



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE NATIONAL TOURISM PROGRAM
LOAN CONTRACT NO. 4342/OC-BA
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
MARCH 31, 2022**

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NATIONAL TOURISM PROGRAM

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For the period ended March 31, 2022

(Expressed in United States Dollars)



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**AUDITOR GENERAL'S OFFICE
BARBADOS**



**REPORT ON THE AUDIT OF THE ACCOUNTS OF
THE NATIONAL TOURISM PROGRAM
FOR THE PERIOD ENDED March 31, 2022**

Unqualified Opinion

I have audited the accompanying Financial Statements, which comprise the Statement of Cash Received and Disbursements, the Statement of Cumulative Investments, and the accompanying Notes as of and for the period ended March 31, 2022 for the National Tourism Program, executed by the Ministry of Tourism and International Transport, and financed with funds from the Inter-American Development Bank Loan Contract No. 4342/OC-BA.

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash received and disbursements and the cumulative investments for the National Tourism Program as of and for the period ended March 31, 2022, in accordance with the accounting policies described in Note 2 and the terms of IDB Loan Contract No. 4342/OC-BA.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

Without modifying my opinion, I draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. The Financial Statements have been prepared by the Program's management to assist the National Tourism Program in complying with the requirements established in Loan Contract No. 4342/OC-BA, Financial Reports and External Audit Handbook for IDB-financed Projects and the Financial Management Guidelines-OP-273-12. As a result, the Financial Statements may not be suitable for other purposes.

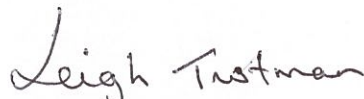
Management's Responsibility for the Financial Statements

The Program's management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in Note 2, and for such internal control as management determines is necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the accompanying statements, based on our audit. I conducted my audit in accordance with International Standards on Auditing, and specific requirements of the Inter-American Development Bank. 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 of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements.

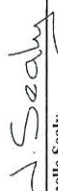
The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 assessing the accounting principles used and significant estimates made by the Program's management as well as evaluating the overall financial statement presentation. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.


Leigh Trotman
Auditor General
July 28, 2022

MINISTRY OF TOURISM AND INTERNATIONAL TRANSPORT
NATIONAL TOURISM PROGRAM BA - LI033
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS
(Expressed in US Dollars)
For the Period December 16, 2020 to March 31, 2022

| | Notes | Period December 16, 2020 to March 31, 2022 | | | | Period Ending December 15, 2020 | | | |
|--|-------|--|----------------|----------|----------------|---------------------------------|----------------|----------|----------------|
| | | (Year-end date, prior) | | | | (Year-end date, prior) | | | |
| | | IDB | LOCAL | OTHER | TOTAL | IDB | LOCAL | OTHER | TOTAL |
| CASH RECEIVED | | | | | | | | | |
| Beginning Balance | | - | 290,968 | - | 290,968 | - | - | - | - |
| Activity during the period | | | | | | | | | |
| ▪ Disbursements (Advances, reimbursements) | 8 | 355,389 | - | - | 355,389 | - | - | - | - |
| ▪ Reimbursement Amt | | 190,321 | - | - | 190,321 | - | - | - | - |
| ▪ Interest Received | | - | - | - | - | - | - | - | - |
| ▪ Other (Local Contribution) | | - | 227,734 | - | 227,734 | - | 290,968 | - | 290,968 |
| Total Cash Received for the Period | | 545,710 | 227,734 | - | 773,444 | - | 290,968 | - | 290,968 |
| Less amount reclassified to IDB | | - | 175,078 | - | 175,078 | - | - | - | - |
| Total Cash Received as at March 31, 2022 | | 545,710 | 343,624 | - | 889,334 | - | 290,968 | - | 290,968 |
| DISBURSEMENTS | | | | | | | | | |
| Beginning Balance | | - | 290,968 | - | 290,968 | - | - | - | - |
| Activity during the year | | | | | | | | | |
| ▪ Expense Reimbursement - Request No. 2 | | 190,321 | - | - | 190,321 | - | - | - | - |
| ▪ Expense Justified - Request No. 3 | 8 | 209,293 | - | - | 209,293 | - | - | - | - |
| ▪ Expense to be Justified | 4 | - | 112,884 | - | 112,884 | - | 175,078 | - | 175,078 |
| ▪ Other (Local Contribution) | | - | 114,850 | - | 114,850 | - | 115,890 | - | 115,890 |
| Total Cash Disbursements for the Period | | 399,614 | 227,734 | - | 627,348 | - | 290,968 | - | 290,968 |
| Less disbursements reclassified to IDB | | - | 175,078 | - | 175,078 | - | - | - | - |
| Total Cash Disbursements as at March 31, 2022 | 9 | 399,614 | 343,624 | - | 743,238 | - | 290,968 | - | 290,968 |
| AVAILABLE CASH AS OF PERIOD-END | | 146,096 | - | - | 146,096 | - | - | - | - |

The accompanying notes are an integral part of this statement

Prepared by: 
Janelle Sealy
Financial Specialist
19 Jul 2022

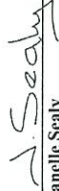
Approved by: 
Nicole Alleyne
Project Coordinator
July 20th, 2022

MINISTRY OF TOURISM AND INTERNATIONAL TRANSPORT
NATIONAL TOURISM PROGRAM BA - L1033
STATEMENT OF CUMULATIVE INVESTMENTS
(Expressed in US Dollars)

For the Period December 16, 2020 to March 31, 2022

| INVESTMENT CATEGORY | Cumulative as at December 15, 2020 | | | Notes | Movement during the period December 16, 2020 to March 31, 2022 | | | Notes | Cumulative as at March 31, 2022 | | |
|------------------------------------|------------------------------------|---------|---------|-------|---|---------|---------|-------|---------------------------------|---------|---------|
| | IDB | GOV. | TOTAL | | IDB | GOV. | TOTAL | | IDB | GOV. | TOTAL |
| 1. New Tourism Products | - | - | - | | - | - | - | | - | - | - |
| 2. Strengthening Digital Marketing | - | - | - | 7 | 3,380 | - | 3,380 | | 3,380 | - | 3,380 |
| 3. Administrative Cost | 175,078 | 115,890 | 290,968 | 7 | 333,695 | 114,850 | 448,545 | | 508,772 | 230,740 | 739,513 |
| 4. Contingencies | - | - | - | | - | - | - | | - | - | - |
| GRAND TOTAL | 175,078 | 115,890 | 290,968 | | 337,075 | 114,850 | 451,925 | 9 | 512,152 | 230,740 | 742,893 |

The accompanying notes are an integral part of this statement

Prepared by: 
Janelle Sealy
Financial Specialist
19 Jul 2022

Approved by: 
Nicole Alleyne
Project Coordinator
July 20th, 2022

Notes to Financial Statements of National Tourism Program
Loan No. 4342/ OC – BA
For the Period December 16, 2020 to March 31, 2022

1. Program Description

Amended Contracts

On March 2, 2018 the Inter-American Development Bank and the Government of Barbados signed Loan Contract No. 4342/OC-BA for US \$20 million to finance the National Tourism Program.

The objective of the Program is to increase the resilience of Barbados' tourism industry, with a focus on increasing tourism receipts. Specific objectives are to: (i) increase tourist expenditures on heritage and cultural products; and (ii) increase digital visibility of Barbados in the tourism market.

On December 17, 2019 Amendatory Contract No. 1 was entered into between the Government of Barbados and the Inter-American Development Bank, which amended Loan Contract No. 4342/OC-BA.

2. Significant Accounting Policies

▪ **Cash Basis of Accounting**

The financial statements have been prepared using the cash basis of accounting, recognizing revenue when the cash is received and recognizing expenses when the cash has been disbursed. This accounting policy differs from the IPSAS under which transactions should be recorded when they occur and not when they are paid. However, the IPSAS have been applied to circumstances such as those discussed in chapter "Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting."

▪ **Monetary Unit**

The Program's accounting records are maintained in Barbados (local currency) and United States currency. These financial statements are however, expressed in United States currency. The bank account held for the Program at the Central Bank of Barbados, carries the currency of the United States Dollar.

The exchange rate agreed between the Bank and the Government of Barbados (GOB) is BBD \$2.025 = USD \$1.00.

3. Available Cash Balance

The available cash balance as of March 31, 2022 is deposited in the Program's bank account at the Central Bank of Barbados.

| | |
|-------------------------|----------------|
| | 2022 |
| | US\$ |
| Bank Account No. 243648 | <u>336,417</u> |
| Total | <u>336,417</u> |

Notes to Financial Statements of National Tourism Program
Loan No. 4342/ OC – BA
For the Period December 16, 2020 to March 31, 2022

During the period ended March 31, 2022, there were no interest or currency exchange gains.

4. Advances Pending Justification

As of March 31, 2022, the amount pending justification to the IDB amounts to US \$112,884, relating to expenses incurred and not included in the disbursement requests. The details are shown below:

| Category | 2022 | Comments |
|------------------------|---------|---|
| 3. Administrative Cost | 112,884 | Project Execution Unit Specialists and Specialist Consultants |

An amount of US \$230,740 corresponds to ineligible Program expenses. These amounts are captured under local funding and relate to the following expenses:

- NIS (National Insurance Scheme) – This refers to the employees’ payments to the Social Security Scheme in relation to the salary received for the month. These payments have been deemed ineligible by the IDB. They have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.
- PAYE (Pay As You Earn) – This refers to the employees’ payment of a withholding tax in relation to the salary received for the month. These payments have been deemed ineligible by the IDB. They have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.
- Procurement expenses such as advertising – This refers to payments incurred in publishing the General Procurement Notice and Specific Procurement Notices in the local print and electronic media. The Ministry of Tourism and International Transport (MTI), in its capacity as the Executing Agency, has chosen not to charge these expenses to the Program. These payments have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.
- Property, Plant and Equipment – This refers to payments incurred in acquiring items to outfit the Project Execution Unit (PEU), which has been established under the MTI. The PEU is responsible for co-ordinating Program activities, procurement execution, contract supervision, financial and accounting management, compliance with local and IDB environmental and consultation requirements in the implementation of Program activities and risk management. The items acquired were office furniture and fittings; office equipment; and computer equipment and accessories. The payments for these items have been deemed ineligible by the IDB. They have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.

Notes to Financial Statements of National Tourism Program

Loan No. 4342/ OC – BA

For the Period December 16, 2020 to March 31, 2022

- Insurance – This refers to payments of insurance premiums for all risks coverage, acquired for computer equipment. The MTI, in its capacity as the Executing Agency, has chosen not to charge these expenses to the Program. These payments have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.
- Utilities – This refers to payments for electricity utilised by the operation of the PEU. The MTI, in its capacity as the Executing Agency, has chosen not to charge these expenses to the Program. These payments have been included in the reported amounts for the local contribution in the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments.

5. Advances and Justification

| | |
|--|----------------|
| | 2022 |
| | US \$ |
| Opening balance of advances | 0 |
| Advances received (December 16, 2020) | 355,389 |
| Advances justified (December 16, 2021) | <u>209,293</u> |
| Closing balance of advances | <u>146,096</u> |

The MTI is compliant with the loan contract provisions for recording advances in keeping with the contractual currency.

6. Local Counterpart Funds

The Government of Barbados has not pledged to contribute any funding as a local counterpart, given that as per the loan contract, there is no counterpart financing. However, as of March 31, 2022, the Government has contributed the sum of US \$343,624 towards expenses incurred under the Program.

Notes to Financial Statements of National Tourism Program
Loan No. 4342/ OC – BA
For the Period December 16, 2020 to March 31, 2022

7. Procurement of Goods and Services

| Category | Payee | Status | IDB | GOB |
|------------------------------------|---|-------------|----------------|----------------|
| 2. Strengthening Digital Marketing | Tableau Software LLC | Completed | 3,380 | - |
| Total | | | 3,380 | - |
| 3. Administrative Cost | Salaries | In Progress | 225,689 | 52,356 |
| | Yolanda Alleyne | Completed | 12,222 | - |
| | Grenville Phillips II | In Progress | 43,078 | - |
| | Egbert Riley | In Progress | 32,563 | - |
| | Alison Holder | In Progress | 20,142 | - |
| | Other Administrative Costs (Advertising, Equipment, Insurance, Utilities) | In Progress | | 62,494 |
| Total | | | 333,695 | 114,850 |

8. Disbursements

| Disbursement Request No. | Disbursement Type | Amount USD \$ | | Date |
|--------------------------|--------------------------|-------------------|-----------------------|-------------|
| | | Cash Disbursement | Non-Cash Disbursement | |
| 1 | Advance | 355,389 | | 16 Dec 2020 |
| 2 | Reimbursement | 190,321 | | 30 Jul 2021 |
| 3 | Justification of Advance | | 209,293 | 16 Dec 2021 |
| | Total | 545,710 | 209,293 | |

Notes to Financial Statements of National Tourism Program
Loan No. 4342/ OC – BA
For the Period December 16, 2020 to March 31, 2022

9. Reconciliation between the “Statement of Cash Received and Disbursements and the Statement of Cumulative Investments

| Current Period | (IDB) US\$ | (GOB) US\$ | Total US\$ |
|---|----------------|----------------|----------------|
| Disbursements Made as per Statement of Cash Received and Disbursements | 399,614 | 343,624 | 743,238 |
| Reconciling Items: | | | |
| i) Less Administration | (346) | - | (346) |
| ii) Advanced Funds to be justified | 112,884 | (112,884) | - |
| Disbursements as per Statement of Cumulative Investments | 512,152 | 230,740 | 742,892 |

Explanation of Differences

- i. Excess of expenditure reimbursed for Disbursement Request #2 of \$190,321, over actual expenditure of \$189,977, totalling \$346. This was due to errors submitted in the disbursement request.
- ii. Expenditure incurred and to be justified for the period 2 December 2021 to 31 March 2022, totalling \$112,884.

10. Reconciliation by Investment Categories between the Program’s Records and the IDB’s Records

| CATEGORY | Cumulative Balance as per: | | Variance |
|------------------------------------|--|--|----------------|
| | Program’s Records (Statement of Cumulative Investments) | IDB’s Records (OPS1 Summary Executive Report) | |
| 1. New Tourism Products | - | - | - |
| 2. Strengthening Digital Marketing | 3,380 | 3,380 | - |
| 3. Administrative Cost | 508,772 | 396,234 | 112,538 |
| 4. Contingencies | - | - | - |
| TOTAL | 512,152 | 399,614 | 112,538 |

Notes to Financial Statements of National Tourism Program
Loan No. 4342/ OC – BA
For the Period December 16, 2020 to March 31, 2022

Explanation of Variance

- 1) Excess of expenditure reimbursed for Disbursement Request #2 of \$190,321, over actual expenditure of \$189,977, totalling \$346. This was due to errors submitted in the disbursement request.
- 2) Expenditure incurred and to be justified for the period 2 December 2021 to 31 March 2022, totalling \$112,884.

11. Commitments

| Contract | Contract Value | Amount paid as at March 31, 2021 | Outstanding Balance as at March 31, 2022 |
|------------------------------|-----------------------|---|---|
| Grenville Phillips II | 54,415 | 47,613 | 6,802 |
| Egbert Riley | 54,321 | 37,090 | 17,231 |
| Alison Holder | 45,037 | 23,895 | 21,142 |
| Mirabelle Communications Ltd | 37,550 | - | 37,550 |



APPENDIX 1



MEMORANDUM

FROM: PERMANENT SECRETARY
MINISTRY OF TOURISM & INTERNATIONAL TRANSPORT

TO: Auditor General
Auditor General's Office

Our Ref: 9314/4/1/12 Vol. I

Date: July 25, 2022

**Subject: Management Representation for the Audit of the Financial Statements
for the period ended March 31, 2022**

This representation letter is provided in connection with the audit by the Barbados Audit Office of the financial statements of the National Tourism Program for the period ended March 31, 2022. The audit is conducted for the purpose of expressing an opinion as to whether the Statement of Cash Received and Disbursements, the Statement of Cumulative Investments and accompanying notes (the "financial statements") are presented fairly in all material respects, in accordance with the International Public Sector Accounting Standards and the Inter-American Development Bank's requirements.

Acknowledgements

2. We acknowledge as project management, that it is our responsibility to prepare financial statements which present fairly the results of the operations of the National Tourism Program in accordance with International Public Sector Accounting Standards and the Inter-American Development Bank's requirements and for making accurate representations to you.

Representations

3. We confirm that the following representations are made on the basis of enquiries of management and staff of the National Tourism Program with the relevant knowledge and experience; and where appropriate, inspection of supporting documentation, sufficient to satisfy ourselves that we can properly make each of the following representations to you.

(i.) **Accounting Records**

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

So far as we are aware, there is no relevant information of which you are unaware.

(ii.) **Accounting policies**

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

(iii.) **Financial Statements**

We confirm that the financial statements are free from material misstatements and omissions.

(iv.) **Contractual arrangements/agreements**

All contractual arrangements entered into with third parties have been properly reflected in the accounting records, or where material (or potentially material) to the financial statements, have been disclosed to you.

(v.) **Laws and regulations**

We are not aware of any instances of actual or potential breaches of, or non-compliance with, laws and regulations which provided a legal framework within which the entity conducts its business and which are central to the entity's ability to conduct its business, or that could have a material effect on the financial statements.

We are not aware of any irregularities or allegations of irregularities involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

(vi.) **Fraud**

We confirm our responsibility for the design and implementation of internal controls to prevent and detect fraud.

Based on our assessment, the risk that the financial statements may be materially misstated as a result of fraud is considered to be low.

We have no knowledge of any:

- a. actual or suspected fraud affecting the project involving (i) management, (ii) employees who have significant roles in internal control, or (iii) others, where the fraud could have a material effect on the financial statements; or
- b. allegations of fraud or suspected fraud, affecting the project's financial statements communicated by employees, former employees, regulators, or others.

(vii.) **Related parties**

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the International Public Sector Accounting Standards.

(viii.) **Internal Controls**

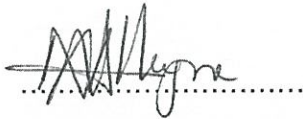
We confirm our responsibility for the design and implementation of internal controls to prevent and detect errors.

We are not aware of any material weaknesses and/or deficiencies in the design or operational effectiveness of the internal control system during the period audited.

We have disclosed any changes occurring during the period audited that has materially affected, or is reasonably likely to materially affect the internal control system.

(ix.) **Subsequent events**

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

A handwritten signature in dark ink, appearing to read "Nicole N. Alleyne", is written over a horizontal dotted line.

Nicole N. Alleyne (Mrs.)

for Permanent Secretary