



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
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147/IADB: 88/2016

27 April 2016

Ms. Sophie Makonnen  
Representative  
Inter - American Development Bank  
47 High Street  
Kingston  
Georgetown.

Dear Ms Grant,


AUDITED FINANCIAL STATEMENTS FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND BUILDING  
ALTERNATIVE LIVELIHOODS FOR VULNERABLE GROUPS PROJECT  
(NON-REIMBURSABLE FINANCING AGREEMENT No GRT/GF-13725-GY)  
FOR THE YEAR ENDED 31 DECEMBER 2015

I forward herewith one (1) copy of the audited financial statements of the above-mentioned Project for the year ended 31 December 2015, together with the Report of the Auditor General and Management Letter thereon.

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

With kind regards.

Yours sincerely,

  
TONIA RODNEY  
AUDIT MANAGER (ag.)

**AUDITED FINANCIAL STATEMENTS FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND  
BUILDING ALTERNATIVE LIVELIHOODS FOR  
VULNERABLE GROUPS PROJECT  
NON-REIMBURSABLE FINANCING AGREEMENT  
№ GRT/GF13725-GY**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**

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

**AUDITED FINANCIAL STATEMENTS FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND BUILDING  
ALTERNATIVE LIVELIHOODS FOR VULNERABLE GROUPS PROJECT  
NONREIMBURSABLE FINANCING AGREEMENT No. GRT/GF13725-GY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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AG: 21/2016-1

27 April 2016

REPORT OF THE AUDITOR GENERAL ON THE  
STATEMENT OF CASH FLOW AND  
THE STATEMENT OF CUMULATIVE INVESTMENTS FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND BUILDING  
ALTERNATIVE LIVELIHOODS FOR VULNERABLE GROUPS PROJECT  
(NONREIMBURSABLE FINANCING AGREEMENT № GRT/GF13725-GY)  
FOR THE YEAR ENDED 31 DECEMBER 2015

I have audited the accompanying Financial Statements, which comprise the Statement of Cash Flow, the Statement of Cumulative Investments and a summary of significant accounting policies and other explanatory information for the Micro & Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project, executed by the Small Business Bureau and financed with funds from the Inter-American Development Bank Nonreimbursable Financing Agreement № GRT/GF13725-GY, for the year ended 31 December 2015.

#### Management's responsibility for the financial statements

The project's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS), and for such internal control as management determines is necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

#### Auditor's responsibility

My responsibility is to express an opinion on the accompanying statements, based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), those of the International Organisation for Supreme Audit Institutions (INTOSAI) and specific requirements of the Inter-American Development Bank (IDB). Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by Project management as well as evaluating the overall financial statement presentation. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

As described in Note 2, the Statement of Cash Flow and the Statement of Cumulative Investments were prepared using the cash basis of accounting in accordance with the Cash Basis IPSAS: (International Public Sector Accounting Standards) Financial Reporting under the Cash Basis of Accounting. Cash basis accounting recognises transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

#### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the Cash Flow and the Cumulative Investments for the Micro & Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project, for the year ended 31 December 2015, in accordance with the basis of accounting described in the paragraph above and the accounting policies described in Note 2.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA.

**DEVELOPMENT AND BUILDING ALTERNATIVE LIVELIHOOD FOR VULNERABLE GROUP GRT/GF-13725-GY**  
**STATEMENTS as at 31st December, 2015**

	Notes	Accrued at end of 2014			Notes	Expenditure during 2015			Notes	Accrued at end of 2015		
		IDB	GOV.	TOTAL		IDB	GOV.	TOTAL		IDB	GOV.	TOTAL
		2,645.13	-	2,645.13		216,989.34		216,989.34		219,634.47		219,634.47
		-	-	-								-
		-	-	-		16.70		16.70		16.70		16.70
		2,645.13	-	2,645.13		216,972.64	-	216,972.64		219,617.77		219,617.77
												-
...t Training		113,546.30	-	113,546.30		56,065.37	-	56,065.37		169,611.67		169,611.67
... Training		113,546.30	-	113,546.30		56,065.37	-	56,065.37		169,611.67		169,611.67
												-
...tutional Support to SBB		216,408.02	-	216,408.02		184,515.37		184,515.37		400,923.39		400,923.39
		197,781.34	-	197,781.34		126,596.69		126,596.69		324,378.03		324,378.03
...ness Campaign		18,626.68	-	18,626.68		57,918.68		57,918.68		76,545.36		76,545.36
		-	-	-		-		-		-		-
		-	-	-		-		-		-		-
		<b>332,599.45</b>	-	<b>332,599.45</b>		<b>457,570.08</b>		<b>457,570.08</b>		<b>790,169.53</b>		<b>790,169.53</b>


  
 Rajda Jagannauth  
 Permanent Secretary  
 Ministry of Business

## SMALL BUSINESS BUREAU

AND SMALL ENTERPRISE DEVELOPMENT AND BUILDING ALTERNATIVE LIVELIHOOD FOR VULNERABLE GROUP GRT/GF-13725-GY

### STATEMENT OF CASH FLOWS as at 31st December, 2015

(Expressed in United States Dollars)

	Year ended 31 <sup>st</sup> December, 2015			Year ended 31 <sup>st</sup> December, 2014		
	IDB	LOCAL	TOTAL	IDB	LOCAL	TOTAL
at the beginning of period	1,615,825.66	-	1,615,825.66	-	-	-
the year						
ements	538,760.00		538,760.00	-		-
eived	(Note 3b) 12,747.66		12,747.66	12,646.11		12,646.11
- Commitment & Origination	(Note 9a) 5,797.40		5,797.40	7,309.00		7,309.00
ived during the year	557,305.06	-	557,305.06	19,955.11	-	19,955.11
<b>IVED</b>	<b>2,173,130.72</b>	<b>-</b>	<b>557,305.06</b>	<b>19,955.11</b>	<b>-</b>	<b>19,955.11</b>
<b>MADE</b>						
at the beginning of period	1,615,825.66	-	1,615,825.66	1,889,239.25	-	1,889,239.25
the year						
or goods and services	456,129.61		456,129.61	222,595.64		222,599.64
or assets	(Note 8) 1,440.47		1,440.47	70,769.06		70,769.06
bursements during the year	457,570.08		457,570.08	293,368.70	-	293,368.70
<b>URSEMENTS</b>	(Note 9b) 457,570.08		457,570.08	293,368.70	-	293,368.70
<b>AS OF END OF YEAR</b>	<b>1,715,560.64</b>		<b>1,715,560.64</b>	<b>1,615,825.66</b>	<b>-</b>	<b>1,615,825.66</b>

are an integral part of this statement.

Sandy

Fund Manager  
Bureau



**MICRO AND SMALL ENTERPRISE DEVELOPMENT AND BUILDING ALTERNATIVE  
LIVELIHOODS FOR VULNERABLE GROUPS PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER, 2015**

**1. Program description**

The Small Business Bureau (SBB) was established through the enactment of the Small Business Act of 2004, with the objectives being to: (a) provide incentive regimes and support programmes for small businesses; (b) act as the secretariat for the Small Business Council (SBC); (c) establish the Small Business Development Fund (SBDF). The SBB falls under the purview of the Ministry of Tourism, Industry and Commerce.

The Government of Guyana has recognized the importance of the roles and the significance of the contributions Micro and Small Enterprises (MSEs) make to the economy; as such funds received from the Guyana REDD+ Investment Fund (GRIF) were allocated to assist Micro and Small Enterprises (MSEs). The GRIF is a multi-contributor trust fund for the financing of activities identified under the Government of Guyana's Low Carbon Development Strategy (LCDS).

On 25th March, 2013, the Government of Guyana (GoG) and Inter-American Development Bank (IDB) signed the agreement for the 'Micro and Small Enterprise (MSE) Development and Building Alternative Livelihoods for Vulnerable Groups' to the amount of US\$5 Million, which was intended to be executed over two (2) years.

The MSE Project is designed to support the Government's Strategy with respect to the reduction of carbon emissions and re-orienting the economy onto a low carbon path, by creating the necessary incentives for the beneficiaries to invest in Low Carbon Sectors ("LCS"). Specifically, the Project is contributing to the creation of economic activity by facilitating the creation of employment via MSEs, in the seventeen (17) identified sectors of the Low Carbon Development Strategy ("LCDS"), through the enhancement of their access to finance as well as business development and technical skills training.

The target beneficiaries of the proposed Project are MSEs and vulnerable groups which meet the criteria established for small businesses in the Small Business Act and operate in the LCSs identified in the LCDS.

The project is divided into 2 components, which seek to address the major constraints to Micro and Small Enterprise Development in Guyana, by providing the following, which specifically target low carbon sectors and vulnerable groups:

- (1) Access to Finance- Resources for this component finance the implementation of three main instruments:
  - (i) Credit Guarantee Fund (CGF) - The CGFs used to provide part of the collateral requirements of Partner Financial Institutions (PFIs) in order to reduce the perceived risk of the beneficiaries and increase their likelihood to be approved for financing.
  - (ii) Interest Payment Support Facility (IPSF) – The IPSF provides resources to eligible parties, which will then transfer these to beneficiaries in the form of a reduction on the interest cost of their loans (estimated at some 300 to a maximum of 500 basis points).
  - (iii) Low Carbon Grant Scheme (LCGS) - assists potential beneficiaries with seed capital to start up or expand their businesses.



(2) Access to Business Development Services – Business management and technical skills training programmes are delivered and this service also employs a Skills Voucher Scheme, whereby MSEs and vulnerable groups with sound business propositions in low carbon sectors are provided with training vouchers which will be exchanged for the training enrolment they need at appropriate Partner Training Institutions (PTIs), such as Empretec, the Kuru Kuru Co-operative College, among others. Training covers business management and marketing skills, financial management skills, and technical skills in key low carbon sectors or key transition sectors.

## 2. Significant accounting policies

**Basis of Accounting.** The Financial Statements have been prepared from the Bureau's records using the cash basis of accounting methodology, recognizing revenue when the cash is received and recognizing expenses when the cash has been disbursed. The transactions are recorded in Guyana Dollars also using the cash basis of accounting methodology. Statement of Cash Flow and Statement of Cumulative Investment were prepared in accordance with IPSAS (International Public Sector Accounting Standards). Cash basis accounting recognises transactions and acts only when the cash (and or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there were no cash movements

**Currency.** Pursuant to Article 4.01(b) of the General Conditions of the Non-reimbursable Financing Agreement No. GRT/GF-13725-GY, the program's accounting records are maintained in local currency and U.S. dollars. In order to calculate the equivalent in U.S. dollars, the cash received in local currency in a specific commercial bank account, 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 Bank of Guyana mid-rate.

The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when they are converted to local currency to make payments for eligible expenses is accounted for as an exchange rate differential charged to bank financing.

## 3. Available Cash Balance

a) The available cash balance as of 31<sup>st</sup> December 2015, is deposited in the Program's bank accounts, and includes earned interest income and exchange rate earnings as follows:

Description	2015	2014 USD
Demerara Bank USD Account	1,600,363.77	1,587,616.11
BoG USD Account	91,380.00	6,030.00
Demerara Bank GYD Account	47,749.78	27,123.65
<b>Total Available Cash Balance</b>	<b><u>1,739,493.55</u></b>	<b><u>1,620,769.76</u></b>

b) During fiscal year 2015, available earned interest income equated to **US\$12,747.66**.

c) The Available cash at hand as at 12/31/2015 was US\$1,715,560.64. The Reconciliation of Cash balance is at Annex 1.

## 4. Advances pending justification

At 31<sup>st</sup> December 2015, the amount pending justification to the IDB amounted to **US\$145,740.70**, which represented the expenditures incurred but not yet submitted for justification.

## 5. Advances and justification

The following are an account of the movement of advances during the project period to 31<sup>st</sup> December, 2015:

Description	2015 USD	2014 USD
Opening balances of advances	1,283,160.07	1,927,250.00
Advances recorded during the period	538,760.00	-
Funds Justified	(334,783.47)	(281,391.97)
Advances received	-	-
<b>Closing Balance of Advances (WLMS)</b>	<b><u>2,466,010.00</u></b>	<b><u>1,645,858.03</u></b>

## 6. Local counterpart funds

This programme does not require counterpart commitment. This grant agreement represents Guyana REDD+ Investment Funds earned.

## 7. Prior period adjustments

There are no prior period adjustments.

## 8. Procurement of goods and services

Illustrated below is a summary of the procurement of assets

Description	USD	USD
1 Canon Digital Camera	145.28	
Office Equipment - Telephones	1,295.19	
Motor Vehicle		32,702.65
Office Equipment		23,609.66
Furniture & Fixtures		14,456.75
Accounting Software (QuickBooks)		
<b>Total</b>	<b><u>1,440.47</u></b>	<b><u>70,769.06</u></b>

## 9. Investment Categories

### (a) Programme Income

This amount represents fees paid by the financial institutions based on the credit guarantee ceiling as agreed to in the Partnership Agreement.

Description	2015 USD	2014 USD
Commitment Fees	5,652.40	5,847.00
Origination Fees	145.00	1,462.00
<b>Total</b>	<b><u>5,797.40</u></b>	<b><u>7,309.00</u></b>

A breakdown of the aforementioned fees is illustrated in Annex 2

## 9 (b). Investment Categories (Cont'd)

	2015	2014
<b>Investments</b>		
<b>Component 1: Access to Finance</b>	<b>216,989.34</b>	<b>2,645.13</b>
1.1 Credit Guarantee Fund	-	-
1.2 Interest Payment Facility	16.70	-
1.3 Low Carbon Sector Grant Scheme	216,972.64	2,645.13
<b>Component 2: Access to Bus. Dev. Training</b>	<b>56,065.37</b>	<b>103,594.96</b>
2.1 <i>Low Carbon Skills Development Training</i>	56,065.37	103,594.96
2.1.1 Agreement with Training Institutions	-	103,033.22
2.1.2 Skills Vouchers (Print)	-	561.74
2.1.3 SME Expert for Project Implementation	-	-
2.1.4 Training Consultancies	-	-
<b>Project Admin and Institutional Support</b>	<b>184,515.37</b>	<b>187,128.61</b>
3.1 <i>Project Executing Agency - SBB Operations</i>	<b>126,596.69</b>	<b>176,514.60</b>
3.1.1 SBB Employment Costs	103,886.31	69,763.53
3.1.2 SBB Administrative Cost	22,710.38	35,982.01
3.1.3 Motor Vehicle for the SBB	-	32,702.65
3.1.4 Backup/Generator System for SBB	-	-
3.1.5 SBB Equipment and Supplies	-	38,066.41
3.2 <i>M&amp;E Systems and Public Awareness Campaign</i>	<b>57,918.68</b>	<b>10,614.01</b>
3.2.1 Public Awareness and Communication	35,291.56	5,190.28
3.2.2 Survey and Gap Analysis on MSEs	5,000.00	-
3.2.3 Analysis & Design of MIS, M&E System and Website for SBB	17,627.12	5,423.73
3.2.4 Hardware for the MSE Database	-	-
3.2.5 Mid Term Evaluation	-	-
3.3 <i>Audit</i>	-	-
3.4 <i>Contingency</i>	-	-
<b>Total</b>	<b>457,570.08</b>	<b>293,368.70</b>

## 10. Disbursements made

As at 31<sup>st</sup> December 2015, the total disbursements from IDB amounted to US\$2,466,010.00.

## 11. Variance Analysis of Year to date vs. Year Two Budget

A variance analysis of the Year to Date vs Year Three Budget is presented in Annex 3

## 12. Statement of Disbursements and Cumulative Investments

The Statement of Disbursements and Cumulative Investments is presented in Annex 4. The Statement of Disbursement Request is presented in Annex 5. The Reconciliation of the Statement of Cumulative Investments vs the Statement of Cash Flows for the period is presented in Annex 6. The Reconciliation of Cumulative Investments vs the LMS Report as at Annex 7.

**13. Schedule of Credit Guarantee (Loan) Commitment & Grant Approvals for fiscal period**

A schedule of credit guarantee commitments for loans approved in 2015 by Partner Financial Institutions to beneficiaries is provided in Annex 8. Grant approvals to date are also illustrated in Annex 8.

*G. Edwards*

.....  
Gillian Edwards  
Credit Guarantee Fund Manager  
Small Business Bureau



**SUPPLEMENTARY FINANCIAL INFORMATION - ANNEX 2 TO NOTE 9 a)**

**Schedule of Other Income**

No.	Type of Income	Guarantee Ceiling Sub Amount	Unused Guarantee Ceiling Sub Amount	Increase in Guarantee Ceiling Sub Amount	40 % Guarantee Commitment	Percentage/Fee Rate	Fees Paid		
							USD	Agreed BoG Mid Rate	GYD
<b>GBTI LGA 2013</b>									
1	Origination Fee	243,902			97,560.80	0.25%	244	205	50,020
2	Commitment Fee	243,902			97,560.80	1.00%	976	205	200,080
<b>GBTI LGA 2013 - Addendum</b>									
3	Origination Fee	242,131			96,852.30	0.25%	242	206.5	49,973
4	Commitment Fee	242,131			96,852.30	1.00%	969	206.5	200,099
<b>RBL LGA 2014</b>									
5	Origination Fee	1,219,512			487,804.80	0.25%	1,220	206.5	251,930
6	Commitment Fee	1,219,512			487,804.80	1.00%	4,878	206.5	1,007,307
<b>GBTI LGA 2015</b>									
7	Origination Fee	215,816		145,278	58,111.38	0.25%	145	206.5	30,000.00
8	Commitment Fee	215,816		145,278	58,111.38	1.00%	581	206.5	120,000.00
9	Commitment Fee	215,816	57,336.6			1.00%	573.4	206.5	118,400.08
<b>RBL LGA 2015</b>									
10	Commitment Fee	487,805	449,829.21			1.00%	4,498	206.5	928,897.32
							14,327		2,956,706

*G. Edwards*  
 .....  
 Gillian Edwards  
 Credit Guarantee Fund Manager  
 Small Business Bureau


  
 .....  
 Rajdai Jagarnauth  
 Permanent Secretary  
 Ministry of Business

**SUPPLEMENTARY FINANCIAL STATEMENT - VARIANCE ANALYSIS OF YEAR TO DATE ACTUAL VS YEAR THREE BUDGET - ANNEX 3 TO NOTE 11**  
(Expressed in United States Dollars)

Cat. No.	Investment Category	Movement during 2015			Year Two Budget			Variance/Balance	
		IDB	GOV.	TOTAL	IDB	GOV.	TOTAL	TOTAL	%AGE
<b>01.00.00</b>	<b>Access to Finance</b>	216,989.34	-	216,989.34	940,000.00	-	940,000.00	723,010.66	77%
01.01.00	Credit Guarantee Facility*	-	-	-	-	-	-	-	0%
01.02.00	Interest Payment Facility	16.70	-	16.70	540,000.00	-	540,000.00	539,983.30	100%
01.03.00	Low Carbon Sector Grant Scheme	216,972.64	-	216,972.64	400,000.00	-	400,000.00	183,027.36	46%
<b>02.00.00</b>	<b>Access to Business Development Training</b>	56,065.37	-	56,065.37	710,000.00	-	710,000.00	653,934.63	92%
02.01.00	Low Carbon Skills Development Training	56,065.37	-	56,065.37	710,000.00	-	710,000.00	653,934.63	92%
<b>03.00.00</b>	<b>Project Administration and Institutional Support to SBB</b>	184,515.37	-	184,515.37	355,250.00	-	355,250.00	170,734.63	48%
03.01.00	SBB Operations	126,596.69	-	126,596.69	198,000.00	-	198,000.00	71,403.31	36%
03.02.00	M&E Systems and Public Awareness Campaign	57,918.68	-	57,918.68	49,750.00	-	49,750.00	(8,168.68)	-16%
03.02.00	Audit	-	-	-	7,500.00	-	7,500.00	7,500.00	100%
03.02.00	Contingency	-	-	-	100,000.00	-	100,000.00	100,000.00	100%
<b>Programme Total</b>		<b>457,570.08</b>	<b>-</b>	<b>457,570.08</b>	<b>2,005,250.00</b>	<b>-</b>	<b>2,005,250.00</b>	<b>1,547,679.92</b>	<b>77%</b>

\* The Credit Guarantee Funds were disbursed as a direct payment

*G Edwards*  
Gillian Edwards  
Credit Guarantee Fund Manager  
Small Business Bureau


  
 PERMANENT SECRETARY  
 Rajdai Jagarnauth  
 Permanent Secretary  
 Ministry of Business

## SUPPLEMENTARY FINANCIAL INFORMATION - ANNEX 4 TO NOTE 12

### Statement of Disbursements and Cumulative Investments for the period ended 31<sup>st</sup> December 2015

Investment Category	Disbursements Made (WLMS)	Direct Payment (WLMS)	Other Income - Fees	Other Income - Interest Earned	Cumulative Investments	Totals
01.01.00 Credit Guarantee Facility	1,575,000.00	-	14,326.40	25,393.77		1,614,720.17
01.02.00 Interest Payment Facility	16.70				16.70	-
01.03.00 Low Carbon Sector Grant Scheme	161,644.38				219,617.77	(57,973.39)
02.01.00 Low Carbon Skills Development Training	169,611.67				169,611.67	-
03.01.00 SBB Operations	260,951.37				324,378.03	(63,426.66)
03.02.00 M&E Systems and Public Awareness Campaign	51,865.81				76,545.36	(24,679.55)
03.03.00 Audit					-	-
03.04.00 Contingency					-	-
86.01.00 Advance of Funds	246,920.07					
<b>Total</b>	<b>2,466,010.00</b>	<b>-</b>	<b>14,326.40</b>	<b>25,393.77</b>	<b>790,169.53</b>	<b>1,715,560.64</b>

*G. Edwards*

Gillian Edwards  
Credit Guarantee Fund Manager  
Small Business Bureau

*Rajdai Jagarnauth*

Rajdai Jagarnauth  
Permanent Secretary  
Ministry of Business

PERMANENT SECRETARY  
Ministry Of Business

## SUPPLEMENTARY FINANCIAL INFORMATION - ANNEX 5 TO NOTE 12

### Statement of Disbursement Request to the period ended 31<sup>st</sup> December 2015

Disbursement Request	Value Date	WLMS No.	Amount Requested	Direct Payments	Expenditure not Submitted to Bank	Expenditure Justified by Bank
DR#1	September 23, 2013	201347315	352,250.00			644,089.93
DR#2	December 16, 2013	201340101		1,575,000.00		
DR#3	February 5, 2015	201504510	538,760.00		145,740.70	
<b>Totals</b>			<b>891,010.00</b>	<b>1,575,000.00</b>	<b>145,740.70</b>	<b>644,089.93</b>

*G. Edwards*

.....  
 Gillian Edwards  
 Credit Guarantee Fund Manager  
 Small Business Bureau

  
 .....  
 Rajdai Jagarnauth  
 Permanent Secretary  
 Ministry of Business



## SUPPLEMENTARY FINANCIAL INFORMATION - ANNEX 6 TO NOTE 12

### Reconciliation of the Statement of Cumulative Investment vs the Statement of Cash Flows for the period ending 31<sup>st</sup> December, 2015

Particulars	IDB	GoG	Total
Disbursement as per Statement of Cumulative Investments	457,570.08	-	457,570.08
Disbursements as per Statement of Cash Flows	457,570.08	-	457,570.08
<b>Difference</b>	-	-	-
Reconciliation			
Direct Payments	-	-	-
<b>Unreconciled Difference</b>	-	-	-



Gillian Edwards  
Credit Guarantee Fund Manager  
Small Business Bureau



## SUPPLEMENTARY FINANCIAL INFORMATION - ANNEX 7 TO NOTE 12

Reconciliation of the Statement of Cumulative Investment vs the LMS Report for the period ending 31<sup>st</sup> December, 2015

Cat. No.	Investment Category	Expenditure - Statement of Cumulative Investment (SCI)	Expenditure - IDB LMS	Difference - SCI vs LMS	Committed	Unjustified	Difference	Remarks
		A	B	C				
		A-B			C-E			
<b>01.00.00</b>	<b>Access to Finance</b>	219,634.47	1,736,661.08	(1,517,026.61)	216,989.34	58,322.42	-	
01.01.00	Credit Guarantee Facility	-	1,575,000.00	(1,575,000.00)			-	
01.02.00	Interest Payment Facility	16.70	16.70	-	16.70		-	
01.03.00	Low Carbon Sector Grant Scheme	219,617.77	161,644.38	57,973.39	216,972.64	58,322.42	-	
<b>02.00.00</b>	<b>Access to Business Development Training</b>	169,611.67	169,611.67	-	56,065.37	-	-	
02.01.00	Low Carbon Skills Development Training	169,611.67	169,611.67	-	56,065.37	-	-	
<b>03.00.00</b>	<b>Project Administration and Institutional Support to SBB</b>	400,923.39	312,817.18	88,106.21	184,515.37	87,418.28	-	
03.01.00	SBB Operations	324,378.03	260,951.37	63,426.66	126,596.69	63,058.92	-	
03.02.00	M&E Systems and Public Awareness Campaign	76,545.36	51,865.81	24,679.55	57,918.68	24,359.36	-	
03.03.00	Audit	-	-	-	-	-	-	
03.04.00	Contingency	-	-	-	-	-	-	
<b>86.00.00</b>	<b>Advance of Funds</b>	-	246,920.07	(246,920.07)	-	-	-	
<b>88.00.00</b>	<b>Outstanding/Unsettled</b>	-	-	-	-	-	-	
<b>Programme Total</b>		<b>790,169.53</b>	<b>2,466,010.00</b>	<b>(1,675,840.47)</b>	<b>457,570.08</b>	<b>145,740.70</b>	<b>-</b>	<b>-</b>

*G Edwards*

Gillian Edwards  
Credit Guarantee Fund Manager  
Small Business Bureau



**SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS - ANNEX 8 TO NOTE 13**  
**GRANT & LOANS INFORMATION DISAGGREGATED BY REGION as at 31<sup>st</sup> December 2015**

Grants			Loans				Potential Outcome			
Approved - Disbursed			Approved	Undisbursed	Disbursed		of Loans & Grants (Totals)			
Amount	Disbursed	Undisbursed	Number of	Number of	Number of	Value (USD)	Number of	Value (USD)		
USD	USD	Amount Value (USD)	Beneficiaries	Beneficiaries	Beneficiaries	Value (USD)	Beneficiaries	Value (USD)		
		B	C	D	E	F	G	H		
			(E + G)	(F + H)			(A + C)	(B + D)		
00.24	43,333.23	8,967	-	-	-	-	-	-	36	52,300
33.41	17,433.40	-	5	43,055.69	-	-	5	43,055.69	17	60,489
20.09	70,716.16	4,404	18	342,082.32	-	-	18	342,082.32	73	417,202
02.91	24,252.92	3,349.97	-	-	-	-	-	-	19	27,603
25.18	39,225.18	-	-	-	-	-	-	-	27	39,225
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	1	48,426.15	-	-	1	48,426.15	1	48,426
49.15	16,899.15	49.2	-	-	-	-	-	-	12	16,949
<b>30.98</b>	<b>211,860.04</b>	<b>16,770.17</b>	<b>24</b>	<b>433,564.16</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>433,564.16</b>	<b>185</b>	<b>662,195.14</b>

  
**PERMANENT SECRETARY**  
 Rajdai Jagarnauth  
 Permanent Secretary  
 Ministry of Business  
**Ministry Of Business**

Manager

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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>*

AG: 21/2016-2

27 April 2016

REPORT OF THE AUDITOR GENERAL  
ON THE SYSTEM OF INTERNAL CONTROL FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND BUILDING  
ALTERNATIVE LIVELIHOODS FOR VULNERABLE GROUPS PROJECT  
(NONREIMBURSABLE FINANCING AGREEMENT № GRT/GF13725-GY)  
FOR THE YEAR ENDED 31 DECEMBER 2015

I have audited the accompanying Statement of Cash Flow for the year ended 31 December 2015 and the Statement of Cumulative Investments as of 31 December 2015 for the Micro & Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project financed by the Inter-American Development Bank (IDB) under Nonreimbursable Financing Agreement № GRT/GF13725-GY, executed by the Small Business Bureau and have issued my report thereon dated 27 April 2016.

The Management of the Micro & Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risk of financial misstatements and safeguard the assets of the Project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of system of internal control policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are protected against loss from unauthorised use or disposition; transactions are executed in accordance with management's authorisation and in accordance with the terms of the contract, and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedure may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedure may deteriorate.

In planning and performing my audit of the Project's financial statements for the year ended 31 December 2016, I obtained an understanding of the system of internal control and I assessed control risk in order to determine the auditing procedures for the purpose of expressing an opinion on the Project's financial statements and not to express an opinion on the effectiveness of the system of internal control. Accordingly, I do not express such an opinion.

I noted certain matters that are described in my management letter referenced No 71/IADB: 88/2016 dated 27 April 2016, involving the system of internal control and its operation that I consider to be reportable conditions under International Standards of Auditing. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the system of internal control that in my judgment, could adversely affect the ability of the Micro & Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project to record, process, summarise, and report financial data consistent with assertions of management in the statement of Cash Flow and the Statement of Cumulative Investments.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that significant errors or irregularities in amounts that would be material in relation to the program's financial statements may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA.



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71/IADB: 88/2016

27 April 2016

Ms. Rajdai Jagarnauth  
Permanent Secretary  
Ministry of Business,  
229 South Road,  
Georgetown.

Dear Ms. Jagarnauth,

AUDITED FINANCIAL STATEMENTS FOR THE  
MICRO & SMALL ENTERPRISE DEVELOPMENT AND BUILDING ALTERNATIVE  
LIVELIHOODS FOR VULNERABLE GROUPS PROJECT  
(NONREIMBURSABLE FINANCING AGREEMENT No GRT/GF-13725-GY)  
FOR THE YEAR ENDED 31 DECEMBER 2015

The financial statements for the Micro and Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project for the year ended 31 December 2015 have been audited and accordingly, the Auditor General has reported thereon. The audit was conducted in accordance with International Standards on Auditing, issued by the International Federation of Accountants (IFAC), the International Organization of Supreme Audit Institutions (INTOSAI) and specific requirements of the Inter-American Development Bank (IDB).

2. The audit planning and execution took into account the internal control structure which was utilized 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 comprised of two sections. Section I contains findings and recommendations relating to the existing systems and procedures noted in the current year while Section II contains prior year recommendation which have been implemented.

## Section I

### Finding

4. On the 25 March 2013, the Government of Guyana (GOG) and the Inter-American Development Bank (IDB) signed an agreement which stated that the IDB would provide the sum of US\$5M to support the Micro and Small Business Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups Project. According to the Project agreement, the period of execution was stated as twenty-four (24) months from the effective date of the Agreement which concluded on March 2015.

5. An extension was granted by the IDB to facilitate completion of the scheduled project activities which resulted in a new completion date of 25 March 2016 however it was observed that amounts totalling US\$472,453 were expended during the first two (2) years of the project which represents 9% of the amount budgeted.

6. It was also observed that during the audited period amounts totalling US\$317,717 were expended as at 31 December 2015 which represents an additional 6% of the total budgetary allocation of US\$5M. This was due to slow delivery of various project components such as awarding of contracts of goods, consultancy services, civil works, issuing of loans and grants, delay in scheduled training programmes and also other critical task which would result in an effective project implementation.

### Effect

The rate of delivery of the planned activities under the program was very slow for the first twenty-four (24) months of the project. As a result the Project did not achieve its anticipated level of activity for the period under review which could lead to an overrun of the Project life or as in this case the loan amount being reduced by the donor agency.

### Management's Response

Planned activities were not achieved as projected. This was due to a culmination of factors: The resignation of the Procurement Officer during 2015 in turn resulted in delays in awarding contracts for proposed goods and services, because of the lack of procurement expertise. However, this is expected to be rectified with the hiring of Procurement Officer during May 2016.

Two (2) of the three (3) partner institutions were active during the year with one (1) PFI largely being responsible for 83% of the loans approved. The PFIs complained of a general slowdown in business which may have been attributed to 2015 being an election year. In addition, negotiations with 2 additional PFIs were still ongoing and awaiting consideration by their respective Head Offices.



## Recommendation

The Audit Office recommends that the Project take the necessary steps to achieve its anticipated level of activity.

## Finding

7. According to the cashbook, the sum of US\$457,571 or 31% of the amount budgeted was expended during the period under review. The following table provides details of the amount expended.

Line Item	Description	Budgeted Amount US\$	Amount Expended US\$	Variance Amount US\$
1.2	Interest Payment Facility	28,803	17	28,786
1.3	LCS Grant Scheme	423,000	216,973	206,027
2.1	Low Carbon Skills Development Training	505,100	56,065	449,035
3.1	SBB Operations	243,089	126,597	116,492
3.2	M&E Systems and Public Awareness Campaign	287,200	57,919	229,281
Total		1,487,192	457,571	1,029,621

## Finding

8. The Interest Payment Support Facility will provide resources to eligible Partner Financial Institutions which will then transfer these to the beneficiaries in the form of a reduction on the interest cost of their loans. The sum of US\$17 was expended towards activities associated with the reimbursement of interest subsidy which was paid for a client who repaid their loan within four (4) months. This expenditure was verified as being properly incurred and bought to account in the records of the Project.

## Findings

9. The sum of US\$216,973 was expended under the category LCS Grant Scheme. The following observations were made:

- (a) Amounts totaling US\$6,774 were expended on a Grant Award Ceremony which was held on the 30 January 2015 for the issuing of Grants to small businesses. It was noted that the IDB's No Objection for the hosting of this ceremony was dated 5 February 2015. Included in the amount expended were six (6) contracts totaling US\$5,307 which were awarded after the ceremony was conducted. See details below:

DATE	DESCRIPTION	AMOUNT US\$
6/02/2015	Hiring of hostess	170
6/02/2015	Hiring of music ensemble for award ceremony	339
13/02/2015	Hiring of photographer	242
13/02/2015	Supply & delivery of banners	732
13/02/2015	Video recording	693
10/03/2015	Supply & delivery of finger food	3,131
Total		5,307

- (b) The Project received business plans from a total of one hundred and thirty six (136) applicants valued at US\$192,655 of which all were approved after reaching the criteria for selection. It takes approximately two (2) months to process grant applications. It was noted that during the period under review, grants totalling US\$177,556 were disbursed. All amounts paid were verified as being properly bought to account in the books of the Project.
- (c) The difference of US\$32,643 was expended on hotel accommodation, out of pocket allowance and cost of business registrations.
- (d) A contract register was not maintained by the Project for the period under review.

#### Effect

There was a breakdown of the Projects' internal control system, which could lead to irregularities and undetected errors.

#### Management's Response

The then Minister is Tourism, Industry and Commerce indicated to the Small Business Bureau the desire for the first batch of grants to be distributed publicly. Given the need to also raise the image of the SBB, it was agreed that this would be done with the blessing of the IDB. Given the short time line however to the proposed date, the Bureau had no choice but to proceed with only the verbal blessing of the IDB. Official approval came subsequent to the activity being held.

Costs for this ceremony included those outlined in (a) and (c). Other costs in this regard included hotel accommodation for bringing clients out from riverrain areas the day before, so that they could attend the ceremony given their distant locations as well as their cost to travel.

A formal record of contracts was not kept in the absence of a Procurement Officer. This however does not suggest that the management of contracts diminished in any way. The Bureau continued to closely monitor all contracts, with technical officers reporting on the performance of these as reflected in all formal reports.

### Recommendation

The Audit Office recommends that Management take the necessary steps to ensure that all necessary approval is sought and received prior to execution of all activities relating to the project and also ensure that a Contract register is maintained.

### Finding

10. Included in the amount of US\$56,065 shown under Low Carbon Skills Development Training were sums totalling US\$54,433 paid to conduct four (4) workshops in Regions two (2) and four (4) by [REDACTED]. A total of two hundred and nineteen (219) participants benefitted from the training sessions held during the period March to November 2015.

### Finding

11. The Small Business Bureau (SBB) signed a Memorandum of Understanding on 6 September 2013, and 5 February 2014 respectively, whereby the Bureau undertook to utilize the services of the above Partner Training Institutions for the purpose of providing training and capacity development on a needs basis, to clients of the Bureau. According to the Memorandum, the parties will enter into a contract for each specified work by the various training institutions. The amount of US\$54,433 was verified as being properly bought to account in the books of the Project.

### Finding

12. The difference of US\$1,632 was expended on per diem, travel assistances and other expenses paid to three (3) officers to facilitate a Business Plan Preparation training conducted at the Essequibo Technical Institute, Anna Regina, Region No. 2.

Examination of the payment voucher revealed the sum was expended as follows:

<b>Particulars</b>	<b>Amount US\$</b>
Accommodation	534
Training materials	119
Gas	107
Bridge toll	26
Washing SBB Vehicle	17
Out of pocket allowance	262
Meals allowance	363
Miscellaneous	204
Total	1,632

### Finding

13. Included in the out of pocket allowance was an amount of US\$45 overpaid to the three (3) officers. According to the documents submitted, the officers were required to stay four (4) days at a rate of US\$15 per day. However the officers stayed an extra day and were paid US\$30 per day. This resulted in the over payment of US\$45.

14. Subsequent to the issuance of the draft audit report, the amount of US\$ 45 was recovered from the three (3) officers on 22 April 2016. Evidence was seen where the amount was bought to the account of the records.

### Effect

The expenditure according to the financial statement was overstated by US\$45. As a result the Financial Statement does not reflect a true picture of the entity expenditure.

### Management's Response

There was an inadvertent overpayment which has since been corrected. The officers have reimbursed the said sums to the Bureau.

### Recommendation

The Audit Office recommends that the Project have controls in place to detect breaches of the systems relating to the Project activities.

### Finding

15. Included in the sum of US\$126,597 expended as SBB Operation was the amount of US\$101,346 paid for salaries and top-up to eight (8) officers. An examination of the expense vouchers revealed that two (2) of the officers were paid top-up twice for the month of July 2015 totalling US\$282.

### Finding

16. Amounts totalling US\$1,130 were expended to procure one (1) camera and six (6) telephones. The difference of US\$24,121 was expended on petty cash, bank charges, office supplies, servicing of vehicle, advertisement cost and electrical work done to Small Business Bureau building. All amounts paid were verified as being properly bought to account in the books of the Project.

17. Subsequent to the issuance of the draft audit report, the amount of US\$282 was recovered from the two (2) officers who were paid top-up twice for the month of July 2015. It was verified where top-ups were recovered in the month March 2016.

### Effect

The Financial Statement does not reflect a true position of the entity expenditure for the period under review.

### Management's Response

The two officers who were overpaid were informed of this anomaly and have agreed to have their top-ups due to them for the month of March 2016 with-held as way of repaying the overpayment. Steps have been taken to minimize the reoccurrence of such error.

### Recommendation

The Audit Office recommends that the Project have controls in place to detect breaches of the systems relating to the Project activities.

### Finding

18. The amount of US\$57,919 was expended for M&E Systems and Public Awareness Campaign as follows:

<b>Description</b>	<b>Amount US\$</b>
Provision of consultancy services	5,000
Consultancy service - Management Information System Specialist	17,624
Consultancy Service - implementation of a market plan	25,000
Advertisement cost	10,292
Total	57,919

### Finding

19. A contract in the sum of US\$50,000 was awarded on 6 January 2015 for the provision of consultancy services to conduct a Baseline Survey for the Micro and Small Enterprises in the following sectors: (i) Priority sectors, (ii) Low carbon activities and (iii) Vulnerable Groups. The original intended completion date of the contract was 5 March 2015 and it was further extended to 5 August 2015. The consultant was required to present a work plan, a baseline survey plan, data collection in excel format and a baseline survey final report. No extension was granted beyond December 2015 and in keeping with the requirements of the contract the consultant failed to submit all it deliverables, hence the contract was terminated. The contractor was paid ten (10) percent or US\$5,000 of the total contract sum for the submission of a work plan during the period under review. However the contract does not address penalties associated with default by the contractor.

### Effect

The activities of the project were delayed due to the consultant not fulfilling all its contractual obligations.

### Management's Response

This consultancy was terminated formally because of the consultant's failure to deliver. It was indeed expected to be done in a timely manner so as to assist the PEU to properly identify its target group and measure impact, very early on in implementation. This consultancy is still necessary since it will be useful for the proposed phase 2 of this programme.

### Recommendation

The Audit Office recommends that the Project take the necessary steps to ensure that:

- The contractors pursue the works diligently in order to avoid unnecessary delays in completing the works. Further, steps should be taken to ensure that contractors are properly supervised and monitored to guarantee that all completed works are in keeping with the specifications.
- And also ensure that all contracts are written in the best interest of both parties.

### Finding

20. A contract in the sum of US\$27,119 was awarded and also commenced on 1 September 2014 for consultancy services of a Management Information System Specialist. The original intended completion date of the contract was 30 June 2015 and it was further extended to 29 February, 2016. As at 31 December 2014, amounts totalling US\$5,424 were paid to the consultant for the submission of a work plan. For the period under review, three (3) additional payments totalling US\$17,627 were paid based on the following completed deliverables; development of a database and information system and the development and launching of an interactive website. The work plan was produced by the consultant for audit examination, and all amounts paid were verified as being properly bought to account in the books of the Project.

### Finding

21. Another contract for the preparation and implementation of a market plan was awarded and also commenced on the 6 February 2015 for the sum of US\$50,000. As at 31 December 2015, amounts totalling US\$25,000 were paid to the consultant for the signing of the contract and the submission of the first sixty (60) days report. The duration of the contract is six (6) months from the commencement date of the contract and it was further extended to 24 March, 2016. All reports provided by the consultant were produced for audit examination.

Finding

22. The difference of US\$10,292 was expended on advertisement cost and the purchase of tokens. All amounts paid were verified as being properly bought to account in the books of the Project.

Finding

23. As part of the organization structure and to ensure that monitoring activities were undertaken, the Small Business Bureau (SBB) was responsible for hiring key personnel, which included, two (2) training experts, two (2) Fund Administrator, projected to assist with the training component, one (1) Skills Voucher Administrator also a Procurement Officer. The Project was also responsible for the supply, delivery and installation of computer hardware for the establishment of MSE database, however, the procurement of these activities failed to commence at the end of 2015 and as a result, the Project did not acquire its' anticipated level of expenditure activities for the period under review.

Finding

24. The development of a marketing plan was projected among activities to be conducted during the January to June 2014 for Public Awareness activities. The procurement of this activity commenced early 2015 and a more focused targeting of prospective clients were expected to be done via the expected roll out of the communication strategy.

Finding

25. According to the Project agreement, the resources of the Project fund will be used to finance and implement the Credit Guarantee Fund. An amount of US\$1.575M was deposited into Demerara Bank Account No. 60094271 on 14 October 2013, however at the end of 2014, no operational activities were undertaken.

26. The Small Business Bureau engaged three (3) Partner Financial Institutions (PFIs) with respect to their enhanced use of the CGF. In this regard GBTI and Republic Bank provided their projections for the year 2015 based on expected demand and the final date of agreements with the PFIs ends in 2017 and 2018 correspondingly. During the audited period, a total of twenty four (24) loans valued at US\$158,014 and US\$275,550 were disbursed by the PFIs (GBTI) and Republic Bank respectively with a repayment period of approximately two (2) years. As a result this may have deterred intended borrowings to some extent.

27. At the end of 2015, the balance of the Fund was US\$1.600M and amounts totalling US\$12,748 represents interest less bank charges on the account. It was also noted that despite the 40 percent collateral guarantee, commercial banks continue to be conservative with respect to lending to small businesses, given the absence history and acceptable collateral.

### Effect

The failure to implement the stated activities of the Project in a timely manner could result in an overrun of the life of the Project.

### Management Response

There were several delays in planned activities which unfavorably impacted on disbursements. During 2015, reduced procurement activities (products related to the marketing strategy, hardware required for the completion of the MIS contract, staffing, among others) would have largely been a result of a lack of procurement expertise due to the loss of the Procurement Officer early in the year (2015). As regards staffing however, the PEU against the background of the impending program expiration date of March 25, 2016, decided to hold on recruitment until program extension was assured, since it was felt that a contract of just a few months would not have been considered attractive to potential candidates.

The absence of operational activities for the Credit Guarantee Fund reflects the fact that there were no claims. Disbursement of Credit Guarantee Funds would only occur when there is a claim on loans guaranteed (loans 90 days or more in arrears). A total of 12 loans were disbursed during 2014 and 25 during 2015.

Commercial banks continued to be conservative but there was a spike in approvals during the end of the year as a result of their increased knowledge and understanding of the mechanisms of the program. Hence, this upward trend is expected to continue.

All other comments and recommendations made have been duly noted for enhanced internal controls.

### Recommendation

The Audit Office recommends that Management take the necessary steps to ensure that the activities of the Project are executed in a timely manner to avoid an overrun of the life of the Project.

## Section II

### Finding

28. According to the Project Agreement, the Low Carbon Grant Scheme and Interest Payment Support Facility which was still not implemented in the year 2014 was implemented in 2015.

### Finding

29. In my 2014 report, it was stated an amount of US\$330 expended on road transportation from Georgetown – Capoey, Mainstay and Wakapau Region # 2 (return) for a Business Planning Training and the Ministry's Vehicle was made available as the means of transportation. It stated



that this cost should not have been incurred as this cost was attached to the training officer and driver of the Bureau.

Audit checks in March 2015 revealed that the designated driver and vehicle were not used and hence funds previously embarked for per diem for intended driver was used for cost incurred by the officer for public transportation use instead, to attend scheduled programmes.

General

30. The Audit Office wishes to express its gratitude for the co-operation given to its officers during the course of the audit. In keeping with the Audit Office's policy, a reply is expected within thirty (30) days of receipt of this management letter.

With best regards.

Yours sincerely,

  
★TONIA RODNEY  
AUDIT MANAGER (ag)

AUDIT OFFICE  
OF GUYANA