

**AUDITED FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

**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 2021

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296/OA: 22/2/2022

1 September 2022

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

Dear Dr. Jaisingh,

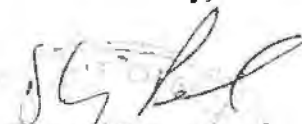
AUDIT OF THE FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION
FOR THE YEAR ENDING 31 DECEMBER 2021

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: 143/2022

1 September 2022

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF
THE INTEGRITY COMMISSION
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

I have audited the accompanying financial statements of the Integrity Commission, which comprise the statement of financial position as at 31 December 2021, 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 2021, 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.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

INTEGRITY COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021	2020
ASSETS			
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	4	8,431,405	7,695,750
		<u>8,431,405</u>	<u>7,695,750</u>
<u>CURRENT ASSETS</u>			
Prepayments		1,270,688	5,301,159
Cash & Cash Equivalents	5	-	
		<u>1,270,688</u>	<u>5,301,159</u>
TOTAL ASSETS		<u><u>9,702,093</u></u>	<u><u>12,996,909</u></u>
EQUITY AND LIABILITY			
<u>CURRENT LIABILITY</u>			
Accruals		14,688	-
		<u>14,688</u>	<u>-</u>
<u>EQUITY</u>			
Government Contribution	6	8,428,840	7,635,947
Accumulated Surplus/Deficit		(19,590)	4,025,569
Revaluation	7	2,565	59,803
Suspense Account		1,275,590	1,275,590
		<u>9,687,405</u>	<u>12,996,909</u>
TOTAL EQUITY & LIABILITIES		<u><u>9,702,093</u></u>	<u><u>12,996,909</u></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 2021

	Notes	2021 \$	2020 \$
INCOME			
Government Subvention - Current	8	59,823,989	67,241,739
Other Income		<u>2,028,537</u>	<u>1,668,873</u>
TOTAL INCOME		<u>61,852,526</u>	<u>68,910,612</u>
EXPENDITURE			
Administrative Expenses	9	56,545,406	55,554,264
Other Expenses	10	5,772,108	6,348,807
Utility Charges	11	1,582,248	1,482,772
Depreciation		<u>1,997,923</u>	<u>1,606,647</u>
TOTAL EXPENDITURE		<u>65,897,685</u>	<u>64,992,490</u>
Net Surplus/(Deficit) for the Year		<u>(4,045,159)</u>	<u>3,918,122</u>

INTEGRITY COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

2020

	Government Contribution	Accumulated Surplus/Deficit	Revaluation Reserve	Suspense Account	Total
	\$	\$	\$	\$	\$
Balance as at January1, 2019	7,247,932	107,447	117,037	1,275,590	8,748,006
Government Contribution	1,994,662		0		1,994,662
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, 2019	7,635,947	4,025,569	59,803	1,275,590	12,996,909

2021

	Government Contribution	Accumulated Surplus/Deficit	Revaluation Reserve	Suspense Account	Total
	\$	\$	\$	\$	\$
Balance as at January1, 2020	7,635,947	4,025,569	59,803	1,275,590	12,996,909
Government Contribution	2,790,816		0		2,790,816
Depreciation	-				-
Depreciation/Revaluation Charges	(1,997,923)		(57,238)		(2,055,161)
Net Profit/(Loss)		(4,045,159)			(4,045,159)
Revaluation of Fixed Assets					-
Suspense Account				-	-
Balance as at December 31, 2020	8,428,840	(19,590)	2,565	1,275,590	9,687,405

INTEGRITY COMMISSION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Operating Activities		
(Deficit)/Surplus for the year	(4,045,159)	3,918,122
Adjustments for :		
Disposal	-	-
Depreciation	<u>1,997,923</u>	<u>1,606,647</u>
Operating Surplus/(Deficit) before changes in working capital	(2,047,236)	5,524,769
 (Increase)/Decrease in Inventories	 -	 -
(Increase)/Decrease in Prepayments	4,030,471	(3,913,492)
Increase/(Decrease) in Payables	14,688	(4,630)
Increase/(Decrease) in Suspense Account	<u>-</u>	<u>-</u>
Net cashflow generated from Operating Activities	<u>1,997,923</u>	<u>1,606,647</u>
 Investing Activities		
Purchase of Fixed Assets	<u>(2,790,816)</u>	<u>(1,944,662)</u>
Net cashflow generated from Investing Activities	<u>(2,790,816)</u>	<u>(1,994,662)</u>
 Financing Activities		
Government Contribution	792,893	388,015
Revaluation	<u>-</u>	<u>-</u>
Net cashflow generated from Financing Activities	<u>792,893</u>	<u>388,015</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 2021

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, that ended on February 20, 2021. At present the Commission has no members. The present staffing consists of a Secretary, an Accountant, an Administrative Assistant, a Legal/Compliance Office, an Investigative Office, a Data Entry/Scanning Office, 3 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 2021

Note 4. Property, Plant & Equipment

Description	Motor Vehicle	Furniture & Fixtures	Office Equipment	Total
		\$	\$	\$
Costs as at 01 January, 2021	3,000,000	4,293,860	5,030,316	12,324,176
Revaluation				
Additions		1,792,500	998,316	2,790,816
Disposal				
Cost as at 31 December, 2021	3,000,000	6,086,360	6,028,632	15,114,992
Accumulated Depreciation as 1 January, 2021	1,350,000	1,113,326	2,165,100	4,628,426
Depreciation charge for the year	600,000	502,464	895,459	1,997,923
Charges to Revaluation for the year	-	57,238	0	57,238
Disposal		0	-	-
Accumulated Depreciation as 31 December, 2021	1,950,000	1,673,028	3,060,559	6,683,587
Carrying Amount as at 31 December, 2020	1,650,000	3,180,534	2,865,216	7,695,750
Carrying Amount as at 31 December, 2021	1,050,000	4,413,332	2,968,073	8,431,405

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 5. CASH & CASH EQUIVALENTS

Description	2021 \$	2020 \$
Cash in Hand	0	0
Cash in Bank	0	0
Closing balance	0	0

NOTE 6. GOVERNMENT CONTRIBUTION

Description	2021 \$	2020 \$
Opening balance	7,635,947	7,247,932
Received for the year	2,800,000	2,000,000
Refund to unspent balance to OP	(9,184)	(5,338)
Deferred Income	(1,997,923)	(1,606,647)
Closing balance	8,428,840	7,635,947

NOTE 7. REVALUATION

Description	2021 \$	2020 \$
Opening balance	59,803	117,037
Depreciation	(57,238)	(57,234)
Adjustment to Accumulated Depreciation		
Closing balance	2,565	59,803

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 8. GOVERNMENT SUBVENTION:

The Commission received a total of \$62,623,989 for the year 2021: Current release of \$59,823,989 and Capital release of \$2,800,000 were received from the Ministry of Governance and Parliamentary Affairs as per Budgetary Allocations.

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

NOTE 9. ADMINISTRATIVE EXPENSES

Description	2021 \$	2020 \$
Employment Costs	35,636,677	36,087,396
Stationery and Office Supplies	6,470,484	4,567,242
Fuel & Lubricants	87,074	141,203
Rental of Building	6,597,500	6,510,000
Maintenance of Building	346,740	307,220
Janitorial and Cleaning Supplies	723,876	597,655
Maintenance of Infrastructure	298,300	482,000
Local Traveling and Subsistence	337,834	9,300
Overseas Conferences	0	0
Postage	837,077	580,940
Maintenance of Vehicles	73,640	94,389
Security Charges	2,852,305	4,910,731
Maintenance of Office Equipment	1,453,076	629,500
Extermination Services	343,473	298,478
National and Other Events	296,769	148,108
Refreshment and Meals	190,581	190,102
Total	56,545,406	55,554,264

NOTE 10. OTHER EXPENSES

Description	2021 \$	2020 \$
Miscellaneous	4,121,546	1,272,230
Bank charges	38,700	37,600
Refund of unspent balance to OP	1,611,862	5,038,977
Total	5,772,108	6,348,807

NOTE 11. UTILITY CHARGES

Description	2021 \$	2020 \$
Electricity	665,002	690,776
Telephone	888,610	728,300
Water	28,636	63,696
Total	1,582,248	1,482,772



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295/OA: 22/2/2022

1 September 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 2021

The audit of the financial statements of the Integrity Commission for the year ended 31 December 2021 has been completed. The findings hereunder are now referred to you for 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 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 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: \$8,431,405

Property, Plant and Equipment: \$8,431,405

4. An examination of the fixed assets register revealed that eighteen assets purchased during 2005-2013 were fully depreciated and carried nil values. However, these 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. The Valuation Office, Ministry of Finance is scheduled to inspect the Commission's assets at the end of August 2022.

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

Equity and Liabilities: \$9,702,093

Suspense Account: \$1,275,590

5. The Suspense Account balance of \$1,275,590 has been coming forward from previous financial years. 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 was still not 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 since 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.

B. REGULATION

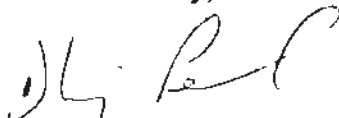
5. In keeping with Part II Section 3 (1 to 7) of the Integrity Commission Act No. 20 of 1997 “The Commission shall consist of a chairman and not less than two or more than four members...appointed by the President after consultations with the Minority Leader”. However, the life of the Commission’s Board expired in February 2021. A new Board was appointed with a life of three years from 30 May 2022. As a result, the operation of the Integrity Commission was not in compliance with the Act established for the governing of the entity, for approximately ten months in 2021.

General

6. 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,

A handwritten signature in black ink, appearing to read 'D. Persaud', is written over the printed name.

Dhanraj Persaud
Audit Manager (ag.)
for Auditor General