

**AUDITED FINANCIAL STATEMENTS OF THE
SUSTAINABLE ENERGY PROGRAM FOR GUYANA
NON-REIMBURSABLE FINANCING AGREEMENT
№ GRT/FM-13897-GY**

**FOR THE YEAR ENDED
31 DECEMBER 2017**

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

**AUDITED FINANCIAL STATEMENTS OF THE
SUSTAINABLE ENERGY PROGRAM FOR GUYANA
LOAN AGREEMENT LO № GRT/FM-13897-GY
FOR THE YEAR ENDED 31 DECEMBER 2017**

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229/IADB: 95/1/2018

24 April 2018

Mr. Horace Williams
Project Manager
Office of the Prime Minister
Wight's Lane
Georgetown.

Dear Mr. Williams,

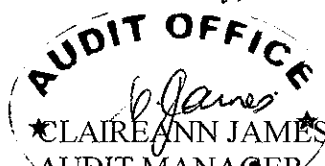
AUDIT OF THE FINANCIAL STATEMENTS OF THE
SUSTAINABLE ENERGY PROGRAM FOR GUYANA
NON-REIMBURSABLE FINANCING AGREEMENT No GRT/FM 13897-GY
FOR THE YEAR ENDED 31 DECEMBER 2017

I forward herewith two (2) copies of the audited financial statements of the above-mentioned Program for the year ended 31 December 2017, 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,


★ CLAIREANN JAMES ★
AUDIT MANAGER
OF GUYANA
For AUDITOR GENERAL



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AG: 133/2018

24 April 2018

REPORT OF THE AUDITOR GENERAL ON THE
THE STATEMENT OF CUMULATIVE INVESTMENTS AND
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS
FOR THE SUSTAINABLE ENERGY PROGRAM FOR GUYANA
NON-REIMBURSABLE FINANCING AGREEMENT № GRT/FM-13897-GY
FOR THE YEAR ENDED 31 DECEMBER 2017

Audit Opinion

I have audited the Financial Statements of the Sustainable Energy Program for Guyana carried out by the Ministry of Public Infrastructure and financed with resources of the Non-Reimbursable Financing Agreement № GRT/FM-13897-GY of the Inter-American Development Bank (IDB) and with contributions of the Government of Guyana, which include the Statement of Cumulative Investments as of 31 December 2017, the Statement of Cash Received and Disbursements, and the notes to the Financial Statements, prepared for the year ended 31 December 2017, which include a summary of relevant accounting policies.

In my opinion, the accompanying Financial Statements of the Sustainable Energy Program for Guyana for the year ended 31 December 2017 have been prepared in all material respects, in accordance with the financial reporting requirements of Section 4.03 of the Non-Reimbursable Financing Agreement № GRT/FM-13897-GY and the Audited Financial Reports and External Audit Management Handbook for projects financed by the IDB.

Basis for Audit Opinion

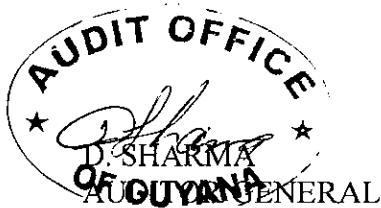
I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry of Public Infrastructure 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 4.03 of the Non-Reimbursable Financing Agreement No GRT/FM-13897-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.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

MINISTRY OF PUBLIC INFRASTRUCTURE
GRI/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA
STATEMENT OF CUMULATIVE INVESTMENTS

	(Expressed in US Dollars)			(Expressed in US Dollars)			(Expressed in US Dollars)		
	<u>Cumulative at End of 2016</u>			<u>Movement during 1 January 2017 to 31 December 2017</u>			<u>Cumulative at End of 2017</u>		
INVESTMENT CATEGORY	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL
1 <u>Policy and Institutional Framework</u>	8,474.58	-	8,474.58	33,194.97	-	33,194.97	41,669.55	-	41,669.55
1.1 Legal and Technical Revision of Electricity Framework	-	-	-	15,089.71	-	15,089.71	15,089.71	-	15,089.71
1.2 Public Awareness Campaign	8,474.58	-	8,474.58	18,105.26	-	18,105.26	26,579.84	-	26,579.84
2 <u>Strengthening of the Power Utility Capabilities</u>	33,198.00	-	33,198.00	-	-	-	33,198.00	-	33,198.00
2.1 Data Collection	33,198.00	-	33,198.00	-	-	-	33,198.00	-	33,198.00
3 <u>Contribution to Sector Sustainability</u>	-	-	-	332,541.02	-	332,541.02	332,541.02	-	332,541.02
3.1 Solar PV for Rural Electrification	-	-	-	11,685.97	-	11,685.97	11,685.97	-	11,685.97
3.2 Rural Hydro Power Projects	-	-	-	1,923.49	-	1,923.49	1,923.49	-	1,923.49
3.3 On-Grid RET - Wind Power	-	-	-	-	-	-	-	-	-
3.4 On-Grid PV Projects	-	-	-	318,931.56	-	318,931.56	318,931.56	-	318,931.56
4 <u>Project Management</u>	20,461.75	96,331.15	116,792.90	8,691.68	25,336.00	34,027.68	29,153.43	121,667.15	150,820.58
4.1 Administration (note 6)	20,461.75	96,331.15	116,792.90	8,691.68	25,336.00	34,027.68	29,153.43	121,667.15	150,820.58
4.2 Monitoring	-	-	-	-	-	-	-	-	-
4.3 Auditing	-	-	-	-	-	-	-	-	-
TOTAL	62,134.33	96,331.15	158,465.48	374,427.66	25,336.00	399,763.66	436,562.00	121,667.15	558,229.15

The accompanying notes are an integral part of this statement.

Note : The Presentation of this statement should correspond, at a minimum, to the components and sub-components included in the Financing Agreement.



Chief Executive Officer




Accountant

MINISTRY OF PUBLIC INFRASTRUCTURE
GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS

PERIOD ENDING 31 DECEMBER 2017

	Expressed in US Dollars 1 January 2017 to 31 December 2017			Expressed in US Dollars 12 December 2013 to 31 December 2016		
	<u>IDB</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>IDB</u>	<u>LOCAL</u>	<u>TOTAL</u>
CASH RECEIVED						
Accumulated Cash at the beginning of the period	1,172.54	-	1,172.54	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
<u>Activity during the year</u>						
Disbursements (Advances) (Note 5)	507,378.01	-	507,378.01	63,306.87	-	63,306.87
Interest Received	-	-	-	-	-	-
Exchange Gain	-	-	-	-	-	-
In Kind Contribution (GOG) (Note 6)	-	25,336.00	25,336.00	-	96,331.15	96,331.15
Total cash received	508,550.55	25,336.00	533,886.55	63,306.87	96,331.15	159,638.02
DISBURSEMENTS MADE						
Cumulative cash at beginning of the period	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
<u>Activity during the year</u>						
Repayments	-	-	-	-	-	-
Payment for goods and services (Note 8)	374,427.66	-	374,427.66	62,134.33	-	62,134.33
Others	-	25,336.00	25,336.00	-	96,331.15	96,331.15
Total Cash disbursements for the Period	374,427.66	25,336.00	399,763.66	62,134.33	96,331.15	158,465.48
Cumulative cash at end of the period	374,427.66	25,336.00	399,763.66	62,134.33	96,331.15	158,465.48
AVAILABLE CASH AS OF END OF PERIOD (Note 3)	134,122.89	-	134,122.89	1,172.54	-	1,172.54

The accompanying notes are an integral part of this statement.



Chief Executive Officer



Accountant

MINISTRY OF PUBLIC INFRASTRUCTURE
GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA

Notes to the Financial Statements
For the year ended 31 December 2017

1 Description of the Project

The Sustainable Energy Program for Guyana, which is a Non- Reimbursable Financing Agreement was signed on 11 December 2013 between the Government of Guyana and the Inter-American Development Bank acting as Administrator of the IADB/ Global Environmental Facility Fund. The Program's general objective is to improve institutional capacities of Guyana Power & Light Inc. and the Office of the Prime Minister through training of said institutions' staff and promotion of the use of Renewable Energy Technology (RET's) in the Urban areas and the Hinterland, with the aim to (1) implement sustainable business models for Operations and Maintenance of Renewable Energy Projects; (2) increase quality energy access in Guyana; (3) reduce the long-term operational costs of on-grid and off-grid electricity service; and (4) contribute to sector sustainability and reduction of Greenhouse Gases emissions.

In order to achieve the objectives the program will implement the following components

1. Strengthening of the Policy and Institutional Framework to Implement RET's in Guyana .

The specific objective of this component is to develop a national renewable energy strategy as an action plan to promote the implementation of RET's under the low carbon development strategy (LCDS), including the revision of existing regulatory framework.

2. Strengthening of the Power Utility Capabilities to improve electricity supply and promote the use of RETs.

The objective of this component is to develop the technical capacity and expertise of professionals from GPL and representatives from Hinterland Communities for the planning, design, installation, O&M of RE projects

3. Contribute to Sector Sustainability with the Implementation of cost effective RETs for on-grid and off-grid Electricity Generation.

The objective of this component is to implement RE pilot projects and demonstrate the technical, social, economic, financial and environmental sustainability of selected on-grid and off-grid RETs, through the implementation of pilot investments, such as wind energy, solar-PV and small hydropower.

The total amount of the financing agreement was US\$6,250,000, of which US\$5,000,000 was awarded as a grant from GEF/ IDB and US\$1,250,000 for administrative support was contributed through in-kind resources from the GoG.

2 Significant Accounting Policies

Basis of presentation

The Statement of Cash Flows and Cumulative Investments have been prepared using the cash basis of accounting, in accordance with the International Public Sector Accounting Standards (IPSAS). Cash basis recognize revenues when the cash is received and expenses when cash has been disbursed. This accounting policy is another comprehensive basis of accounting other than the generally accepted accounting principles, under which transactions should be recorded when they occur and not when they are paid.

Currency

The Program's accounting records are maintained in US and Guyana dollars. In order to calculate the equivalent in U.S. dollars, the cash received in local currency in a specific bank is converted at the rate of exchange in effect at the time of receipt of these funds or at the rate of exchange at a time close to the transaction date, such as the effective rate on the last day of the preceding month or the monthly average. The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when the funds are converted to local currency to make payments for eligible expenses is accounted for as an exchange rate differential, which is charged to the funds available under the Financing Agreement.

3 Available cash balance

The available cash balance in the Program's bank accounts as at 31 December 2017 are as follows:

	US\$
Bank Account 201660	128,136.88
Bank Account 01637003200	5,986.01
Total	<u>134,122.89</u>

There was no interest income earned during the year 2017.

4 Amount Pending Justification

As at 31 December 2017, the amount pending justification to the IDB amounted to US\$325,026.33 which represents the following disbursement awaiting processing.

(see Appendix 1 for full details)

Category	Date	Payee	Particulars	US\$
01.00.00	23-Oct-17	Impressions		
			Productions and installion of 6x4 sign	463.73
01.00.00	23-Oct-17	Global Printing & Graphics Inc	Printing of Brochures	1,258.69
01.00.00	23-Oct-17	Impressions		
			Supplying of T- Shirts for participants of exhibition on solar energy	593.46
01.00.00	23-Oct-17	Maggie's Snackette & Catering Service	Supplying of sancks and drinks for participants of the exhibition on solar energy	214.20
03.00.00	13-Oct-17	Farfan & Mendes Ltd	Design, Supply & Installation of grid tie Solar PV Systems	312,552.93
03.00.00	28-Nov-17	Guyana Revenue Authority	Payment of 2% withholding tax on contract with Farfan & Mendes Ltd	6,378.63
04.00.00	10-Nov-17	United Trading & Business Service	Supply of stationery for training	48.16
04.00.00	10-Nov-17	Maggie's Snackette & Catering Service		
			Supply of meals and drinks for training in maintenance of solar systems	357.18
04.00.00	10-Nov-17	GINA Ads Unit	Publishing of IFB for Kato Hydropower Project	285.29
04.00.01	27-Nov-17	GINA Ads Unit	Publishing of IFB for Kato Hydropower Project	2,874.05
			Total	<u>325,026.32</u>

5 Advances and Justification

	US\$
Opening balance of advances	1,172.54
Advances recorded during the period (Justified as per LMS)	507,378.01
Advances received	(374,427.66)
Closing balance of advances	<u>134,122.89</u>

The following Advance was justified during the period under review:

Request	Date	US\$
6	13-Sep-17	49,764.52

Reconciliation of available funds:

	US\$
Balance in Bank Accounts	134,122.89
Unjustified Amount	325,026.32
Total	<u>459,149.21</u>

6 Local Counterpart Funds

During the period under review, US\$25,336 was contributed as in-kind Local Counterpart Funding

7 Prior -Period Adjustments

During the period under review there were no adjustments

8 Procurement of Goods and Services

(see Appendix II for full details)

US\$

374,427.66

All procurement of goods and services were done in accordance with the IDB and National Procurement and Tendering Administration Board rules and regulations that governs procurement.

9 Investment Categories

An Analysis of Investment Categories as follows:

1 January 2017 to 31 December 2017

	1DB	LOCAL	TOTAL
Policy and Institutional Framework	33,194.97	-	33,194.97
Strengthening of the Power Utility Capabilities	-	-	-
Contribution to Sector Sustainability	332,541.02	-	332,541.02
Project Management	8,691.68	-	8,691.68
Total	<u>374,427.66</u>	-	<u>374,427.66</u>

10 Disbursements

During the period under review there were two (2) advance of funds.

Request	Date	US\$
5	23-Jan-17	55,684.75
7	15-Sep-17	451,693.26
Total		<u>507,378.01</u>

Reconciliation between the Statement of Cash Received and Disbursements and Statement of Cumulative

11 Investments

Please see reconciliation attached Appendix III

12 Reconciliation by Investment Categories between the Program's records and the IDB's records

Please see reconciliation attached Appendix IV

13 Contingencies

Not Applicable

14 Subsequent Events

Not Applicable

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

Not Applicable

Schedule of Expenses Pending Justification**Appendix 1**

Investment Category	Date	Voucher/ Advice №	Cheque №	Payee	Details	US\$
01.00.00	23-Oct-17	0057	04-920159	Impressions	Payment for production and installation of one 6x4 billboard	463.73
01.00.00	23-Oct-17	0058	04-920160	Global Printing & Graphics Inc.	Printing of brochures and posters for exhibition	1,258.69
01.00.00	23-Oct-17	0059	04-920161	Impressions	Payment for supplying of 50 t shirts with logo	593.46
01.00.00	23-Oct-17	0060	04-920162	Maggie's Snackette & Catering Service	Supplied snacks & drinks for exhibition	214.20
03.00.00	13-Oct-17	0056	04-920158	Farfan & Mendes Ltd	Payment for installation of grid tie solar pv systems on seven (7)government buildings	312,552.93
03.00.00	28-Nov-17	0065	04-920167	GRA	Payment of withholding tax on contract for Farfan & Mendes Ltd	6,378.63
04.00.00	10-Nov-17	0061	04-920163	United Trading & Business Services	Purchase of stationery for training	48.16
04.00.00	10-Nov-17	0062	04-920164	Maggie's Snackette & Catering Service	Meals & snacks for training in solar	357.18
04.00.00	10-Nov-17	0063	04-920165	GINA Ads Unit	Payment for ads for IFB for Kato Hydro project	285.29
04.00.01	27-Nov-17	0064	04-920166	GINA Advertising Unit	Payment of IFB for Kato Hydro Power Project	2,874.05
TOTAL						325,026.33

INVESTMENT CATEGORY	DATE	CHEQUE № / DEBIT ADVICE №	PAYEE	DESCRIPTION	AMOUNT (G\$)	EXCHANGE RATE	AMOUNT (US\$)
1	January 30, 2017	04-920121	Digicel	Payment for text messages - PA Campaign	139,200	206.50	674.09
1	January 30, 2017	04-920122	CNS Inc	Payment for informerical - PA Campaign	74,472	206.50	360.64
1	January 30, 2017	04-920123	Hits & Jam Entertainment	Payment for advertisement - PA Campaign	40,600	206.50	196.61
1	January 30, 2017	04-920124	Guyana Times	Payment for advertisement - PA Campaign	267,264	206.50	1,294.26
1	January 30, 2017	04-920125	Guyana Publication Inc	Payment for advertisement - PA Campaign	467,712	206.50	2,264.95
1	January 30, 2017	04-920126	Guy National Newspaper Ltd	Payment for publishing of energy month message	34,800	206.50	168.52
1	January 30, 2017	04-920127	National Media & Publishing Co Ltd	Payment for advertisement - PA Campaign	844,804	206.50	4,091.06
1	January 30, 2017	04-920128	Camex Ltd	Courier of contract to Barbadoes- Energy Road map	8,200	206.5	39.71
1	February 8, 2017	04-920129	Hits & Jam Entertainment	Radio Quiz	17,400	206.5	84.26
1	February 8, 2017	04-920130	Troy Tec Video Productions	Video & artwork modification - PA Campaign	374,000	206.5	1,811.14
1	March 15, 2017	04-920131	Television Guyana Inc	Payment for ads - 10 ways to conserved energy	7,998	206.5	38.73
1	May 9, 2017	04-920132	Guy National Newspaper Ltd	Placing of ads for PA Campaign	948,024	206.5	4,590.92
1	March 23, 2017	37-124162	Dr Roland Clarke	75% payment on contract on submission of draft report on energy road map for guyana	2,330,869	206.5	11,287.50
1	July 12, 2017	37-126233	Dr Roland Clarke	25% payment on contract on acceptance of report on energy road map for guyana	776,956	206.5	3,762.50
1	October 23, 2017	04-920159	Impressions	Payment for production and installation of one 6x4 billboard	95,760	206.5	463.73
1	October 23, 2017	04-920160	Global Printing & Graphics Inc.	Printing of brochures and posters for exhibition	259,920	206.5	1,258.69
1	October 23, 2017	04-920161	Impressions	Payment for supplying of 50 t shirts with logo	122,550	206.5	593.46
1	October 23, 2017	04-920162	Maggie's Snackette & Catering Service	Supplied snacks & drinks for exhibition	44,232	206.5	214.20
Subtotal-Component 1					6,854,761		33,194.97
3	June 8, 2017	04-920139	Correia Mining Co	Air fare for T Pyle and Y Adolph from Kamarang to Ogle	24,000	206.5	116.22
3	June 8, 2017	04-920140	Nora James	Air fare for T Pyle and Y Adolph from Ogle to Chi Chio West	64,000	206.5	309.93
3	June 8, 2017	04-920135	Patrick Chase	Conduct energy survey at Achiwib region 9	190,910	206.5	924.50
3	June 8, 2017	04-920136	Dexter Prince	Conduct energy survey at Achiwib region 9	121,100	206.5	586.44
3	June 8, 2017	04-920137	Trevlon Pyle	Conduct energy survey at Chinowey and Phillipai region 7	564,537	206.5	2,733.84
3	June 8, 2017	04-920138	Yonnick Adolph	Conduct energy survey at Chinowey and Phillipai region 7	62,000	206.5	300.24
3	June 8, 2017	04-920141	Kevin Vickerie	Conduct energy survey at Akawini, Bethany & Kabakaburi region 2	216,600	206.5	1,048.91
3	June 8, 2017	04-920134	Environmental Protection Agency	Payment for application fee for Environmental Authorisation (Environmental Permit)	10,800	206.5	52.30

Procurement of Goods and Services for the year ended 31 December 2017.

Appendix II

INVESTMENT CATEGORY	DATE	CHEQUE № / DEBIT ADVICE №	PAYEE	DESCRIPTION	AMOUNT (GS)	EXCHANGE RATE	AMOUNT (US\$)
3	June 27, 2017	04-920142	Industrial Safety Supplies Inc	Purchase of safety supplies	247,950	206.5	1,200.73
3	June 28, 2017	04-920143	Fix it Hardware	Purchase of measuring tape and flash lights	93,900	206.5	454.72
3	June 30, 2017	04-920144	Sky West Charter Service	Payment of airfare for trip to Mabaruma to conduct energy surveys in Yarakita and Hotoquai	33,060	206.5	160.10
3	June 30, 2017	04-920145	Kevin Vickerie	Conduct energy survey at Yarakita and Hotoquai region 1	233,026	206.5	1,128.46
3	July 4, 2017	04-920146	Air Services Ltd	Payment for air fare for trip to Kurukabaru to conduct energy survey	155,988	206.5	755.39
3	July 4, 2017	04-920147	Air Services Ltd	Payment for air fare for trip to monkey Mountain to conduct energy survey	151,200	206.5	732.20
3	July 4, 2017	04-920148	Yonnick Adolph	Conduct energy survey at Monkey Mountain region 8	26,000	206.5	125.91
3	July 4, 2017	04-920149	Trevlon Pyle	Conduct energy survey at Monkey Mountain region 8	57,840	206.5	280.10
3	July 4, 2017	04-920150	Dexter Prince	Conduct energy survey at Kurukabaru region 8	33,800	206.5	163.68
3	July 4, 2017	04-920151	Patrick Chase	Conduct energy survey at Kurukabaru region 8	96,000	206.5	464.89
3	July 20, 2017	04-920152	Trevlon Pyle	Conduct energy survey at Monkey Mountain region 8	23,420	206.5	113.41
3	July 20, 2017	04-920153	Patrick Chase	Conduct energy survey at Kurukabaru region 8	17,821	206.5	86.30
3	July 28, 2017	04-920154	Patrick Chase	Conduct site inspection at Kato with team from GEA and EPA	62,900	206.5	304.60
3	July 28, 2017	04-920155	Air Services Ltd	Payment for air fare for 6 persons to Kato to conduct site inspection with EPA	323,500	206.5	1,566.59
3	October 13, 2017	04-920158	Farfan & Mendes Ltd	Payment for installation of grid tie solar pv systems on seven (7) government buildings	64,542,180	206.5	312,552.93
3	October 28, 2017	04-920167	GRA	Payment of withholding tax on contract for Farfan & Mendes Ltd	1,317,188	206.5	6,378.63
Subtotal-Component 3					68,669,720		332,541.02
4	May 19, 2017	04-920133	GINA Ads Unit	Publishing of EOI for Moco Moco	1,058,722	206.5	5,126.98
4	November 10, 2017	04-920163	United Trading & Business Services	Purchase of stationery for training	9,946	206.5	48.16
4	November 10, 2017	04-920164	Maggie's Snackette & Catering Service	Meals & snacks for training in solar	73,758	206.5	357.18
4	November 10, 2017	04-920165	GINA Ads Unit	Payment for ads for IFB for Kato Hydro project	58,913	206.5	285.29
4	November 27, 2017	04-920166	GINA Advertising Unit	Payment of IFB for Kato Hydro Power Project	593,492	206.5	2,874.05
Subtotal-Component 4					1,794,831		8,691.68
TOTAL EXPENDITURE					77,319,312	206.5	374,427.66

MINISTRY OF PUBLIC INFRASTRUCTURE
GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA

Appendix III

(9) Reconciliation between the Statement of Cash Received & Disbursements and the Statement of Cumulative Investments
For the year ended 31 December 2017

Expressed in US Dollars

Particulars	IDB	LOCAL	TOTAL
Disbursement as per Statement of Cumulative Investments	374,427.66	25,336.00	399,763.66
Disbursement as per Statement of Cash Received & Disbursements	374,427.66	25,336.00	399,763.66
Difference	-	-	-

GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA

(10) Reconciliation by Investment Categories between the Program's records and the IDB's records
For the year ended 31 December 2017

Expressed in US Dollars

Category of Investment	Amount as per Statement of Investments	Amounts as per LMS	Variance	Reason for Variance
Policy and Institutional Framework	41,669.55	39,139.47	2,530.08	Pending justification (see note 4)
Strengthening of the Power Utility Capabilities	33,198.00	33,198.00	-	
Contribution to Sector Sustainability	332,541.02	13,609.45	318,931.57	Pending justification (see note 4)
Project Management	29,153.43	25,588.73	3,564.70	Pending justification (see note 4)
TOTAL	436,562.00	111,535.65	325,026.35	

MINISTRY OF PUBLIC INFRASTRUCTURE
GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA
BUDGET INVESTMENT AGAINST ACTUAL INVESTMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

INVESTMENT CATEGORY	CURRENT BUDGET			EXPENDITURE FOR THE PERIOD			BALANCE ON BUDGET			PERCENTAGE COMPLETED		
	IDB	GOG (in-kind)	TOTAL	IDB	GOG (in-kind)	TOTAL	IDB	GOG (in-kind)	TOTAL	IDB	GOG (in-kind)	TOTAL
<u>Policy and Institutional Framework</u>												
National RE Strategy Developed and Approved	-		-	-		-	-	-	-			
Legal and Technical Revision of Electricity Framework	-		-	15,089.71		15,089.71	(15,089.71)	-	(15,089.71)			
Public Awareness Campaign	75,823.00		75,823.00	18,105.26		18,105.26	57,717.74	-	57,717.74	23.9%	-	23.9%
<u>Strengthening of the Power Utility Capabilities</u>												
Data Collection	70,600.00		70,600.00			-	70,600.00	-	70,600.00	0.00%	-	0.00%
Training in RET Systems - Hinterland Communities							-	-	-			
Installation of Demonstration Plant for Bioenergy Production							-	-	-			
<u>Contribution to Sector Sustainability</u>							-	-	-			
Solar PV for Rural Electrification	501,000.00		501,000.00	11,685.97			489,314.03	-	489,314.03	2%	-	2%
Rural Hydro Power Projects	250,000.00		250,000.00	1,923.49		1,923.49	248,076.51	-	248,076.51	0.01		
On-Grid RET - Wind Power	-		-			-	-	-	-			
On-Grid PV Projects	380,000.00		380,000.00	318,931.56		318,931.56	61,068.44	-	61,068.44	0.84		
Project Management	10,000.00		10,000.00	8,691.68	25,336.00	34,027.68	1,308.32	25,336.00	26,644.32	86.92%	-	86.92%
TOTAL	1,287,423.00	-	1,287,423.00	374,427.67	25,336.00	388,077.70	912,995.33	25,336.00	938,331.33	29%		



Chief Executive Officer



Accountant

MINISTRY OF PUBLIC INFRASTRUCTURE
GRT/FM-13897-GY: SUSTAINABLE ENERGY PROGRAM FOR GUYANA
STATEMENT OF AVAILABLE BALANCE
FOR THE PERIOD ENDED 31 DECEMBER 2017

INVESTMENT CATEGORY	ORIGINAL BUDGET			TOTAL EXPENDITURE AS AT 31 DECEMBER 2017			AVAILABLE BALANCE		
	IDB	GOG (in-kind)	TOTAL	IDB	GOG (in-kind)	TOTAL	IDB	GOG (in-kind)	TOTAL
<u>Policy and Institutional Framework</u>									
National RE Strategy Developed and Approved	-	92,500.00	92,500.00	-	-	-	-	92,500.00	92,500.00
Legal and Technical Revision of Electricity Framework	100,000.00	100,000.00	200,000.00	15,089.71	-	15,089.71	84,910.29	100,000.00	184,910.29
Public Awareness Campaign	110,000.00	-	110,000.00	26,579.84	-	26,579.84	83,420.16	-	83,420.16
<u>Strengthening of the Power Utility Capabilities</u>									
Data Collection	140,000.00	200,000.00	340,000.00	33,198.00	-	33,198.00	106,802.00	200,000.00	306,802.00
Training in RET Systems - Hinterland Communities	-	200,000.00	200,000.00	-	-	-	-	200,000.00	200,000.00
Installation of Demonstration Plant for Bioenergy Production	-	57,500.00	57,500.00	-	-	-	-	57,500.00	57,500.00
<u>Contribution to Sector Sustainability</u>									
Solar PV for Rural Electrification	835,000.00	-	835,000.00	11,685.97	-	11,685.97	823,314.03	-	823,314.03
Rural Hydro Power Projects	2,000,000.00	-	2,000,000.00	1,923.49	-	1,923.49	1,998,076.51	-	1,998,076.51
On-Grid RET - Wind Power	800,000.00	100,000.00	900,000.00	-	-	-	800,000.00	100,000.00	900,000.00
On-Grid PV Projects	795,000.00	-	795,000.00	318,931.56	-	318,931.56	476,068.44	-	476,068.44
Project Management	220,000.00	500,000.00	720,000.00	29,153.43	121,667.15	150,820.58	190,846.57	378,332.85	569,179.42
TOTAL	5,000,000.00	1,250,000.00	6,250,000.00	436,562.00	121,667.15	558,229.15	4,563,438	1,128,333	5,691,771


 Chief Executive Officer


 Accountant



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

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170/IADB:95/1/2018

24 April 2018

Mr. Horace Williams
Program Manager
Ministry of Public Infrastructure
Wight's Lane
Kingston
Georgetown.

Dear Mr. Williams,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
SUSTAINABLE ENERGY PROGRAM FOR GUYANA
NON-REIMBURSABLE FINANCING AGREEMENT No GRT/FM-13897-GY
FOR THE YEAR ENDED 31 DECEMBER 2017

The financial statements of the Sustainable Energy Program for Guyana for the year ended 31 December 2017 have been audited and accordingly, the Auditor General has reported thereon. The audit was conducted 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.

2. The audit planning and execution took into account the internal control structure which was utilised in the preparation of the financial statements in order to determine the auditing procedures and to assess whether it formed a reliable basis for expressing an opinion. This consideration was however, not directed at providing assurance of the internal accounting control structure. Nonetheless, no matters involving the internal accounting control structure and its operations were considered to be material weaknesses in accordance with the standards referred to above.

3. This report is comprised of two sections. Section I highlights recommendations in relation to the existing systems and procedures noted in the current period, while Section II shows prior year recommendations which have not been resolved.

Section I

Finding

4. On 11 December 2013, the Government of Guyana (GoG) and the Inter-American Development Bank (IDB) signed a non-reimbursable financing agreement to improve institutional capacities of the Guyana Power and Light Incorporated (GPL) and the Office of the Prime Minister (OPM), through training of staff and promotion of the use of Renewable Energy Technology in urban and hinterland areas. The IDB agreed to provide a contribution of US\$5M and GoG in kind contribution of US\$1.250M for the completion and uninterrupted execution of the Program. The total estimated cost of the Program is US\$6.250M and completion date for all transactions under the Program is stated as sixty-six (66) months from signing of the agreement to 10 June 2019. As at 31 December 2017, approximately forty-eight (48) months after the effective date of the Program, only amounts totalling US\$558,229 or 8.93% of the total Program cost were expended.

Effect

The slow delivery of the Program's activities could result in it not achieving its stated objectives.

Management's Response

A number of factors caused the delay in the Program. However, the major activities of the Program have been reorganized and re-scheduled and timely execution is expected as the HECI is receiving additional support from key stakeholders, such as the Guyana Energy Agency. In addition, the HECI is also in the process of contracting a Project Assistant to provide critical support to the Project Coordinator and other PIU staff.

Finding

5. The planned expenditure in accordance with the Annual Operations Plan presented for the year 2017 was reflected as US\$1.287M or 26% of the IDB's contribution to the Program. It must be noted that there was no allocation of GoG in-kind contribution in the Annual Operations Plan for the period under review. A scrutiny of the Statement of Cash Received and Disbursements revealed that amounts totalling US\$399,764 or 31% of the planned expenditure were expended on activities of the Program as follows:-

Description	Budgeted Amount US\$	Amount Expended US\$	Difference Amount US\$
<i>Component I:</i> Strengthening Policy & Institutional Framework	75,823	33,195	42,628
<i>Component II:</i> Strengthening Power Utility Capabilities	70,600	0	70,600
<i>Component III:</i> Contribute to Sector Sustainability	1,131,000	332,541	798,459
<i>Component IV:</i> Project Management	10,000	8,692	1,308
<i>Other Contribution (in-kind):</i> Salaries	0	25,336	(25,336)
Total	1,287,423	399,764	887,659

Effect

The delay in the timely execution of activities under the Program could result in the Program not achieving its stated objectives and an overrun of the life of the Program.

Finding

6. Component 1 of the Annual Operations Plan for the year 2017, allocated funds to continue the implementation of public awareness and information campaigns with campaigns 3 and 4 and hire the services of a Public Awareness Consultant to monitor and evaluate the campaigns. Campaigns 3 and 4 were to communicate the benefits of Renewable Energy Technologies (RETS) and provide support for the Renewable Energy (RE) policy development. As at 31 December 2017, the campaigns were ongoing, however, the Consultant was not hired. As a result, the campaigns were not monitored and evaluated. Under Strengthening Policy and Institutional Framework, the sum of US\$33,195 was expended as follows:

Description	Amount US\$
Public awareness advertisements	17,298
Consultancy services & courier charge	15,090
Snacks and t-shirts for participants at an energy exhibition	807
Total	33,195

Finding

7. The sum of US\$17,298 was expended on advertisement costs for four (4) national publications, programmes on three (3) television stations and one (1) radio station, one (1) mounted billboard, brochures, booklets and text messages. The advertisements commenced on 5 November 2017 and continued intermittently to 30 November 2017. The objectives of the advertisements were to sensitize the general public on simple ways to conserve energy and included a “kids corner” section in the newspapers. An examination of payment vouchers, invoices and other related documentation, revealed that ten (10) payments totalling US\$10,984 were made in the year 2017. It must be noted that expenditure in the sum of US\$6,314 was incurred and invoiced during the period 28 October 2016 to 31 December 2016. However, payments were made during the period January to March 2017.

Management’s Response

There were several delays that resulted in the payments not being made in 2016: (i) Even though the invoices were dated in late 2016, most of them were received in 2017; (ii) Some of the invoices came without all the supporting documents and repeated calls had to be made for the documentation to be provided, which resulted in the payments being made in 2017; (iii) Due to the delay in releasing the funds by the IDB there was insufficient funds available to make payments for the few invoices that were available in 2016.

Finding

8. A contract for consultancy services for the preparation of an energy transition road map for Guyana was awarded in the sum of US\$15,050 by the Ministerial Tender Board (MTB) on 25 January 2017. Three (3) academically qualified consultants were evaluated for the consultancy and the highest scoring consultant was awarded the contract based on his experience with renewable energy programmes in the Caribbean Community and Common Market (CARICOM) within the Caribbean. The contract commenced on 23 January 2017 and was scheduled to be completed on 17 February 2017. The term of payment was 100% upon the submission and approval of deliverables.

9. On 24 March 2017, the IDB approved an amendment to the contract, whereby a new completion date of 10 March 2017 was granted, which revised the terms of payments where 75% was to be paid upon the submission and approval of the draft report and 25% upon submission and approval of the final report. The deliverables were met and as at 31 December 2017, all amounts owing to the consultant were paid. In addition, a courier charge of US\$40 was expended to facilitate the signing of the contract by the consultant. The amounts paid were supported by adequate documentation and were properly brought to account in the records of the Program.

Finding

10. The sum of US\$807 was expended to purchase t-shirts with an embroidery logo relating to energy conservation and refreshments. The items were distributed to fifty (50) participants at an exhibition on solar energy held at the Saint Joseph’s High School on 5 October 2017. The expenditure was supported by sufficient documentation and properly documented in the records of the Program.

Finding

11. In relation to Contribution to Sector Sustainability, amounts totalling US\$332,541 were expended on activities of the Program as follows:

Description	Amount US\$
Supply & installation of photovoltaic systems	318,932
Airfare, meals, accommodation & transportation	10,031
Site inspection visit at Kato	1,923
Purchase of field materials	1,655
Total	332,541

12. The National Procurement and Tender Administration Board (NPTAB) awarded a contract on 31 July 2017, in the sum of US\$318,932 for the design, supply and installation of grid-tie solar photovoltaic systems. The solar systems were to be installed on seven government buildings in Region № 4 and the IDB granted its 'No Objection' on 15 August 2017 for the procurement of the systems. The contract was signed on 17 August 2017 and the latest date for delivery was stated as seventy-five (75) days after the signing of the contract. The items were delivered in two lots: Lot 1 and Lot 2 on 31 August 2017 and 7 October 2017, respectively, as per contractual obligations and the full amount was paid to the supplier. The locations of installation, the size of the photovoltaic system and related costs were as follows:

Location	Photovoltaic System Size as per Price Schedule (KW)	Amount Expended US\$
<u>Lot 1</u> University of Guyana – Faculty of Technology Natural Sciences Buildings A & B	109.2	177,222
<u>Lot 2</u> Ministry of Public Infrastructure – Head Office	17.16	27,934
Bishop's High School	16.9	27,293
St. Joseph High School	16.9	27,293
Queens College	12.48	20,266
Ministry of Agriculture – Head Office	10.92	19,817
Government Technical Institute	11.7	19,107
Total		318,932

13. In relation to the installation of the grid-tie solar photovoltaic systems, physical verification conducted on 29 March 2018, revealed that the solar photovoltaic systems were installed at the various locations as identified in the table above.

Finding

14. Amounts totalling US\$10,031 were expended on airfare expenses and advances issued to five (5) officers to conduct energy surveys, during the period 12 June to 16 July 2017. The advances were expended on the purchase of meals, accommodation and transportation costs. The surveys were carried out at Yarakita, Hotaquai Monkey Mountain, Kurubukaru, Kopinang, Kamarang, Chi Chi West and Mabaruma in Regions № 1, 2, and 7 to 9. An audit examination of the relevant documentation presented revealed that a report on the site visits was prepared and submitted to the Program Manager and the expenditure was properly brought to account in the Program's records.

Finding

15. The sum of US\$1,923 was expended for a site inspection visit during the period 2 to 4 August 2017 at Kato in Region № 8. Included in the sum was an amount of US\$1,567, which was expended on airfare for six (6) persons who attended the visit. An advance in the sum of US\$304 was expended on the purchase of meals and accommodation and transportation cost by an officer who accompanied the representatives from the Guyana Energy Agency and the Environmental Protection Agency on the site visits. The remaining amount of US\$52 was expended on application fees for an environmental permit. A report on the site inspection visit was not submitted for audit verification. The amounts expended were brought to account in the records of the Program.

Finding

16. An amount of US\$1,655 was expended on the purchase of field materials, such as life jackets, steel tip long boots, flashlights and fibre glass tapes for energy surveys conducted. The surveys were carried out at Yarakita, Hotaquai Monkey Mountain, Kurubukaru, Kopinang, Kamarang, Chi Chi West and Mabaruma in Regions № 1, 2, and 7 to 9. The expenditure was supported with the necessary documentation and properly brought to account in the records of the Program.

Finding

17. Under Project Management, the sum of US\$8,692 was expended as follows:

- (a) Included in the sum were amounts totalling US\$8,287, which were paid to four national publications for sixteen (16) advertisements for consultancy services for (a) the geo-technical survey on the Moco-Moco hydropower site during the period 31 March to 16 April 2017; and (b) the design, supply and installation of a 300 kw hydropower plant at Kato, advertised during the period 31 August to 8 October 2017.
- (b) Additionally, the amount of US\$8,287 expended under Component IV was initially budgeted in the Annual Operations Plan for the year 2017, under Component III – Contribute to Sector Sustainability and not Project Administration. However, an amended Annual Operations Plan was not seen for the adjustment.

- (c) The remaining amount of US\$405 was expended on the purchase of snacks and stationery for thirty (30) participants who attended training on maintenance of solar systems, which was held at the Ministry of Public Infrastructure on 2 November 2017. The amounts were properly brought to account in records of the Program.

Finding

18. In accordance with Section 2.02 (a) of the Special Conditions to the Non-Reimbursable Financing Agreement, a Program Manager, Procurement Specialist, Financial Specialist, Electrical Engineer, and a Social-Environment Specialist were selected for the Program Implementation Unit (PIU). These officers, who were assigned by the Ministry to the Program received the IDB's Non Objection. For the period under review, salaries totalling US\$25,336, representing one third of the annual salary of US\$76,007 for GoG in-kind contributions were paid to the Program Manager, Financial Specialist, and two (2) Electrical Engineers. It was mentioned in the 2016 report that contracts were prepared and signed by the above mentioned staff of the Program. However, the contracts were not approved by the authorized personnel. For the period under review, the contracts for the above-mentioned personnel were not presented for audit examination. As a result, the accuracy of amounts paid could not be determined.

Finding

19. During the period under review, eleven (11) advances totalling US\$8,900 were granted to five (5) officers. However, it was observed that five (5) of the advances totalling US\$2,233 were paid to two (2) officers who were not employed by the Program. Also, documentary evidence by way of Ministry's and the IDB 'non-objection' to verify that the officers conducted duties relating to the Program were not provided. In the absence of such evidence, it could not be determined whether the amount paid was considered as eligible expenses that should be charged to the Program's fund.

Management's Response

The two (2) officers are employed with the Executing Agency (EA), the Ministry of Public Infrastructure. The PIU has a small staff and would from time to time request assistance from other departments in various areas. When visits are made to far out areas in the interior, staff often need support and guidance for safety and other reasons. In this instance, because of the short timeframe and the numbers of communities and distance involved, assistance was needed and the two officers were engaged by the PIU. In spite of the assistance provided, the PIU staff was responsible for the surveys and the reports. The reports should be sufficient evidence to verify that the surveys were done. As such, the PIU would like to know what other evidence is required to show that the two officers conducted duties related to the Program. The payment vouchers, for instance would indicate the date and destination of flights for the officers and these would coincide with those of the PIU staff.

Recommendation

The Audit Office recommends that the Management of the Program seek approvals from the IDB and the Ministry for ineligible expenditure.

Section II

Finding

20. It was mentioned in the 2016 audit report, that a contract for the supply of wind measuring equipment was awarded by the NPTAB on 15 July 2016, in the sum of €95,000 equivalent to US\$106,500 to a supplier from Germany. The contract was signed on 13 September 2016 for the supply of the items within seventy-five (75) days. However, the Ministry wrote the IDB on 21 November 2016, to change the method and terms of payment as outlined in the contract.

21. On 7 December 2016, the IDB wrote the Ministry informing that they were unable to grant its No-Objection and recommended that the Ministry “*consider the options of continuing with the contract as is, terminate the contract and engage the second bidder or retender the procurement.*” At the end of 2016, an agreement was not reached with the supplier and no payments were made. On 15 March 2017, the Ministry wrote the IDB for its no objection for a renewal of the contract with the same supplier for a period of seventy-five (75) days. On 31 March 2017, the IDB granted its no objection for the renewal of the contract at the same cost and conditions as previously agreed upon. As at April 2017, the contract was not renewed and no amounts were paid to the supplier.

22. The Program presented evidence that the IDB granted its No-Objection on 9 August 2017 to change the payment terms as requested by the supplier. On 27 October 2017, an addendum was signed between the Ministry and the supplier to effect the payment terms as follows:

1. 30% of the contract price within thirty (30) days of signing of the contract and upon of submission of claim and a bank guarantee;
2. 50% of the contract price of the goods shipped shall be paid upon receipt of the shipping documents; and
3. 20% of the contract price of goods received shall be paid within thirty (30) days of receipt of the goods and acceptance by the Ministry.

23. However on 4 December 2017, the supplier via electronic mail informed the Ministry that, “*some of the equipment proposed in 2015 were discontinued and hence is obliged to change the model and specification of the equipment.*” Further, the supplier stated that the banking institution amended some clauses in the certificate of advance payment and performance security and until the Ministry accepted the amendments the bank could not issue the original certificates, therefore no payment could be guaranteed.

24. On 27 February 2018, an electronic mail from the Program Manager was sent to the supplier requesting a quotation for the installation of four masts. A response on the 28 February 2018, stated that the supplier will quote installation fee accordingly and specified six (6) weeks for manufacturing and one (1) week for preparation for shipment. At the time of reporting in April 2018, the quotation was not received by the Program.

Effect

The delay in the timely execution of activities under the Program could result in the Program not achieving its stated objectives and an overrun of the life of the Program, and impede the completion of the contractual obligations of the consultant who has to pronounce on the installation and performance of the wind measuring equipment.

Management's Response

The delay in the delivery of the wind measuring equipment was due to the following factors; (i) changes that had to be made in the method of payment, since the PIU was unable to get an institution to establish a L/C; (ii) the supplier's difficulty in providing the advance and performance bonds due to requirements by its local bank in keeping with the banking laws; and (iii) some of the devices in the wind equipment that were required in the original contract were no longer being manufactured, which required an agreement of both parties on replacement.

As a result, the PIU is in the process of renewing the contract for another 75 days. This will facilitate the renewal of the Consultant's contract to deliver the outputs under the contract before the end of the Program.

Finding

25. In the 2016 audit report, it was stated that under Component I - Strengthening Policy and Institutional Framework, a contract was awarded by the NPTAB in August 2015 for an amount of US\$8,474, for consultancy services for Public Awareness Campaign Strategy. The contract required the consultant to present an Inception Report, Draft Strategy for Public Awareness Campaign and submission of the final version of all documents. According to the contract, the completion date was stated as 11 November 2015. The NPTAB approved a new completion date of 15 June 2016 after three addenda, due to unforeseen delays. As at 31 December 2015, the consultant was paid an amount of US\$1,695 for services rendered. During 2016, the sum of US\$6,780 was paid to the consultant, thereby increasing total payments under the contract to US\$8,475, representing the full contract sum for the works completed. The final report was completed by the Consultant, the IDB granted its No-Objection on 29 July 2016 and the report was presented for audit scrutiny. The amount expended was verified in the records of the Program.

26. However, according to the Annual Operations Plan for the year 2016, the Program was required to implement public awareness Campaigns 1 and 2 to promote the benefits of Renewable Energy Technologies. However, this was not accomplished, resulting in the objectives not being met. As at 31 December 2017, the campaigns were ongoing.

Finding

27. A contract for consultancy services was awarded in the sum of US\$55,330 by the NPTAB on 10 October 2015, for selection of sites for the Wind Data Collection. The contract was for; (i) the preparation of an inception report; (ii) preliminary assessment report; (iii) final verification report to validate that all installed wind measuring equipment is functioning correctly and (iv) preparation of quarterly data analysis reports for wind data collected. According to the contract, the completion date for all reports was the 13 December 2016. As at 31 December 2015, the consultant received US\$5,533 or 10% of the contract sum for the preparation of the inception report. During 2016, the sum of US\$27,665 or 50% of the contract sum was paid to the consultant for completion of the second deliverable - Preliminary Assessment Report of sites for wind measurement. The sites selected for the installation of the wind measuring equipment were located in Regions № 2, 3 and 6. The report was approved by the IDB on 7 November 2016. As at 31 December 2016, total payments under the contract amounted to US\$33,198 for works completed.

28. The third and fourth deliverables for the final verification report and quarterly data analysis reports for the installation of wind measuring equipment were not submitted, since the equipment was not procured. The equipment was still not procured due to changes in the specifications and the Program was waiting to obtain the quotation from the supplier to install the four masts. In addition, there was no evidence that the consultant's contract was amended to extend the time required to fulfill all contractual obligations. As at April 2018, the position remained the same.

Management's Response

The third and fourth deliverables under the contract can only be done after the installation of the wind measuring equipment. The wind measuring equipment has not yet been delivered and installed. Therefore, the contract cannot be renewed until such time.

Finding

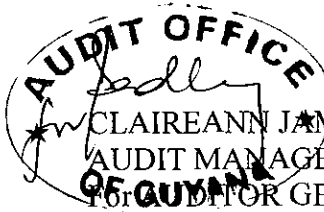
29. The Statement of Cumulative Investments reflected expenditure in the sum of US\$436,562 from the IDB's contribution. However, an amount of US\$111,535.65 was shown as expenditure on the LMS summary, resulting in a difference of US\$325,026.33. As at 31 December 2017, the total cash available was reflected as US\$134,122.89 on the Statement of Cash Received and Disbursements, while the LMS summary showed a balance of US\$459,149.23, resulting in a difference of US\$325,026.34. The difference represents expenses which are pending justification.

General

30. 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,


CLAIREANN JAMES
AUDIT MANAGER
FOR AUDITOR GENERAL