

**AUDITED FINANCIAL STATEMENTS FOR THE
SUPPORT FOR CRIMINAL JUSTICE SYSTEM PROGRAM
IDB LOAN AGREEMENT № 3876/BL-GY**

FOR THE YEAR ENDED 31 DECEMBER 2019

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

**AUDITED FINANCIAL STATEMENTS OF THE
SUPPORT FOR CRIMINAL JUSTICE SYSTEM PROGRAM
IDB LOAN AGREEMENT № 3876/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019**

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Audit Office of Guyana

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243/IADB: 107/1/2020

10 August 2020

Ms. Joylyn Nestor -Burrowes
Permanent Secretary
Ministry of Legal Affairs
Carmichael Street
South Cumingsburg
Georgetown.

Dear Ms. Nestor-Burrowes,


AUDIT OF THE FINANCIAL STATEMENTS FOR THE
SUPPORT FOR THE CRIMINAL JUSTICE SYSTEM PROGRAM
IDB LOAN AGREEMENT № 3876/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019

I forward herewith one (2) copy of the audited financial statements for the above-mentioned Project for the year ended 31 December 2019, together with the Report of the Auditor General and Internal Control Report thereon.

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

With kind regards.

Yours sincerely,


★ MONA ROBERTS
AUDIT MANAGER (ag)
FOR AUDITOR GENERAL



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AG: 76/2020

10 August 2020

**REPORT OF THE AUDITOR GENERAL ON THE
THE STATEMENT OF CUMULATIVE INVESTMENTS AND
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS
FOR THE SUPPORT FOR CRIMINAL JUSTICE SYSTEM PROGRAM
IDB LOAN AGREEMENT № 3876/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019**

Audit Opinion

I have audited the Financial Statements of the Support For Criminal Justice System carried out by the Ministry of Legal Affairs and financed with resources of the Loan Agreement № 3876/BL-GY of the Inter-American Development Bank (IDB), which include the Statement of Cumulative Investments as of 31 December 2019, the Statement of Cash Received and Disbursements, and the notes to the Financial Statements, prepared for the year ended 31 December 2019, which include a summary of relevant accounting policies.

In my opinion, the accompanying Financial Statements of the Support for Criminal Justice System for Guyana for the year ended 31 December 2019 have been prepared in all material respects, in accordance with the financial reporting requirements of Section 5.03 of the Loan Agreement № 3876/BL-GY and the Audited Financial Reports and External Audit Management Handbook for projects financed by the IDB.

Basis for Audit 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 Support for Criminal Justice System 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 that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Management's Responsibility

Management is responsible for the preparation of these Financial Statements in accordance with the requirements established in Section 5.03 of the Loan Agreement № 3876/BL-GY and the Audited Financial Reports and External Audit Management Handbook for projects financed by the IDB. In addition, management is responsible for establishing internal control as they determine necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance that the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but it 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.



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GUYANA.

Support for the Criminal Justice System

LO: 3876 BL-GY 1044

Statement of Cash Received and Disbursements

For the year ending 31 December 2019

	2019			2018			2017		
	IDB	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
CASH RECEIVED	US\$		US\$	US\$		US\$	US\$		US\$
Beginning Balance	437,620		437,620	342,944		342,944	445,803		445,803
Disbursement	721,276		721,276	712,592		712,592			
Interest received									
Other (Exchange (Loss)/(Gain))				(607)		(607)			-
Total Cash Received	1,158,896		1,158,896	1,054,929		1,054,929	445,803		445,803
DISBURSEMENTS									
Refunds									-
Payments for Goods and Services	433,808		433,808	617,309		617,309	102,859		102,859
Other									-
Total Cash Disbursements	433,808		433,808	617,309		617,309	102,859		102,859
AVAILABLE CASH AS OF 31 DECEMBER 2019	725,088		725,088	437,620		437,620	342,944		342,944

The accompanying notes are an integral part of this statement

E. Mangar
Finance Officer

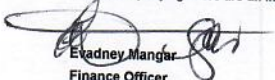
Oliva Mc Kenzie-Agard
Program Manager

Joylyn Nestor-Burrows
Permanent Secretary
Ministry of Legal Affairs

SUPPORT FOR THE CRIMINAL JUSTICE SYSTEM
LO:3876 BL-GY 1044
STATEMENT OF CUMULATIVE INVESTMENTS

ITEM	Accrued at end of 2018			Movement during year 2019			Accrued at end of 2019		
	IDB	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
1 REDUCTION OF THE USE OF PRE-TRIAL DETENTION	297,828		297,828	109,866		109,866	407,694		407,694
1.1.1 An assessment of NGO's will be conducted to determine their suitability for providing legal aid services	27,313		27,313				27,313.00		27,313
1.1.2 Set up Legal Aid Clinic	36,681		36,681	2,799		2,799	39,480.10		39,480
1.2.1 Number of Legal assistance training programs provided and completed by paralegals & NGO (Training)	313		313	4,914		4,914	5,227.00		5,227
1.3.1 Design & Implement a State Owned Legal Aid Program in Guyana	8,800		8,800	79,200		79,200	88,000.00		88,000
1.8.1 Photocopiers & Site Visit	105,033		105,033				105,033.00		105,033
1.11 Guidelines and Rules for Restorative Justice	69,075		69,075				69,075.00		69,075
1.4.1 Number of Attorneys under the defence program hired and working	313		313				313.00		313
1.5.1 Number of paralegals under the defence program hired and working	2,001		2,001				2,000.72		2,001
Develop Criteria & Judicial Policies for Non Custodial Measures & Pre-Trial Detention	48,300		48,300	20,700		20,700	69,000.00		69,000
ADS: Media Awareness-Legal Aid				472		472	472.00		472
ADS: Consultant for Restorative Justice				521		521	521.00		521
ADS: MIS System				1,260		1,260	1,260.00		1,260
2 INCREASE IN THE USE OF ALTERNATIVE SENTENCING	203,135		203,135	218,914		218,914	422,049		422,049
2.8.4 Review Existing Legislation(Summary Jurisdiction (Offences Act)	61,208		61,208	26,232		26,232	87,440		87,440
2.3.1 Study on the Appropriate Treatment of Substance Abuse & Mental Health Disorders as a Public Health Issue within the Penal System	71,250		71,250				71,250		71,250
2.4.1 Assessment of the Probation & Social Services Department of the Ministry of Social Protection- Guyana	69,075		69,075				69,075		69,075
ADS: Substance Abuse, Assessment of Probation,	1,602		1,602				1,602		1,602
ADS: Bail Act & Leadership Training				1,041		1,041	1,041		1,041
ADS: Solar Panels Probation				2,034		2,034	2,034		2,034
ADS: Community Service & Probation of Offenders Act				1,889		1,889	1,889		1,889
ADS: Cubicles Probation				1,562		1,562	1,562		1,562
2.6.1 Probation Offices Equipped				178,901		178,901	178,901		178,901
Consultancies				7,255		7,255	7,255		7,255
3 Recurring costs	219,205		219,205	105,028		105,028	324,233		324,233
3.1 Staff Emoluments	167,749		167,749	90,760		90,760	258,509		258,509
3.2 Equipment	49,791		49,791	6,234		6,234	56,025		56,025
3.3 Other	1,665		1,665	8,034		8,034	9,699		9,699
GRAND TOTAL	720,168		720,168	433,808		433,808	1,163,976		1,163,976

The accompanying notes are an integral part of this statement


Ebadney Mangar
Finance Officer


Olva Mc Kenzie-Agard
Program Manager


Joylyn Nestor-Burrowes
Permanent Secretary

PERMANENT SECRETARY
Ministry of Legal Affairs

NOTES TO THE FINANCIAL STATEMENTS OF THE PROGRAM

1. Description of the Program

The objective of the project is to contribute to the reduction of high concentrations of prison population in Guyana. The specific objectives of the Program are to reduce the proportion of inmates who are pre-trial detainees and to increase the use of alternative sentencing in the country.

The project will finance the implementation of the following subcomponents:

- (a) Subcomponent 1: Reduction of the use of Pre-Trial Detention
- (b) Subcomponent 2: Increase in the use of alternative sentencing.
- (c) Subcomponent 3: Project Administration
- (d) Subcomponent 4: Evaluation

2. Key Accounting Principles

- **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 recordkeeping modality differs from the IPSAS under which transactions should be recorded as they are incurred and not when they are paid. However, the IPSAS have been applied to these circumstances discussed in the chapter "Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting."

- **Monetary Unit**

The Project accounting records have been prepared in the US\$, the currency in which the Borrower and/or Executing Agency maintains its accounting records. However, for presentation purposes to the Bank, the financial statements will need to be converted to the financing currency, and an explanatory note added regarding the exchange rate agreed between the Bank and Borrower and/or Executing Agency and the conversion method used.

The exchange rate gain or loss that results from a difference in the exchange rate when funds are received, versus when they are converted to local currency, to make payments for eligible expenses is accounted for as an exchange rate differential charged to: (1) Bank Financing; (11) local counterpart; or (111) other sources.

3. Available Cash Balance

The available cash balance as at December 31, 2019 is deposited in the Program's bank accounts, and included interest exchange rate gains. as follows:

		2018 US\$	2019 US\$
Bank Account Number	33681121	251,987	721,575.96
Bank Account Number	0163700312002	190,129	5,880.89
Cash Account			166.54
		372,811	727,623.39

4. Advances Pending Justification

As at 31 December 2019 the amount pending justification to the IDB amounts to USD18,731.15. and is included in the following disbursement requests pending to be processed or expenses incurred and not included in such requests. Appendix 1

5. Advances and Justification

Opening balances of advances	US\$671,138
Advances recorded and justified	US\$751,362.75
Advances received	US\$721,875.98
Closing balance of advances	US\$641,651.23

6. Local Counterpart Funds

NIL

7. Prior-period adjustments

NIL

8. Procurement of goods and services

The PIU procured the services of a Program Manager, Procurement Officer, Finance Officer, Consultancy Service and assets for the implementation of the program.

9. Investment Category

a. Reduction of the use of Pre-Trial Detention:

Total expenditure under this category amounted to US\$109,865.42.

- i. **Legal Aid Pilot Project:** US\$2,798.87. was expended under this sub-category for equipment and Activation of Phone System.
- ii. **Consultancy to Design & Implement a State Owned Legal Aid Clinic in Guyana** was conducted at a cost of US\$79,200
- iii. Copying Documents, Photographer and Venue were procured for Legal Aid Training Workshop at a cost of US\$4,913.89.

- i. US\$2,252.66 was expended on Advertisements on Restorative Justice, Media Awareness and MIS System.

b. Increase in the use of Alternative Sentencing

Total expenditure under this category amounted to US\$218,914.12.

- i. US\$178,900.98 was expended on Solar Panels, ACs, Cubicles & Equipment for Probation- MOSP
- ii. US\$7,254.98 was expended on a Workshop involving all the Consultants attached to the Project.
- iii. US\$26,232 was expended on a Review Legislation Summary Jurisdiction Act
- iv. US\$ 6,526.16 was expended on Advertisements for the Consultancies and Solar Panels and equipment for Probation-MOSP

c. Execution Costs:

Total expenditure under this category amounted to US\$104,571.44.

- i. **PEU Staffing:** Total expenditure under this sub-category amounted to US\$90,760.
- ii. **Goods** (including office supplies)
Total expenditure under this sub-category amounted to US\$6,234.14.
- iii. **Other Total expenditure under this sub-category amounted to**
US\$7,577.30.

10. Disbursements

During the period under review the PIU received USD721,276

11. Reconciliation between the "Statement of Cash Received and Disbursements" and the "Statement of Cumulative Investments" Appendix 2

12. Reconciliation by Investment Categories between the program's records and IDB's records. Appendix 3

13. Contingencies

NIL

14. Subsequent Events

NIL

15. Status of adjustments arising from the independent auditors' non-standard opinion in the prior year or period.

NIL

SUPPORT FOR THE CRIMINAL JUSTICE SYSTEM

LO:3876 BL-GY 1044

Reconciliation of Statement of Investments and Statement of Cash Received and Disbursements

For the period 01 January 2019 to 31 December 2019

Appendix 2

	COMPONENT	Balance as per Statements of Investments		Balance as per Cash Received and Disbursements		Difference	
		IDB	Total	IDB	Total	IDB	Total
		US\$	US\$	US\$	US\$	US\$	US\$
1	Reduction of the use of pre-trial detention	109,866	109,866	109,866	109,866	0	0
1.1.1	An assessment of NGO's will be conducted to determine their suitability for providing legal aid services						0
1.1.2	Set Up Legal Aid Clinic	2,799	2,799	2,799	2,799		
	Number of Legal Assistance Training Programs provided and completed by paralegals & NGO (Training)	4,914	4,914	4,914	4,914		
1.3.1	Design & Implement a State Owned Legal Aid Program in Guyana	79,200	79,200	79,200	79,200		
1.8.1	Photocopiers and Site Visit					0	0
1.11	Guidelines and Rules for Restorative Justice					0	0
1.5.1	Ads: Media Consultant, Restorative Justice, MIS System	2,253	2,253	2,253	2,253	0	0
1.6	Develop Criteria & Judicial Policies for Non-Custodial Measures & Pre-Trial Detention	20,700	20,700	20,700	20,700		
2	INCREASE IN THE USE OF ALTERNATIVE SENTENCING	218,914	218,914	218,914	218,914	0	0
2.8.4	Review Existing Legislation (Summary Jurisdiction (Offences Act)	26,232	26,232	26,232	26,232		
	ADS: Bail Act & Leadership Training	1,041	1,041	1,041	1,041		
	ADS: Solar Panels	2,034	2,034	2,034	2,034		
	ADS: Community Service & Probation of Offenders Act	1,889	1,889	1,889	1,889		
	ADS: Cubicles Probation	1,562	1,562	1,562	1,562		
	Probation Offices Equipped	178,901	178,901	178,901	178,901		
	Consultancies	7,255	7,255	7,255	7,255		
3	EXECUTION COSTS	105,028	105,028	105,028	105,028	0	0
3.1	Staff Emoluments	90,760	90,760	90,760	90,760	0	0
3.2	Equipment	6,234	6,234	6,234	6,234	0	0
3.3	Other	8,034	8,034	8,034	8,034	0	0
	TOTAL	433,808	433,808	433,808	433,808	0	0


E. Mahar

Finance Officer


Olva Mc Kenzie-Agard

Program Manager


Joylyn Nestor-Burrowes

Permanent Secretary
PERMANENT SECRETARY
Ministry of Legal Affairs

SUPPORT FOR THE CRIMINAL JUSTICE SYSTEM

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Reconciliation of Statement of Investment and Executive Financial Summary

For the period 01 January 2019 to 31 December , 2019

Appendix 3

Code	Investment Category	Balance as per Statement of Investment	Executive Financial Summary	Difference	Pending Justification	Difference
		USD	USD	USD	USD	USD
1	REDUCTION OF THE USE OF PRE-TRIAL DETENTION	109,866	293,640	-183,774	2,537	-181,237
2	INCREASE IN THE USE OF ALTERNATIVE SENTENCING	218,914	336,252	(117,338)		117,338
	EXECUTION COSTS	105,028	121,471	-16,443	16,443	
	TOTAL	433,808	751,363	18,980	18,980	-63,898

Notes: 1) the amount of USD 181,237 was expenses incurred in 2018 and justified in 2019

2) The amount of USD 117,338 are expenses incurred in 2018 and justified in 2019

SUPPORT FOR THE CRIMINAL JUSTICE SYSTEM

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Supplementary Information

STATEMENT OF REPLENISHMENT

For the period 01 January 2019 to 31 December 2019

Request #	Description	Amount requested by PEU USD	Amount approved by IDB USD	Amount recorded by PEU USD
2	Replenishment	721,275.93	721,275.94	721,275.94
TOTAL		721,275.93	721,275.94	721,275.94

SUPPORT FOR CRIMINAL JUSTICE SYSTEM
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Statement of Budgetary Balances as at 31 December 2019

COMPONENT	Budget		2017 Expenditure		2018 Expenditure		Current Year Expenditure		Balance Available	
	IDB	TOTAL	IDB	TOTAL	IDB	TOTAL	IDB	TOTAL	IDB	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$			US\$	US\$
1 REDUCTION OF THE USE OF PRE-TRIAL DETENTION An assessment of NGOs will be conducted to determine their suitability for providing legal aid services										
1.1	527,375.00	527,375.00	1,252	1,252	296,576	296,576	109,866	109,866	119,681	119,681
1.1.2	27,000.00	27,000.00	313	313	27,000	27,000			(313)	(313)
1.1.2.1	88,000.00	88,000.00			36,681	36,681	2,799	2,799	48,520	48,520
1.2.1	25,000.00	25,000.00					4,914	4,914	20,086	20,086
1.3.1	52,700.00	52,700.00			8,800	8,800	79,000	79,000	(35,100)	(35,100)
1.8.1	70,000.00	70,000.00			105,033	105,033			(35,033)	(35,033)
1.11	69,075.00	69,075.00			69,075	69,075			-	-
1.2.1	22,300.00	22,300.00	313	313	1,688	1,688	2,253	2,253	18,047	18,047
1.4.1	76,800.00	76,800.00	313	313					76,487	76,487
1.5.1	50,000.00	50,000.00	313	313					49,687	49,687
1.6	36,000.00	36,000.00			48,300	48,300	20,700	20,700	(33,000)	(33,000)
1.7.1	10,500.00	10,500.00							10,500	10,500
2 INCREASE IN THE USE OF ALTERNATIVE SENTENCING										
2.2.1	69,000.00	69,000.00			203,135	203,135	218,914	218,914	292,978	292,978
2.3.1	71,250.00	71,250.00			71,250	71,250			69,000	69,000
2.4.1	69,075.00	69,075.00			69,075	69,075			-	-
2.6.1	122,500.00	122,500.00					178,901	178,901	(56,401)	(56,401)
2.8.1	165,789.00	165,789.00							165,789	165,789
2.8.2	25,291.00	25,291.00							25,291	25,291
2.8.3	7,122.00	7,122.00							7,122	7,122
2.8.4	55,000.00	55,000.00			61,208	61,208	26,232	26,232	(32,440)	(32,440)
2.8.5	130,000.00	130,000.00					7,255	7,255	122,745	122,745
ADJ. Substance Abuse, Assessment of Probation, Consultancies					1,602	1,602	6,526	6,526	(8,126)	(1,602)
3 EXECUTION COSTS										
3.1	120,900.00	120,900.00	58,804	58,804	108,945	108,945	90,760	90,760	(137,609)	(137,609)
3.2	15,000.00	15,000.00	41,690	41,690	8,100	8,100	6,234	6,234	(41,025)	(41,025)
3.3	15,000.00	15,000.00	1,114	1,114	551	551	8,034	8,034	5,301	5,301
Total	1,393,302	1,393,302	102,860	102,860	617,309	617,309	433,808	433,808	239,326	239,326