and recovered in a timely manner. This was reported in the previous accounting period and it seems as though no action has been taken by Management. It should be noted that outstanding debts will have an impact on the cash flow of the Authority.

7. As a result, the accuracy, completeness and validity of the sum of \$195.372M stated as Debtors could not be determined.

*Recommendation:* The Audit Office recommends that the Management of the Authority (i) carry out supervisory checks as part of their internal controls to ensure that figures in the financial statements are more accurately represented; (ii) reconcile the receivables control account with the individual receivables accounts; (iii) prepare a debtors schedule and age analysis report; and (iv) takes necessary actions to ensure payments are received in a timely manner.

*Management's Response:* The Management explained that accounting software package to manage the debtors in a much more organized and speedy manner will be purchased during the year 2016.

Bank Balance \$612,737,269

8. The amount of \$612.737M represents the reconciled balances held at the three bank accounts for the year under review. An examination of the reconciliation statements for bank account numbers 654-782 held at Republic bank and 3254 held at Bank of Guyana revealed that there was no evidence of supervisory checks. In relation to the account held at Bank of Guyana, there were nine stale dated cheques valued at \$150,150 which were not written back to the cash book as at 31 December 2010. (See Appendix V).

*Recommendation:* The Audit Office recommends that the Management of the Authority ensure that the necessary supervisory checks are performed on its reconciliation statements and take the necessary action to have the stale dated cheques written back into the cash book.

*Management's Response:* The Management explained that the bank statements for the Bank of Nova Scotia are not received on a regular basis since withdrawals are not made from this account regularly.

*Follow Up:* Your response is noted, however, Management did not address the findings on the stale dated cheques.

Suspense Account: \$20,992,454

9. An amount of \$20.992M was stated as suspense account for the year under review. However, no details and nature of this account was provided, hence, one or more accounts were under/overstated and could not be validated. This situation was previously reported on in the previous period. As a result, the completeness, accuracy and validity of the amount stated could not be determined.

*Recommendation:* The Audit Office recommends that the Management of the Authority take immediate action to have this account investigated and the relevant adjustments made to the financial statements.

*Management's Response:* The Management explained that the figure is used as a balancing figure in the interim.

*Follow Up:* It should be noted that Suspense Account is an account that is created to store transactions of uncertainty, as such, it would appear that this was not the case since this figure increased by \$18.228M instead of it being cleared.

**B. Statement of Comprehensive Income**

Income: \$543,797,528

10. The amount of \$543.798M was shown as income received during the year under review. However, an examination of related records revealed that an amount of \$1M was received for Aircraft Maintenance Income, this amount could not be traced to the cash book, but was recorded on the financial statements. As a result, the cash book balance was understated.

*Recommendation:* The Audit Office recommends that the Management of the Authority take immediate action to have this amount brought to account in the cash book so as to reflect the true position of the balances.

*Management's Response:* Checks will be carried out regarding the amount stated and the adjustment will be made accordingly.

11. Further, the amount of \$552,827 was reflected on the income schedule for Aeronautical Information Publication (AIP), while the financial statements reflected an amount of \$4.207M resulting in a difference of \$3.654M. As a result, the financial statement was overstated by the said amount.

*Recommendation:* The Audit Office recommends that the Management of the Authority investigates the difference with a view of having the financial statements reflecting the true position of income.

*Management's Response:* Reconciliation will be done to rectify the differences stated.

Expenditure: \$400,795,760

12. An amount of \$400.795M represents expenditure for the year under review. An analysis conducted on all account areas revealed that there were 11 instances totalling \$99,438 where the expenditure ledger differed from the amounts on the financial statements. (See Appendix VI). As a result, the financial statements were overstated by the said amount.

*Recommendation:* The Audit Office recommends that the Management of the Authority investigate the differences and make the necessary adjustments.

*Management's Response:* The Management indicated that the difference mentioned would be investigated and efforts will be made to correct same if found to be incorrect.

13. The Authority owned and operated two vehicles for which Log books were required to be kept. However, log book was only presented for one vehicle and it was observed that purchases of fuel & lubricants for that vehicle were not recorded. As a result of the lack of recording of purchases, it could not be determined how much was expended that was directly attributable to each vehicle.

*Recommendation:* The Audit Office recommends that the Management of the Authority: ensure that log books are properly kept for all vehicles and secured for audit verification.

*Management's Response:* The Management indicated that the purchase of fuel and lubricants were never recorded in the log books prior to 2015. Systems are now in place effective from 2015 to record same in the log books.

14. A Contract Register was not presented for audit examination. In addition, an examination of the contracts revealed that they were not numbered to facilitate easy verification of same. As a result, it could not be easily determined as to whether all the contracts were produced for audit. See Appendix VII.

*Recommendation:* The Audit Office recommends that the Management of the Authority put systems in place to implement a Contract Register and ensure it is properly maintained.

*Management's Response:* Efforts would be made to present same for the required audit.

### **C. General**

15. The Audit Office wishes to express its gratitude for the co-operation given to its officers during the course of the audit. In keeping with this Office's policy, a reply is expected within thirty days of the receipt of this management letter.

Yours sincerely,

A circular stamp from the Audit Office of Guyana is partially visible behind the signature. The stamp contains the text "AUDIT OFFICE" at the top and "OF GUYANA" at the bottom, with two stars on either side.

T. Pyle  
Audit Manager  
for the Auditor General

Appendix I

Supporting documents were not seen

No.	Cheque Date	P.V #	Payee	Description	Cheque #	Amount \$	Remarks
1	27/04/2010	271	Minelin Eng Ltd	Supply & install a/c units	04-230499	1,092,807	Tender documents not seen.
2	08/02/2010	57	Minelin Engineering Ltd	Supply & install a/c units	04-230212	1,214,230	Tender documents not seen.
3	25/11/2010	765	Computer High Tech	19" monitors for H/O 2 & Timehri 1	04-472755	89,640	Receipt of goods not seen
4	04/11/2010	711	NT Computec	1 P Deskjet D1660 printer	04-472682	10,464	Receipt of goods not seen
5	26/07/2010	461	Starr Computer	19" monitors for ANT&T & Accounts	04-230767	59,800	Receipt of goods not seen
6	24/02/2010	129	NT Computec	Purchase of 2 computer systems	04-230292	268,000	Receipt of goods not seen
7	06/05/2010	283	Starr Computer	19" flat panel monitors for AN&T, ANS training & ASR secretary	04-230522	89,700	Receipt of goods not seen
8	23/04/2010	261	Starr Computer	APC 1500va UPS 865w for Timehri Server	04-230492	52,084	Receipt of goods not seen
9	15/01/2010	18	Power- Gen Engineering	Electrical work done on the Equipment Room/Work Shop at Timerhi	04-230154	332,100	Receipt of goods not seen
10	28/01/2010	19	Cummings Electrical Co. Ltd	Electrical works done at Timerhi	04-230167	671,634	Tender documents not seen.
11	03/01/2010	850	Cummings Electrical Co. Ltd	Provision of bucket truck for installation of Localizer Mast	04-472898	192,270	Three quotations not seen.
12	16/07/2010	442	GPL	Material, transp & labour cost for the ext of GCAA power lines at CJIA	04-230750	839,893	Tender documents not seen.
13	03/01/2010	865	Gafsons Industries Limited	170 sacks of cement for works at Timehri	04-472897	223,890	Receipt of goods seen.
<b>Total</b>						<b>5,136,512</b>	

Appendix II

Instances where Assets purchased could not be physically verified

No.	P.V No.	Description	Payee	Qty	Cheque No.	Amount \$
1	385	Panasonic Single Line Phones KX-T500W	CCS Guyana Ltd.	1	04-230670	8,120
2	791	Handheld Vacuum cleaner	Sherwyn Hazel	1	04-472787	27,177
3	811	Avanti Water Dispencer Floor Model	Wireless Connections	1	04-472812	41,065
Total						76,362

Appendix III

Instances where Invoices differ from Debtor Reports

Category	Amount as per		Difference \$
	Audited \$	Authority \$	
International & Overflight	385,636,461	352,397,273	33,239,188
Arrival and Departures	93,677,837	82,702,589	10,975,248
Domestic	37,665,640	46,568,525	-8,902,885
Total	516,979,938	481,668,387	35,311,551

Appendix IV

Instances where Receipts differ from Debtor Reports

Category	Amount as per		Difference \$
	Audited \$	Authority \$	
Overflight	309,906,813	310,213,616	-306,803
Arrival and Departures	81,206,441	72,633,158	8,573,283
Domestic	32,897,300	40,155,441	-7,258,141
Total	424,010,554	423,002,215	1,008,339



Appendix V

Stale dated cheques

No.	Date	Payee	Cheque #	Amount \$
1	2008-05-22	Mark A. Williams	02-877041	60,000
2	2008-06-20	Robby's Enterprise	02-876907	46,400
3	2009-01-07	GAATCD	02-877573	7,500
4	2009-02-17	GAATCD	04-023601	7,500
5	2009-11-09	REO #4 Rent	04-229938	375
6	2009-12-09	The Salvation Army	04-230028	10,000
7	2009-12-09	GAATCD	04-230023	8,700
8	2010-01-13	GAATCD	04-230149	9,300
9	2010-06-14	REO #4 Rent	04-230622	375
<b>Total</b>				<b>150,150</b>

Appendix VI

Differences between the expenditure ledger and the financial statements

No	Category	Amount as per		Difference \$
		Audited \$	Financial Statements \$	
1	Senior Technical	51,567,290	51,700,852	(133,562)
2	Other Technical & Craft Skilled	74,993,811	74,860,267	133,544
3	Semi Skilled Operatives & Unskilled	5,024,965	5,283,730	(258,765)
4	Contracted Employees	10,450,117	10,682,127	(232,010)
5	Other Direct Labour Cost	28,780,100	28,466,452	313,648
6	Benefits & allowances	30,618,126	30,462,720	155,406
7	National Insurance	7,670,084	7,669,064	1,020
		209,104,493	209,125,212	470,074
8	Material Equipment & Supplies	5,092,426	5,019,366	73,060
9	Utility Charges	9,109,495	8,762,943	346,552
10	Other Goods & Services	22,767,348	23,359,324	(591,976)
11	Other Operating Expenses	3,317,117	3,279,374	37,743
<b>Total</b>		<b>249,390,879</b>	<b>249,546,219</b>	<b>(155,340)</b>

Appendix VII

Instances where contracts had no contract number attached

Date	P.V No.	Payee	Particulars	Cheque No.	Amount
22/10/2010	675	Trevor Kellman	Works completed at Timehri Tower	04-472661	269,768
19/10/2010	680	Kurt Cumberbatch	Rehabilitation works done at Timehri Tower	04-472653	200,000
22/10/2010	688	Kurt Cumberbatch	Rehabilitation works done at Timehri Tower	04-472656	200,000
12/11/2010	726	Kurt Cumberbatch	Balance of payment for works done at Timehri tower	04-472695	181,205
11/06/2010	365	Trevor Kellman	Construction work done at Timehri	04-230611	345,105
21/05/2010	320	Trevor Kellman	completion of works done at Timehri	04-230577	361,915
<b>Total</b>					<b>1,557,993</b>