

## **The Small Business Bureau**

Created to fulfill and execute the mandate of the Small Business Act No.2 of 2004, the Small Business Bureau is a semi-autonomous agency, under the Ministry of Business.

It is managed by a Council of representatives, selected from the public and private sectors, who oversees the Bureau's work programme of Small Business Development through

- Administration and Policy Development (facilitated by the Council & Bureau)
- Training & Education
- Information Gathering, Visibility & Awareness
- Promotion of policies and programmes
- Business & Technical support

The Mission of the Small Business Bureau is to “enable sustained growth and uniformed diversification of MSEs within local sectors, with a view to create positive, measureable impacts, through expert guidance, effectively channeled resources, comprehensive networking and provision of a supporting environment for maximized performance”.

The Bureau is required to fulfill its mandate through four distinct functional areas,

- Access to Financing for Small Business.
- Entrepreneurial/Business Development Services,
- A guarantee and commitment of 20% Government procurement from small businesses (as stipulated under section 3:8(1) of the Small Business Act No.2 of 2004), and
- Advocacy – (Policy and regulatory review for the assessment of their impacts on small businesses)



Ms. Donna Levi, Member



Mr. Patrick Zephyr, Member



Ms. Manjula Brijmohan, Member



Mr. Patrick Sukhlal, Member



Mr. Yogieraj Das, Member



Mr. Kwabina Griffith, Member



Mr. Daniel Gajje, Member



Mr. Mohindra Chand, Member

**Table 1: Small Business Bureau 2015 Staff**

<b>NAME</b>	<b>JOB TITLE</b>
<b>ALVES-INNISS, TRACEY</b>	<b>SKILLS DEVELOPMENT ADMINISTRATOR</b>
<b>BOSTON, SHANIA</b>	<b>RECEPTIONIST</b>
<b>COUCHMAN, KARISSIA</b>	<b>DATA ENTRY CLERK</b>
<b>CUMMINGS, DERRICK</b>	<b>CHIEF EEXECUTIVE OFFICER</b>
<b>EDWARDS, GILLIAN</b>	<b>CREDIT GUARANTEE FUND MANAGER</b>
<b>GOMES, AUDREY</b>	<b>TRAINING &amp; DEVELOPMENT OFFICER</b>
<b>HARRIS, CLAY</b>	<b>FINANCE ASSISTANT</b>
<b>JOHNSON, BRIAN</b>	<b>FUND ADMINISTRATOR</b>
<b>LOCHINVAR, SHERIDAN</b>	<b>FINANCE ASSISTANT</b>
<b>MOHABIR, RITA</b>	<b>EXECUTIVE ASSTISTANT</b>
<b>PROWELL, ALWICK</b>	<b>DRIVER/OFFICE ASSISTANT</b>
<b>PERSAUD, JENNIFER</b>	<b>ADMINISTRATIVE ASSISTANT</b>
<b>RAJMAN, KHEMWANTIE</b>	<b>CHARWOMAN</b>
<b>SAMAROO, CHRISTINA</b>	<b>RESEARCH &amp; MARKETING OFFICER</b>
<b>SILLS, DARREN</b>	<b>SKILLS DEVELOPMENT ADMINISTRATOR</b>
<b>VANDEYAR, CHRISTOPHER</b>	<b>PROCUREMENT OFFICER</b>
<b>WILLS, SVEN</b>	<b>FINANCE OFFICER</b>

## **TRAINING OF MSEs**

### **Training and Development Activities**

The Training department has continued to provide training opportunities for clients of the Small Business Bureau. However, as the number of clients increase, the kinds of training requests vary based on the regions and sectors.

Additionally, Incubatory Services were also provided in the areas of

- Business Coach/Mentor
- Business Counsellor
- Preparation of letters, business cards, flyers, among others

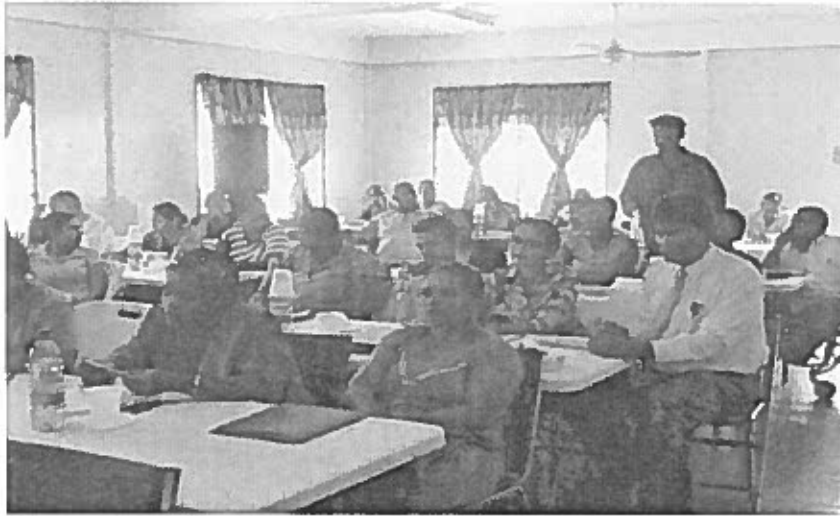
Further, the training department also coordinated, through a collaborative effort with Business Expo 2015, training seminars for clients and public participants. Seminars included:

- Digitise your Business, by Digicel (Guyana)
- Learning Government Procurement Procedures, by NPTAB
- Entrepreneurship, by Small Business Bureau
- Financing your Business, by Republic Bank, Scotia Bank and The Credit Bureau
- Marketing through Film, by Cine Guyana
- Effective Trade Fair Participation, by GOINVEST.

Noteworthy achievement of the Bureau, was the substantial number of persons who benefited from training workshops during the calendar year 2015. Two institutions facilitated large sessions among persons of regions 2 and 4. They were

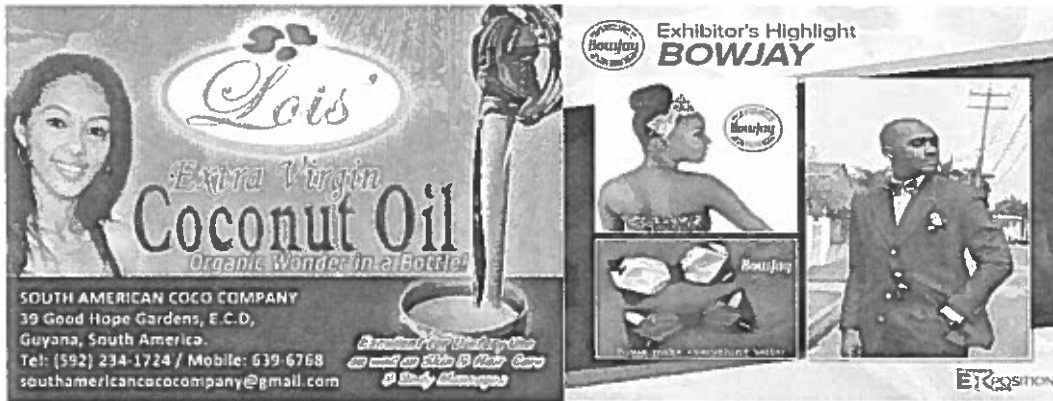
Kuru Kuru Co-operative College which offered training in Business Plan Writing, to clients of region 2 from the Low Carbon Agriculture and Agro-Processing Sectors.

EMPRETEC facilitated Leadership, Planning and Time Management, Customer Service, Water Treatment and Basic Sanitation and Venture Out for Women to persons in the following sectors Professional and Business Services, Internet and Computer Based Services, Low Carbon Agriculture and agro processing, Fruit and Vegetable- farming and processing and Apiculture



**Pic 1: Training Session for SBB clients**

As a consequence of the awareness sessions, balata, coffee and crabwood soaps producers from regions 1 and 9 are being prepped for exportation of their products to the United Kingdom, United States and Canada in 2016. Additionally, to further strengthen the Bureau's visibility, the following programmes were also executed.



**Pic 3: Products displayed by SBB clients at event**

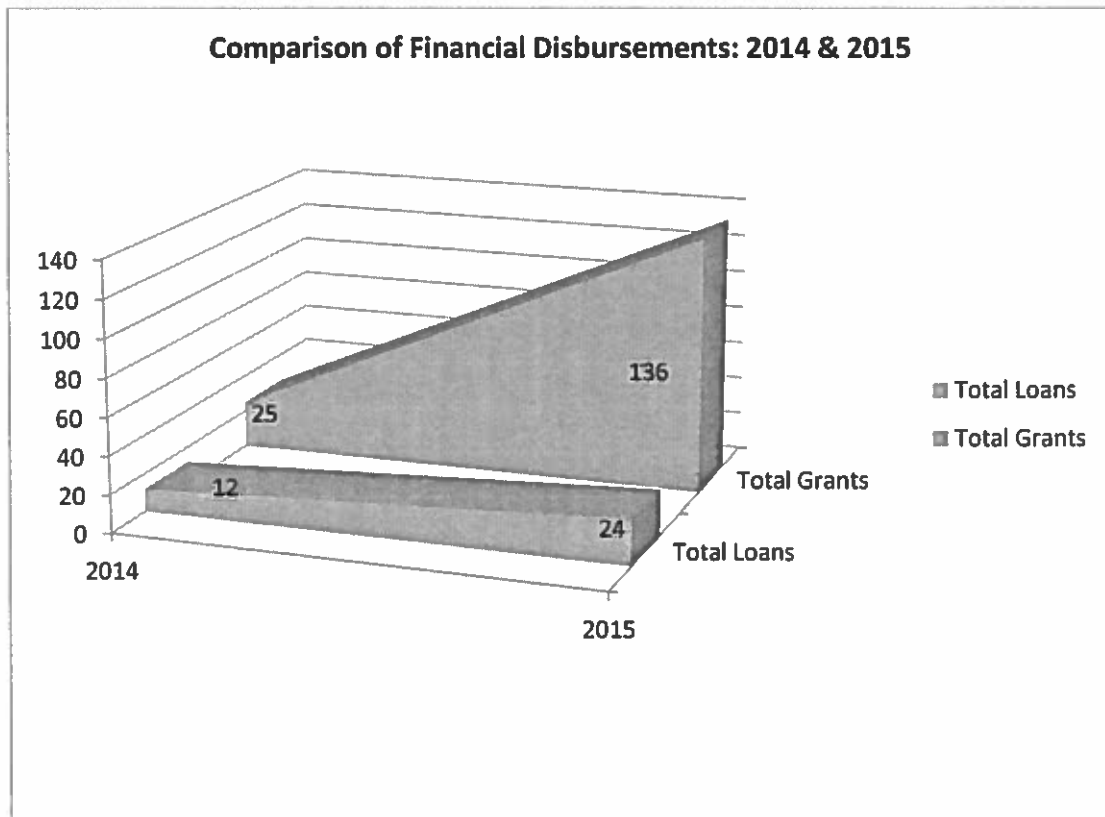
- Placement of weekly full page colour advertisements in the newspaper
- Daily television Ads
- Print Ads in Coupon Books
- Daily radio Ads
- Creation of a Facebook page
- Printed 20,000 fliers for distribution
- Printed 1500 pens, 300 sticky pads, 1500 keyrings and 1000 bags as tokens to distribute at Expos and awareness sessions.

The Bureau also sponsored live television promotion programmes with NCN for eleven of our clients. As a result of our aggressive campaign, there were a substantial number of registrants added to the database, for 2015.

## PROJECT STATUS REPORT

Access to finance for small entrepreneurs is one of the Small Business Bureau's main priorities. With active partners facilitating the process, there was a marked improvement in the number of beneficiaries in 2015, compared to 2014. This also translated into approximately 230 jobs created by the Small Business Sectors of Guyana, in 2015.

**Figure 5: Comparison of 2014 and 2015 Financial Disbursements**



**Table 5: Total Grants and Loans Beneficiaries by Sector and Gender**

SECTORS	2015 Loans			2015 Grants		
	Total	M	F	Total	M	F
Fruits & Vegetables - Farming & Processing	5	4	1	43	29	14
Apiculture	0	0	0	0	0	0
Aquaculture	0	0	0	0	0	0
Arts & Crafts	2	0	2	21	5	16
Internet & Computer-Based Services	1	1	0	4	2	2
Sustainable Mining	0			0	0	0
Low Carbon Agriculture & Agro-Processing (excluding livestock)	3	0	0	38	7	31
		3	0		7	31
Eco-Tourism	1	1	0	1	1	0
Energy-Efficient Transportation & Logistics	0	0	0	0	0	0
Professional & Business Services	9	4	5	22	4	18
Sustainable Forestry & Wood Processing	1	1	0	1	1	0
Business Process Outsourcing	0	0	0	0	0	0
Bio-Ethanol	0	0	0	0	0	0
Low Carbon Energy Production and/or Distribution	0	0	0	0	0	0
Low Carbon Manufacturing Activities	1	1	0	5	1	4
Publishing & Printing	1	1	0	0	0	0
Entertainment, Music & Performing Arts	0	0	0	1	1	0
<b>Total</b>	<b>24</b>	<b>16</b>	<b>8</b>	<b>136</b>	<b>51</b>	<b>85</b>

#### **SMALL BUSINESS BUREAU GRANT AWARD CEREMONY**

Beneficiaries of small business grants were treated to a Grant Award Ceremony on January 30<sup>th</sup>, 2015 at the Guyana International Conference Centre. On the day of the ceremony sixty (60) grants were issued to beneficiaries from various sectors of the economy, spanning the geographical landscape of Guyana and amounting to approximately twenty million dollars (\$20,000,000). This translated to an estimated One Hundred and Sixty-Seven (167) jobs being created.

This was a direct example of Small Business Bureau and Guyana Government contribution to the small business sector and a demonstration of the SBB meeting its mandate of providing financial and business support to small entrepreneurs.



**Table 6: Loans in total value provided to the SME sector for 2015 from Micro Financial Institutions**



**AUDITED STATEMENT OF RECEIPTS AND PAYMENTS  
OF THE  
SMALL BUSINESS BUREAU**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**

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

**AUDIT OF THE STATEMENT OF RECEIPTS AND PAYMENTS**  
**OF THE SMALL BUSINESS BUREAU**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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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>*

292/SO: 40/2/2016

14 November 2016

Ms. Gillian Edwards  
Officer-in-Charge/Credit Guarantee Fund Manager  
Small Business Bureau  
77 Croal Street and Winter Place,  
Georgetown.

Dear Ms. Edwards,

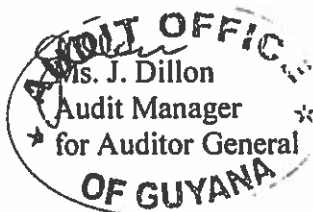
**AUDIT OF THE STATEMENT OF RECEIPTS AND PAYMENTS**  
**OF THE SMALL BUSINESS BUREAU**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

We wish to inform you that the audit of the above-mentioned Bureau has been completed. Accordingly, we are pleased to forward two copies of the audited financial statements, together with the Report of the Auditor General and the Management Letter thereon.

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

With best regards.

Yours sincerely,





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

AG: 77/2016

14 November 2016

**REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE COUNCIL  
OF THE SMALL BUSINESS BUREAU  
ON THE STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

I have audited the Receipts and Payments statement of the Small Business Bureau for the year ended 31 December 2015. The audit was conducted in accordance with the Audit Act 2004.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*


In my opinion, the financial statement referred to above, presents correctly, the Receipts and Payments of the Small Business Bureau for the year ended 31 December 2015 in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**SMALL BUSINESS BUREAU**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2015**

	Notes	2015	2014
Receipts		G\$	G\$
Government Subventions – Current	4	31,575,835	29,148,194
Other Income	5	<u>-</u>	<u>18,920</u>
<b>Total Receipts</b>		<b>31,575,835</b>	<b>29,167,114</b>
Payments			
Employment Costs	6	18,051,474	20,232,481
Training & Marketing Cost	7	4,363,901	664,133
General Office Expenses	8	869,162	459,723
General Operating Expenses	9	<u>7,868,962</u>	<u>5,562,803</u>
<b>Total Payments</b>		<b>31,153,499</b>	<b>26,919,140</b>
<b>Increase/Decrease in Cash</b>		<u>422,336</u>	<u>2,247,974</u>
Cash at Beginning of Year		2,332,954	84,980
Net Increase/Decrease in Cash		422,336	2,247,974
<b>Cash at Cash Equivalents at End of Year</b>	10	<u>2,755,290</u>	<u>2,332,954</u>

  
 .....  
 Gillian Edwards  
 Credit Guarantee Fund Manager/  
 Officer-in-Charge  
 Small Business Bureau

  
 PERMANENT SECRETARY  
 Rajdai Jagarnauth  
 Permanent Secretary  
 Ministry of Business

**SMALL BUSINESS BUREAU**  
 77 Creal St. & Winter Place, G/T  
 225 - 3276 / 227 - 1439

**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015**

**1. Background of the Entity**

The Small Business was established as the secretariat of the Small Business Council via Act No. 02 of 2004 and came into operations in March 2005 via Order Number 15 of 2005. The Bureau is the Secretariat of the Council and its responsibilities include the achievement of the goals and fulfillment of the functions of the Council.

Its mission is to enable sustained growth and uniformed diversification of Small and Medium Size Enterprises (SMEs) with local sectors; with view to create positive measurable impacts through expert guidance, effectively channeled resources, comprehensive networking and provision of a supporting environment for maximized performance.

In order to achieve its mission, the Bureau endeavours to enable development of Micro and Small Business sectors to their optimum, through cultivation of entrepreneurship, fostering business cooperation, and solidifying the value chain for maximum contribution to the mainstream economy.

**2. Basis of Accounting**

The Financial Statement have been prepared from the Bureau's financial information stored in its data base – QuickBooks in accordance with Generally Accepted Accounting Principles (GAAP). The transactions are recorded in Guyana dollars using the cash basis of accounting.

**3. The Council Members and Key Management Personnel Remuneration**

Small Business Council: The Council was comprised of twelve (12) members for the accounting period January 1, 2015 to December 31, 2015. Remuneration for the abovementioned period amounted to and disburses as follows:

No.	Name of Council Member	Position	2015 G\$	2014 G\$
1	Sukrishnalall Paasha	Chairman	210,000	100,000
2	Dhaneshwar Deonarine	Member	30,000	52,500
3	Donna Levi	Member	120,000	60,000
4	SBDF/Co Manjula Brigmohan	Member	52,500	37,500
5	Patrick Zephyr	Member	127,500	67,500
6	Daniel Gajie	Member	30,000	30,000
7	Kwabina Griffith	Member	120,000	37,500
8	Mohindra Chand	Member	0	7,500
9	Derrick Cummings	Member	0	52,500
10	Patrick Sukhlall	Member	45,000	15,000
11	Yogieraj Das	Member	90,000	45,000
			<b>825,000</b>	<b>505,000</b>



**SMALL BUSINESS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
FOR THE YEAR ENDED 31 DECEMBER, 2015**

**Key Management Personnel: Remuneration paid during the period  
January 1, 2015 to December 31, 2015**

No.	Position	2015 G\$	2014 G\$
1	Chief Executive Officer – One Month salary	338,027	3,863,160
	Chief Executive Officer – Benefits and Allowances	95,000	2,576,614
	<b>Total</b>	<b>433,027</b>	<b>6,439,774</b>

**4. Receipts: Subvention – Current**

Current subventions represent funds appropriated by parliament through the Ministry of Business, which is the Budget Agency.

Description	2015 G\$	2014 G\$
Subventions received during the year	31,372,690	28,357,000
Subvention for revision of wages	203,145	791,194
<b>Total</b>	<b>31,575,835</b>	<b>29,148,194</b>

**5. Receipts: Other Income**

The other income for the year 2014 was an initiative by the Minister (ag) to assist the subsistence producers of the Women Agro-Processors Development Network in finding access to markets. As such, a small quantity of their products were purchased and placed in the Ministry's lobby for resale.

Description	2015 G\$	2014 G\$
Sales	-	18,920
<b>Total</b>	<b>0</b>	<b>18,920</b>

**SMALL BUSINESS BUREAU**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER, 2015**

**6. Expenditures: Employment Cost**

<b>Line Item</b>	<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
6116	Contracted Employees - Salaries	11,734,223	12,382,620
6133	Benefits and Allowances	5,535,098	6,321,841
6134	National Insurance	782,153	748,165
6141	Revision of Wages and Salaries	-	779,855
<b>Total</b>		<b>18,051,474</b>	<b>20,232,481</b>

**7. Expenditures: Training and Marketing Costs**

<b>Line Item</b>	<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
6224	Print and Non-print Materials	1,348,605	149,794
6291	National & Other Events	1,216,296	-
6302	Training (Including scholarships)*	1,799,000	514,339
<b>Total</b>		<b>4,363,901</b>	<b>664,133</b>

\*Training was carried out in the following areas during the year as follows:

<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
Internal Audit Training (Client)	-	24,000
Business Plan Writing (Training)	-	490,339
Project Management Training	44,000	-
Food Safety Certification (Training)	600,000	-
Leadership & Time Management (Training)	225,000	-
Venture out! for Women Forum	150,000	-
Water treatment & Basic Sanitation	240,000	-
Customer Services	540,000	-
<b>Total</b>	<b>1,799,000</b>	<b>514,339</b>

**SMALL BUSINESS BUREAU**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER, 2015**

**8. Expenditures: General Office Expenses**

<b>Line Item</b>	<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
6223	Office Materials & Supplies	291,886	205,949
6243	Janitorial and Cleaning Supplies	361,905	182,374
6271	Telephone Charges	60,000	-
6282	Equipment Maintenance	155,371	45,400
6283	Cleaning & Extermination	-	26,000
<b>Total</b>		<b>869,162</b>	<b>459,723</b>

**9. Expenditures: Other Operating Expenses**

<b>Line Item</b>	<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
6231	Fuel & Lubricants	15,000	-
6261	Local Travel and Subsistence	2,122,540	1,282,484
6264	Vehicle Spares & Services	394,441	-
6284	Other Goods and Services Purchased *	2,951,868	1,602,006
6293	Refreshments and Meals	762,444	1,617,518
6294	Other Operating Expenses	1,622,669	1,060,795
<b>Total</b>		<b>7,868,962</b>	<b>5,562,803</b>

Detailed amounts categorized as "Other Goods and Services Purchased" are as follows:

<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
Short Term contract for services	851,412	875,100
Memorabilia for Exposition	-	212,816
Collaborative Expenses – Business Associates	240,000	219,600
Events – Dinner et al	303,003	64,000
Miscellaneous goods and services	139,066	75,230
Purchases from WAD Network to resell	-	155,260
Payroll Software & Installation	190,000	-
Promotional Items & Advertisements	1,228,387	-
	<b>2,951,868</b>	<b>1,602,006</b>

**SMALL BUSINESS BUREAU**  
**NOTES TO THE FINANCIAL STATEMENT (Cont'd)**  
**FOR THE YEAR ENDED 31 DECEMBER, 2015**

Detailed amounts categorized as “Other Operating Expenses” are as follows:

<b>Description</b>	<b>2015 G\$</b>	<b>2014 G\$</b>
Support to clusters, Associations et al	208,000	449,857
Council Honorarium	825,000	505,000
Project Expenses met by SBB	168,000	-
Ads in Newspaper	271,959	-
Miscellaneous Operating Expenses	149,710	105,938
<b>Total</b>	<b>1,622,669</b>	<b>1,060,795</b>

**10. Cash and Cash Equivalents**

The sum of two million, seven hundred and fifty five thousand two hundred and ninety dollars (\$2,755,290) reflected as cash at the end of the financial year ended December 31, 2015 equates to the reconciled balance of cash held in the bank account at the Bank of Guyana at that date and cash equivalents as at 31 December, 2015.



## *Audit Office of Guyana*

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437/SO: 40/2/2016

14 November 2016

Ms. Gillian Edwards  
Officer-in-Charge/Credit Guarantee Fund Manager  
Small Business Bureau  
77 Croal Street and Winter Place,  
Georgetown

Dear Ms. Edwards,

**AUDIT OF THE FINANCIAL STATEMENTS OF  
SMALL BUSINESS BUREAU  
FOR THE YEAR ENDED 31 DECEMBER 2015**

The audit of the financial statements of the Small Business Bureau for the year ended 31 December 2015 has been completed. The findings hereunder were discussed with the accounting personnel within your Bureau and are now forwarded to you for appropriate action.

2. The audit was conducted in accordance with Generally Accepted Auditing Standards, including those of the International Organization of Supreme Audit Institutions (INTOSAI) and the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). These standards require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatements.

3. The main purpose of the audit was to express an opinion on the financial statements and evaluate the operations of the Small Business Bureau to ascertain whether:

- (a) The financial statements have been properly prepared, in accordance with applicable laws, and properly present the operations and affairs of the Bureau;
- (b) The accounts have been faithfully and properly kept;
- (c) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue;
- (d) All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended; and

- (e) Essential records are maintained, and the internal management controls, rules and procedures established and applied are sufficient to safeguard the control of stores and other public property.

### **Findings and Recommendations**

#### **A. Statement of Receipts and Payments**

**Expenditure: \$31,153,499**

4. The amount of \$31.153M represents total expenditure for the year under review. Included in this figure is the amount of \$18.051M which represents employment cost for the year ended under review. An examination of the related records and supporting documentations revealed the following observations:

- (a) Examination of the payroll and other related documents for the year under review revealed that NIS and PAYE deductions were not paid over to the relevant agencies promptly. As a result, the Bureau did not adhere to the statutory deadline which could result penalty and charges made to the Bureau by the related agencies.

*Recommendation:* The Audit Office recommends that the Management of the Bureau take the necessary steps to ensure all statutory deductions are paid over to the relevant agencies promptly so as to avoid penalty charges.

*Management's Response:* The Auditor's recommendation is duly noted: management has put a system in place to address this shortcoming. The Finance Assistant has since been tasked with the responsibility of paying all stator deductions no later than one week after salaries are paid. This will take effect from October 1,2016.

- (b) Examination of personal files for joiners for the year revealed that three employees did not submit relevant documentations to complete their employment process. This resulted in poor controls exercised in the recruitment of staff. As such, the Bureau would be unable to validate or confirm the information reflected on the Curriculum Vitae of the recruits. *See Appendix I.*

*Recommendation:* The Audit Office recommends that the Management of the Bureau takes the necessary steps to ensure that all documents are submitted upon employment of new staff.

*Management's Response:* Management has addressed this shortcoming however, it should be noted that staff members of the Bureau are not required to present police clearance. In addition, staff members have submitted their TIN and NIS numbers for verification purposes as evidenced on the respective statutory deductions remittance sheets.

- (c) There was one instance where total deduction of \$24,000 was seen on the pay sheet for an employee, however, \$14,000 of this amount was seen as deposited into Republic Bank account resulting in a difference of \$10,000 which could not be traced. As a result, it could not be determined as to whether the deductions were accurately accounted for.

*Recommendation:* The Audit Office recommends that the Management of the Bureau takes the necessary steps to ensure that all deductions are shown on the pay sheet.

*Management's Response:* A deduction was made from a staff salary in the amount of \$14,000 to be paid to that employee loan account at Republic Bank Limited hence the reason for that amount being paid to Republic Bank Limited and not Demerara Bank Limited where the employee's salary is paid through. Also, this deduction is shown on the pay sheet.

- (d) It was observed that net salary of \$336,119 for the month of February was paid to an employee, who resigned on the 31 January 2015. This resulted in the overpayment of salary. Further, at the time of audit there was no indication as whether this amount was repaid to the Bureau.

*Recommendation:* The Audit Office recommends that the Management of the Bureau takes the necessary steps to ensure that the sum of \$336,119 is refunded.

*Management's Response:* The employee in question gross salary/emolument was refunded to the Bureau and deposited in August 2015, evidence in relation to the deposit of the said salary was shown to the Auditor on her return visit to the Small Business Bureau.

5. Included in the figure above is the amount of \$7.869M which represents general operating expenses for the year ended under review. An examination of the related records and supporting documentations revealed the following observations:

- (a) Payment voucher totalling \$10,000 for the purchase of fuel was not presented for audit verification. As such, it could not be determined as to whether the amount was expended for the purpose(s) intended.

*Recommendation:* The Audit Office recommends that the Management of the Bureau takes the necessary steps to ensure that all vouchers are safely kept and presented for audit verification.

*Management's Response:* The Auditor's recommendation is duly noted, management has tried unsuccessfully to locate the voucher in question. However, management has put a system in place to avoid the recurrence of voucher(s) being lost. On a monthly basis effective from September 30, 2016 all filed payment vouchers will be rechecked to ensure that all vouchers are secured.

- (b) The amount of \$45,000 was spent from petty cash on phone credit for staff in the Bureau. Of this amount, \$30,000 was incorrectly classified to line items 6284 and 6294 instead of 6271. As a result line items 6284 and 6294 were overstated. *See Appendix III.*

*Recommendation:* The Audit Office recommends that the Management of the Bureau correctly classifies expenses incurred for purchase of phone credit.

*Management's Response:* The recommendation of the Auditor is noted as such management has put a system in place to address this shortcoming. Before expenses are posted to the general ledger, further verification of the account code will be done. Notwithstanding the above the inadvertent posting of the expenses in question was corrected on the second and final draft accounts submitted to the Auditor.

Cash & Cash Equivalent: \$2,755,290

6. The amount of \$2.755M represents cash and cash equivalent for the year under review. An examination of the related records and supporting documentations revealed the following observations:

- (a) Audit verification revealed eight instances where amounts totalling \$100,094 was spent from the petty cash register. This action resulted in the breach of the \$10,000 policy limit based on the procedural manual. *See Appendix III.*

*Recommendation:* The Audit Office recommends that the Management of the Bureau put systems in place to ensure that the \$10,000 policy is adhered to at all times or adjusted if necessary.

*Management's Response:* Management accepts the Auditor's recommendation and as such, will put a system in place to address this shortcoming. The new system introduces a Petty Cash Requisition, this document will be sent to the Finance Officer for approval (here the amount requested will be checked) prior to the disbursement/ payment of petty cash.

- (b) Additionally, a sample of twenty petty cash vouchers were examined which revealed that they did not have clearance date, while four of the said vouchers had no evidence of officers preparing and approving. This resulted in poor internal controls within the Bureau. As a result, we were unable to determine whether the payments were approved. *See Appendix IV and V.*

*Recommendation:* The Audit Office recommends that the Management of the Bureau put systems to ensure controls are followed in the preparation of vouchers.

*Management's Response:* The Auditor's recommendation is duly noted and as such management will put a system in place to address this shortcoming. In this regard, the Finance Assistant will ensure that all petty cash vouchers have clearance dates and



evidence of officers preparing and approving, this will be checked by the Finance Officer at the time of his periodic check of the petty cash operations.

#### **B. Other Matters**

7. Audit checks were carried out on the stores, however, the stores ledger presented was not maintained to reflect the current balance at the time of audit. Additionally, bin cards and other relevant documentations relating to the stores were not maintained. As a result, reconciliations between the movements of items in the store could not be determined.

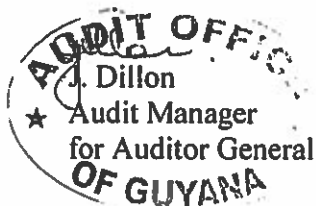
*Recommendation:* The Audit Office recommends that the Management of the Bureau put systems in place to ensure that the requisite registers are implemented and kept up-to-date to reflect the current balances of stock.

*Management's Response:* The management of the Bureau is currently establishing a bin card system which will be updated from purchases records and internal issues requisitions.

#### **C. General**

8. The Audit Office wishes to express its sincere gratitude for the cooperation given during the course of the audit. In keeping with the Audit Office's policies, a reply is expected within thirty (30) days of receipt of this letter.

With kind regards.



Appendix I

Examination of personal files for joiners

No.	Name	Appointed Position	Date of Employment	Police clearance	References	GRA Tin Certificate	NIS
1	Sheridan Lochinvar	Finance Assistant	01/11/2015	Not seen	Seen	Not seen	Not seen
2	Shania Boston	Receptionist	01/11/2015	Not seen	Not seen	Not seen	Not seen
3	Jennifer Persaud	Administrative clerk	28/12/2015	Not seen	Not seen	Seen	Seen

Appendix II

Payments from petty cash incorrectly classified

No.	Date	PV #	Payee	Details	Classified To	Amount \$
1	09/08/2015	15010032	Clay Harris	Phone credit	6284	15,000
2	11/03/2015	15010052	Clay Harris	Phone credit	6284	10,000
3	12/09/2015	15010069	Sheridan Lochinvar	Phone credit	6294	10,000
4	12/09/2015	15010070	Sheridan Lochinvar	Phone credit	6294	10,000
Total						45,000

Appendix III

Payments from petty cash exceeding \$10,000

No.	Date	PV #	Payee	Details	Amount \$
1	21/01/2015	15010001	C. Harris	Dinner for working late	13,600
2	06/01/2015	15010012	Kalicharan	Newspaper cost	12,760
3	22/06/2015	15010018	R. Mohabir	Snacks for council meeting	10,134
4	08/10/2015	15010023	K. Heera	Newspaper cost	10,800
5	31/07/2015	15010027	G. Edwards	Cost for per diem	12,000
6	01/10/2015	15010045	C. Harris	Phone credit	15,000
7	03/10/2015	15010047	Kalicharan	Newspaper cost	10,800
8	09/08/2015	15010032	C. Harris	Phone credit	15,000
Total					100,094

Appendix IV

Petty vouchers which had no clearance date

No.	Date	PV #	Payee	Details	Amount \$
1	1/21/2015	15010001	C. Harris	Cost being for dinner while working late	13,600
2	4/9/2015	15010003	A. Prowell	Cost being for washing SBB vehicle	5,500
3	6/22/2015	15010019	R. Mohabir	Cost being for bounty towel	9,918
4	4/16/2015	15010004	C. Harris	Cost being for lunch and dinner while working late	7,019
5	4/16/2015	15010006	K. Couchman	Cost being for purchase of business card for staff	8,000
6	6/1/2015	15010012	Kalicharan	Cost being for newspaper	12,760
7	6/22/2015	15010018	R. Mohabir	Cost being for snacks for council meeting	10,134
8	8/10/2015	15010023	K. Heera	Cost being for copy of newspaper	10,800
9	7/31/2015	15010027	G. Edwards	Cost being for per diem while working on 1st August, 2015	12,000
10	9/28/2015	15010040	R. Mohabir	Cost being for snacks for council meeting	9,925
11	10/1/2015	15010045	C. Harris	Cost being for credit in staff phone	15,000
12	10/3/2015	15010047	Kalicharan	Cost being for newspaper	10,800
13	11/9/2015	15010056	R. Mohabir	Cost being for snacks for council meeting	9,936
14	11/26/2015	15010062	R. Mohabir	Cost of purchasing meals & refreshments for SBB meetings	9,879
15	11/26/2015	15010065	K. Couchman	Cost of purchasing fabric & materials to decorate SBB's booth at Business Expo 2015	8,600
16	9/8/2015	15010032	D. Harris	Cost being for credit in staff phone	15,000
17	12/9/2015	15010071	R. Mohabir	Cost of purchasing Christmas cards for SBB office	8,926
18	12/17/2015	15010075	Donnamae Gift Shop	Cost for one wreath purchased for CEO's Grandmother death	5,000
19	12/11/2015	15010073	A. Prowell	Cost of washing SBB vehicle	1,500
20	12/11/2015	15010076	A. Prowell	Cost of lunch provided to driver for working through lunch	1,000
<b>Total</b>					<b>185,297</b>

Appendix V

Instances where approving and preparing officers signatures were not seen

No.	Date	PV #	Payee	Details	Amount \$
1	12/9/2015	15010071	R. Mohabir	Cost of purchasing Christmas cards for SBB office	8,926
2	12/17/2015	15010075	Donnamae Gift Shop	Cost for one wreath purchased for Ceo's Grandmother death	5,000
3	12/11/2015	15010073	A. Prowell	Cost of washing SBB vehicle	1,500
4	12/11/2015	15010076	A. Prowell	Cost of lunch provided to driver for working through lunch	1,000
Total					16,426