

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 2020**

**TABLE OF CONTENTS**

	<b>PAGE</b>
1. TRANSMITTAL LETTER	1
2. AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS	2
3. AUDITED FINANCIAL STATEMENTS	4
4. MANAGEMENT LETTER	16



## *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>*

64/IADB: 108/1/2021

27 April 2021

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

Dear Ms. Nedd,

AUDIT OF THE FINANCIAL STATEMENTS OF THE  
SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM  
LOAN AGREEMENT № 3798/BL-GY  
FOR THE YEAR ENDED 31 DECEMBER 2020

I forward herewith one (2) copies of the audited financial statements for the above-mentioned Program for the year ended 31 December 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 me know.

With kind regards.

Yours sincerely,

  
KALOUTIE JAIKARAN  
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: 38/2021

27 April 2021

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 2020

### *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 2020, the Statement of Cash Received and Disbursements, and the notes to the Financial Statements, prepared for the year ended 31 December 2020, 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 2020 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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 2020

Expressed in US Dollars

	Notes	Current year 1 January to 31 December 2020			Year ended 31 December 2019		
		IDB	GOG	Total	IDB	GOG	Total
<b>Cash Received</b>							
Beginning Balance		1,855,428.00	0	1,855,428.00	1,855,428.00	0	1,855,428.00
Activities during the year							
Disbursements(advances, reimbursements, direct payments and reimbursements guaranteed by letter of credit)		0	0	0	0	0	0
Interest Received		0	0	0	0	0	0
<b>Total Cash Received</b>		<b>1,855,428.00</b>	<b>0</b>	<b>1,855,428.00</b>	<b>1,855,428.00</b>	<b>0</b>	<b>1,855,428.00</b>
<b>Disbursements Made</b>							
Beginning Balance		(1,253,795.06)	0	(1,253,795.06)	(856,794.25)	0	(856,794.25)
Activity during the year							
Refunds		0	0	0	0	0	0
Payments for goods and services	8	(219,167.62)	0	(219,167.62)	(397,000.81)	0	(397,000.81)
Other		0	0	0	0	0	0
<b>Total Cash Disbursements</b>		<b>(1,472,962.68)</b>	<b>0</b>	<b>(1,472,962.68)</b>	<b>(1,253,795.06)</b>	<b>0</b>	<b>(1,253,795.06)</b>
Exchange Rate Gain/Loss		(1,845.16)	0	(1,845.16)	(1,845.16)	0	(1,845.16)
<b>Available Cash Balance as of 31 December 2020</b>	<b>3</b>	<b>380,620.16</b>	<b>0</b>	<b>380,620.16</b>	<b>599,787.78</b>	<b>0</b>	<b>599,787.78</b>

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

*George Jervis*  
George Jervis  
Chief Technical Officer  
Ministry of Agriculture

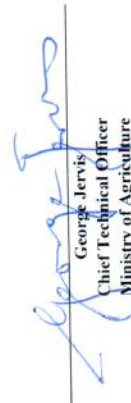


**Chief Technical Officer**  
**Ministry of Agriculture**

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 2020  
(Expressed in US Dollars)

COMP.	INVESTMENT CATEGORY	OPENING CUMULATIVE AS AT 31.12.2019			MOVEMENT DURING THE YEAR 2020			CLOSING CUMULATIVE AS AT 31.12.2020		
		IDB	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
1	Information for Policy making and natural resource management	5,901.97	0	5,901.97	3,551.54	0	3,551.54	9,453.51	0	9,453.51
2	Strengthening of the agricultural innovation and extension system	605,570.69	0	605,570.69	56,425.35	0	56,425.35	661,996.04	0	661,996.04
3	Support for compliance with sanitary and phytosanitary standards	119,732.90	0	119,732.90	15,871.37	0	15,871.37	135,604.27	0	135,604.27
4	Monitoring and Evaluation	76,043.63	0	76,043.63	0	0	0	76,043.63	0	76,043.63
5	Program Administration	446,545.87	0	446,545.87	143,319.36	0	143,319.36	589,865.23	0	589,865.23
TOTAL AS AT 31 DECEMBER 2020		1,253,795.06	0	1,253,795.06	219,167.62	0	219,167.62	1,472,962.68	0	1,472,962.68

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**



**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 2020**

**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:**

<b>Investment Categories</b>	<b>IDB US\$</b>	<b>Total US\$</b>	<b>%</b>
Component 1: 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%
<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>100%</b>

### **Achievement of the Project**

During the period under review, the project achieved a total of 89% against its plan. A summary status of the project is presented below:

<b>Investment Categories</b>	<b>Matrix Targets 2020 US\$</b>	<b>Amount Expended US\$</b>	<b>Matrix Balance US\$</b>	<b>Matrix Achieved</b>
Component 1: Information for Policy making and natural resource management	5,000.00	3,551.54	1,448.46	71%
Component 2: Strengthening of the agricultural innovation and extension system	60,000.00	56,425.35	3,574.65	94%
Component 3: Support for compliance with sanitary and phytosanitary standards	20,000.00	15,871.37	4,128.63	79%
Monitoring and Evaluation	0	0	0	0%
Program Administration	160,000.00	143,319.36	16,680.64	90%
<b>Total</b>	<b>245,000.00</b>	<b>219,167.62</b>	<b>25,832.38</b>	<b>89%</b>

The execution of the Programs activities was delayed and not being achieved in the specified deadline due to the effects of the COVID-19 Pandemic since most of the tasks and deliverables are field-oriented.

## 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 Received and Disbursements, 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, 2020 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 2020 is USD \$381,296.97 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 USD \$676.81, which represents an unrepresented cheque as at 31 December 2020.

	01.01.2020 US\$	31.12.2020 US\$
Crown Agents Bank Account No. 33681119	356,062.60	299,741.09
Bank of Guyana Account No.0162700428020	<u>243,886.33</u>	<u>81,555.88</u>
<b>Closing Balance</b>	<b><u>599,948.93</u></b>	<b><u>381,296.97</u></b>

#### 4. Advances pending Justification

As at 31 December 2020, project expenditure pending justification to the IDB amounted to US\$13,909.50, which represented expenditure incurred and paid.

	31.12.2020
	US\$
Component 1	643.16
Component 2	0
Component 3	0.01
Component 4	0
Component 5	<u>13,266.33</u>
<b>Pending Justification as at 31 December 2020</b>	<b><u>13,909.50</u></b>

#### 5. Advances and justification

Total advances from IDB resources as at 31 December 2020 amounted to USD 1,855,428.00.

	31.12.2020
	US\$
Opening Balance of advances	619,221.71
Advances received during this year	0
Advances recorded and justified	<u>(222,846.89)</u>
<b>Closing Balance of Advances (LMS)</b>	<b><u>396,374.82</u></b>

Reconciliation of Available Funds:

	US\$
Closing Balance of Advance (LMS)	396,374.82
Foreign exchange gain/Loss	(1,845.16)
Pending Justification	<u>(13,909.50)</u>
Unpresented Cheque	<u>676.81</u>
<b>Available Bank Balance</b>	<b><u>381,296.97</u></b>

#### 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:

<b>Name of Consultant</b>	<b>Description of Contract</b>
Inter-American Institute for Co-operation on Agriculture	Diagnostic Study of the Dairy Value Chain in Guyana (Mapping, Analysis and Design)
Dr. Johannes Roseboom	Consultancy Services to prepare and Conduct an Institutional Analysis of the Agricultural Extension System in Guyana.

## 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:

	<b>31.12.2020</b>
	<b>US\$</b>
Component 1	3,551.54
Component 2	56,425.35
Component 3	15,871.37
Component 4	0
Component 5	143,319.36
<b>Total</b>	<b><u>219,167.62</u></b>
<b>Net Movement</b>	
Opening balance as at 1 January 2020	1,253,795.06
Payments Fiscal 2020	<u>219,167.62</u>
<b>Balance as at 31 December 2020</b>	<b><u>1,472,962.68</u></b>

## 11. Disbursements

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

Disbursement Request No. 9 and 10 (Justification of Advance)

	31.12.2020 US\$
Component 1	2,908.38
Component 2	62,905.36
Component 3	15,871.38
Component 4	0
Component 5	141,161.77
<b>Total</b>	<b><u>222,846.89</u></b>

## 12. Reconciliation between the "Statement of Cash Received and Disbursements" and the "Statement of Cumulative Investments"

	31.12.2020 US\$
<b>Statement of Cash Received &amp; Disbursements</b>	
Net Movement	219,167.62
Reconciling Items:	0
<b>Total per statement of Cumulative Investment Net Movement</b>	<b><u>219,167.62</u></b>

## 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\$13,909.50 relating to expenditure pending justification.

INVESTMENT CATEGORY	As per LMS as at 31.12.2020 US\$	As per Statement of Cumulative Investments 31.12.2020 US\$	Funds Pending Justification US\$
Component 1: Information for Policy making and natural resource management	8,810.35	9,453.51	643.16
Component 2: Strengthening of the agricultural innovation and extension system	661,996.04	661,996.04	0

<b>INVESTMENT CATEGORY</b>	<b>As per LMS as at 31.12.2020 US\$</b>	<b>As per Statement of Cumulative Investments 31.12.2020 US\$</b>	<b>Funds Pending Justification US\$</b>
Component 3: Support for compliance with sanitary and phytosanitary standards	135,604.26	135,604.27	0.01
Monitoring and Evaluation	76,043.63	76,043.63	0
Program Administration	576,598.90	589,865.23	13,266.33
<b>TOTAL</b>	<b>1,459,053.18</b>	<b>1,472,962.68</b>	<b>13,909.50</b>

#### **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 2020

Expressed in US Dollars

DATE	PV #	PAYEE	PARTICULARS	AMOUNT
12/01/2020	121/20	Beharry Automotive	General service on vehicle PTT 1647	216.12
12/01/2020	122/20	Rawle Birkett	Gratuity for the period 01/06/2020 to 30/11/2020	583.13
12/11/2020	123/20	G.T&T Company Ltd.	Telephone charges for Project Co-ordinator the Mth of November, 2020.	96.81
12/11/2020	124/20	Shell Camp Street Service Station	Supply of Fuel for November, 2020	190.18
12/11/2020	125/20	Khemlall Alvin	Salary for the Month of December, 2020	3,500.00
12/11/2020	126/20	Homchand Narine	Salary for the Month of December, 2020	2,000.00
12/11/2020	127/20	Jennifer Daziel	Salary for the Month of December, 2020	1,850.00
12/11/2020	128/20	Christopher Vandeyar	Salary for the Month of December, 2020	1,775.00
12/11/2020	129/20	Massy Motors(Guyana) Ltd.	General servicing of vehicle PXX 2430	268.74
12/11/2020	130/20	G.T&T Company Ltd.	Telephone charges for CTO the Mth of November, 2020.	85.82
17/12/2020	132/20	Rawle Birkett	Salary for the Month of December, 2020	503.89
17/12/2020	134/20	Rawle Birkett	Vacation Allowance for period 01/12/2019-30/11/2020/2019	503.89
17/12/2020	135/20	Survival Supermarket	Payment for office supplies for project office	709.28
30/12/2020	136/20	John Hosty	Payment for Design, construction, Launching and Maintenance of an interactive website.	643.16
31/12/2020	131/20	Shamariah David for SADP	Recoupment of petty cash advance	959.23
16/12/2020		Bank of Guyana	Printing of Cheque Books	24.25
			<b>TOTAL</b>	<b>13,909.50</b>

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 2020  
(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	9,453.51	0	9,453.51	4,160,546.49	0	4,160,546.49
2	Strengthening of the agricultural innovation and extension system	6,398,000.00	0	6,398,000.00	661,996.04	0	661,996.04	5,736,003.96	0	5,736,003.96
3	Support for compliance with sanitary and phytosanitary standards	2,800,000.00	0	2,800,000.00	135,604.27	0	135,604.27	2,664,395.73	0	2,664,395.73
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	589,865.23	0	589,865.23	642,134.77	0	642,134.77
	Exchange Rate Gain/Loss							(1,845.16)		(1,845.16)
	Total	15,000,000.00	0	15,000,000.00	1,472,962.68	0	1,472,962.68	13,525,192.16	0	13,525,192.16

**MINISTRY OF AGRICULTURE**  
**AGRICULTURE SECTOR DEVELOPMENT UNIT**  
**SUSTAINABLE AGRICULTURAL DEVELOPMENT PROGRAM**  
**IDB LOAN NO. 3798/BL-GY**  
**Plan against Actual**  
**For the year ended 31 December 2020**

Comp.	Investmet Categories	Matrix Targets 2020 USD	Amount Expended USD	Matrix Balance USD	Matrix Achieved USD
1	Information for Policy making and natural resource management	5,000.00	3,551.54	1,448.46	71%
2	Strengthening of the agricultural innovation and extension system	60,000.00	56,425.35	3,574.65	94%
3	Support for compliance with sanitary and phytosanitary standards	20,000.00	15,871	4,128.63	79%
4	Monitoring and Evaluation	0	0	0	0%
5	Program Administration	160,000.00	143,319.36	16,680.64	90%
	<b>Total</b>	<b>245,000.00</b>	<b>219,167.62</b>	<b>25,832.38</b>	<b>89%</b>