

**AUDITED FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

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

AUDIT OF THE FINANCIAL STATEMENTS OF
THE INTEGRITY COMMISSSION
FOR THE YEAR ENDING 31 DECEMBER 2020

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278/OA: 22/2/2022

25 July, 2022

Dr. Amanda Jaisingh
Secretary
Integrity Commission
Lot 34 King Street
Lacytown, Georgetown.

Dear Dr. Jaisingh,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION
FOR THE YEAR ENDING 31 DECEMBER 2020

We wish to inform you that the audit of the above-mentioned Commission has been completed. 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 explanations, please do not hesitate to let us know.

With kind regards.

Yours sincerely,


Dhanraj Persaud
Audit Manager (ag.)
for Auditor General




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AG: 138/2022

25 July 2022

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE INTEGRITY COMMISSION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

I have audited the accompanying financial statements of the Integrity Commission, which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Integrity Commission as at 31 December 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs), and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Commission to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

INTEGRITY COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020	2019
ASSETS			
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	4	<u>7,695,750</u>	<u>7,364,969</u>
		7,695,750	7,364,969
<u>CURRENT ASSETS</u>			
Prepayments		5,301,159	1,387,667
Cash & Cash Equivalents	5	<u>5,301,159</u>	<u>-</u>
		5,301,159	1,387,667
TOTAL ASSETS		<u>12,996,909</u>	<u>8,752,636</u>
EQUITY AND LIABILITY			
<u>CURRENT LIABILITY</u>			
Accruals		<u>-</u>	<u>4,630</u>
		-	4,630
<u>EQUITY</u>			
Government Contribution	6	7,635,947	7,247,932
Accumulated Surplus/Deficit		4,025,569	107,447
Revaluation	7	59,803	117,037
Suspense Account		<u>1,275,590</u>	<u>1,275,590</u>
		12,996,909	8,748,006
TOTAL EQUITY & LIABILITIES		<u>12,996,909</u>	<u>8,752,636</u>

These financial statements were approved for issuance on the

Amanda Jaisingh
Amanda Jaisingh
Secretary

Abena Moore
Abena Moore
Permanent Secretary

ABENA MOORE
Permanent Secretary
Office Of The President

INTEGRITY COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
INCOME			
Government Subvention - Current	8	67,241,739	55,391,851
Other Income		<u>1,668,873</u>	<u>1,470,890</u>
TOTAL INCOME		<u>68,910,612</u>	<u>56,862,741</u>
EXPENDITURE			
Administrative Expenses	9	55,554,264	51,452,156
Other Expenses	10	6,348,807	1,593,879
Utility Charges	11	1,482,772	1,398,534
Depreciation		<u>1,606,647</u>	<u>1,470,890</u>
TOTAL EXPENDITURE		<u>64,992,490</u>	<u>55,915,459</u>
Net Surplus/(Deficit) for the Year		<u>3,918,122</u>	<u>947,282</u>

INTEGRITY COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

2019

	Government Contribution	Accumulated Surplus/Deficit	Revaluation Reserve	Suspense Account	Total
	\$	\$	\$	\$	\$
Balance as at January 1, 2019	6,218,822	(839,835)	148,484	1,275,590	6,803,061
Government Contribution	2,500,000		0		2,500,000
Depreciation/Revaluation Charges	(1,470,890)		(57,238)		(1,528,128)
Net Profit/(Loss)		947,282			947,282
Revaluation of Fixed Assets			25,791		25,791
Suspense Account					-
Balance as at December 31, 2019	7,247,932	107,447	117,037	1,275,590	8,748,006

2020

	Government Contribution	Accumulated Surplus/Deficit	Revaluation Reserve	Suspense Account	Total
	\$	\$	\$	\$	\$
Balance as at January 1, 2020	7,247,932	107,447	117,037	1,275,590	8,748,006
Government Contribution	1,994,662		0		1,994,662
Depreciation	-				-
Depreciation/Revaluation Charges	(1,606,647)		(57,234)		(1,663,881)
Net Profit/(Loss)		3,918,122			3,918,122
Revaluation of Fixed Assets					-
Suspense Account				-	-
Balance as at December 31, 2020	7,635,947	4,025,569	59,803	1,275,590	12,996,909

INTEGRITY COMMISSION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Operating Activities		
(Deficit)/Surplus for the year	3,918,122	947,282
Adjustments for :		
Disposal	-	1,308,865
Depreciation	<u>1,606,647</u>	<u>1,470,890</u>
Operating Surplus/(Deficit) before changes in working capital	5,524,769	3,727,037
 (Increase)/Decrease in Inventories	 -	 -
(Increase)/Decrease in Prepayments	(3,913,492)	(691,727)
Increase/(Decrease) in Payables	(4,630)	(255,555)
Increase/(Decrease) in Suspense Account	<u>-</u>	<u>-</u>
Net cashflow generated from Operating Activities	<u>1,606,647</u>	<u>2,779,755</u>
 Investing Activities		
Purchase of Fixed Assets	<u>(1,994,662)</u>	<u>(2,500,000)</u>
Net cashflow generated from Investing Activities	<u>(1,994,662)</u>	<u>(2,500,000)</u>
 Financing Activities		
Government Contribution	388,015	(279,755)
Revaluation	<u>-</u>	<u>-</u>
Net cashflow generated from Financing Activities	<u>388,015</u>	<u>(279,755)</u>
 Net increase/(Decrease) in cash & cash equivalents	 -	 -
Cash and Cash Equivalents at the beginning of the year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at end of the year	<u>-</u>	<u>-</u>

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Commission was reconstituted with it members in the month of February, 2018 for a period of three years. At present, the members include a Chairman and two Commissioners. The organization structure was 2018. The staffing now consists of a Secretary, an Accountant, an Administrative Assistant, a Legal/Compliance Office, an Investigative Office, a Data Entry/Scanning Office, 2 Typist Clerk, a Driver/Office Assistant and a Cleaner.

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 valued 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%
Motor Vehicle	20%

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 4. Property, Plant & Equipment

Description	Motor Vehicle	Furniture & Fixtures	Office Equipment	Total
		\$	\$	\$
Costs as at 01 January, 2020	3,000,000	3,279,260	4,050,254	10,329,514
Revaluation				0
Additions		1,014,600	980,062	1,994,662
Disposal				0
Cost as at 31 December, 2020	3,000,000	4,293,860	5,030,316	12,324,176
Accumulated Depreciation as 1 January, 2020	750,000	698,672	1,515,873	2,964,545
Depreciation charge for the year	600,000	357,420	649,227	1,606,647
Charges to Revaluation for the year	-	57,234	0	57,234
Disposal		0	-	-
Accumulated Depreciation as 31 December, 2020	1,350,000	1,113,326	2,165,100	4,628,426
Carrying Amount as at 31 December, 2019	2,250,000	2,580,588	2,534,381	7,364,969
Carrying Amount as at 31 December, 2020	1,650,000	3,180,534	2,865,216	7,695,750

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5. CASH & CASH EQUIVALENTS

Description	2020 \$	2019 \$
Cash in Hand	0	0
Cash in Bank	0	0
Closing balance	0	0

NOTE 6. GOVERNMENT CONTRIBUTION

Description	2020 \$	2019 \$
Opening balance	7,247,932	6,218,822
Received for the year	2,000,000	2,500,000
Refund to unspent balance to OP	(5,338)	-
Deferred Income	(1,606,647)	(1,470,890)
Closing balance	7,635,947	7,247,932

NOTE 7. REVALUATION

Description	2020 \$	2019 \$
Opening balance	117,037	148,484
Depreciation	(57,234)	(57,238)
Adjustment to Accumulated Depreciation		25,791
Closing balance	59,803	117,037

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8. GOVERNMENT SUBVENTION:

The Commission received a total of \$69,241,739 for the year 2020: Current release of \$42,168,000 for the period Jan to September from Office of the Prime Minister: Capital release of \$2,000,000 and current release of \$25,073,738 were received from the Ministry of Governance and Parliamentary Affairs for the period October to December 2020 as per Emergency Budgetary Allocation.

The Commission utilises the IAS 20 Accounting for Government Grant for calculation of Government's Contributions.

NOTE 9. ADMINISTRATIVE EXPENSES

Description	2020 \$	2019 \$
Employment Costs	36,087,396	30,015,450
Stationery and Office Supplies	4,567,242	4,076,026
Fuel & Lubricants	141,203	64,405
Rental of Building	6,510,000	6,510,000
Maintenance of Building	307,220	994,468
Janitorial and Cleaning Supplies	597,655	586,406
Maintenance of Infrastructure	482,000	507,000
Local Traveling and Subsistence	9,300	92,240
Overseas Conferences	0	1,521,738
Postage	580,940	500,000
Maintenance of Vehicles	94,389	29,244
Security Charges	4,910,731	4,899,646
Maintenance of Office Equipment	629,500	1,019,043
Extermination Services	298,478	115,568
National and Other Events	148,108	267,901
Refreshment and Meals	190,102	253,021
Total	55,554,264	51,452,156

NOTE 10. OTHER EXPENSES

Description	2020 \$	2019 \$
Miscellaneous	1,272,230	1,535,479
Bank charges	37,600	58,400
Refund of unspent balance to OP	5,038,977	0
Total	6,348,807	1,593,879

NOTE 11. UTILITY CHARGES

Description	2020 \$	2019 \$
Electricity	690,776	638,973
Telephone	728,300	699,184
Water	63,696	60,377
Total	1,482,772	1,398,534



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277/OA: 22/2/2022

25 July, 2022

Dr. Amanda Jaisingh
Secretary
Integrity Commission
34 King Street
Lacytown, Georgetown.

Dear Dr. Jaisingh,

AUDIT OF THE FINANCIAL STATEMENTS OF
THE INTEGRITY COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2020

The audit of the financial statements of the Integrity Commission for the year ended 31 December 2020 has been completed. The findings hereunder are now referred to you for comments and appropriate action.

2. The audit was conducted in accordance with the International Standards on Auditing issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs), and the Audit Act 2004. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

3. The main purpose of the audit was to express an opinion on the financial statements, and evaluate the operations of the 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.

- (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

Non-Current Assets: \$7,695,750

Property, Plant and Equipment: \$7,695,750

4. An examination of the fixed assets register revealed that twenty-one assets purchased during 2005-2013 were fully depreciated and carried nil values, as listed in *Appendix I*. However, the assets were in working condition and are being used by the Commission. As such, the correct value of the Commission's assets was not reported in keeping with International Accounting Standard (IAS) 16 – Property, Plant and Equipment. Moreover, the assets should be revalued so that the carrying amounts do not differ materially from its fair value at the reporting date.

Management's Response: Management acknowledges this shortcoming, and will take the necessary steps to have the assets revalued by a certified Valuation Officer as soon as possible.

Recommendation: The Audit Office recommends that Management act forthwith to ensure the Commission complies with IAS 16.

Current Assets

Prepayments \$5,301,159

5. The sum of \$5.301M reported as Prepayments represent a substantial increase of approximately 282 percent over Prepayments reported for the financial year 2019. A summary is shown in the table below.

Particulars	Amount \$'000
Improvement to Management Information System	1,853
Office & Stationery Supplies	1,388
Rental of Building	543
Security Services	429
Purchase of Curtains	203
Purchase of Uniforms for Staff	186
Repair of Office Equipment	185
Others	514
Total	5,301

6. The sum of \$1.853M was made up of four transactions for the upgrade of the Commission's Management Information System (MIS), as summarised in the table below. The works included the development, installation, training, and manuals to upgrade the MIS.

№	PV Date	PV №	Particulars	Amount \$	Date of Payment
1	10-Dec-20	281	12 months support and hosting of MIS on “Cloud”	1,026,000	Not Paid
2	15-Dec-20	318	30% Payment to upgrade the MIS	247,950	9-Jun-21
3		319	40% Payment to upgrade the MIS	330,600	30-Mar-21
4		320	30% Payment to upgrade the MIS	247,950	9-Jun-21
Total				1,852,500	

7. The National Procurement and Tender Administration Board approved the award on 2 December 2020, in the sum of \$1,852,500. However, the Commission entered into an agreement with the service provider on 19 February 2021; that is, more than two months after the award, and the processing of the payments. This is a clear breach of Section 31(3) of the FMA Act, 2003. Moreover, this Section stipulates that *"No requisition for the payment of public moneys shall be made in respect of any part of the Government unless the Head of budget agency concerned or an official authorised in writing by that Head for the purpose certifies –*

- a) *in the case of a payment for the performance of work, the supply of goods or the provision of services –*
 - i. *that the work has been performed, the goods supplied or the services provided, as the case may be, and that the price charged therefor is in accordance with the contract or other arrangement governing the work, goods or services or, if not specified in the contract or arrangement, that the price is fair and reasonable;*
 - ii. *where, pursuant to a contract or other arrangement, a payment is to be made prior to the completion of the work, supply of the goods or provision of the services, as the case may be, that the payment is in accordance with the contract or arrangement; or*
 - iii. *where...a payment is to be made in advance of verification, that the claim for payment is fair and reasonable; and*
 - iv. *in the case on any other payment, that the payee is eligible for or otherwise entitled to that payment".*

8. As noted in the table above, the amount of \$1,026,000 was not paid; whilst, the other three sums were paid after the financial year 2020. This represented a breach of Section 43 of the FMA Act, 2003, which stipulates that all unspent balances be refunded to the Consolidated Fund at the close of the financial year. In addition, Prepayments were overstated by \$1.026M. It should be noted that the sum of \$1.026M was refunded to the Office of the President on 15 January 2021.

9. According to the contract signed on 19 February 2021, delivery of the service was forty-four days. However, a completion or acceptance certificate was not seen. As such, it could not be determined whether the stipulated timeline was met, and if not, whether defects liability should have been instituted against the service provider.

Management's Response: The findings are duly noted. The Integrity Commission notes that due to the nature of the work, the contract between the Integrity Commission and the service provider had many drafts, which at the time sought to uphold the confidentiality of the information that resulted in the delay in signing of the contract between the parties and commencement of works and release of cheques in 2021.

Further, amidst security concerns that Declarants' information could be hacked, the contract was re-drafted to exclude hosting the MIS on Cloud. The Integrity Commission submits that this amount was returned to the Consolidated Fund on 15 January 2021.

10. Included in the sum of \$1.388M expended on office and stationery supplies are two payments totalling \$1.231M, which were processed for the printing of 4,000 brochures and book-markers, each, for an outreach programme. The two payments were each processed on 15 December 2020, in the sum of \$615,600. and represented a fifty percent advance and a balance of payment, respectively.

11. However, a perusal of the contract revealed that it was signed on 31 December 2020. Further, approval for the award of the contract by the Ministerial Tender Board was requested by the Commission on 24 December 2020. Whilst, The Ministerial Tender Board approved the award on 30 December 2020. This is a breach of Section 31(3) of the Fiscal Management and Accountability Act, 2003; since, the payments were processed before the award was approved.

12. Further, the contract period was stated as three months, from 31 December 2020 to 31 March 2021. The Commission should have sought approval to enter into a multi-year contract. However, this was not evident and is a breach of Section 55(1) of the FMA Act. Moreover, this Section states that "*An official shall not enter into a multi-year contract or arrangement for the supply of goods or the provision of services to the Government without the prior written authorisation of the Minister.*"

13. The Commission also breached Section 55(2) of the FMA Act; since, it utilised funds appropriated in 2020 for expenditure due in 2021. Moreover, Section 55(2) states that "*It shall be an express condition of any multi-year contract that any payment that falls due under that contract is subject to there being an appropriation for that payment in the fiscal year in which the payment falls due.*" It should be noted that the payee acknowledged receipt of the advance and final payments on 12 February and 20 January 2021, respectively.

Management's Response: Requisitions were prepared prior to the Accountant going on annual leave in December. However, the signing and release of cheques were made after all the relevant approvals and documents were received. Further, Management acknowledges breach of Section 31(3) of the FMA Act of 2003, and the officer was cautioned against preparing requisition in advance of receiving all supporting documents and approvals.

14. Included in the sum of \$0.186M is \$106,300 or fifty percent balance of payment for the supply of materials and sewing of staff uniforms. The payment was processed on 1 December 2020. A note was evident on the payment voucher indicating that the payee's name on the cheque for this transaction was changed; since, the supplier failed to deliver the uniforms, and the Commission had to source the uniforms from another supplier. Given the above, the processing of this transaction is in breach of Sections 31(3) and 43 of the FMA Act 2003.

Management's Response: Management acknowledges breach of Sections 31(3) and 43 of the FMA Act of 2003 and will seek to avoid such breaches in the future.

15. The sum of \$0.185M included a payment of \$135,090, which was processed on 1 December 2020 for the servicing and repairing of a printer. A quotation dated 1 December 2020 for \$135,090 was attached to the payment voucher. However, an invoice dated 28 June 2021; which is, approximately seven months after the transaction was processed, was also attached to the payment voucher. The service provider who issued the invoice differed from the one who provided the quotation. This is also an indication that the payment would have been made after the close of the financial year, which is a breach of Section 43 of the FMA Act 2003.

Management's Response: As can be seen on scanned suppliers' quotation, the item was not currently in stock and approval was sought and given for 4-8 weeks for delivery upon receipt of payment. The delivery of the items was further delayed as a result of COVID-19 and the pandemic. However, the supplier loaned the Commission a printer while they await the shipment of the part for the printer.

16. More noteworthy, is that the amount to repair the printer exceeded the acquisition cost of \$123,006, which was in September 2018. Moreover, the net book value of the printer as at 31 December 2020 was \$67,653, which is approximately fifty percent of its acquisition cost. Given the above, the repair of this printer may not have been prudent.

Management's Response: The cost to repair the printer is justifiable in that it would cost twice the amount of \$135,090 to replace a printer with similar specification. The replacement ink is economical compared to newer models. Moreover, it is one of our best printers today, and is currently being utilized in the typist department to print declaration forms and letters.

Audit Follow-up: Notwithstanding the Commission's response, the Audit Office maintains that it was not prudent to repair the printer, which was done in excess of its acquisition cost.

17. The sum of \$0.514M includes a payment of \$103,600 processed on 15 December 2020. However, a quotation dated 16 December 2020 was attached to the payment voucher. Given this evidence, the Commission breached Section 31(3) of the FMA Act 2003.

Management's Response: Requisitions were prepared prior to the Accountant going on annual leave in December. However, the signing and releasing of the cheque were made after all the relevant approvals and documents were received. Management acknowledges breach of Section 31(3) of the FMA Act of 2003, and the officer was cautioned against preparing requisition in advance of receiving all supporting documents and approvals

Recommendation: The Audit Office recommends that Management comply fully with the requirements of the FMA Act 2003.

Equity and Liabilities: \$12,996,909

Suspense Account: \$1,275,590

18. The Suspense Account had a balance of \$1,275,590 as of 31 December 2020. The Commission had explained that the account was opened and reported on due to improper record keeping, irregularities and misappropriation of funds before 2008, and the incorrect treatment of accounting entries. As a result, the amounts reported as Suspense Accounts over the years varied. The Commission had stated that it would have acted to resolve the issue. At the time of reporting, the matter has not been resolved.

Management's Response: Management acknowledges this shortcoming. Previous audits have determined that this account was opened and reported on due to improper record keeping, irregularities and misappropriation of funds prior to the year 2008, as well as improper treatment of accounting entries thereafter.

The Commission has written to the Finance Secretary with the intent to resolve the matter expeditiously.



Recommendation: The Audit Office recommends that Management pursue a quick resolution to this matter.

General

22. The Audit Office wishes to express its gratitude for the co-operation given to its officers during the course of the audit.

With kind regards.

Yours sincerely,


Dhanraj Persaud
* Audit Manager (ag.)
for Auditor General


Integrity Commission
Fixed Assets
Appendix 1

No.	Description	Quantity	Year of Acquisition	Location	Asset Identification #
1	Backup Battery	1	2009	Computer Room	ICBB002
2	External Harddrive	1	2009	C.E.O Office	ICEHD001
3	Refridgerator	1	2009	C.E.O Office	ICF002
4	Water Dispenser	1	2009	General Office	ICWD001
5	Printer	1	2009	C.E.O Office	ICP002
6	750 VA Backup Battery	1	2010	General Office	ICBB005
7	Stabilizer (4000 watt)	1	2010	Computer Room	ICS001
8	Binding Machine	1	2010	General Office	ICBM001
9	Photocopier	1	2010	Computer Room	ICCDC002
10	Scanner	1	2010	Computer Room	ICCS001
11	Printer	1	2010	Computer Room	ICP005
12	External Harddrive	1	2010	Computer Room	ICEHD002
13	Fax Machine	1	2010	C.E.O Office	ICFM001
14	Water Pump	1	2010	Exterior of the Commission	ICP001
15	Computer System	1	2008	C.E.O Office	ICC002
16	Computer System	1	2009	General Office	ICC003
17	Printer	1	2010	General Office	ICP004
18	Backup Battery	1	2010	General Office	ICBB003
19	Backup Battery	1	2010	General Office	ICBB004
20	Security Cameras	1 Set	2013	Exterior & Interior of the Commission	ICSCS001
21	Paper Trimmer	1	2013	General Office	ICPT001