

**AUDITED FINANCIAL STATEMENTS OF THE
NATIONAL TRUST OF GUYANA**

**FOR THE YEAR ENDED
31 DECEMBER 2014**

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

AUDITED FINANCIAL STATEMENTS OF THE
NATIONAL TRUST OF GUYANA
FOR THE YEAR ENDED 31 DECEMBER 2014

TABLE OF CONTENTS

	PAGE
Transmittal Letter -----	1
Auditor's Opinion on the Financial Statements-----	2 – 3
Audited Financial Statements -----	4 – 12
Statement of Financial Position	
Statement of Comprehensive Income	
Statement of Cash Flows	
Notes to the Financial Statements	
Management letter -----	13 – 18



Audit Office of Guyana

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151/SL: 23/2/2016

06 July 2016

Ms. Nirvana Persaud
Chief Executive Officer
The National Trust of Guyana
94 Carmichael Street, Cummingsburg
Georgetown.

Dear Ms. Persaud,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
THE NATIONAL TRUST OF GUYANA
FOR THE YEAR ENDED 31 DECEMBER 2014

We wish to inform you that the audit of the above-mentioned Entity has been completed. Accordingly, we are pleased to forward one copy 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 kind regards.

Yours sincerely,


J. Dillon
Audit Manager
for Auditor General



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AG: 43/2016

06 July 2016

**REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE COMMITTEE
OF THE NATIONAL TRUST OF GUYANA
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

I have audited the accompanying financial statements of the National Trust of Guyana, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. 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 these financial statements in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by International Federation of Accountants (IFAC), and those of the International Organisation 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 statements give a true and fair view, in all material respects, of the financial position of the National Trust of Guyana as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

National Trust of Guyana
Statement of Financial Position
As at December 31, 2014

	Notes	2014 G\$	2013 G\$ Restated
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	3	6,463,739	12,066,977
Intangible Assets	4	17,920,813	585,034
		<u>24,384,552</u>	<u>12,652,011</u>
<u>Current Assets</u>			
Cash and Cash Equivalents		5,178,483	3,814,842
Prepayments	5	426,300	365,400
		<u>5,604,783</u>	<u>4,180,242</u>
Total Assets		<u>29,989,335</u>	<u>16,832,253</u>
EQUITY & LIABILITIES			
<u>Equity</u>			
Accumulated Surplus		29,041,830	15,750,348
<u>Liabilities</u>			
Accounts Payable	6	947,505	1,081,905
Total Equity & Liability		<u>29,989,335</u>	<u>16,832,253</u>

The financial statements were approved by the Board of Directors on 2016-06-28

Nirvana Persaud

Ms. Nirvana Persaud
Chief Executive Officer

Chief Executive Officer
National Trust of Guyana

Mr. Lennox Hernandez

Mr. Lennox Hernandez
Chairman

CHAIRMAN
NATIONAL TRUST OF GUYANA

The notes on pages 8 to 10 form an integral part of these financial statements.

National Trust of Guyana
Statement of Comprehensive Income
For the year ended December 31, 2014

	Notes	2014 G\$	2013 G\$ Restated
<u>Income</u>			
Government Subvention		55,153,704	50,400,649
Other Income	7	1,836,487	146,520
Total Income		56,990,191	50,547,169
<u>Expenditure</u>			
Employment Cost		16,145,539	16,326,281
Administrative Charges	8 (a)	7,708,147	11,289,786
Other Operating Expenses	8 (b)	17,740,030	16,389,910
Depreciation and amortisation	8 (c)	2,104,993	1,178,768
Total Expenditure		43,698,709	45,184,745
Surplus for the year		13,291,482	5,362,424

The notes on pages 8 to 10 form an integral part of these financial statements.

The National Trust of Guyana
Statement of Changes in Equity
For the year ended December 31, 2014

	Retained Earnings G\$	Total G\$
Balance at January 01, 2013	10,387,924	10,387,924
Surplus for the year	5,362,424	5,362,424
Balance at December 31, 2013	15,750,348	15,750,348
Surplus for the year	13,291,482	13,291,482
Balance at December 31, 2014	29,041,830	29,041,830

The notes on pages 8 to 10 form an integral part of these financial statements.

The National Trust of Guyana
Statement of Cash Flows
For the year ended December 31, 2014

	2014 G\$	2013 G\$ Restated
Cash Flow from Operating Activities		
Surplus	13,291,482	5,362,424
Adjustments for:		
Depreciation and amortisation	2,104,993	1,178,768
Operating surplus before working capital changes	15,396,475	6,541,192
Increase in Prepayments	(60,900)	2,936,767
Increase/(Decrease) in Accounts Payable	(134,400)	(259,119)
Net Cash from Operating Activities	15,201,175	9,218,840
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(2,270,034)	(8,876,718)
Acquisition of Intangible Assets	(11,567,500)	(588,050)
Net Cash Flow from Investing Activities	(13,837,534)	(9,464,768)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,363,641	(245,928)
Cash and Cash Equivalents at the beginning of the period	3,814,842	4,060,770
Cash and Cash Equivalents at the end of the period	5,178,483	3,814,842

The notes on pages 8 to 10 form an integral part of these financial statements.

The National Trust of Guyana
Notes to the Financial Statements
For the year ended December 31, 2014

1. Background of the Entity

The National Trust of Guyana was established by the National Trust Act, Cap. 20:03. Its main purpose is to promote the permanent preservation for the benefit of the nation of property of beauty and historic interest.

2. Statement of Accounting policies

(a) Basis of Accounting

The Financial Statements have been prepared in accordance with generally accepted accounting principles and are stated in Guyana Dollars.

(b) Revenue Recognition

Revenue from sale of books & brochures are recognised when the significant risks and rewards have been passed to the buyer. Government Subventions are recognised when the income has been received.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight line basis at rates sufficient to write off the cost of the assets over their useful lives. The rates used are as follows:

	Rate
Field Equipment	33%
Office Furniture and Fixtures	15%
Office Equipment	15%
Intangible Asset	15%

3. Property, Plant and Equipment

	Field Equipment	Office Equipment	Office Furniture & Fixtures	Total
<u>Cost</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>	<u>G\$</u>
At January 1, 2014	857,497	3,142,305	14,582,303	18,582,105
Reclassification	-	-	(6,908,643)	(6,908,643)
Additions	109,188	-	2,160,846	2,270,034
At December 31, 2014	966,685	3,142,305	9,834,506	13,943,496

The National Trust of Guyana
Notes to the Financial Statements
For the year ended December 31, 2014

Depreciation

At January 1, 2014	730,986	2,253,069	3,531,073	6,515,128
Charges for the year	47,754	133,385	783,490	964,629
At December 31, 2014	<u>778,740</u>	<u>2,386,454</u>	<u>4,314,563</u>	<u>7,479,757</u>

Net Book Value

At December 31, 2014	<u>187,945</u>	<u>755,851</u>	<u>5,519,943</u>	<u>6,463,739</u>
At January 1, 2014	<u>126,511</u>	<u>889,236</u>	<u>11,051,230</u>	<u>12,066,977</u>

4. Intangible assets

	G\$
<u>Cost</u>	
At January 1, 2014	616,750
Reclassification	6,908,643
Additions	11,567,500
At December 31, 2014	<u>19,092,893</u>
<u>Amortisation</u>	
At January 1, 2014	31,716
Charges for the year	1,140,364
At December 31, 2014	<u>1,172,080</u>
<u>Net Book Value</u>	
At December 31, 2014	<u>17,920,813</u>
At January 1, 2014	<u>585,034</u>

Intangible Assets comprise of documentaries, architectural drawings & software.

5. Prepayments

Prepayments represent advance payment on publications

6. Accounts Payable

	2014	2013
	\$	\$
Accruals	947,505	1,081,905
	<u>947,505</u>	<u>1,081,905</u>

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

The National Trust of Guyana
Notes to the Financial Statements
For the year ended December 31, 2014

7. Other Income

Other income represents sales from publications.

8. Expenses

(a) Administrative Cost	2014	2013
	\$	\$
Electricity charges	1,525,494	1,706,627
Internet charges	99,800	109,780
Local Travel & Subsistence	857,924	829,231
Overseas Conferences & Official Visits	83,370	796,748
Print & Non - Print materials	3,866,356	5,890,831
Professional fees	280,245	-
Meals & entertainment	484,329	435,918
Stationery & office supplies	345,012	1,221,338
Telephone charges	165,617	299,313
Total	<u>7,708,147</u>	<u>11,289,786</u>

Print and non-print material comprises of printing of brochures, booklets and photocopying.

8. Expenses continued

(b) Other Operating Expenses	2014	2013
	\$	\$
Bank charges	120,643	108,234
Consultancy	1,028,360	-
Extermination services	911,625	657,348
Fuel & Lube	502,060	-
Janitorial & Cleaning Supplies	-	121,632
Maintenance of building	1,107,771	1,123,543
Maintenance of computer	90,280	-
Maintenance of equipment	339,294	802,589
Maintenance of Field Equipment	43,816	331,158
Maintenance of Infrastructure	4,737,820	4,908,007
National & Other Events	4,636,951	4,656,021
Other Goods & Services	1,274,489	1,031,138
Other Operating Expenses	2,557,821	1,354,350
Other Transport & Travel	132,100	1,295,890
Training	257,000	-
Total	<u>17,740,030</u>	<u>16,389,910</u>

The National Trust of Guyana
Notes to the Financial Statements
For the year ended December 31, 2014

(c)	Depreciation and amortisation	2014	2013
		\$	\$
	Depreciation:		
	Office Equipment	133,385	294,908
	Office Furniture and Fixtures	783,490	724,362
	Field Equipment	47,754	128,500
	Amortisation:		
	Intangible Assets	1,140,364	30,998
		2,104,993	1,178,768

9. Directors

Included in Other Operating Expenses are Director's fees of \$5,000 per month for each Board Member who attends the meeting and \$7,000 per month for the Chairman.

Board Members were:	Lennox Hernandez, Chairman	Ben Ter Welle
	Gary Serrao	Arianna McLean
	Carol Shooba	Daizal Samad
	Bhramanand Singh	Nadia Carter
	Rawle Edinboro	Shamane Munroe
	Anil Roberts	Indranauth Haralsingh
	Inge Nathoo	

The board consist of thirteen (13) Board Members inclusive of the Chairman. Each Board Member is paid \$5000 for attending a Board Meeting, the Chairman is paid \$7000. The Secretary to the board who is not a Board Member is also paid \$5000 for attending a Board Meeting. For the year 2014 \$314,000 was paid in honorarium

10. Restated

The figures were restated from the last audited Financial Statement because a maintenance expense was first classified as an assest and that was subsequently corrected.



Audit Office of Guyana

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227/SL: 23/2/2016

06 July 2016

Ms. Nirvana Persaud
Chief Executive Officer
National Trust of Guyana
Carmichael Street
Georgetown.

Dear Ms. Persaud,

AUDIT OF THE FINANCIAL STATEMENTS OF THE NATIONAL TRUST OF GUYANA FOR THE YEAR ENDED 31 DECEMBER 2014

The audit of the financial statements of National Trust of Guyana (NTG) for the year ended 31 December 2014 has been completed. The findings hereunder were discussed with the accounting personnel within your organisation 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 to evaluate the operations of NTG 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 Entity;
- (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 Financial Position

Non- Current Assets: \$24,384,552

Property, Plant and Equipment: \$6,463,739

4. The amount of \$6.464M represents property, plant and equipment as at 31 December 2014. However, an examination of the Fixed Assets Register revealed that it did not contain details of the asset numbers, as a result, it could not be determined whether the assets presented for audit scrutiny were the actual assets purchased. Also, majority of the assets prior to 2014 were not marked to identify them as property of the entity. This matter was drawn to your attention in my previous report and no action was taken to address this shortcoming.

Recommendation: The Audit Office recommends that the Management of the Trust take the necessary steps to ensure that the Fixed Assets Register is properly written up and all assets are marked so as to identify them as property of the Trust.

Management's Response: The necessary steps to have the fixed assets marked and brought to account and the necessary adjustments made in the fixed asset register is currently ongoing and will be completed shortly.

Intangible Assets: \$17,920,813

5. The amount of \$17.921M represents intangible assets as at 31 December 2014. Included in this figure is the amount of \$11.568M representing additions for the year under review as summarized below:

Description	Amount \$
Duplication of 150 DVDs	217,500
Production of 6 architectural drawings(Stabroek Market, National Library MCYS, Colgrain, Castellani House, Walter Roth Museum)	11,350,000
Total	11,567,500

The items were verified as being received and properly brought to account.

Cash & Cash Equivalents: \$5,178,483

6. The amount of \$5.178M was shown as cash and cash equivalents as at 31 December 2014. An examination of the bank reconciliations statements revealed that they were prepared by the officer who prepares cheques and makes payments and deposits. This is a lack of segregation of duties which can lead to financial irregularities. This matter was drawn to your attention in previous report

Recommendation: The Audit Office recommends that the Management of Trust put measures in place to ensure that proper internal controls are exercised.

Management's Response: Acknowledged. Measures will be put in place to improve this.

B. Statement of Comprehensive Income

Expenditure: \$43,698,709

7. The amount of \$43.699M was shown as expenditure for the year under review. However, an examination of this account area revealed that the amount of \$3.866M was shown as print and non print materials for the year under review. An examination of related contracts revealed that there were seven instances totalling \$3.796M where no contract numbers, signature of witnesses, head of charge and subhead were inserted on the contracts. Also, there were three instances totalling \$2.268M where the CEO's signature was not seen on the contracts. See details at Appendix I. As a result, it could not be determined as to whether proper internal controls were exercised.

Recommendation: The Audit Office recommends that the Management of Trust take the necessary steps to ensure that all contracts are properly prepared when entering into.

Management's Response: Acknowledged. This is an oversight and will be rectified.

Employment Cost: \$16,145,539

8. The amount of \$16.145M was shown as expenditure for the year under review. However, an examination of this account area revealed the following observations:

- (a) A person was employed as a Cleaner in October 2013 on a one-year contract, however, in February 2014, she was offered a promotion to Clerical Assistant. Her contract was then renewed with effect from 17 February 2014. However, she was only paid a salary increase of \$3,505 for the year 01 January to 14 February 2014. She was underpaid by \$27,289. It was also noted that employees who came on in the year 2014 were not paid an increase on salaries contrary to existing increase in salaries procedures.

Recommendation: The Audit Office recommends that the Management of the Trust put systems in place to ensure that existing increase in salaries procedures are adhered to.

Management's Response: The employee was paid for the period she was employed as a part-time cleaner. The contract ended in February as such she was paid to February. A new full time contract was given in February with a new designation and salary and as such could not have benefited further on the salary increase as the circular instructed for the increase to be paid on salary as at 31 December 2014.

- (b) An examination of the salaries paid to three heritage site staffs revealed the following observations:
- i. Fuel allowances are included in the salaries to purchase fuel for the brush cutters; and
 - ii. Finance charges represent the cost of posting cheques to employees at the heritage sites was included in employment cost.
- (c) These charges are misclassified as they should not be included in employment cost but in the respective category of expenditure. See details at Appendix I.

Recommendation: The Audit Office recommends that the Management of Trust take the necessary steps to ensure that all expenditures are properly classified.

Management's Response: Acknowledged. The two amounts of \$54,000 and \$118,000 will be deducted from employment cost and placed under Fuel & Lubricants and Operating Expenses respectively.

- (d) There was a difference of \$2,985 as the total on the analysis amounted to \$16.614M and the schedules presented for audit scrutiny totalled \$16.617M. Furthermore, employment cost as per the financial statement showed a total of \$16.501M giving a difference of \$112,591 against the amount actually expended. See Appendix III.

Recommendation: The Audit Office recommends that the Management of the Trust investigates the difference with a view of having it cleared.

Management's Response: The difference was as a result of misclassification and has been investigated and the necessary corrections are currently on-going.

Operating Expense: \$17,740,030

9. The amount of \$17.740M was shown as Operating Expense on the financial statements for the year under review. However an examination of this account area revealed an amount of \$17.191M resulting in a difference of \$41,514.

Recommendation: The Audit Office recommends that the Management of the Trust investigate the difference with a view of having it cleared.

Management's Response: The difference is currently being investigated with a view of having the correct figure determined.

Fuel & Lubricants: \$502,060

10. The amount of \$502,060 was shown as fuel & lubricants for the year under review. However an examination of this account area revealed the following observations:

- (a) Subsidiary documents presented for audit scrutiny revealed an amount of \$448,060 resulting in a difference of \$267,650 on the financial statements.
- (b) Examination of fuel slips revealed there were thirty (30) instances totalling \$381,059 where fuel purchased were not entered in the log books and therefore could not be traced.

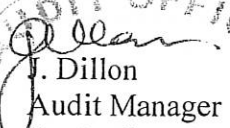
Recommendation: The Audit Office recommends that the Management of the Trust investigate the difference with a view of having it cleared and institute measures to ensure that all fuel purchased are accounted for the log books.

Management's Response: This information was recorded in the agency's purchases fuel log book which is available for scrutiny. This information will nevertheless be recorded also in the driver's log book in future.

C. General

11. The Audit Office wishes to express its gratitude for the cooperation given to its Officers during the course of the audit. In keeping with the Office's policy, a reply is expected within 30 days of the receipt of this management letter.

With best regards.


J. Dillon
Audit Manager
for Auditor General

(Circular stamp: AUDIT OFFICE OF GUYANA)

Appendix I

Instances where contracts were incomplete

Date	Cheque #	Name of Contractor	Description	Contract Sum \$	Remarks
12.06.2014	5156 & 5188	F&H Printing Est.	Printing 6000 brochures for City Hall & Heritage Museum	243,600	No contract #, no signature of witness, head of charge & subhead.
12.06.2014	5187 & 5257	F&H Printing Est.	Printing 6000 brochures preserving our culture	208,800	No contract #, no signature of witness, head of charge & subhead.
25.06.2014	5193	F&H Printing Est.	Printing 6000 brochures for Heritage conservation	116,000	No contract #, no signature of witness, head of charge & subhead.
14.07.2014	5293 & 5356	Advertising Market Service	Printing 6000 brochures for Heritage Magazine	959,784	No contract #, no signature of witness, head of charge & subhead.
15.09.2014	5292 & 5393	F&H Printing Est.	Printing 2000 booklets, historical photographs, monuments & sites in Guyana	1,740,000	No contract #, no signature of witness, head of charge & subhead. CEO signature not seen
07.11.2014	5421 & 5432	F&H Printing Est.	Printing 350 calendars for 2014	365,399	No contract #, no signature of witness, head of charge & subhead. CEO signature not seen
25.11.2014	5426 & 5429	Dynamic Graphics	Production of Christmas cards	162,500	No contract #, no signature of witness, head of charge & subhead. CEO signature not seen
Total				3,796,083	

Appendix II

Instances where fuel and finance charges were included in employment cost instead of it related category

Name of Employee	Fuel \$	Finance Charges \$	Total \$
G. Grimmond	-	800	800
M. Grimmond	2,500	2,600	5,100
E. Peters	1,000	2,900	3,900

Name of Employee	Fuel \$	Finance Charges \$	Total \$
C. Mittelholzer	-	800	800
R. Ramnauth	1,000	800	1,800
A. Mittelholzer	-	800	800
N. Dat	-	800	800
	2,500	9,500	14,000

Appendix III

Differences between the payroll and schedules attached thereto

Month	Amount as per Payroll \$	Amount as per schedule \$	Difference \$
January	1,113,322	1,113,270	52
February	1,498,728	1,498,728	0
March	1,524,323	1,524,323	0
April	1,144,576	1,144,576	0
May	1,301,361	1,310,673	(9,312)
June	1,211,503	1,205,440	6,063
July	1,046,608	1,046,608	0
August	1,100,364	1,100,369	(5)
September	1,764,980	1,764,980	0
October	1,170,227	1,170,227	0
November	1,430,443	1,430,443	0
December	2,307,232	2,307,015	217
	16,613,667	16,616,652	(2,985)