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**AUDITED FINANCIAL STATEMENTS FOR
THE SUSTAINABLE AGRICULTURAL DEVELOPMENT
PROGRAM IDB LOAN AGREEMENT № 3798/BL-GY**

FOR THE YEAR ENDED 31 DECEMBER 2019

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

**AUDITED FINANCIAL STATEMENTS FOR THE
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN AGREEMENT № 3798/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019**

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218/IADB: 108/1/2020

28 July 2020

Ms. Delma Nedd
Permanent Secretary
Ministry of Agriculture
Regent and Vlissengen Roads
Georgetown.

Dear Ms. Nedd,

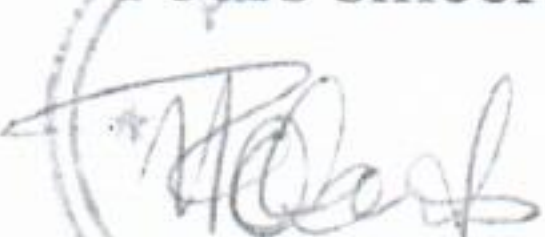
AUDIT OF THE FINANCIAL STATEMENTS FOR THE
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN AGREEMENT No 3798/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019

I forward herewith one (2) copy of the audited financial statements for the above-mentioned Program 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: 70/2020

28 July 2020

REPORT OF THE AUDITOR GENERAL ON THE
THE STATEMENT OF CUMULATIVE INVESTMENTS AND
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS
FOR THE SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN AGREEMENT № 3798/BL-GY
FOR THE YEAR ENDED 31 DECEMBER 2019

Audit Opinion

I have audited the Financial Statements of the Sustainable Agricultural Development Program carried out by the Ministry of Agriculture and financed with resources of the Loan Agreement № 3798/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 Sustainable Agricultural Development Program 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 № 3798/BL-GY and the Audited Financial Reports and External Audit Management Handbook for projects financed by the IDB.

Basis for Audit Opinion

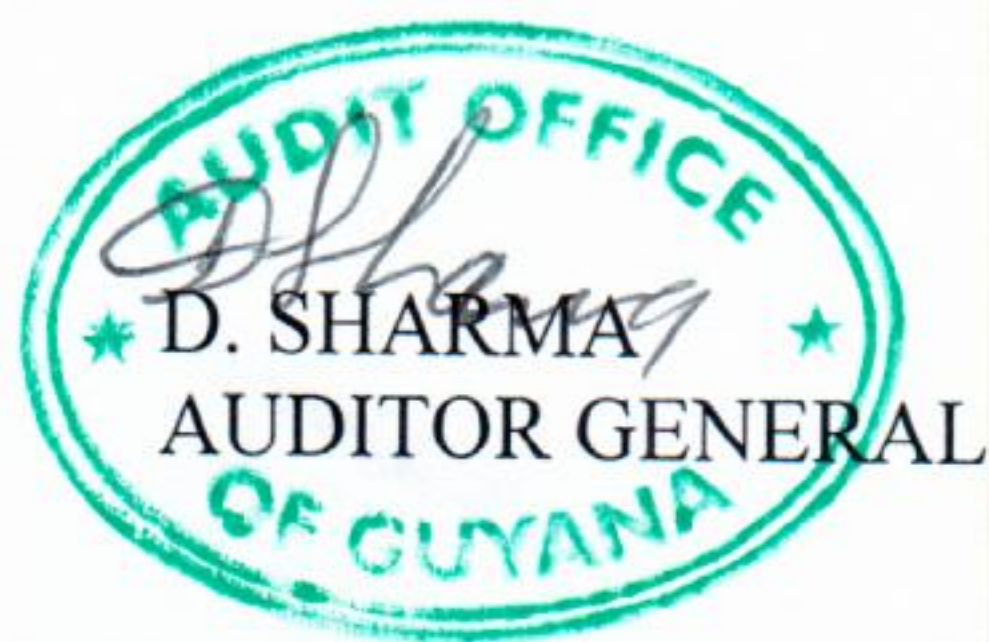
I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Sustainable Agricultural Development Program 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 № 3798/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 the Financial 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 AGRICULTURE
AGRICULTURE SECTOR DEVELOPMENT UNIT
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN NO. 3798/BL-GY
STATEMENT OF CASH RECEIVED AND DISBURSEMENTS
For the year ended 31 December 2019

Expressed in US Dollars

	Notes	Current year 1 January to 31 December 2019			Year ended 31 December 2018		
		IDB	GOG	Total	IDB	GOG	Total
Cash Received							
Beginning Balance		1,855,428.00	0	1,855,428.00	1,001,205.00	0	1,001,205.00
Activities during the year							
Disbursements(advances, reimbursements, direct payments and reimbursements guaranteed by letter of credit)	8	0	0	0	854,223.00	0	854,223.00
Interest Received		0	0	0	0	0	0
Total Cash Received		1,855,428.00	0	1,855,428.00	1,855,428.00	0	1,855,428.00
Disbursements Made							
Beginning Balance		(856,794.25)	0	(856,794.25)	(205,520.27)	0	(205,520.27)
Activity during the year							
Refunds		0	0	0	0	0	0
Payments for goods and services	8	(397,000.81)	0	(397,000.81)	(651,273.98)	0	(651,273.98)
Other		0	0	0	0	0	0
Total Cash Disbursements		(1,253,795.06)	0	(1,253,795.06)	(856,794.25)	0	(856,794.25)
Exchange Rate Gain/Loss		(1,845.16)	0	(1,845.16)	(1,845.16)	0	(1,845.16)
Available Cash Balance as of 31 December 2019	3	599,787.78	0	599,787.78	996,788.59	0	996,788.59

The accompanying notes are an integral part of these financial statements.

George Jervis
 George Jervis
 Chief Technical Officer
 Ministry of Agriculture

Chief Technical Officer
Ministry of Agriculture

Delma Nedd
 Delma Nedd

Permanent Secretary
 Ministry of Agriculture




MINISTRY OF AGRICULTURE
AGRICULTURE SECTOR DEVELOPMENT UNIT
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN NO. 3798/BL-GY
STATEMENT OF CUMULATIVE INVESTMENTS
For the year ended 31 December 2019
(Expressed in US Dollars)

COMP.	INVESTMENT CATEGORY	OPENING CUMULATIVE AS AT 31.12.2018			MOVEMENT DURING THE YEAR 2019			CLOSING CUMULATIVE AS AT 31.12.2019		
		IDB	GOC	TOTAL	IDB	GOC	TOTAL	IDB	GOC	TOTAL
	Information for Policy making and natural resource management	3,422.35	0	3,422.35	2,479.62	0	2,479.62	5,901.97	0	5,901.97
	Strengthening of the agricultural innovation and extension system	415,559.98	0	415,559.98	190,010.71	0	190,010.71	605,570.69	0	605,570.69
	Support for compliance with sanitary and phytosanitary standards	119,732.90	0	119,732.90	0	0	0	119,732.90	0	119,732.90
	Monitoring and Evaluation	21,614.72	0	21,614.72	54,428.91	0	54,428.91	76,043.63	0	76,043.63
	Program Administration	296,464.30	0	296,464.30	150,081.57	0	150,081.57	446,545.87	0	446,545.87
TOTAL AS AT 31 DECEMBER 2019		856,794.25	0	856,794.25	397,000.81	0	397,000.81	1,253,795.06	0	1,253,795.06

The accompanying notes are an integral part of these financial statements.


George Jervis
 Chief Technical Officer
 Ministry of Agriculture

Chief Technical Officer
Ministry of Agriculture


Delma Nedd
 Permanent Secretary
 Ministry of Agriculture



**GOVERNMENT OF GUYANA
MINISTRY OF AGRICULTURE - ASDU
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
LOAN NO. 3798/BL-GY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Description of the Project

The Sustainable Agricultural Development Program (SADP) is an agreement between the Government of Co-operative Republic of Guyana (the Borrower) and the Inter-American Development Bank (IDB). The agreement was signed on the 21st February 2017 for a period of 66 months. The estimated cost of the project is Fifteen million United States dollars (USD15, 000,000).

The Recipient of the funds under the SADP is the Ministry of Finance. The Project is implemented by the Ministry of Agriculture, Agriculture Sector Development Unit (ASDU).

Main Objective

The SADP aims to increase the productivity of the agricultural sector while maintaining a sustainable and climate resilient use of natural resources in Guyana. Higher productivity will also reduce pressure on forest and fragile ecosystems, and at the same time, increase incomes for small and medium-sized farmers.

The Project consists of the following parts:

Component 1. Information for policy making and natural resource management: This component will finance: (a) the strengthening of the MoA's Agricultural Information System and (b) the implementation of a national agricultural census.

Component 2. Strengthening the agricultural innovation and extension system: This component will finance the implementation of research programs in Region 9 and Region 10.

Component 3: Support for compliance with sanitary and phytosanitary standards: This component will finance the provision of technical assistance to develop the legal and regulatory framework and specific investments to improve SPS standards for meat processing.

Monitoring and evaluation: The program will also finance the monitoring, evaluation and management of the Program.

Program Administration: The purpose of this component is to strengthen the ASDU to facilitate the implementation of the Program, through the financing of specialized personnel dedicated to the Program.

The Project Financing Plan consists of the following components:

Investment Categories	IDB US\$	Total US\$	%
Component1: Information for policy making and natural resource management	4,170,000	4,170,000	27.8%
Component 2: Strengthening the agricultural innovation and extension system:	6,398,000	6,398,000	42.7%
Component 3:Support for compliance with sanitary and phytosanitary standards	2,800,000	2,800,000	18.7%
Monitoring and Evaluation	400,000	400,000	2.7%
Program Administration	1,232,000	1,232,000	8.2%
Total	15,000,000	15,000,000	100%

Achievement of the Project

During the period under review, the project achieved a total of 17% against its plan. A summary status of the project is presented below:

Investment Categories	Matrix Targets 2019 US\$	Amount Expended US\$	Matrix Balance US\$	Matrix Achieved
Component 1: Information for Policy making and natural resource management	170,000.00	2,479.62	167,520.38	1%
Component 2: Strengthening of the agricultural innovation and extension system	1,119,000.00	190,010.71	928,989.29	17%
Component 3: Support for compliance with sanitary and phytosanitary standards	630,000.00	0	630,000.00	0%
Monitoring and Evaluation	144,625.00	54,428.91	90,196.09	38%
Program Administration	215,701.00	150,081.57	65,619.43	70%
Total	2,279,326.00	397,000.81	1,882,325.19	17%

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated below.

a. Basis of Presentation

The Financial Statements, which comprises of the statement of Cash Flows and the statement of Cumulative Investments have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting which recognizes revenue when the cash is received and expenses when the cash has been disbursed by the Program.

b. Currency

The program's accounting records are maintained in both United States Dollars (US\$) and Guyana Dollars (G\$) in accordance with IDB's requirements and US\$ being the presentation currency. Local currency transactions during the year are translated at the Bank of Guyana exchange rate on the date of payment. The average rate of exchange as at December 31, 2019 was G\$208.50 to US\$1.00. There was no foreign exchange loss during the financial year, however the Loan maintained an exchange loss of US\$1,845.16.

3. Available Cash Balances

The available cash balance in the Project's Bank account held at the Bank of Guyana as at 31 December 2019 is USD \$599,948.93 which represents advance of funds net of payments. The differences between the bank balances and the available cash balances in the Statement of Cash Receive and Disbursements amounts to USD161.15, which represents an unrepresented cheque as at 31 December 2019.

	01.01.2019 US\$	31.12.2019 US\$
Crown Agents Bank Account No. 33681119	940,231.00	356,062.60
Bank of Guyana Account No.0162700428020	56,557.61	243,886.33
Closing Balance	996,788.61	599,948.93

4. Advances pending Justification

As at 31 December 2019, project expenditure pending justification to the IDB amounted to US\$17,588.77, which represented expenditure incurred and paid.

	31.12.2019
	US\$
Component 1	0
Component 2	6,480.01
Component 3	0.02
Component 4	0
Component 5	<u>11,108.74</u>
Pending Justification as at 31 December 2019	<u>17,588.77</u>

5. Advances and justification

Total advances from IDB resources as at 31 December 2019 amounted to USD 1,855,428.00.

	31.12.2019
	US\$
Opening Balance of advances	1,001,870.66
Advances received during this year	0
Advances recorded and justified	<u>(382,648.95)</u>
Closing Balance of Advances (LMS)	<u>619,221.71</u>

Reconciliation of Available Funds:

	US\$
Closing Balance of Advance (LMS)	619,221.71
Foreign exchange gain/Loss	(1,845.16)
Pending Justification	<u>(17,588.77)</u>
Unpresented Cheque	161.15
Available Bank Balance	<u>599,948.93</u>

6. Local Counterpart Funds

None

7. Prior period adjustments

None

8. Procurement of Goods, Services and Works

Procurement for the project is being carried out in accordance with the Policies for the procurement of Works and Goods financed by the Inter-American Development Bank (GN-2349-9) and the policies for the Selection and contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9), supported by procurement policies of the Central Tenders Board of the Government of Guyana.

During the period under review contracts were signed with the following Consultants:

Name of Consultant	Description of Contract
The Consultancy Group Inc.	Conduct a baseline study in Region 5 & 9
Dr. Leslie Simpson	Conduct Agricultural research in Ley cropping areas for GLDA
Inter-American Institute for Co-operation on Agriculture	Short Term training on Crop Production for NAREI staff
Inter-American Institute for Co-operation on Agriculture	Short Term training on livestock Production for GLDA

9. Depreciation of Assets

ICT, equipment and furniture acquired with the Project resources are recorded at their acquisition cost at the date of payment. No depreciation is charged on these assets and as such no depreciation charge is reflected in these financial statements. However an assets resister is maintained by the project.

10. Investment Categories

During the period under review the program's cumulative disbursement amounted to:

	31.12.2019
	US\$
Component 1	2,479.62
Component 2	190,010.71
Component 3	0
Component 4	54,428.91
Component 5	<u>150,081.57</u>
Total	<u>397,000.81</u>
Net Movement	
Opening balance as at 1 January 2019	856,794.24
Payments Fiscal 2019	<u>397,000.81</u>
Balance as at 31 December 2019	<u>1,253,795.06</u>

11. Disbursements

During the period under review Disbursement Request were made as follows:

Disbursement Request No. 8 (Justification of Advance)

	31.12.2019
	US\$
Component 1	3,029.74
Component 2	183,530.71
Component 3	0
Component 4	54,428.91
Component 5	<u>141,659.59</u>
Total	<u>382,648.95</u>

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

	31.12.2019
	US\$
Disbursement per Statement of Cash Flow	
Net Movement	397,000.81
Reconciling Items:	0
Total per statement of Cumulative Investment Net Movement	<u>397,000.81</u>

13. Reconciliation by Investment Categories between the program’s records and IDB’s Records

The difference between the Statement of Cumulative Investment and IDB’s LMS records amounted to US\$17,588.77 relating to expenditure pending justification.

INVESTMENT CATEGORY	As per LMS as at 31.12.2019 US\$	As per Statement of Cumulative Investments 31.12.2019 US\$	Funds Pending Justification US\$
Component 1: Information for Policy making and natural resource management	5,901.97	5,901.97	0
Component 2: Strengthening of the agricultural innovation and extension system	599,090.68	605,570.69	6,480.01
Component 3: Support for compliance with sanitary and phytosanitary standards	119,732.88	119,732.90	0.02

INVESTMENT CATEGORY	As per LMS as at 31.12.2019 US\$	As per Statement of Cumulative Investments 31.12.2019 US\$	Funds Pending Justification US\$
Monitoring and Evaluation	76,043.63	76,043.63	0
Program Administration	435,437.13	446,545.87	11,108.74
TOTAL	1,236,206.29	1,253,795.06	17,588.77

14. Contingencies

None

15. Subsequent Events

None

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

During the period under review there were no adjustments that affected the current period and/or are reflected in the financial statements for the prior period used in this report for comparison purposes.

MINISTRY OF AGRICULTURE
AGRICULTURE SECTOR DEVELOPMENT UNIT
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN NO. 3798/BL-GY
UNJUSTIFIED EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2019
Expressed in US Dollars

DATE	PV #	PAYEE	PARTICULARS	AMOUNT
05/12/2019	141/19	Rawle Birkett	Gratuity for the Period 01/06/2019 - 30/11/2019	534.98
05/12/2019	142/19	Rawle Birkett	Vacation All'ces for the period 1/12/2018 - 30/11/2019	468.22
02/12/2019	143/19	Imitiaz Karim	Purchase of Supplies for Office use	161.15
13/12/2019	144/19	Latoya O'Dean for ASDU	Recoupment of Petty Cash	510.70
16/12/2019	145/19	Leslie Simpson	Agricultural research in Ley Cropping system for GLDA	6,480.01
12/12/2019	147/19	Shell Camp Street Service Station	Supply of Fuel for the Month of November 2019	430.17
13/12/2019	148/19	GT & T Company Ltd	Telephone charges for the Month of November 2019	103.65
16/12/2019	149/19	Khemlall Alvin	Salary for the Month of December 2019	3,500.00
16/12/2019	150/19	Jennifer Daziel	Salary for the Month of December 2019	1,850.00
16/12/2019	151/19	Christopher Vandeyar	Salary for the Month of December 2019	1,775.00
16/12/2019	152/19	Rawle Birkett	Salary for the Month of December 2019	503.89
16/12/2019	154/19	Homchand Narine for SADP	Expenses incurred to faciliate IDB Technical Misson 25-26/11/019	311.77
31/12/2019	155/19	Latoya O'Dean for ASDU	Recoupment of Petty Cash	959.23
TOTAL				17,588.77

MINISTRY OF AGRICULTURE
AGRICULTURE SECTOR DEVELOPMENT UNIT
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM
IDB LOAN NO. 3798/BL-GY
LOAN STATUS
For the year ended 31 December 2019
(Expressed in US Dollars)

COMP.	INVESTMENT CATEGORY	IDB LOAN BUDGET			EXPENDITURE TO DATE			LOAN BALANCE		
		IDB	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
1	Information for Policy making and natural resource management	4,170,000.00	0	4,170,000.00	5,901.97	0	5,901.97	4,164,098.03	0	4,164,098.03
2	Strengthening of the agricultural innovation and extension system	6,398,000.00	0	6,398,000.00	605,570.69	0	605,570.69	5,792,429.31	0	5,792,429.31
3	Support for compliance with sanitary and phytosanitary standards	2,800,000.00	0	2,800,000.00	119,732.90	0	119,732.90	2,680,267.10	0	2,680,267.10
4	Monitoring and Evaluation	400,000.00	0	400,000.00	76,043.63	0	76,043.63	323,956.37	0	323,956.37
5	Program Administration	1,232,000.00	0	1,232,000.00	446,545.87	0	446,545.87	785,454.13	0	785,454.13
	Exchange Rate Gain/Loss							(1,845.16)		(1,845.16)
	Total	15,000,000.00	0	15,000,000.00	1,253,795.06	0	1,253,795.06	13,744,359.78	0	13,744,359.78