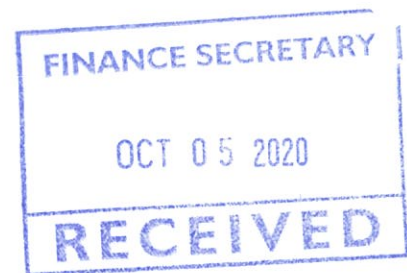


**AUDITED FINANCIAL STATEMENTS OF THE  
FISCAL MANAGEMENT MODERNIZATION IN GUYANA  
PROJECT NON-REIMBURSABLE TECHNICAL  
COOPERATION AGREEMENT № ATN/OC-15939-GY**



**FOR THE PERION 6 MARCH 2017 TO 6 MARCH 2020**

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

**AUDITED FINANCIAL STATEMENTS OF THE  
FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT  
NON-REIMBURABLE TECHNICAL COOPERATION  
AGREEMENT № ATN/OC-15939-GY  
FOR THE PERIOD 6 MARCH 2017 TO 6 MARCH 2020**

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## *Audit Office of Guyana*

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

*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

410/IADB:117/2020

2 October 2020

Mr. Michael B. Joseph  
Finance Secretary  
Ministry of Finance  
Main & Urquhart Street  
Georgetown.

Dear Mr. Joseph,


AUDIT OF THE FINANCIAL STATEMENTS OF THE  
FISCAL MANAGEMENT MODERNIZATION IN GUYANA  
PROJECT NONREIMBURSABLE TECHNICAL COOPERATION  
AGREEMENT ATN/OC-15939-GY  
FOR THE PERIOD 6 MARCH 2017 TO 6 MARCH 2020

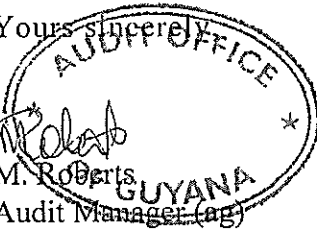
I forward herewith one (2) copy of the audited financial statements for the above-mentioned Project for the period 6 March 2017 to 6 March 2020, together with the Report of the Auditor General and Internal Control Report thereon.

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

With kind regards.

Yours sincerely,

  
M. Roberts  
Audit Manager (ag)  
For Auditor General





## *Audit Office of Guyana*

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

*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 96/2020

2 October 2020

REPORT OF THE AUDITOR GENERAL ON THE  
STATEMENT OF CUMULATIVE INVESTMENTS AND  
THE STATEMENT OF CASH RECEIVED AND DISBURSEMENTS  
FOR THE FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT  
NON-REIMBURSABLE TECHNICAL COOPERATION AGREEMENT  
Nº ATN/OC-15939-GY  
FOR THE PERIOD 6 MARCH 2017 TO 6 MARCH 2020

### *Audit Opinion*

I have audited the Financial Statements of the Fiscal Management Modernization in Guyana Project carried out by the Ministry of Finance and financed with resources of the Non-Reimbursable Technical Cooperation Agreement Nº ATN/OC-15939-GY of the Inter-American Development Bank (IDB) and with contribution from the Government of Guyana, which include the Statement of Cumulative Investments for the period 6 March 2017 to 6 March 2020, the Statement of Cash Received and Disbursements, and the notes to the Financial Statements, prepared for the period 6 March 2017 to 6 March 2020, which include a summary of relevant accounting policies.

In my opinion, the accompanying Financial Statements of the Fiscal Management Modernization in Guyana Project for the period 6 March 2017 to 6 March 2020 have been prepared in all material respects, in accordance with the financial reporting requirements of Clause Thirteen of the Non-Reimbursable Technical Cooperation Agreement 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 Fiscal Management Modernization in Guyana Project 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 Clause Thirteen of the Non-reimbursable Technical Cooperation Agreement № ATN/OC-15939-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 FINANCE**  
**ATN\OC-15939-GY: FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT**  
**STATEMENT OF CASH RECEIVED AND DISBURSEMENTS**  
**(EXPRESSED IN UNITED STATES DOLLARS)**  
**FOR THE PERIOD 06 MARCH 2017 TO 06 MARCH, 2020**

	IDB	GOG	TOTAL
<b>CASH RECEIVED</b>			
Accumulated Cash at the beginning of the period	-	-	-
<u>Activity during the period</u>			
Disbursements (Advances & Reimbursements) (Note 9)	119,038.00	-	119,038.00
Interest Received	-	-	-
Others	-	-	-
<b>Total Cash Received</b>	<u>119,038.00</u>	<u>0.00</u>	<u>119,038.00</u>
<b>DISBURSEMENTS MADE</b>			
Cumulative cash disbursements at beginning of the period	-	-	-
<u>Activity during the period</u>			
Refunds (Note 4)	85,025.36	-	85,025.36
Payments for goods and services (Note 7)	34,012.64	-	34,012.64
Others	-	-	-
<b>Total Cash Disbursements</b>	<u>119,038.00</u>	<u>-</u>	<u>119,038.00</u>
<b>AVAILABLE CASH AT END OF PERIOD</b> (Note 3)	<u>-</u>	<u>-</u>	<u>-</u>

*The accompanying notes are an integral part of this statement.*

.....  
Michael B Joseph  
Finance Secretary  
29 September 2020

.....  
Dorinda Shako  
Technical Cooperation  
Coordinator  
29 September 2020

**FINANCE SECRETARY**  
**MINISTRY OF FINANCE**

MINISTRY OF FINANCE  
 ATNOC -15939-GY-FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT  
 STATEMENT OF CUMULATIVE INVESTMENTS  
 (EXPRESSED IN UNITED STATES DOLLARS)  
 AS AT 31 DECEMBER, 2018

INVESTMENT CATEGORY	Cumulative as at end of 2017			Movement during 2018			Cumulative as at end of period (31 DECEMBER, 2018)		
	IDB	GOC	TOTAL	IDB	GOC	TOTAL	IDB	GOC	TOTAL
1: Strengthening of the CRA	-	-	-	-	-	-	-	-	-
1.1 IT System Review	-	-	-	-	-	-	-	-	-
1.2 Business Process analysis	-	-	-	-	-	-	-	-	-
1.3 Assessment of Current Organizational Structure	-	-	-	-	-	-	-	-	-
1.4 Institutional Capacity Assessment	-	-	-	-	-	-	-	-	-
1.5 Strategic Plan for the GRA	-	-	-	-	-	-	-	-	-
1.6 Hardware and Software update	-	-	-	-	-	-	-	-	-
2: Modernization of the GVO of the MOF	-	-	-	10,000.00	-	10,000.00	10,000.00	-	10,000.00
2.1 Assessment Report	-	-	-	-	-	-	-	-	-
2.2 Strategic Plan for the Valuation Division	-	-	-	10,000.00	-	10,000.00	10,000.00	-	10,000.00
2.3 IT Modernization Plan	-	-	-	-	-	-	-	-	-
2.4 Hardware and Software update	-	-	-	-	-	-	-	-	-
3: Capacity Building and Change Management	-	-	-	-	-	-	-	-	-
3.1 Training programs	-	-	-	-	-	-	-	-	-
3.2 Change Management Strategies	-	-	-	-	-	-	-	-	-
4: Project Coordination	-	-	-	2,720.17	-	2,720.17	2,720.17	-	2,720.17
5: Final Evaluation	-	-	-	-	-	-	-	-	-
6: Contingencies	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	12,720.17	-	12,720.17	12,720.17	-	12,720.17

The accompanying notes are an integral part of this statement.

FINANCE SECRETARY  
 MINISTRY OF FINANCE

Michael B Joseph  
 Finance Secretary  
 29 September 2020

Dorinda Shako  
 Technical Cooperation  
 Coordinator  
 29 September 2020

MINISTRY OF FINANCE  
 ATNOC -I5939-GY-FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT  
 STATEMENT OF CUMULATIVE INVESTMENTS  
 (EXPRESSED IN UNITED STATES DOLLARS)  
 AS AT 31 DECEMBER, 2019

INVESTMENT CATEGORY	Cumulative as at end of 2018			Movement during 2019			Cumulative as at end of period (31 DECEMBER, 2019)		
	IDB	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
1: Strengthening of the GRA	-	-	-	-	-	-	-	-	-
1.1 IT System Review	-	-	-	-	-	-	-	-	-
1.2 Business Process analysis	-	-	-	-	-	-	-	-	-
1.3 Assessment of Current Organizational Structure	-	-	-	-	-	-	-	-	-
1.4 Institutional Capacity Assessment	-	-	-	-	-	-	-	-	-
1.5 Strategic Plan for the GRA	-	-	-	-	-	-	-	-	-
1.6 Hardware and Software update	-	-	-	-	-	-	-	-	-
2: Modernization of the GVO of The MOF	10,000.00	-	10,000.00	20,000.00	-	20,000.00	30,000.00	-	30,000.00
2.1 Assessment Report	-	-	-	-	-	-	-	-	-
2.2 Strategic Plan for the Valuation Division	10,000.00	-	10,000.00	20,000.00	-	20,000.00	30,000.00	-	30,000.00
2.3 IT Modernization Plan	-	-	-	-	-	-	-	-	-
2.4 Hardware and Software update	-	-	-	-	-	-	-	-	-
3: Capacity Building and Change Management	-	-	-	-	-	-	-	-	-
3.1 Training programs	-	-	-	-	-	-	-	-	-
3.2 Change Management Strategies	-	-	-	-	-	-	-	-	-
4: Project Coordination	2,720.17	-	2,720.17	1,292.47	-	1,292.47	4,012.64	-	4,012.64
5: Final Evaluation	-	-	-	-	-	-	-	-	-
6: Contingencies	-	-	-	-	-	-	-	-	-
GRAND TOTAL	22,720.17	-	22,720.17	21,292.47	-	21,292.47	34,012.64	-	34,012.64

The accompanying notes are an integral part of this statement.

Michael B Joseph  
 Finance Secretary  
 29 September 2020  
 MINISTRY OF FINANCE  
 FINANCE SECRETARY

Dorinda Shako  
 Technical Cooperation  
 Coordinator  
 29 September 2020



MINISTRY OF FINANCE  
ATN\OC-15939-GY-FISCAL MANAGEMENT MODERNIZATION IN GUYANA PROJECT  
STATEMENT OF CUMULATIVE INVESTMENTS  
(EXPRESSED IN UNITED STATES DOLLARS)  
AS AT MARCH 06, 2020

INVESTMENT CATEGORY	IDB	GOC	TOTAL	IDB	GOC	TOTAL	IDB	GOC	TOTAL
1: Strengthening of the GRA	-	-	-	-	-	-	-	-	-
1.1 IT System Review	-	-	-	-	-	-	-	-	-
1.2 Business Process analysis	-	-	-	-	-	-	-	-	-
1.3 Assessment of Current Organizational Structure	-	-	-	-	-	-	-	-	-
1.4 Institutional Capacity Assessment	-	-	-	-	-	-	-	-	-
1.5 Strategic Plan for the GRA	-	-	-	-	-	-	-	-	-
1.6 Hardware and Software update	-	-	-	-	-	-	-	-	-
2: Modernization of the GVO of The MOF	30,000.00	-	30,000.00	-	-	-	30,000.00	-	30,000.00
2.1 Assessment Report	-	-	-	-	-	-	-	-	-
2.2 Strategic Plan for the Valuation Division	30,000.00	-	30,000.00	-	-	-	30,000.00	-	30,000.00
2.3 IT Modernization Plan	-	-	-	-	-	-	-	-	-
2.4 Hardware and Software update	-	-	-	-	-	-	-	-	-
3: Capacity Building and Change Management	-	-	-	-	-	-	-	-	-
3.1 Training programs	-	-	-	-	-	-	-	-	-
3.2 Change Management Strategies	-	-	-	-	-	-	-	-	-
4: Project Coordination	4,012.64	-	4,012.64	-	-	-	4,012.64	-	4,012.64
5: Final Evaluation	-	-	-	-	-	-	-	-	-
6: Contingencies	-	-	-	-	-	-	-	-	-
GRAND TOTAL	34,012.64	-	34,012.64	-	-	-	34,012.64	-	34,012.64

The accompanying notes are an integral part of this statement.

Michael B Joseph  
Finance Secretary  
29 September 2020  
MINISTRY OF FINANCE

Dorinda Shako  
Technical Cooperation  
Coordinator  
29 September 2020

**MINISTRY OF FINANCE**  
**ATN\OC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

**1 Program Description**

The Minister of Finance signed an agreement, referenced ATN/OC-15939-GY, on the 6 March, 2017 with the Inter-American Development Bank for a non-reimbursable Technical Cooperation (TC), up to the amount of US\$745,000.

The purpose of the TC is to assist the Government of the Cooperative Republic of Guyana (CRG) or "Guyana") in the modernization of its revenue management and real property tax assessment systems as part of a broader development goal to support the provision of sustainable citizen services. The specific objective of the Project is to provide (i) the Guyana Revenue Authority (GRA) and (ii) the Valuation Division of the Ministry of Finance (MOF) with a roadmap and the critical tools necessary for increasing efficiency and effectiveness in revenue in revenue collection.

The start date was scheduled for March 2017 and the Disbursement period (which includes the execution period) was set at 36 months.

The Project was executed by the Ministry of Finance, through the Project Cycle Management Division and comprised of the following three (3) components

Component 1: Strengthening of the GRA;

Component 2: Modernization of the Valuation Division of the MOF;

Component 3: Capacity Building and Change Management as per description below.

**Component 1**

**Strengthening of the GRA- Allocation-US\$270,000- Expenditure Nil**

This component involved a series of activities to support a modern efficient and effective revenue administration. With areas of improvement to the GRA identified through a diagnostic assessment of the organizational structure, institutional capacity, business processes and IT systems. Additionally, the development of a corresponding strategic plan for GRA to serve as a guide for future modernization measures. (i)The Technical Review Report and (ii)Strategic Plan for GRA fall under this component. The Strategic Plan structured in accordance with the Technical Administrative Diagnostic Assessment Tool(TADAT) included was to be a compliance strategy with corresponding performance measures, thus enabling the GCRG to identify compliance risk by taxpayer segment for the major taxes, specify with compliance measures which was to be undertaken by segment and measurement of GRA'S performance and (iii) Hard ware and Software.

**MINISTRY OF FINANCE**  
**ATNOC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

**Component 2**

**Modernization of the GVO of the MOF -Allocation US\$250,000. Expenditure- US\$30,000**

This component lays the groundwork for modernization of the real property tax collection process. It includes a thorough assessment of the current organizational structure, institutional capacity, business processes and IT Systems of the Valuation Division; as well as the design of related strategic plans financed under this component as follows: - (i) Assessment Report; (ii) IT Modernization Plan; and (iv) IT hardware and software.

**Component 3**

**Capacity Building and Change Management-Expenditure -Nil**

This component was to facilitate organizational change and capacity Building at the GRA and Valuation Division in support of their modernization efforts. This component entailed(i) development of training programs; (ii) change management strategies.

**2. Key Accounting Principles**

**a) Basis of Accounting**

The financial statements have been prepared using the cash basis of accounting, recognizing revenue when the cash is received and expenses when the cash has been disbursed.

**b) Monetary Unit**

The Project's accounting records have been prepared in local currency i.e. Guyana Dollars and in United States (U.S.) dollars. Advance of funds received from IDB and Disbursements made by the Project and IDB have been converted to local currency using the official rate of exchange in effect at the time of receipt or payment of the funds.

**MINISTRY OF FINANCE**  
**ATN\OC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

**3. Available Cash Balance**

- a) The available cash balance(reconciled) in the Project's bank account No.201693 held at the Bank of Guyana as at 6 March, 2020 is as follows

<b>IBD Resources</b>	<b>Amount-US\$</b>
Balance as Per Bank Statement as at 06 March, 2020	85,025.36
Less Payments	0
Total Available Bank Balance at End of Period	85,025.36
Less Amount Refunded to IDB	<u>85,025.36</u>
<b>Available Cash at End of Period</b>	<b><u>0</u></b>

- (a) The amount of US\$85,025.36 was Debited from the account for refund to IDB on 24<sup>th</sup> June, 2020 via Debit Advice No. 37-149889.
- (b) The exchange rate used to convert US dollars to GY dollars is **US\$1 = GY\$208.50.** during the period March 6, 2017 to March 6, 2020.
- (c) There was no exchange rate gain or loss during the period 6 March, 2017 to 6 March 2020.
- (d) There was no interest income since the account is a non-interest- bearing account.



**MINISTRY OF FINANCE**  
**ATN\OC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

**4. Advances Pending Justification**

- a) As at 06 March 2020, the amount pending justification to the IDB amounts to NIL
- b) There are no ineligible program expenses.

**5. Advances and Justification of Funds**

Particulars	US\$
Opening Balance of Advances as at 06\03\17	0
Advances Received during the Period	119,038.00
*Advances Recorded and Justified	34,012.64
Advances Pending Justification	0
Closing Balance of Advances as at 06, March, 2020	85,025.36

**6) Prior -Period Adjustments**

There were no prior period adjustments because this is a Technical Cooperation Program.

**7) Procurement of Goods and Services (Policies &Expenditures)**

The Procurement of goods, works and related services were done in accordance with the provisions set forth in Document GN-2349-9 ("Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank"), dated March 2011 (hereinafter referred to as the "Procurement Policies"), and in accordance with the terms of reference in The Project Agreement.

The Technical Cooperation Programme operations involved the procurement processes for services provided. The procurement policy reflected the interest of the Inter-American Development Bank (IDB) and the Government of the Cooperative Republic of Guyana to grant transparency, cooperation, equality of opportunities, and the principles of economy, efficiency and integrity in the procurement of the services provided.

All procurement activity executed under the grant agreement followed a dual approval system which included written approval by both parties, the IDB and the Government of the Cooperative Republic of Guyana. Procurement activity executed under the grant agreement which necessitates dual approval system between the IDB and the Government of the Cooperative Republic of Guyana. Hence the amount disbursed for the period amounted to US\$34,012.64.

**MINISTRY OF FINANCE**  
**ATN\OC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

The amount advanced and deposited by the IDB into the Ministry of Finance program account as at March 06, 2020 amounted to US\$119,038.00.

**9) Funds Disbursed by the IDB**

During the Period only one disbursement was made by the IDB as per the Table Below:

TYPE OF DISBURSEMENT	DATE RECEIVED	DISBURSEMENT REQUEST NO.	AMOUNT RECEIVED US\$
Advance of Funds	30, November, 2017	1	119,038.00
<b>TOTAL</b>			<b>119,038.00</b>

**10) Reconciliation between the Statement of Cash Received and Disbursements and the Statement of Cumulative Investments:**

**Expressed in US Dollars**

Particulars	IDB	GOG	TOTAL
Disbursement as per Statement of Cumulative Investments	34,012.64	-	34,012.64
Disbursement as per Statement of Cash Flows			
Cash Received and Disbursements	34,012.64	-	34,012.64
<b>Difference</b>	<u>-</u>	<u>-</u>	<u>-</u>

**MINISTRY OF FINANCE**  
**ATN\OC -15939-GY - FISCAL MODERNIZATION IN GUYANA PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 6 MARCH, 2017 TO 6 MARCH, 2020.**

**11) Reconciliation by Investment Categories Between Project's Records and IDB Records**

**EXPRESSED IN US\$**

Component	Category of Investment	Amounts as per Statement of Cumulative Investments	Amounts as Per IDB Executive Summary	Amount Pending Justification	Variances
1	Strengthening of GRA	30,000.00	30,000.00	0	0
2	Modernization of the GVO of MOF	0	0	0	0
3	Capacity Building and Change Management	0	0	0	0
4	Program Coordination	4,012.64	4,012.64	0	0
<b>TOTAL</b>		<b>34,012.64</b>	<b>34,012.64</b>	<b>0</b>	<b>0</b>

**12. Contingencies**

As at 6 March, 2020 there were no existing conditions, situation, or set of circumstances that involves uncertainty as to a possible gain or loss.

**13. Subsequent Events**

There were no transactions outstanding as at 06 March, 2020.