

100 copies

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

**FOR THE YEAR ENDED
31 DECEMBER 2010**

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

AUDITED FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY
FOR THE YEAR ENDED TO 31 DECEMBER 2010

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Audit Office of Guyana

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23/SO: 31/2/2016

02 February 2016

Ms. Beverley Alert
Director
Government Information Agency
Area 'B' Homestretch Avenue
Durban Backlands
Georgetown.

Dear Ms. Alert,

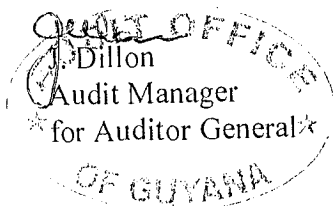
AUDIT OF THE FINANCIAL STATEMENTS OF THE
GOVERNMENT INFORMATION AGENCY (GINA)
FOR THE YEAR ENDED 31 DECEMBER 2010

We wish to inform you that we have completed the audit of the above-mentioned Agency for the year ended 31 December 2010. Accordingly, we are pleased to forward two copies of the audited financial statements, together with the Report of the Auditor General and Management Letter thereon.

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

With kind regards.

Yours sincerely,





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AG: 3/2016

02 February 2016

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT INFORMATION AGENCY FOR THE YEAR ENDED 31 DECEMBER 2010

I have audited the accompanying financial statements of the Government Information Agency (GINA) which comprises of 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 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 Generally Accepted Accounting Principles, 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 Organisation 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 the 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.

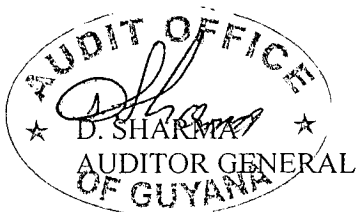
Basis for Qualified Opinion

The amount of \$1,077,266 represents inventory for the year under review. An examination revealed that neither stock ledger nor bin cards were maintained during the year under review. In addition, there was no evidence that internal requisitions were approved by the relevant personnel. As a result, the validity and accuracy of the amount of \$1,077,266 representing inventories could not be ascertained.

The amount of \$84,187,892 represents Receivables for the year under review. An examination of the Debtors' Age Analysis revealed 68 debtors with outstanding balances totalling \$49,576,325 which were over the 90 days period. Further, there was no evidence that the Agency has a policy for provision of bad debts in place. As a result, the completeness, accuracy and validity of the amount of \$84,187,892 shown as receivables could not be determined.

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 Government Information Agency as at 31 December 2010, and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.




AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

**GOVERNMENT INFORMATION AGENCY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2010**

	Notes	2010 \$	2009 \$
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Motor Vehicles		4,868,017	5,858,117
Furniture & Equipment		<u>25,885,503</u>	<u>26,185,909</u>
	4	30,753,520	32,044,026
CURRENT ASSETS			
Inventories		1,077,266	231,412
Bank	8	2,530,657	
Receivables	5	84,187,892	82,716,934
Cash in Hand		<u>175,000</u>	<u>175,000</u>
		87,970,815	83,123,346
TOTAL ASSETS		<u><u>118,724,335</u></u>	<u><u>115,167,372</u></u>
<u>EQUITY & LIABILITIES</u>			
EQUITY			
Gov't Capital Contribution	6	9,754,211	11,496,888
Incorporation Reserve (MOI)		9,538,765	9,538,765
Accumulated Surplus/(Deficit)	7	<u>71,958,693</u>	<u>71,419,893</u>
		91,251,669	92,455,546
CURRENT LIABILITIES			
Bank Overdraft			6,387,043
Payables	9	<u>27,472,669</u>	<u>16,324,786</u>
		27,472,669	22,711,829
TOTAL EQUITY & LIABILITIES		<u><u>118,724,335</u></u>	<u><u>115,167,375</u></u>

These Financial Statements were approved for issuance on January 27, 2016 by:

Accountant: 
Mrs. Natalie Brhamdeow

Director : 
Ms. Beverley Alert

**GOVERNMENT INFORMATION AGENCY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2010**

	Notes	2010 \$	2009 \$
INCOME			
Current Subvention		99,099,999	98,000,000
Sale of Ads		195,754,528	209,447,463
Other Income		6,617,031	3,149,127
Deferred Income		<u>6,742,677</u>	<u>6,070,583</u>
TOTAL INCOME		308,214,235	316,667,173
 EXPENDITURE			
Employment Cost	10	54,610,337	50,452,938
Material, Equipment and Supplies	11	214,867,176	206,986,686
Fuel and Lubricant		3,261,666	2,548,431
Rental & Maintenance of Building	12	1,484,841	1,821,849
Transport, Traveling and Postage	13	3,297,945	2,936,233
Security charges		4,246,203	3,359,871
Maintenance of Equipment	14	446,214	576,036
Utility charges	15	5,820,345	5,499,835
Vehicle Spares and services		2,131,418	1,826,467
Other Service Purchased	16	351,532	2,097,649
Other Operating Expenses	17	10,415,081	5,194,209
Depreciation & Amortisation		6,742,677	6,070,583
TOTAL EXPENDITURE		307,675,435	289,370,787
 NET SURPLUS		 <u><u>538,800</u></u>	 <u><u>27,296,386</u></u>

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

**GOVERNMENT INFORMATION AGENCY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2010**

	Incorporation Reserve	Revaluation Reserve	Government Contribution	Accumulated Surplus	Total
	G\$	G\$		G\$	G\$
Balance as at 31 December, 2009	9,538,765	-	12,777,471	44,123,507	66,439,743
Net Surplus for the year	-	-	-	27,296,386	27,296,386
Capital Subvention Received	-	-	4,790,000	-	4,790,000
Deferred Income	-	-	(6,070,583)	-	(6,070,583)
Balance as at 31 December, 2009	9,538,765	-	11,496,888	71,419,893	92,455,546
Net Surplus for the year	-	-	-	538,800	538,800
Capital Subvention Received	-	-	5,000,000	-	5,000,000
Deferred Income	-	-	(6,742,677)	-	(6,742,677)
Balance as at 31 December, 2010	<u>9,538,765</u>	-	<u>9,754,211</u>	<u>71,958,693</u>	<u>91,251,669</u>

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

**GOVERNMENT INFORMATION AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2010**

	2010	2009
	\$	\$
Operating Activities		
Surplus for the period	538,800	27,296,386
<i>Adjustments for:</i>		
Depreciation & Amortisation	6,742,677	6,070,583
Operating profit before working capital changes	<u>7,281,477</u>	<u>33,366,969</u>
(Increase)/Decrease in Inventories	(845,854)	524,335
(Increase)/Decrease in Receivables	(1,470,958)	(2,591,515)
Increase/(Decrease) in Payables	11,147,883	(746,838)
Increase/(Decrease) in Suspense A/C	-	-
Net cashflow generated from operations	<u>16,112,548</u>	<u>30,552,951</u>
Investing Activities		
Acquisition of Non-Current Assets	(5,452,171)	(4,924,489)
Revaluation	-	-
Net cashflow generated from investing activities	<u>(5,452,171)</u>	<u>(4,924,489)</u>
Financing Activities		
Government Contribution (Capital Subventions)	5,000,000	4,790,000
Deferred Income	(6,742,677)	(6,070,583)
Net cashflow generated from financing activities	<u>(1,742,677)</u>	<u>(1,280,583)</u>
Net Increase/(Decrease) in cash & cash equivalents	<u>8,917,700</u>	<u>24,347,879</u>
Cash and cash equivalents at the beginning of the year	<u>(6,212,043)</u>	<u>(30,559,922)</u>
Cash and cash equivalents at end of the year	<u>2,705,657</u>	<u>(6,212,043)</u>
<u>Reconciliation of Cash & Cash Equivalents as per Statement of Financial Position</u>		
Cash in Hand	175,000	175,000
Bank	2,530,657	(6,387,043)
Total	<u>2,705,657</u>	<u>(6,212,043)</u>

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2010**

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 FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2010

NOTE 3. PERSONNEL & DIRECTORS REMUNERATION

Key Management Personnel: The sum of \$11,592,756 was paid to five (5) key Management employees for the year 2010.

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, 2010	9,901,000	48,912,198	58,813,198
Additions (8827 A/C)	-	5,452,171	5,452,171
Cost/Val Dec 31, 2010	9,901,000	54,364,369	64,265,369
Acc. Dep'n at Jan 1, 2010	4,042,883	22,726,289	26,769,172
Depreciation - Current Year	990,100	5,752,577	6,742,677
Acc. Dep'n @ Dec 31, 2010	5,032,983	28,478,866	33,511,849
NBV at Dec 31, 2010	5,858,117	26,185,909	32,044,026
NBV at Dec 31, 2010	4,868,017	25,885,503	30,753,520

Breakdown of Additions to Equipment at Cost

Description	Amount (\$)
Office Furniture	195,020
Office Equipment	4,521,705
Video/Editing Equipment	735,446
Total	<u>5,452,171</u>

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2010**

NOTE 5. RECEIVABLES

Description	2010	2009
	\$	\$
Sundry Debtors	83,937,892	82,577,934
Staff Loans	250,000	139,000
Total	84,187,892	82,716,934

NOTE 6. GOV'T CAPITAL CONTRIBUTION

Description	2010	2009
	\$	\$
Balance b/f	11,496,888	12,777,471
Capital Subvention Received	5,000,000	4,790,000
Deferred Income	(6,742,677)	(6,070,583)
Balance	9,754,211	11,496,888

NOTE 7. ACCUMULATED SURPLUS

Description	2010	2009
	\$	\$
Accumulative Surplus/(Deficit) at Jan 01	71,419,893	44,123,507
Adjusted Accum. Surplus/(Deficit)	71,419,893	44,123,507
Surplus/(Deficit) for Current Year	538,800	27,296,386
Accumulative Surplus at Dec 31	71,958,693	71,419,893

NOTE 8. BANK OVERDRAFT

Description	2010	2009
	\$	\$
Scotia Bank A/C # 8827	25,740,191	2,963,449
Scotia Bank A/C # 9161	(23,209,534)	(9,350,491)
Balance	2,530,657	(6,387,042)

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2010**

NOTE 9. PAYABLES

Description	2010	2009
	\$	\$
Sundry Creditors	25,447,647	15,458,223
Accruals	2,025,022	866,563
Total	27,472,669	16,324,786

NOTE 10. EMPLOYMENT COST

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Salaries	36,848,628	32,599,823
Gratuity	6,384,081	5,628,011
Stipend	242,579	390,200
Honorarium	282,100	128,725
PAYE	6,386,612	6,924,971
NIS	3,601,337	3,911,587
Advances	865,000	866,000
Other Deductions	-	3,621
Total	54,610,337	50,452,938

NOTE 11. MATERIALS, EQUIPMENT & SUPPLIES

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Medical Supplies	31,475	51,264
Office Materials & Supplies	3,951,100	6,201,848
Printing & Non -Printing Materials	210,884,601	200,733,574
Total	214,867,176	206,986,686

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2010**

NOTE 12. RENTAL & MAINTENANCE OF BUILDINGS

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Maintenance of Building	1,290,393	1,445,731
Cleaning Supplies	194,448	376,118
Total	1,484,841	1,821,849

NOTE 13. TRANSPORT, TRAVEL & POSTAGE

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Traveling and Subsistence	2,238,400	2,202,640
Postage	1,059,545	733,593
Total	3,297,945	2,936,233

NOTE 14. MAINTENANCE OF EQUIPMENT

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Maintenance of AC Units	82,000	-
Fax	253,030	-
Maintenance of Other Equipment	111,184	576,036
Total	446,214	576,036

**GOVERNMENT INFORMATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER, 2010**

NOTE 15. UTILITY CHARGES

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Telephone Charges	2,155,342	2,199,835
Electricity Charges	3,600,000	3,300,000
Water Charges	65,003	-
Total	5,820,345	5,499,835

NOTE 16. OTHER SERVICES PURCHASED

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
Weeding	90,000	150,000
Other Cleaning Services	79,467	85,956
Other Services Purchased	182,065	1,861,693
Total	351,532	2,097,649

NOTE 17. OTHER OPERATING EXPENSES

Expenditure under this category comprises of the following:

Description	2010	2009
	\$	\$
National & Other event	2,183,527	1,546,838
Meals and Refreshment	2,547,715	2,915,157
Others	5,673,839	670,774
Training	10,000	61,440
Total	10,415,081	5,194,209



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02 February 2016

33/SO: 31/2/2016

Ms. Beverley Alert
Director
Government Information Agency
Area 'B' Homestretch Avenue
Durban Backlands
Georgetown.

Dear Ms. Alert,

AUDIT OF THE FINANCIAL STATEMENTS OF THE GOVERNMENT INFORMATION AGENCY FOR THE YEAR ENDED 31 DECEMBER 2010

The audit of the financial statements of the Government Information Agency (GINA) for the year ended 31 December 2010 has been completed. The findings hereunder were discussed with your Accountant and are now forwarded to you for appropriate action.

2. The audit was conducted in accordance with Generally Accepted Auditing Principles, 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 of material misstatements.
3. The main purpose of the audit was to express an opinion on the financial statements and to evaluate the operations of GINA 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 Agency;
 - 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 an account 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

Non-Current Assets: \$30,753,520

4. The amount of \$30.754M represents Non-Current Assets for the year under review. An examination of the records and physical examination of the assets revealed that they were not assigned an asset number neither were the serial number inserted into the Fixed Assets Register. Therefore, it could not be ascertained whether the assets examined were those which were initially purchased.

Recommendation: The Audit Office recommends that Management of the Agency take the necessary steps to ensure that assets are marked.

Management's Response: Management will make a note of this and take corrective measures in the future.

Current Assets: \$87,970,815

Inventories: \$1,077,266

5. The amount of \$1.077M represents inventory for the year under review. An examination revealed that neither stock ledger nor bin cards were maintained during the year under review. In addition, there was no evidence that internal requisitions were approved by the relevant personnel. As a result, the validity and accuracy of the amount of \$1,077,266 representing inventories could not be ascertained.

Recommendation: The Audit Office recommends that Management of the Agency take the necessary steps to ensure that the records are being maintained and the necessary approvals affixed to the internal requisitions.

Management's Response: The Agency usually records its stock in Peachtree system. Management currently started using the bin cards.

Cash at Bank: \$2,530,657

6. The amount of \$2.531M represents Cash at Bank as at 31 December 2010. An examination of the December 2011 bank reconciliation statements for bank account number 8827 revealed 13 cheques valued at \$517,904 reflected as un-presented cheques. However, the dates of these cheques were not recorded, as a result it could not be determined as to whether the cheques were stale dated.

Recommendation: The Audit Office recommends that Management of the Agency take the necessary steps to ensure that the bank reconciliation statements reflect detailed information of reconciling items

Management's Response: No response received.

Receivables: \$84,187,892

7. The amount of \$84.188M represents Receivables for the year under review. An examination of the Debtors' Age Analysis revealed 68 debtors with outstanding balances totalling \$49.538M which were over the 90 days period. Further, there was no evidence that the Agency has a policy for provision of bad debts in place. As a result, it could not be determined as to whether the amount shown as receivables was accurate.

Recommendation: The Audit Office recommends that Management of the Agency take the necessary actions to collect outstanding debts and implement a policy for provision of bad debts.

Management's Response: Management of the Agency is trying its best to retrieve the outstanding balances. The Agency cannot write off the debts without approval and if the organization is still in existence Management must try to get them to pay the amount that is outstanding.

Equity: \$91,251,669

Incorporation Reserve (MOI): \$9,538,765

8. An amount of \$9.539M represents Incorporation Reserve as at 31 December 2010. However, at the time of reporting (May 2015) no information was provided to substantiate this amount. This figure showed no movement from the previous year. As a result, the accuracy, validity and completeness of the amount shown could not be verified.

Recommendation: The Audit Office recommends that the Management of the Agency provide the necessary records or related documents to substantiate this amount.

Management's Response: This amount is a figure that keeps coming forward for many years. Management will seek approval to have it written off.

9. Your response is noted. However, it should be noted that the Management investigates the amount of \$9,538,765 representing the Incorporation Reserve (MOI) before considering the write off.

Current Liabilities - Payables: \$27,472,669

10. The amount of \$27.473M was shown as payables as at 31 December 2010. Included in this figure is an amount of \$21.392M representing payables to Guyana National Newspapers Limited. This amount reflects an increase of \$9.909M (46%) from the previous year. It could not be easily determined as to whether effort is being taken to clear all outstanding payments to this Company.

Recommendation: The Audit Office recommends that the Management of the Agency take the necessary steps to ensure that all outstanding balances by the Agency are cleared in a prompt manner.

Management's Response: Management notes your recommendation.

B. Statement of Comprehensive Income

Expenditure: \$307,896,329

Employment Cost: \$54,610,337

11. The amount of \$54.610M represents Employment Cost for the year under review. An examination of the records revealed that statutory deductions are required to be remitted to the Agencies by the 15 of the subsequent month. However, three instances were noted for NIS contributions and four instances for PAYE deductions were remitted after the statutory deadline, resulting in penalties amounting to \$9,478 and \$56,313 respectively. Further, the acknowledgement receipt for the amount of \$528,123 for the month of October, 2010 for PAYE deductions was not seen.

Recommendation: The Audit Office recommends that Management of the Agency take the necessary steps to address the above shortcomings with a view of avoiding a recurrence in the future.

Management's Response: Management took note of this. The payment for the amount of \$528,123 was made in January, 2011.

C. General

12. The Audit Office wishes to express its gratitude for the co-operation given by the staff of the Agency during the course of this audit. In keeping with the Audit Office's policies, a response to this report is expected within thirty (30) days of its receipt.

Yours sincerely,

