

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA WATER INCORPORATED**

**FOR THE YEAR ENDED
31 DECEMBER 2018**

**CONTRACTED AUDITORS: MAURICE SOLOMON
& COMPANY
92 ORONOQUE ST.
QUEENSTOWN
GEORGETOWN**

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

AUDITED FINANCIAL STATEMENTS OF THE
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2018

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Audit Office of Guyana

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

260/PC:80/1/2022

30 June 2022

Mr. Shaik Baksh
Chief Executive Officer
Guyana Water Incorporated
Vlissengen Road and Church Street,
Bel Air Park
Georgetown.

Dear Mr. Baksh,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2018

Please find attached one copy of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,





Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

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AG:124/2022

30 June 2022

REPORT OF THE AUDITOR GENERAL
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE
GUYANA WATER INCORPORATED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Qualified Opinion

Chartered Accountants Maurice Solomon & Company Chartered Accountants have audited on my behalf the financial statements of Guyana Water Incorporated (GWI), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out in pages 4 to 30.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Guyana Water Incorporated as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

The company reported the sum of \$730,782,159 as inventories at year end in the statement of financial position. Included in this amount was the sum of \$135,553,814 relating to chemicals which could not be counted by the external auditors, storekeepers and internal auditors to determine the quantities on hand due to these items not being packed in an orderly manner at the GWI locations.

During the year bad debts amounting to \$1,526,453,707 was written off as a result of delinquency and estimate billing of customer's receivables. However, I was unable to verify approval of the Board of Directors. In addition, I could not verify whether the amount of \$1,526,453,707 was included in Trade Receivables balance shown in note 7 of financial statements.

For the year under review, operating expenditure amounted to \$10,155,748,146 as shown in the Statement of Profit & Loss. In this regard, I was unable to verify the sum of \$20,571,602 since payment vouchers and other supporting documentations were unavailable or could not be located.

Site and other advances totalling \$882,000 remain long outstanding and un-cleared in the general ledger with no evidence of recoverability.

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institution (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of GWI in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and the Companies Act 1991 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.

In preparing the financial statements, management is responsible for assessing GWI's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the GWI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing GWI's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 GWI's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on GWI's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause GWI to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA



MSC 29/2022

**REPORT OF THE CHARTERED ACCOUNTANTS
MAURICE SOLOMON & CO.
TO THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2018**

Report on the Audit of the Financial Statements

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view, in all material respects of the financial position of Guyana Water Incorporated as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We have audited the accompanying financial statements of Guyana Water Incorporated which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Profit or Loss, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out in pages 8 to 30.

Basis for Qualified Opinion

The company reported the sum of \$730,782,159 as inventories at year end in the statement of financial position. Included in this amount, the sum of one hundred and thirty five million, five hundred and fifty three thousand eight hundred and fourteen dollars (\$135,553,814) relating to chemicals could not be counted by the external auditors, storekeepers and internal auditors to determine the quantities on hand due to these items not being packed in an orderly manner at the GWI locations.

During the year the company write off bad debts amounting to \$1.5B as a result of delinquency and estimate billings of customer's receivables. However, we were unable to verify approval of the Board of Directors. In addition, the amount of \$1.5B could not be verified whether it was included in the Trade Receivables balance shown in note 7 of the financial statements.

For the year under review, operating expenditure amounted to \$10,155,748,146 as shown in the Statement of Profit or Loss. In this regard, we were unable to verify the sum of \$20,571,602 due to payment vouchers and other supporting documentations were unavailable or could not be located.

Site and other advances totaling \$882,000 remain long outstanding and un-cleared in the general ledger with no evidence of recoverability.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Guyana Water Incorporated in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, Companies Act 1991 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement audit partner in charge of the audit resulting in this independent auditors' report is Mr. Alvin Rambajan.

Maurice Solomon & Co.
Maurice Solomon & Co.
Chartered Accountants
June 23, 2022

GUYANA WATER INC.
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	2018 G\$	2017 G\$
ASSETS			
NON - CURRENT ASSETS:			
Property, plant and equipment	3	21,607,703,503	22,460,066,873
Intangible assets	4	21,175,704	8,430,735
Capital work in progress	5	8,347,503,272	6,285,098,285
Fixed deposit investments	9(b)	263,346,625	767,960,173
Total Non - Current Assets:		30,239,729,104	29,521,556,066
CURRENT ASSETS			
Inventories	6	730,782,159	916,701,833
Receivables and prepayments	7	2,357,550,462	3,088,047,205
Cash and cash equivalents	9(a)	995,836,492	1,264,592,672
Total Current Assets		4,084,169,113	5,269,341,710
TOTAL ASSETS		34,323,898,217	34,790,897,776
EXTERNAL FUNDINGS			
External Funding - Government of Guyana Counterpart	10	15,334,684,889	15,284,641,659
External Funding - Department for International Development	10	349,283,323	367,890,031
External Funding - World Bank	10	1,950,334,432	2,091,754,660
External Funding - Inter- American Development Bank	10	9,615,811,179	7,959,299,902
External Funding - European Union	10	6,929,324	7,842,104
External Funding - Japan International Cooperation Agency	10	1,457,701,669	1,626,339,109
Total External Funding		28,714,744,816	27,337,767,465
SHAREHOLDERS' EQUITY			
Share capital	11	8,825,300	8,825,300
Additional share capital	11	3,372,346,395	3,372,346,395
Revaluation reserve		1,892,206,079	1,892,206,079
Retained earnings		(6,537,822,827)	(1,941,510,883)
Total Shareholders' Equity		(1,264,445,053)	3,331,866,891
TOTAL EXTERNAL FUNDING AND SHAREHOLDERS' EQUITY		27,450,299,763	30,669,634,356
NON - CURRENT LIABILITIES:			
Deferred income from other funding sources		110,848,844	129,183,747
CURRENT LIABILITIES:			
Payables and Accruals	12	4,288,182,264	1,814,432,952
VAT Payable	8	151,135,457	338,219
Deferred billings	13	-	76,829,600
Taxation payable	14	2,323,431,889	2,100,478,902
Total Current Liabilities		6,762,749,610	3,992,079,673
TOTAL EQUITY AND LIABILITIES		34,323,898,217	34,790,897,776

The Board of Directors approved these financial statements for issue on

20 June 2022

CHAIRMAN

DIRECTOR

The notes on pages 8 to 30 form an integral part of these financial statements.

GUYANA WATER INC.

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 G\$	2017 G\$
OPERATING INCOME			
Measured water supply	15	2,692,729,918	2,416,406,113
Unmeasured water supply	15	<u>1,371,115,504</u>	<u>1,275,522,027</u>
Total Operating Income		4,063,845,422	3,691,928,140
OPERATING EXPENSES			
Employment costs	16	2,355,428,064	1,961,148,083
Depreciation and amortisation		1,402,681,486	1,655,492,292
Directors' fees	17	2,784,000	2,059,000
Administrative expenses	18	522,738,236	357,093,898
Audit and professional fees		8,150,560	8,806,940
Premises costs	19	3,635,738,423	3,721,565,313
Rates and taxes		4,117,966	7,034,013
Bad debts written off		-	1,479,459,293
Adjustment to prior year income	20	534,372,164	509,809,261
Transport costs	21	191,592,322	118,215,349
Supplies and services costs	22	<u>1,498,144,925</u>	<u>1,173,388,099</u>
Total Operating Expenses		10,155,748,146	10,994,071,541
Operating Loss For The Year		<u>(6,091,902,724)</u>	<u>(7,302,143,401)</u>
Other income	23	1,205,218,253	3,195,900,829
Loss on disposal of assets		(190,501)	(85,269)
(Increase) / Reduction in the provision for bad debts		(576,703,156)	167,582,960
Interest income		30,490,914	50,508,729
Withholding tax		(6,098,183)	(10,101,744)
Deferred income -amortisation of government grants	10	<u>1,065,826,440</u>	<u>1,097,283,502</u>
Net Loss Before Taxation		<u>(4,373,358,957)</u>	<u>(2,801,054,394)</u>
Taxation		<u>(222,952,987)</u>	<u>(196,344,332)</u>
Loss for the year		<u>(4,596,311,944)</u>	<u>(2,997,398,726)</u>
Loss Per Share	24	<u>(521)</u>	<u>(340)</u>

The notes on pages 8 to 30 form an integral part of these financial statements.

GUYANA WATER INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital G\$	Additional Paid in- Capital G\$	Retained Earnings G\$	Revaluation Reserve G\$	Total G\$
For the year ended December 31, 2018					
As at beginning of year	8,825,300	3,372,346,395	(1,941,510,883)	1,892,206,079	3,331,866,891
Loss for the year	-	-	(4,596,311,944)	-	(4,596,311,944)
As at end of year	<u>8,825,300</u>	<u>3,372,346,395</u>	<u>(6,537,822,827)</u>	<u>1,892,206,079</u>	<u>(1,264,445,053)</u>
For the year ended December 31, 2017					
As at beginning of year	8,825,300	3,372,346,395	1,055,887,843	1,892,206,079	6,329,265,617
Loss for the year	-	-	(2,997,398,726)	-	(2,997,398,726)
As at end of year	<u>8,825,300</u>	<u>3,372,346,395</u>	<u>(1,941,510,883)</u>	<u>1,892,206,079</u>	<u>3,331,866,891</u>

The notes on pages 8 to 30 form an integral part of these financial statements.

GUYANA WATER INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 G\$	2017 G\$
OPERATING ACTIVITIES:		
Loss for the year	(4,373,358,957)	(2,801,054,394)
<i>Adjustments to reconcile loss to net cash provided by operating activities:</i>		
Depreciation and amortisation	1,402,680,730	1,655,492,292
Loss on disposal of property and equipment	190,501	85,269
(Decrease) / increase in the provision for bad debts	576,703,156	(167,582,960)
Government subsidy for electricity charges (Guyana Power & Light Inc.)	(428,000,000)	(2,228,756,004)
Amortisation of government grants	(1,065,826,440)	(1,097,283,502)
Interest income	(30,490,914)	(50,508,729)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(3,918,101,924)	(4,689,608,028)
WORKING CAPITAL CHANGES:		
Decrease in inventories	185,919,674	202,131,572
Decrease in accounts receivables	153,793,587	1,921,264,904
Increase in VAT Payables	150,797,238	128,163,151
Increase in trade, other payables and deferred billings	2,396,919,712	504,700,671
CASH ABSORBED FROM OPERATIONS	(1,030,671,713)	(1,933,347,730)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(1,030,671,713)	(1,933,347,730)
INVESTING ACTIVITIES:		
Interest income	30,490,914	50,508,729
Acquisition of non - current assets	(563,252,830)	(617,608,337)
Investment in capital work in progress	(2,062,404,987)	(2,423,790,924)
Reduction in certificate of deposit	504,613,548	438,897,817
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(2,090,553,355)	(2,551,992,715)
FINANCING ACTIVITIES:		
Contribution from Government of Guyana	664,063,118	1,133,413,923
Contribution from Inter-American Development Bank	1,778,740,673	1,908,179,122
Government subsidy for electricity charges (Guyana Power & Light Inc.)	428,000,000	2,228,756,004
(Decrease) in deferred income from other sources	(18,334,903)	(178,284,835)
NET CASH INFLOWS FROM FINANCING ACTIVITIES	2,852,468,888	5,092,064,214
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(268,756,180)	606,723,769
NET CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	1,264,592,672	657,868,903
NET CASH AND CASH EQUIVALENTS AS AT END OF YEAR	995,836,492	1,264,592,672

The notes on pages 8 to 30 form an integral part of these financial statements.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

1. INCORPORATION AND PRINCIPAL ACTIVITY

The Guyana Water Incorporation was incorporated in Guyana on May 30, 2002 under the Companies Act, 1991 and is wholly owned by the Government of Guyana. The Company was formed out of a merger between the Guyana Water Authority (GUYWA) and the Georgetown Sewerage and Water Commissioners (GS & WC). The principal activities of the company are as follows:

- The supply of potable water to the citizens of Guyana.
- The provision of sewerage disposal services to the residents of Central Georgetown.
- Operation and maintenance of the water and underground sewerage system in Guyana.
- Customer billing and collection of tariffs for the services provided.

The Company's registered office is located at Vlissengen Road, Bel Air Park, Georgetown, Guyana.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The financial statements have been prepared in accordance with and comply with the International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention except for the measurement at fair value revaluation of property, plant and equipment and financial instruments. Historic cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgment at the date of the financial statements.

2.2 Foreign Currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Guyana Dollars, which is the Company's functional currency.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Foreign Currencies (Cont'd)

(ii) Transactions and balances

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

2.3 Property, Plant and Equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. Expenditure on assets, which will benefit the company economically for a period greater than the current reporting year, is capitalised and written off over the useful life of the assets.

Individual assets or groups of items making up a single identifiable asset of value less than fifty thousand dollars (G\$50,000) are not capitalised but are expensed in the accounting year which the costs are incurred.

The capitalized asset value of purchased assets are measured at the full cost of bringing the asset to working condition for the intended use. Self constructed assets are stated at the accumulated cost of purchased elements together with the element of internal cost incurred in constructing the asset. These elements include materials, labor, consultancy fees, overheads (direct and indirect) and other additional costs. Finance costs that are directly attributable to the construction of tangible assets are capitalized as part of the cost of those assets. Capitalisation of finance cost ceases when the asset is brought into use.

Subsequent expenditure on existing assets are capitalised where the expenditure provides an enhancement of the economics benefits of the asset in excess of the previously assessed standard of performance.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit or loss. Repairs and renewals are charged to the statement of profit or loss when incurred.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property and Equipment (Cont'd)

Depreciation on all property, plant and equipment is charged on a straight-line basis. The rates used are expected to write off the value of the assets over their useful economic lives. The annual depreciation rates are as follows:

	Estimated Life (Years)	Depreciation Rate (%)
Land	Unlimited	-
Buildings	10-50	2 - 10
Mechanical and electrical plant	10	10
Motor vehicles and mobile plant	5	20
Furniture and fixtures	5 - 7	14.3 - 20
Infrastructure water	5 - 40	2.5 - 20
Infrastructure sewerage	40	2.5
Computer hardware	3 - 5	20 - 33.3
Intangible Assets	3 - 5	20 - 33.3

Depreciation is not charged on land and work in progress. The useful life of assets capitalised from work in progress commences when the assets have been completed and are put into use in the company. Depreciation is charged in the year of capitalisation.

2.4 Intangible Asset (Computer Software)

The costs of acquiring and installing computer software are capitalised and amortised over their estimated useful economic life of three years on a straight line basis. Costs associated with maintenance of computer software are expensed as incurred.

2.5 Income Recognition

Operating income is recognised to the extent that the economic benefit will flow to the company and the revenue can be reliably measured.

(i) Measured and unmeasured water and sewerage income

Operating income comprise of sales of metered and unmetered water and sewerage services to customers. Income is measured at fair value of the consideration received or receivable. Measured and unmeasured water are recognised when the water has been delivered to the customers. Income is increased or reduced for estimated invoices by issuance of adjustments for the current year income where appropriate.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Income Recognition (Cont'd)

(ii) Current year billing adjustments

Income is increased or reduced for estimated billings by issuance of adjustments for the current year income where appropriate.

(iii) Prior years billing adjustments

Operating income discovered as being overstated as a result of billing anomalies for prior accounting period(s) are reconciled. The results of the reconciliation are adjusted by reducing or increasing the receivables as appropriate by a financial adjustment which is recognise as an expense in the current year statement of profit or loss.

(iv) Interest income

Interest income is recognised when it is probable that the economic benefit will flow to the company and the amount can be measured reliably. Interest is accrued on a timely basis by reference to the investment and at the effective rate applicable.

2.6 Trade and Other Receivables

Trade and other receivables - Trade and other receivables are recognize when due and are measured on initial recognition at the fair value at the consideration received or receivables. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method. The carrying value of accounts receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable with the impairment loss recorded in the statement of profit or loss.

(i) Allowance for Doubtful Receivables

Provision is made in these Financial statements for amounts included in the accounts receivables of which the eventual cash realisation is considered remote. Provision is based on the company's Financial Regulations and is disclosed in the statement of profit or loss.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment of Non-Financial Assets

Intangible assets with definite useful economic lives and property, plant and equipment are reviewed for impairment at each reporting date to determine whether there is any indication that those assets may have suffered from an impairment loss. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the fair value less cost to sell and value in use.

2.8 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events; it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount that is shown as provision is the best estimate of the consideration required to settle the obligation at the end of the reporting year.

2.9 Significant Accounting Policies

Standards, amendments and interpretations that are not yet effective in current year and either not relevant or may have no or minimal impact on the Company's financial reporting when it becomes effective.

IAS 19 - Employee Benefits: Amendments regarding plan amendments, curtailments or settlements (effective on or before January 01, 2019)

IAS 28 - Investments in Associates and Joint Ventures: Amendments regarding long term interests in associates and joint ventures (effective on or before January 01, 2019)

IFRS 3 - Business Combinations: Remeasurement of previously held interest (effective on or before January 01, 2019)

IFRS 11 - Joint Arrangements: Remeasurement of previously held interest (effective on or before January 01, 2019)

IFRS 16 - Leases (effective on or before January 01, 2019)

IFRS 17 - Insurance Contracts (effective on or before January 01, 2021)

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Inventories

Materials and Supplies

Inventories consists of materials and supplies and are stated at the lower of cost, as determined on a weighted average basis, and net realizable value. Provision is made for obsolete, slow moving and defective stock.

2.11 Employee Benefits

Pension Plans

Guyana Water Incorporated (GWI) operates a Defined Contribution Plan with Assuria Life (Guyana) since January 2015. The Pension Plan is funded by contribution from GWI (5% of gross salary) and its eligible employees (5% of gross salary). The fund is paid into a separate (legal) entity and GWI will have no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service. The contributions are recognised as employee benefit expense when they are due monthly.

The Company also operates a Defined Contribution Plan whereby the cost of monthly pension and one off gratuities are paid to employees who would have attained pensionable age. The costs are charged to the statement of profit or loss monthly and ceases upon pensioner's death. Pension audit fees and administrative costs are borne by the Company. The employees benefitting are members of the Company's Defined Contribution Plan.

2.12 Government Subvention - IAS 20 Accounting for Government Grants and Disclosure of Government Assistance

The company has adopted IAS 20 - Government Grants and Disclosure of Government Assistance which is recognised in the statement of profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related cost for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income.

(i) Grants Related to Expense: Energy Cost supplied by the Guyana Power and Light Inc.

Government Subvention is recognized only when received and is treated as other income to offset against the electricity liability of Guyana Power and Light Incorporated.

(ii) Contributions/Grants Related to Capital Works

Government contributions and grants from other funding agencies are recognised when there are reasonable assurance that the company will comply with the conditions attached to the contributions and grants received. The amounts received are recognised as other income corresponding with depreciation of assets capitalized.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and saving accounts.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2.14 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(i) Financial Instruments

Financial instruments include cash and cash equivalents, fixed deposit investments trade and other receivables including Value Added Tax (VAT) and trade and other payables.

(ii) Recognition

Financial instruments are measured initially at fair value, directly attributable costs are added to or deducted from the carrying value of those financial instruments that are not subsequently measured at fair value through the statement of profit or loss.

(iii) Derecognition

Financial liabilities are removed from the statement of financial position when the related obligation is discarded, cancelled or expired and measured at fair value through the statement of profit or loss.

Financial assets are removed from the statement of financial position when the rights to the cash flows from the asset expired or when the risks and rewards of ownership transferred.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available for sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as either financial liabilities held at "FVTPL" or held at amortized cost.

(iv) Valuation techniques and assumptions applied for the purpose of measuring fair value:

Trade receivables, Value Added Tax (VAT) and other assets are net of provision for impairment. The fair value of trade receivables is based on other expected realisation of outstanding balances taking into account the Company's history with respect to delinquencies.

Categories of Financial Instruments	2018	2017
	G\$	G\$
Financial Assets:		
Cash and cash equivalents	995,836,492	1,264,592,672
Fixed deposit investments	263,346,625	767,960,173
Trade receivables	2,357,550,462	3,088,047,205
Total Financial Assets:	3,616,733,579	5,120,600,050
Financial Liabilities		
Trade and other payables	4,259,980,244	1,788,930,932
Vat payable	151,135,457	338,219
Provision	28,202,020	25,502,020
Taxation payable	2,323,431,889	2,100,478,902
Total Financial Liabilities	6,762,749,610	3,915,250,073

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2.14 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Financial Risk Management

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, credit risk, liquidity risk and interest rate risk. Management sees to minimise potential adverse effects on the financial performance of the Company by applying procedures to appropriately identify, evaluate and manage these risks.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the value of a monetary asset or liability fluctuate because of changes in foreign exchange rates. Management accepts the risk and would take the gain or loss on the transaction to the statement of profit or loss.

(iii) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge and obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its trade and other receivable. The amounts presented in the Statement of Financial Position are net of allowances of impairment. High risk accounts are monitored and pursued to maximize collection.

(iv) Liquidity Risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitment. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the management of the Company aims at maintaining flexibility in funding by keeping committee lines of credit available. All financial asset and liabilities as shown on the Statement of Financial Position. The Company also receive subvention funds from the Government to settle liabilities as they fall due.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2.14 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

The table below analyses major financial assets and liabilities of the Company into relevant grouping based on the remaining period to the maturity dates.

December 31, 2018

	Up to One Year G\$	Over 1- Five Years G\$	Over Five Years G\$	Total G\$
Assets				
Fixed deposit investments	263,346,625	-	-	263,346,625
Cash and cash equivalents	921,836,491	74,000,001	-	995,836,492
Accounts receivables	70,726,514	542,236,606	1,744,587,342	2,357,550,462
Total Assets	1,255,909,630	616,236,607	1,744,587,342	3,616,733,579
Liabilities				
Trade and other payables	4,288,182,264	-	-	4,288,182,264
Taxation payable	2,127,087,557	196,344,332	-	2,323,431,889
Total Liabilities	6,415,269,821	196,344,332	-	6,611,614,153
Net Liquidity Gap	(5,159,360,191)	419,892,275	1,744,587,342	(2,994,880,574)

December 31, 2017

	Up to One Year G\$	Over 1- Five Years G\$	Over Five Years G\$	Total G\$
Assets				
Fixed deposit investments	767,960,173	-	-	767,960,173
Cash and cash equivalents	732,148,227	532,444,445	-	1,264,592,672
Accounts receivables	97,360,392	721,002,194	2,269,684,619	3,088,047,205
Total Assets	1,597,468,792	1,253,446,639	2,269,684,619	5,120,600,050
Liabilities				
Trade and other payables	1,814,432,952	-	-	1,814,432,952
Taxation payable	2,100,478,902	-	-	2,100,478,902
Total Liabilities	3,914,911,854	-	-	3,914,911,854
Net Liquidity Gap	(2,317,443,062)	1,253,446,639	2,269,684,619	1,205,688,196

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

2.14 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Interest Rate Risk

Interest Rate Sensitivity Analysis

The Company's interest rate risk arises primarily from its interest bearing investments with commercial banks.

The sensitivity analysis below is based on the exposure of interest rates for financial instruments at the end of the reporting period. A positive number indicates an increase in profits where the interest rates appreciate by 1% and 0.5% for the Certificate of Deposits and Save and Prosper account. For a decrease in the interest rate, this would have an equal and opposite effect on profit, and the balances below would be negative.

	Increase / (Decrease) in interest rates	Increase / (Decrease) in profits	Increase / (Decrease) in profits	
			2018	2017
Certificate of Deposits	+1% / -1%	+ / -	2,633,466	+ / -
Save and Prosper Account	+0.5% / -0.5%	+ / -	1,394,919	+ / -
			<u>4,028,385</u>	<u>9,045,909</u>

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

3. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Mechanical & Electrical Plant	Motor Vehicles Mobile Plant	Furniture, Fixtures & Office Equipment	Infrastructure Water	Infrastructure Sewerage	Computer Hardware	Total
Cost									
As at January 01 2018	820,007,897	2,100,223,253	5,812,875,783	376,847,706	210,187,761	31,299,942,942	1,276,418,025	376,570,543	42,273,073,910
Additions	7,344,000	700,000	80,251,915	47,617,747	28,048,288	104,428,154	8,834,405	24,150,512	301,375,021
Capitalisation	-	29,952,364	-	-	-	210,293,135	-	-	240,245,499
Disposals	-	-	(43,548)	-	(877,885)	-	-	-	(921,433)
Asset Clearing	-	-	(73,642)	-	-	-	-	-	(73,642)
As at December 31 2018	827,351,897	2,130,875,617	5,893,010,508	424,465,453	237,358,164	31,614,664,231	1,285,252,430	400,721,055	42,813,699,355
Accumulated Depreciation									
As at January 01 2018	-	716,199,743	4,454,385,009	287,928,172	147,491,819	13,737,935,220	181,288,499	287,778,575	19,813,007,037
Charges	-	111,126,877	270,710,537	39,393,318	22,036,372	884,562,479	31,078,159	34,807,468	1,393,715,210
Disposals	-	-	(43,544)	-	(682,851)	-	-	-	(726,395)
As at December 31 2018	-	827,326,620	4,725,052,002	327,321,490	168,845,340	14,622,497,699	212,366,658	322,586,043	21,205,995,852
Net Book Value									
As at December 31 2018	827,351,897	1,303,548,997	1,167,958,506	97,143,963	68,512,824	16,992,166,532	1,072,885,772	78,135,012	21,607,703,503
	Land	Buildings	Mechanical & Electrical Plant	Motor Vehicles Mobile Plants	Furniture, Fixtures & Office Equipment	Infrastructure Water	Infrastructure Sewerage	Computer Hardware	Total
Cost									
As at January 01 2017	820,007,897	2,078,173,323	5,727,938,662	357,185,007	195,721,284	30,896,955,843	1,246,898,403	346,889,128	41,669,769,547
Additions	-	2,620,551	70,160,735	22,662,699	14,930,934	204,011,484	29,519,622	29,681,415	373,587,440
Capitalisation	-	19,429,379	14,776,386	-	-	198,975,615	-	-	233,181,380
Disposals	-	-	-	(3,000,000)	(464,457)	-	-	-	(3,464,457)
As at December 31 2017	820,007,897	2,100,223,253	5,812,875,783	376,847,706	210,187,761	31,299,942,942	1,276,418,025	376,570,543	42,273,073,910
Accumulated Depreciation									
As at January 01 2017	-	615,394,014	4,193,572,622	253,474,891	129,925,416	12,554,842,281	151,640,874	278,425,429	18,177,275,527
Charges	-	100,805,729	260,812,387	37,453,281	17,945,591	1,183,092,939	29,647,625	9,353,146	1,639,110,698
Disposals	-	-	-	(3,000,000)	(379,188)	-	-	-	(3,379,188)
As at December 31 2017	-	716,199,743	4,454,385,009	287,928,172	147,491,819	13,737,935,220	181,288,499	287,778,575	19,813,007,037
Net Book Value									
As at December 31 2017	820,007,897	1,384,023,510	1,358,490,774	88,919,534	37,203,980	18,669,733,174	1,095,129,526	88,791,968	22,460,066,873

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018 G\$	2017 G\$
4. INTANGIBLE ASSETS		
Computer Software		
<i>Cost</i>		
As at January 01	778,051,218	767,211,701
Additions	21,705,952	10,839,517
As at December 31	<u>799,757,170</u>	<u>778,051,218</u>
<i>Accumulated Amortisation</i>		
As at January 01	769,620,483	753,238,889
Charges	8,960,983	16,381,594
As at December 31	<u>778,581,466</u>	<u>769,620,483</u>
<i>Net Book Value</i>		
As at December 31	<u>21,175,704</u>	<u>8,430,735</u>

5. CAPITAL WORK IN PROGRESS (WIP)

	Inter-American Development Bank G\$	World Bank G\$	Government of Guyana G\$	Guyana Water Inc. G\$	Total G\$
<i>Cost</i>					
As at January 01 2018	1,824,078,201	54,230,039	3,235,824,475	1,170,965,570	6,285,098,285
Additions	1,224,313,524	-	538,834,933	538,630,027	2,301,778,484
As at December 31 2018	<u>3,048,391,725</u>	<u>54,230,039</u>	<u>3,774,659,408</u>	<u>1,709,595,597</u>	<u>8,586,876,769</u>
<i>Less: Capitalisation</i>					
Buildings	-	-	22,550,440	10,279,522	32,829,962
Infrastructure Water	-	-	206,543,535	-	206,543,535
Total Capitalisation	<u>-</u>	<u>-</u>	<u>229,093,975</u>	<u>10,279,522</u>	<u>239,373,497</u>
As at December 31 2018	<u>3,048,391,725</u>	<u>54,230,039</u>	<u>3,545,565,433</u>	<u>1,699,316,075</u>	<u>8,347,503,272</u>

GUYANA WATER INC.
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

5. CAPITAL WORK IN PROGRESS (CONT'D)

	Inter-American Development Bank G\$	World Bank G\$	Government of Guyana G\$	Guyana Water Inc. G\$	Total G\$
<i>Cost</i>					
As at January 01 2017	654,826,202	54,230,039	2,402,567,414	749,683,706	3,861,307,361
Write Off	-	-	(22,122,486)	(124,448,823)	(146,571,309)
Additions	1,169,251,999	-	1,087,821,755	546,469,859	2,803,543,613
As at December 31 2017	1,824,078,201	54,230,039	3,468,266,683	1,171,704,742	6,518,279,665
 <i>Less: Capitalisation</i>					
Buildings	-	-	19,429,379	-	19,429,379
Mechanical & Electrical Plant	-	-	14,776,386	-	14,776,386
Infrastructure Water	-	-	198,236,443	739,172	198,975,615
Total Capitalisation	-	-	232,442,208	739,172	233,181,380
 As at December 31 2017	1,824,078,201	54,230,039	3,235,824,475	1,170,965,570	6,285,098,285

6. INVENTORIES

	2018 G\$	2017 G\$
Chemicals	80,266,412	52,160,233
Equipment	195,722,646	271,729,507
Materials	447,639,299	508,259,323
Others	1,413,800	755,146
Total	725,042,157	832,904,209
 <i>Provision for slow moving stock consists of the following:</i>		
Beginning provision	78,857,872	81,038,384
Movement for the Year	-	(2,180,512)
Ending provision	78,857,872	78,857,872
 Net Inventories	646,184,285	754,046,337
Goods in Transit	83,737,097	162,114,493
Others	860,777	541,003
 Total Inventories	730,782,159	916,701,833

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018 G\$	2017 G\$
7. (a) RECEIVABLES		
Trade receivables	3,876,831,197	5,508,353,564
Less: Direct write-offs (note b)	-	(1,479,459,293)
Provision for doubtful debts	<u>(1,614,910,614)</u>	<u>(1,038,207,458)</u>
Net receivables	2,261,920,583	2,990,686,813
Other receivables	95,629,879	97,360,392
Total	<u>2,357,550,462</u>	<u>3,088,047,205</u>
 <i>Provision for doubtful debts consists of:</i>		
Beginning provision	1,038,207,458	1,205,790,418
(Reduction) / increase in provision	576,703,156	(167,582,960)
End provision	<u>1,614,910,614</u>	<u>1,038,207,458</u>

There is an ongoing exercise to examine customer database, which will result in a more accurate gross receivables and reduce the need for large provisioning for bad and doubtful accounts.

(b) Bad debts written off

During the year 2018, the amount of \$1,526,453,707 was written off as bad debts. However, we were unable to determine whether this amount was included in Gross Trade Receivables of \$3,876,831,197 as shown above in note 7.

	2018 G\$	2017 G\$
8. VALUE ADDED TAX (VAT)		
Vat Input	452,349,711	257,742,492
Vat Output	<u>(603,485,168)</u>	<u>(258,080,711)</u>
Vat Payable	<u>(151,135,457)</u>	<u>(338,219)</u>

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

9. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents consist of cash on hand, balances with banks and investments. Cash and cash equivalents included in the Statement of Financial Position comprise of the following:

	2018	2017
	G\$	G\$
Cash on hand	6,553,895	3,844,364
Project funds	876,582,344	753,057,082
* Investment and savings accounts	278,983,703	273,261,447
Current and bill payment accounts	(166,283,450)	234,429,779
	995,836,492	1,264,592,672

* Investment with New Building Society Limited

This investment in the New Building Society Limited represents a Saving and Prosper account and earns 2.75% interest quarterly compounded.

(b) Fixed deposit investments

Investment represents two Certificate of Deposits held with Citizens Bank (Guyana) Limited and earns 3% and 4% respectively.

Investments with maturity dates over three months	263,346,625	767,960,173
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The Company placed a lien on its Fixed Deposit No.14212 to the sum of \$170,000,000 for an Overdraft Facility at Citizens Bank (Guyana) Limited effective December 17th, 2018.

10. EXTERNAL FUNDINGS

The Company has fully adopted IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance in 2012. Non - refundable grants contributed by the Government of Guyana and loans from the Inter-American Development Bank which are repaid by the Government of Guyana in respect of capital works are under the Coastal, Linden, Hinterland, Urban and the Georgetown Sewerage are credited to deferred income which is amortised over the same period that the related assets are depreciated.

In accordance with the accounting policy described in the note above, the following capital contributions received from the Government of Guyana and the Inter-American Development Bank are amortised over the period related assets are depreciated.

	2018	2017
	G\$	G\$
GOVERNMENT OF GUYANA COUNTERPART		
Balance as at January 01	15,284,641,659	14,782,011,399
Prior Year Adjustments	24,724,399	
Payments made under the following program:		
Coastal	218,000,000	597,514,924
Limmine	60,000,000	100,000,000
Hinterland	202,000,000	200,000,000
Urban	100,000,000	250,000,000
Ministry of Public Infrastructure (East Bank Berbice Project)	65,937,740	-
Clerks of Works	(6,599,021)	(14,101,002)
	15,948,704,777	15,915,425,321
Amortisation of deferred income	(614,019,888)	(630,783,662)
Balance at December 31	15,334,684,889	15,284,641,659

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018	2017
	G\$	G\$
10. EXTERNAL FUNDINGS (CONT'D)		
INTER-AMERICAN DEVELOPMENT BANK		
Balance as at January 01	7,959,299,902	6,178,227,796
Linden Water Supply Rehabilitation Program (LWSRP)	-	-
Water Supply and Sanitation Infrastructure Improvement Program (WSSIIP) - note (a)	1,861,081,011	1,930,834,955
	<u>9,820,380,913</u>	<u>8,109,062,751</u>
Amortisation of deferred income	(122,229,396)	(127,107,015)
Georgetown Sanitation Improvement	-	(22,655,834)
Adjustment	(82,340,338)	-
Balance at December 31	<u>9,615,811,179</u>	<u>7,959,299,902</u>

	2018	2017
	G\$	G\$
Note (a)		
Water Supply and Sanitation Infrastructure Improvement Program (WSSIIP)		
Total disbursements received under the WSSIIP program	<u>1,861,081,011</u>	<u>1,930,834,955</u>

The program, executed by the Guyana Water Inc., is financed by an agreement between the Government of Guyana and the Inter-American Development Bank and the European Union under Loan Contract Nos. 3242/OC-GY and 3243/BL-GY respectively, and Non Reimbursable Financing Agreement (NRFA) No.GRT/EX-14520-GY.

The loan of US\$16,832,250 and the Non Reimbursable Financing Agreement (NRFA) of €10,675,000 / US\$14,838,250 will be disbursed over a five years period.

The parties agreed that the amount of the resources from the NRFA, up to the equivalent of US\$7,500,000, shall be distributed on a pari-passu basis.

The Programme was extended to December 31, 2020.

	2018	2017
	G\$	G\$
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)		
Balance as at January 01	367,890,031	396,229,695
Amortisation of deferred income	(18,606,708)	(28,339,664)
Balance at December 31	<u>349,283,323</u>	<u>367,890,031</u>

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

10. EXTERNAL FUNDINGS (CONT'D)	2018 G\$	2017 G\$
WORLD BANK (WB)		
WATER SECTOR CONSOLIDATION PROJECT GRANT #H180-0-GUA		
Balance as at January 01	2,091,754,660	2,233,257,604
Amortisation of deferred income	(141,420,228)	(141,502,944)
Balance at December 31	<u>1,950,334,432</u>	<u>2,091,754,660</u>
World Bank Grant H180-0-GUA. Water Consolidation Program Development Grant agreement for the construction and rehabilitation of water treatment facilities at Anna Regina, Parika and Rosignol equivalent to US\$11.3M.		
EUROPEAN INVESTMENT BANK		
GUYANA ROSEHALL WATER SUPPLY PROJECT		
Balance as at January 01	7,842,104	8,754,884
Amortisation of deferred income	(912,780)	(912,780)
Balance at December 31	<u>6,929,324</u>	<u>7,842,104</u>
JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)		
Balance as at January 01	1,626,339,109	1,794,976,546
Amortisation of deferred income	(168,637,440)	(168,637,437)
Balance at December 31	<u>1,457,701,669</u>	<u>1,626,339,109</u>
Summary of Government Grant Amortised		
External Funding - Government of Guyana Counterpart	614,019,888	630,783,662
External Funding - Department for International Development	18,606,708	28,339,664
External Funding - World Bank	141,420,228	141,502,944
External Funding - Inter- American Development Bank	122,229,396	127,107,015
External Funding - European Investment Bank	912,780	912,780
External Funding - Japan International Cooperation Agency	168,637,440	168,637,437
Total Amortised	<u>1,065,826,440</u>	<u>1,097,283,502</u>

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018	2017
11. AUTHORISED & ISSUED CAPITAL		
Authorised	G\$	G\$
1,000,000 ordinary shares at an issue price of G\$100 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid shares		
88,253 ordinary shares at G\$100 each	<u>8,825,300</u>	<u>8,825,300</u>
The Company is authorised to issue a maximum of 1,000,000 ordinary shares at a minimum issue price of G\$100 each. All issued shares are held by the Government of Guyana.		
Additional share capital	<u>3,372,346,395</u>	<u>3,372,346,395</u>
Additional share capital represents the net assets as a result of the merger of Guyana Water Authority (GUYWA) and the Georgetown Sewerage and Water Commissioners (GS&WC).		
	2018	2017
	G\$	G\$
12. PAYABLES AND ACCRUALS		
Accounts payables	167,285,238	147,089,770
Payroll liabilities	42,011,443	52,166,192
Retention payables	41,505,694	44,628,395
Other accruals and payables (note a)	3,788,166,065	1,329,003,771
Rates and taxes payable	196,011,804	216,042,804
Provision for legal settlement	28,202,020	25,502,020
Advance payments	25,000,000	-
	<u>4,288,182,264</u>	<u>1,814,432,952</u>
note a. Included in this amount is the balance for:		
Guyana Power & Light Incorporated	3,281,542,809	1,028,920,678
	<u>-</u>	<u>76,829,600</u>
13. DEFERRED BILLING		
Unmetered billings are done in advance for services that has not yet been provided. This is treated as Deferred Billings. After the service has been provided the amount is recognised as Unmetered Billings in the respective period.		

GUYANA WATER INC.
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

14. TAXATION

Taxation expense represents the sum of the statutory tax currently payable.

(i) Property Tax

The Company continues to make provision for Property Taxes and is accounted for in the Financial Statements.

(ii) Corporation Tax

The Company has been making operating losses and therefore Corporation Tax has not been provided for in the financial statements.

	2018	2017
	G\$	G\$
Measured water supply	2,692,729,918	2,416,406,113
Unmeasured water supply	1,371,115,504	1,275,522,027
	<u>4,063,845,422</u>	<u>3,691,928,140</u>

15. INCOME

Measured water supply	2,692,729,918	2,416,406,113
Unmeasured water supply	1,371,115,504	1,275,522,027
	<u>4,063,845,422</u>	<u>3,691,928,140</u>

16. EMPLOYMENT COSTS

Salaries	1,526,380,019	1,294,416,994
Overtime	173,003,835	136,318,585
Employers' NIS	127,276,888	100,784,401
Leave passage	97,628,000	80,364,286
Pension & gratuity	101,836,419	103,770,905
Pension contribution	19,387,784	15,438,574
Allowances	233,482,777	191,801,244
Other employment costs	76,432,342	38,253,094
	<u>2,355,428,064</u>	<u>1,961,148,083</u>

Guyana Water Incorporated (GWI) operates a Defined Contribution Plan with Assuria Life (Guyana) since January 2015. The Pension Plan is funded by contribution from GWI (5% of gross salary) and its eligible employees (5% of gross salary). The fund is paid into a separate (legal) entity and GWI will have no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service. The contributions are recognised as employee benefit expense when they are due monthly.

The number of staff contributed to the plan as of December 31, 2018 was 288 (2017-235). During the year the total contribution to the Pension Plan was G\$40,064,754 (G\$30,317,828 - 2017) which was equally contributed by the company and employees.

GUYANA WATER INC.
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018

	2018 G\$	2017 G\$
17. DIRECTORS' FEES		
Patricia Chase- Green - Vice Chairman / Chairman	360,000	273,000
Emil Mc Garrell	300,000	225,000
David Dewar	324,000	241,000
Ryan Belgrave	300,000	225,000
Sherie Samantha Fedee	300,000	225,000
Savitree Singh- Sharma	300,000	225,000
Carol Smith Joseph	-	40,000
Dhanwanti Sukhdeo-Metivier Ali	300,000	185,000
Gavin Todd	300,000	185,000
Mavin Benn	300,000	185,000
Jeffrey Thomas	-	50,000
Total	2,784,000	2,059,000

Note i: The new Board was published in the Official Gazette of March 10th 2017. The Board's life is effective from March 1st 2017 to February 28th 2019.

	2018 G\$	2017 G\$
18. ADMINISTRATIVE EXPENSES		
Stationery	41,841,151	36,131,456
Internet and telephone	84,809,116	54,232,859
Local and overseas travel	64,909,812	36,945,323
Training	71,014,142	45,331,230
Health and safety	35,384,475	20,004,724
Entertainment and accommodation	75,814,003	44,441,608
Agency fees	21,995,294	19,281,108
Insurance	13,185,315	11,291,609
Legal settlement	4,125,000	21,230,941
Freight and custom duty	20,669,193	7,356,173
Meals	44,768,447	34,022,890
Cleaning	2,106,037	12,375,541
Other administrative costs	42,116,251	14,448,436
	522,738,236	357,093,898

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018	2017
	G\$	G\$
19. PREMISES COSTS		
Electricity	3,154,202,831	3,191,524,440
Repairs and maintenance	387,372,405	400,516,931
Fuel & Diesel	41,828,257	83,505,120
Rental	28,689,000	26,240,000
Weeding and cleaning	14,193,729	14,867,986
Other costs	9,452,201	4,910,836
	<u>3,635,738,423</u>	<u>3,721,565,313</u>
20. ADJUSTMENTS PRIOR YEAR		
Metered adjustments	217,946,558	199,685,048
Unmetered adjustments	316,425,606	310,124,213
	<u>534,372,164</u>	<u>509,809,261</u>
21. TRANSPORT COSTS		
Vehicle repairs	24,609,297	13,773,724
Fuel and diesel	54,299,162	28,313,006
Hired rental vehicles and mobile plant	108,167,082	70,703,766
Other transport costs	4,516,781	5,424,853
	<u>191,592,322</u>	<u>118,215,349</u>
22. SUPPLIES AND SERVICES COSTS		
Water quality - chemicals usage and filter media	861,845,571	478,967,750
Leak repairs	155,984,186	214,422,544
Disconnection & reconnection	64,650,762	76,415,907
Security	124,134,982	119,751,370
Professional fees	105,222,054	72,228,618
Hired outside services	115,258,134	22,821,981
Stock adjustment	2,291,517	(1,232,902)
Public relations and advertising	32,523,101	58,204,269
Other supplies and services cost	36,234,618	131,808,562
	<u>1,498,144,925</u>	<u>1,173,388,099</u>

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

	2018 G\$	2017 G\$
23. OTHER INCOME		
Government subsidy for electricity charges from the Guyana Power & Light Incorporated.	428,000,000	2,228,756,004
Other operating income	159,239,547	123,040,276
Other non-operating other income	617,978,706	844,104,549
	1,205,218,253	3,195,900,829

24. LOSS PER SHARE

Basic loss per share are calculated by dividing the loss after tax with the weighted average number of ordinary shares outstanding during the year.

	2018 G\$	2017 G\$
Basic loss per share		
Loss for the year attributable to shareholder's equity	(4,596,311,944)	(2,997,398,726)
Weighted average number of outstanding ordinary shares	8,825,300	8,825,300
Basic loss per share	(521)	(340)

25. RELATED PARTY TRANSACTIONS

The following related party transactions occurred during the year.

The following information is presented only in respect of those employees of the Company who would be considered as key management personnel, as defined under IAS 24 (Related Party Disclosures). At December 31, 2018, the number of key management personnel was 10 (2017 - 12).

Compensations of key management personnel

The remuneration of key management during the year was as follows:

	2018 G\$	2017 G\$
Short-term benefits	89,140,915	98,122,894
Post-employment benefits	1,265,253	2,355,652
Total	90,406,168	100,478,546

GUYANA WATER INC.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

26. LITIGATION MATTERS

As at 31 December 2018, the company is defending several litigation matters, the outcome of which, in the opinion of the Director, will not give rise to any significant loss.

27. EVENTS AFTER REPORTING PERIOD

- (i)** During the time of our audit, it came to our attention a fraud was committed in 2021 in the Finance Department to the value of \$29.8m. After this discovery, the police was immediately summoned to carry an investigation. As at the date of this report, a porportional sum was recovered by the company.

- (ii)** For the financial year ended 31 December 2017, it was reported that the company overpaid the sum of \$87,921,215 to a contractor for capital works. We were informed that legal action was initiated and now await the outcome of this matter. The next court appearance is September 12, 2022 for case submission by both parties.



May 03, 2022

Mr. Ramesh Dookhoo
Chairman, Board of Directors
Guyana Water Incorporated

Dear Mr. Dookhoo,

AUDIT OF THE FINANCIAL STATEMENTS OF
GUYANA WATER INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER, 2018

The audit of the books and accounts of Guyana Water Incorporated for the year ended 31 December 2018 has resulted in the following report, which is forwarded for the comments and such actions as considered necessary.

We have examined certain aspects of the company's system of internal accounting controls and made recommendations on possible ways in which the system might be improved to overcome the weaknesses which we observed during the examination.

It must be appreciated that the matters dealt with in this report came to our notice during conduct of our normal audit which was designed primarily to enable us to express an opinion on the company's financial statements. Our comments cannot, therefore, be expected to include all possible improvements in the internal control which a more extensive special examination may develop.

The audit was conducted in accordance with the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). These standards required that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Background

The Guyana Water Incorporated was incorporated in Guyana on May 30, 2002 under the Companies Act 1991 and is wholly owned by the Government of Guyana. The Company was formed out of merger between the Guyana Water Authority (GUYWA) and the Georgetown Sewerage and Water Commissioners (GS&WC). The principal activities of the company are as follows:

- The supply of potable water to the citizens of Guyana.
- The provision of sewerage disposal services to the residents of Central Georgetown.
- Operation and maintenance of the water and underground sewerage system in Guyana.
- Customer billing and collection of tariffs for services provided.

Scope and Methodology

In conducting financial and compliance audits, our office examined in such manner as we deemed necessary the relevant financial statements and accounts to ascertain whether:

- The financial statements have been properly prepared in accordance with applicable accounting standards and properly present the operations and affairs of Guyana Water Incorporated (GWI).
- The accounts have been faithfully and properly kept.
- The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection and proper allocation of revenues and valuation and security of inventories held by the Company.
- All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended.
- Essential records are maintained and the internal controls and the rules and procedures established and applied were sufficient to safeguard the control of current assets of the Company.

FINDINGS AND RECOMMENDATIONS

PRIOR YEAR MATTER NOT RESOLVED

1. Litigation Matter

For the financial year ended 31 December 2017, it was reported that the company overpaid the sum of \$ 87,921,215 to a contractor for capital works. We were informed that legal action was initiated and now await the outcome of this matter. The next court appearance is September 12, 2022 for case submission by both parties.

Management's Response

This matter is pending in the courts of Guyana and awaiting for hearing by the presiding Magistrate.

CURRENT YEAR MATTERS

2. Non- Current Assets

Findings

- i. During our physical verification of non-current assets, there were two (2) laptops valued \$510,000 stolen outside of the GWI's compound. This event occurred on October 2016 and the computers were in the possession of employees containing sensitive information pertaining to GWI's operations. We were informed that this matter was reported to police and management of GWI.

Further, we enquired whether it is normal procedure for employees to remove assets of the company off the premises especially in this case when proceeding on leave. We were told that only senior staff(s) are allowed to remove moveable assets off the compound, however, there was no formal approval seen to substantiate this statement.

- ii. Similarly, during our physical verification exercise it was revealed that eleven (11) Samsung Galaxy Digital tablets valued \$467,500 were stolen from the Information Technology Department, GWI. This matter was reported to the police and it was recommended by the State Counsel that disciplinary action should be taken against the employee. The auditors examined employee's personnel file to determine whether disciplinary action was instituted by GWI, but found no evidence confirming that such action was taken.

The purchase of these tablets was funded by Inter- American Development Bank (IADB) and it was subsequently verified that the replacement value for the stolen Samsung Tablets was refunded to IADB by GWI.

- iii. Certificate of Title for two (2) parcels of land located in Bartica and Fellowship water treatment plant were not in possession of the company. Audit inquiry revealed that this matter is with the Guyana Land and Survey Commission (GLSC). At the time of this report, no further updates were available.

In addition, the company was allocated parcels 738 and 739 within the Industrial Zone at Great Diamond, East Bank Demerara by the Central Housing and Planning Authority (CHPA) in 2018. The acquisition cost together with processing fees were fully paid by GWI, however management failed to follow up on this matter to uplift Certificate of Title for the two parcels of land.

- iv. For the period under review, the company purchased several motor vehicles to upgrade their fleet of vehicles. However, we were unable to determine the procurement method for selection and award of contracts to the following suppliers shown in table below:

Description of Purchase	Contract value \$	Supplier's name
Purchase of Crane	19,151,376	Rate Trading Company
Purchase of 1.5 tons short base canter	1,500,000	P.N Auto Sales
Purchase of 3 tons short base canter	3,600,000	P.N Auto Sales

- v. The company procured 1.8kw off grid solar power system for the community of Light Town, Berbice from Green Power Solutions Inc., for the sum of \$1,366,000. This purchased was made on an emergency basis (single sourced) based on a visit on November 16, 2017 to the community by the former Managing Director, GWI who was confronted by angry residents. Subsequently on a later visit by GWI team, it was recommended to purchase this system. However, as this system was delivered only on January 16, 2018 (i.e 2 months later) the single sourcing method of procurement was not appropriate or justifiable. No approval from management for this purchase was seen by the auditors.
- vi. Audit examination revealed an overpayment of \$727,776 made for the purchase of office furniture from Starcomm Office Furniture. At the time of this report, this repayment remains outstanding.

vii. There were instances where the following payment vouchers could not be located and therefore we were unable to determine whether proper procedures were followed. These are as follows:-

Name of Supplier	Description of purchase	Amount G\$	Cheque Number	Management's comments
Automobile Products	Acquisition of motorcycles	994,734	950034434	Subsequently submitted
Massy Technology	Procurement of computers	1,170,000	950032513	Subsequently submitted
V.Doodnauth	Cubicle supply& installation	267,000	950034343	
Total		12,821,734		

viii. A physical verification exercise was carried out by the Finance Department, GWI and it was identified that net book value (NBV) of non-current assets as at 31.12.2018 amounting to \$2,274,541 were non-serviceable or damaged. This amount was not adjusted in the company's financial statements. *Please refer to Appendix 1.*

Effects

- i. Absence of Standard Operating Procedures (SOPs) on the removal of non-current assets from GWI's compound.
- ii. No disciplinary action taken as recommended by State Counsel, Attorney General Office in their report.
- iii. We were unable to determine ownership of parcels of land occupied by GWI.
- iv. GWI continued using single sourcing method of procurement in years 2018 and 2019 and in violation of the Procurement Act and its own internal policy and procedures.
- v. Lack of internal controls surrounding the processing of internal generated purchase orders resulting with overpayment made to supplier.
- vi. We were unable to determine whether appropriate procurement methods were used to acquire capital expenditure amounting to \$267,000.
- vii. Non- current assets overstated by \$2,274,541 in the financial statements.

Recommendations

We recommend that management:

- i. Create and implement Standard Operating Procedures (SOPs) on the removal of non-current assets from GWI's compound as soon as possible.
- ii. With respect to the loss of eleven (11) tablets from the Information Technology Department, disciplinary action should be taken against the employee as soon as possible based on the recommendations received.
- iii. Continuous follow up with respective agencies to accelerate the transfer of ownership to GWI.
- iv. GWI should make a special effort to desist from using single sourcing method of procurement unless the provisions set out in the paragraph 28 of the Procurement Act is fully met.
- v. The Procurement Department, GWI should make a special effort to recover the outstanding sum of \$727,776 from Starcomm Office Furniture.
- vi. Efforts should be made to locate the payment vouchers as shown in table above.
- vii. Disposal of non-current assets should seek the approval of the Finance and Admin Sub-Committee before adjustments being made to the financial statements.

Management's Responses

- i. There is a document which all employees must sign when uplifting company's assets from ICT. This document states the responsibilities of employees pertaining to the loss of company's property.

A report was submitted by the parties but no further action was taken as to whether the employee will replace the assets.

- ii. No disciplinary letter was issued to the staff.

- iii. A resident occupies a portion of land extremely close to the Fellowship Treatment Plant who has refused to move and this matter has been taken up with the Lands and Survey Department. A Land Surveyor was employed to complete a plan for GWI to pursue a transfer to title.

The required documentations were submitted to Central Housing and Planning Authority (CHPA) and awaiting feedback from CHPA with respect to the title.

- iv. These items procured by the selective procurement method. The documents indicate the request for the goods was initiated with the requisition on November 23, 2017 and order was approved on January 15, 2018.
- v. A legal letter was sent to Starcomm Office Furniture to recover overpayment.
- vi. Payment vouchers made to Tony's Auto Spares, Automobile Power Products and Massy Technologies were subsequently verified by the auditors.
- vii. Items totaling \$2,126,540 are damaged and still in use by the company.

Auditor's Response

In relation to management's response (vii), the report from the Asset Accountant, GWI was used to identify impaired assets and was recommended for write off.

3. PAYROLL

Findings

- i. During the year 2018 and period under review, the Government of Guyana approved wages/salaries increases for all public servants. Our examination revealed that new recruits for 2018 were paid retroactive salary increases (lump sum retroactive payment) which contradicts *paragraph 2 of Circular No. 25/2018 dated November 29, 2018*.

This query was forwarded to Human Resources Department for clarification and who responded that salary increases paid according to Circular No.23/2018 dated November 19, 2018.

Based on a thorough examination of both Circulars issued, Circular No.25/2018 provided clarifications and explanations to guide public entities/corporations to avoid confusion and misinterpretation relating to payment of retroactive wages/salaries increases for 2018.
(Please refer to Appendix 2, 3 and 4)

- ii. Based on our audit of the payroll, duty allowances paid to employees were not subject to income tax contrary to the Income Tax Act of Guyana. This query was forwarded to Human Resources Department for a response which clearly stated that management decided not to deduct taxes from this allowance notwithstanding that this action is a clear violation of the Income Tax Act 81:01.
- iii. During 2018, it was identified that Pay as You Earn (P.A.Y.E) and National Insurance Scheme (NIS) deductions were not remitted on a timely basis resulting in late payments of 2 – 8 months after the statutory date.

Effects

- i. Management failed to comply with the instructions set out in Circulars 23 & 25 of 2018 issued by the Finance Secretary, Ministry of Finance.
- ii. The company failed to comply with requirements of the Income Tax Act regarding the payment of duty allowance.

Recommendations

- i. We recommend that management ensure all necessary systems and guidance relating to provisions and amendments of the Income Tax Act 81:01 are provided to Payroll and Human Resources Department to ensure full compliance with Income Tax of Guyana.
- ii. Similarly, all conditions set out in future Circulars issued by the Finance Secretary, Ministry of Finance should carefully read and implemented accordingly.

Management's Responses

- i. Wages and salaries increases were paid according to Circular 23, 2018 dated November 19, 2018.
- ii. The non-taxing of duty allowance is a management decision and continue to be as of January 2022. This matter would be further discussed at the levels of Board's Sub-Committee for possible outcome.
- iii. The remittance of Pay as You Earn (PAYE) and National Insurance Scheme (NIS) contributions are paid on time, however deductions for employees outside of the payroll are paid when deductions are made.

Auditor's Responses

- i. In relation to management's response (ii), the Income Tax Act of Guyana is clear on this subject matter, hence we implore that management should address this matter to avoid re-occurrence.
- ii. With regards to filing of NIS and PAYE on a timely basis, we maintain our comments as the receipts obtained from NIS and GRA suggest payments were late.

4. WORK IN PROGRESS

Findings

- i. For the period under review, there were several capital work projects completed in 2018 but continued to be classified and remained as work in progress. These are as follows:-

Contract No.	Contractor	Details of project	Completion date	Value of works G\$
GWI 2017/6647	A&A Engineering Services – Capitalized in 2019	Upgrade of trench crossings Reg.No.4	13.03.2018	6,521,277
GWI 2017/815	Gormain D'Aguiar – capitalized in 2018	Construction of a trestle in Reg. No.9	14.08.2018	4,930,910
GWI 2017/18585	DeRuiter Groundwatertechniek	Drilling and Construction of well: -Sparendam -Diamond -Sophia	- 07.09.2018 - 24.09.2018 - 13.12.2018	45,980,750 58,130,750 43,544,500
Total				159,108,187

- ii. Similarly, we identified capital work projects for the periods 2010-2014 amounting to \$1,086,431,805 remaining in the work in progress account suggesting that projects are ongoing. We believe that these projects were fully completed and should have been capitalized. As a result of this, depreciation charges were understated.
Please refer to Appendix 5.
- iii. During our audit, capital works amounting to \$61,885,031 for the following contracts (*as shown in table below*) were not shown as Work in Progress in the company's books. Initially, this amount was posted to maintenance clearing account (GL# 5323), and was subsequently reversed. However, no further audit trail was possible and when requested, no explanation from the Finance Department was forthcoming.

Contract No. / Contractor Name	Total Amount Paid G\$
V. Ramlal (GWI 2018/21020)	14,562,750
Obsorne and Associates (GWI 2018/21030)	12,333,500
AMIC (GWI 2018/22825)	12,823,200
Prestige Works (GWI 2017/19385)	10,170,201
M.Ahamad (GWI 2018/23823)	11,995,380
Total	61,885,031

Management's Responses

- i. Contracts 2017/6647 and 2017/18585 were capitalized in 2019 and 2020 respectively and Contract 2017/815 was subsequently capitalized and has been accounted for correctly in the financial statements.
- ii. Projects amounting to \$8,956,844 were capitalized in 2018 and submitted to the external auditors. The total amount \$565,450,533 of projects were also capitalized between the years 2019-2020. In addition, the amounts of \$108,524,666 and \$18,662,129 represents material for ongoing projects represents payment for these projects and will be costed accordingly upon conclusion of these projects.
- iii. Adjustments were made in 2018, 2019 and 2020 based upon the completion of contracts.

Auditors' Response

With regards to response (ii) shown above, an adjustment for \$5,424,001 was made in 2018 and appropriate evidence was obtained.

5. INVENTORIES

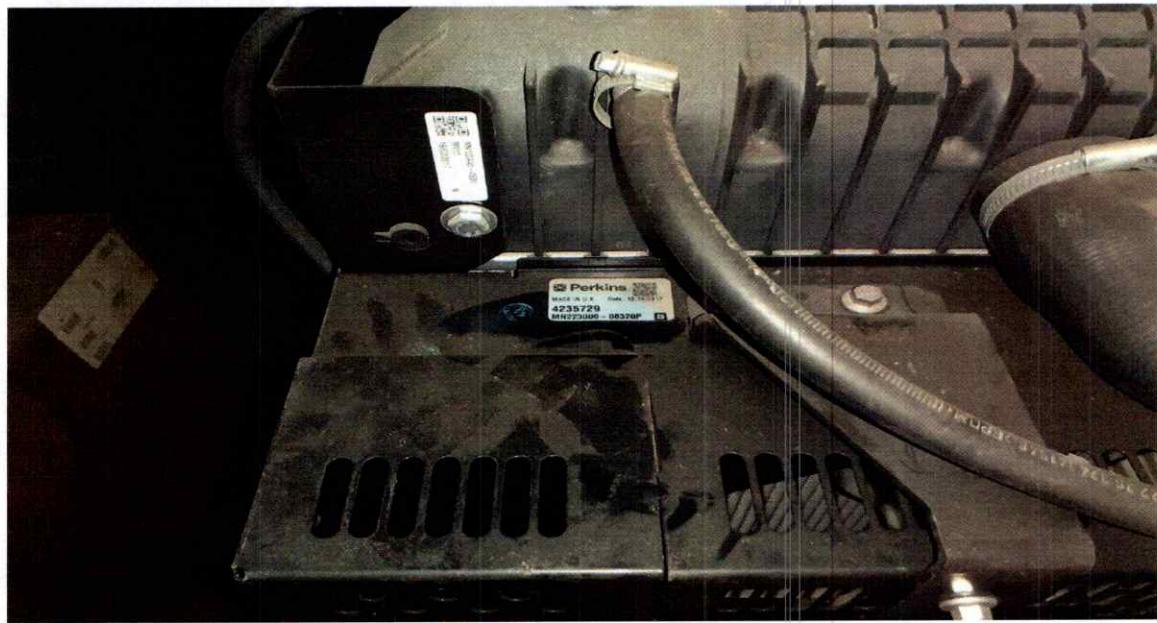
Findings

- i. There was a continuation of single sourcing of water treatment chemical “Sea Quest” both in granular and liquid form. For the year 2018, the company awarded contracts to JGS Business value of \$251,000,000 for the purchase, mixing, batching and delivery of Sea Quest chemicals. **Refer to Appendix 6.**

The tender process was waived by the former Board of Directors without efforts of competitive bidding. The selection of supplier was based solely on the demonstration of the chemical (Sea Quest) used at the pilot carried out by the same supplier (JGS Business).

- ii. GWI entered into multiple contracts for the supply of this chemical with the same supplier avoiding the competitive bidding process from being supervised by National Procurement and Tender Administration Board (NPTAB). This was a clear definition of contract splitting.
- iii. We identified that the JGS Business was awarded separate contract for delivery of mixed Sea Quest to various pump stations across Guyana even though there were existing contracts for such supplies to the pump stations inclusive of transportation.
- iv. The company continued to procure this chemical using single sourcing process for the entire years of 2018 and 2019, disregarding previous quotations obtained from International Suppliers which appeared to be as competitive compared to the current supplier.
- v. There were instances where Good Received Notes (GRN's) were not provided by GWI to support payments made for the purchase of Sea Quest.
- vi. Perusal of the Internal Auditor Reports (07/2018 dated October 2018) on the procurement of Perkins engine and Rovatti pumps valued at \$20,638,800 revealed the following:
 - The procurement of Perkins engine and Rovatti pumps were done internally using Management Tender Committee (MTC) rather than competitive bidding through National Tender and Procurement Administration Board (NPTAB) as the value of goods exceeded the MTC threshold of \$15M.
 - The five (5) Perkins engine valued at \$16,304,400 were delivered to the Central Stores at LBI on June 27, 2017 without the electrical panels. As a result of this incomplete delivery of goods, there are four (4) Perkins engine valued approx. \$13,043,520 held at the Central Stores for safe keeping for over two years. **Refer to pictures below.**

It should be noted that these items are not entered and accounted for as inventory in the Oracle system.



Effects

- i. The company did not comply with its own procurement policy.
- ii. The company did not allow for the competitive bidding process and awarded contracts to a supplier with higher prices compared with competitive quotations received.

Recommendations

- i. GWI should make a special effort to desist from using single sourcing method of procurement unless the provisions set out in the paragraph 28 of the Procurement Act is fully met.
- ii. The Board of Directors should review, amend and approve the current procurement rules and regulations of the company and ensure full compliance by the Procurement Department.

Management's Responses

- i. GWI has contracted an investigative auditor and now await on submission of report.
- ii. Single sourcing are done in compliance of the Procurement Act and GWI's Financial Regulation.
- iii. All systems for proper accountability of chemicals are implemented and enforced as of October 2020. However, Sea Quest has not been purchased and a small amount remains in stock.
- iv. The procurement of Perkins Engine and Rovatti pumps were requested and evaluated separately which fell within \$15M threshold for Management Tender Committee. In addition, a Technical Coordinating Committee was set up to ensure that all goods are only accepted if they meet the required technical specifications.
- v. These engines purchased cannot be utilized in Region 1 because they require special fuel which is not available in the Region. They were transported to Georgetown for possible use by GWI operations.

Auditor's Response

We refer to the management's comment made in item (ii) and wish to clarify that GWI received three (3) quotes, one (1) local and two (2) foreign suppliers. A review of quotes received, suggests that the contract would have been awarded differently.

6. UNVERIFIED INVENTORIES

Finding

At the annual stocktaking exercise carried out in 2018, we observed that the physical quantities of inventory items totaling one hundred and thirty five million, five hundred and fifty three thousand, eight hundred and fourteen dollars (\$135,553,814) could not be counted by either by External Auditors, Storekeeper and the Internal Auditors as a result of these items not packed in an orderly manner at the following locations. *Refer to table and pictures below.*

We consider this amount to be material. It should be noted that this state of affairs has continued for the year-end stocktaking exercise for 2019.

NB: LBIs' stock were being stored at Sophia and Ruimveldt.

Material Code and Location	Description of Stock Items	UoM	Unit Price	Oracle Accounting System	
				Quantity	Value
<u>LBI</u>			\$		\$
111291	Filtration Sand - Bs 16/30	Ea	2,260	9,606	21,710,040
150053	Manganese Dioxide Ore, Type QF11, 2000kg/M3	Ea	6,107	417	2,546,411
				10,203	24,256,451
<u>GEORGETOWN</u>					
150002	Calcium Hypochloride	Ea	22,263	2,103	46,808,342
150051	Lime	Ea	\$1,465	30,635	44,872,616
				32,738	91,680,958
<u>POUDEROYEN</u>					
150055	Pure Dried Vacuum Salt – Pdv	Ea	3,080	496	1,527,680
				496	1,527,680
<u>LINDEN</u>					
111291	Filtration Sand - Bs 16/30	Ea	2,260	4,800	10,848,240
150055	Pure Dried Vacuum Salt – Pdv	Ea	1,983	2,900	5,749,766
				7,700	16,598,006
<u>ONVERWAGT</u>					
150055	Pure Dried Vacuum Salt – Pdv	Ea	3,080	484	1,490,720
				484	1,490,720
Grand Total					135,553,814

FIG. 1 - GEORGETOWN:



FIG. 2 - LINDEN:

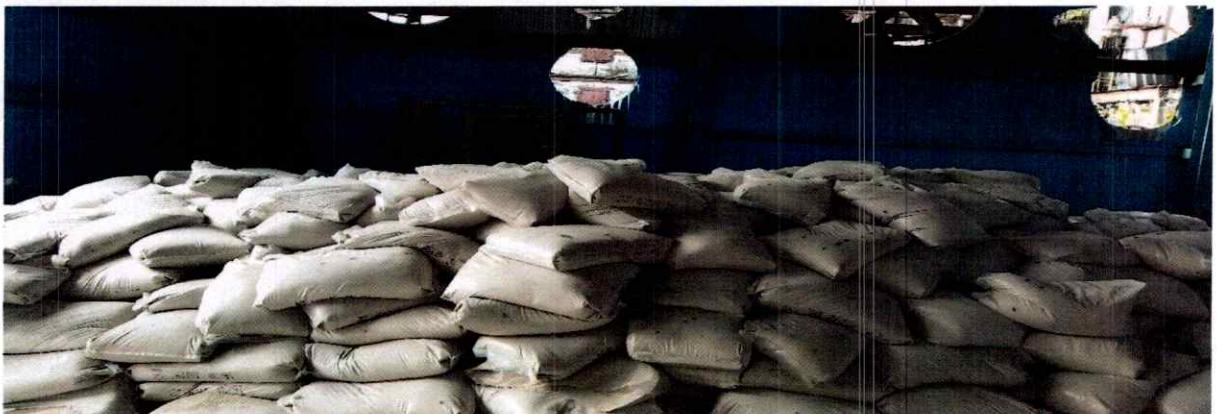


FIG. 3 - SOPHIA:



FIG. 4 - SOPHIA



FIG. 5 - SOPHIA



FIG. 6 - RUIMVELDT:



FIG. 7 – RUIMVELDT



FIG. 8 - RUIMVELDT



FIG. 9 - RUIMVELDT



FIG. 10 – RUIMVELDT



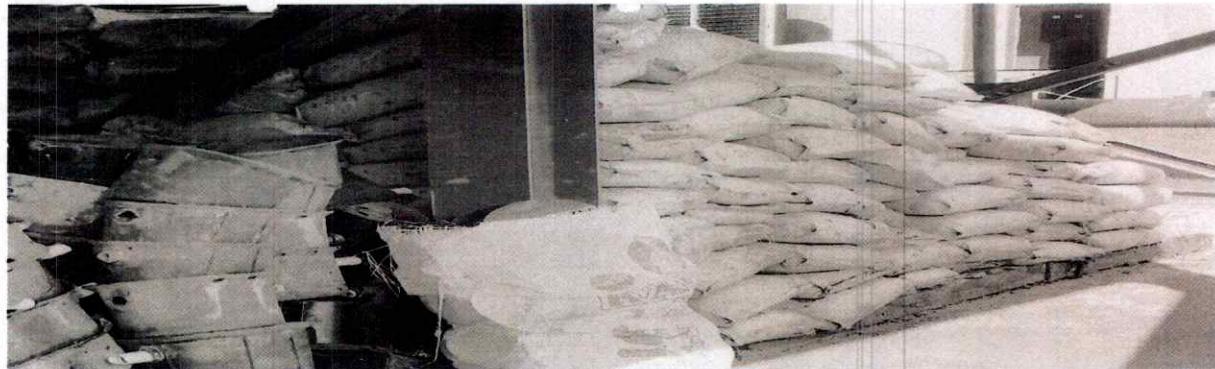
FIG. 11 - RUIMVELDT



FIG. 12 – ONVERWAGT



FIG. 13 – POUDEROYEN



Effect

- i. Due to the auditor's inability to verify physical quantities of inventories, the amount shown as inventories in the Statement of Financial Position could be overstated.

Recommendations

- i. Management should review the procedures for securing and storage of inventories for easy access when verification is required.
- ii. Disciplinary actions should be taken by management for person(s) in charge of the operations of the Stores not adhering to effective storekeeping procedures.
- iii. GWI should discuss with the approved supplier on proper packaging suitable for storage and handling of chemicals prior to delivery.

Management's Responses

- i. Management has taken corrective actions to ensure inventories are stored properly and accounted for correctly in the automated inventory system.
- ii. All items except calcium hypochlorite and lime were fully consumed by GWI's treatments across Guyana in 2021. The responsibility for the accountability of calcium hypochlorite and lime were handed over to the Procurement Department.

7. TRADE RECEIVABLES

Findings

- i. During our audit, we identified instances of duplicate accounts on the Hi-Affinity billing system with both positive and negative balances. *Refer to Appendix 7.*
- ii. For the year under review, the company wrote off the sum of \$1.52B as bad debts which we could not determine effectively whether this was approved by the previous Board of Directors.

Our examination of the GWI Board Minutes dated February 22, 2018 indicated that a schedule of bad debts amounting to \$1.5B was subject to review by the Board and as such it was not clear whether this constitutes an authority to write off this amount. As per the minutes of the meeting, the Board of Directors agreed in principle to continuing efforts of recovering outstanding debts prior to seek approval from the Board.

Further, we noted that the amount of \$1.52B shown as bad debts written off were never ratified at any meeting of the Finance and Admin Sub Committee as part of normal practices of good governance.

- iii. Similarly, we could not determine whether the sum of \$1.52B representing bad debts were included in the Gross Receivables as shown in note 7(b) of the financial statements.
- iv. Further review of the accounts adjusted for write offs revealed the following instances :
 - For a few randomly selected accounts, balances written off were actually overbilling estimates on customer accounts. As a result of these incorrect billings, customers refused to make any significant payments towards their accounts with GWI. As a result, the balances became hardcore and were subject to write offs as per GWI's policy. However, the overbilling should have been adjusted or reversed from the customer account rather than a write off of debts.
 - For a few randomly selected accounts, hardcore debts were subject to write offs as bad debts as a result of poor monitoring and arrears collections by the Customer Service Department especially in rural districts. Further, it is surprising with adequate staffing of GWI with key positions such as Revenue Managers and Debt Recovery Department that the company continues to write off significant sums on an annual basis.
 - There were instances where customers never made any payments for water service since migration to Hi-Affinity billing system.
 - There were instances where billings were made to abandoned/empty lots and claims of incorrect address shown on the customer's bills.

- v. During our examination of randomly selected sample of customer's cards, we make the following comments:
 - Collection of bad debts were not being pursued by the company and any subsequent collections from customers were automatically offset against the current billings on the customer account.
 - Customer's accounts with arrears balances, which were written off, continued to receive service from GWI.
 - There were instances where the age analysis reports of the regional districts/divisions did not agree to customer's card balances resulting with variances. This matter was communicated to Finance and Customer Services departments and to date no response was provided for these differences.
- vi. We identified few instances where customers' entered into payment contract with GWI did not honor the conditions of repayment to settle outstanding arrears. Details are as follow;
 - **Account No. 1174871, 1206250, 1051071, 1150053, 1222034, 1107518 & 1050870.**

Effects

- i. Trade receivables could be overstated.
- ii. Lack of good governance
- iii. Revenue could be overstated due to overbilling estimates.
- iv. Poor collection of arrears

Recommendations

- i. We recommend that Management and Board of Directors review and amend the current bad debts policy as to mitigate substantial loss of cash flows in the coming years.
- ii. Continue to sanitize GWI's customer's database to reflect an accurate position of revenue collection for example change of ownership, duplicate billings, change in tariff structure, etc.
- iii. Emphasis should be on the collection of arrears countrywide using the adequate staffing of GWI.
- iv. Sanctioning of proposed bad debts should be examined and approval recommended by the Finance and Admin Sub Committee, then for submission to the Board of Directors for final approval.

Management's Responses

- i. There was a Board Paper on Debt Write Off, however there were no signatures. The proposal made with respect to the debt is a write off that is in compliance with the Limitations Act of Guyana which provides that a claim on a book debt must be brought within three (3) years. The proposal made for a write off of debt prior to 2015, i.e 2006 -2014. The Board agreed in principle with the proposal on condition that if a customer is willing to pay all or part of the outstanding debt that must be agreed in writing. It was agreed that the Managing Director has a discretion to decide on any debt prior to 2011 but efforts should be made to see what can be recovered from 2012-2014.
- ii. As it relates to the adjustment in the financial statements, the Customer Services Department is not responsible for the preparation of the financial statements and is unable to confirm whether this was included or not in the financial statements.

8. SITE AND OTHER ADVANCES

Findings

Our audit examination revealed the following:

- i. Other receivables amounting to \$882,000 remain long outstanding with no assurance of the collectability.

Transaction Date	Individual/Entity	Amount \$	Management's Actions
04.09.2012	Faizul Shakoor	110,000	Remain as security deposit
22.07.2014	Curtis McKinnon	292,000	Mr. McKinnon is deceased and awaiting on the Letter of Administration to make final benefits payment to the Administrator of the Estate.
31.07.2014	Mark Jeffrey	80,000	Mr. Jeffrey would commence repayment of \$10,000 on monthly basis until the amount is fully repaid.
31.12.2017	Cheryll Ibott	400,000	Remain as security deposit
Total		882,000	

- ii. During the period under review, we examined forty nine (49) site advances amounting to \$30,786,011 cleared in the year. However, we found the following breaches:

- Site advances were used to purchase non-current assets, cleaning supplies, stationery and tools. However, these should be undertaken by the Procurement department. (Cheque Numbers: 950034487, 950035466, 950038294).

- Site advances were used to purchase non-current assets, cleaning supplies, stationery and tools. However, these should be undertaken by the Procurement department. (Cheque Numbers: 950034487, 950035466, 950038294).
- There were instances where advances cleared with honor certificates for minor works approved by the Head of Hinterland Department and accepted by the Finance Department eg. Labour, rental of equipment, meals and accommodation, construction works and out of town allowances.

We consider these amounts cleared by honor certificates to be material when compared to the advance amount. *Refer to table below.*

Date of advance taken	Date advance cleared	Name of advance holder	Advance amount \$	Purpose of the advance	Cheque Number	Advance cleared by honor certificate \$
05.12.2018	17.01.2019	Cleon French	1,548,000	Water Imp. in Mabaruma	950038300	\$231,000- Labour \$86,000 – Out of town allowance
08.11.2018	17.01.2019	Cleon French	1,258,000	Site visit to Sebai and Pawaikuru	950037877	\$322,500- Labour \$176,000 – Out of town allowance
30.06.2018	11.01.2019	Khemraj Persaud	610,000	Site visit to Mabaruma	950035607	\$302,000-Meals &accommodation
30.11.2018	08.01.2019	Khemraj Persaud	516,000	Site visit to Mabaruma	950038250	\$223,000
05.12.2018	08.01.2019	Jumal Duncan	1,850,000	Water Imp. in Port Kaituma	950032899	\$298,000
20.09.2018	03.03.2019	Cleon French	485,000	Mabaruma pump station	95003700	\$390,760
23.10.2018	05.03.2019	Cleon French	1,565,000	Site visit to Mabaruma	950037569	\$806,000

- We found an advance not used for the initial purpose nor for the proposed period of expenditure stated on the request for advance. We found bills for previous periods were used to clear current advances. *Please refer to Cheque Number 950032350.*
- There was an instance where the Regional Manager and Engineer of Region 2 took advances to visit the same area with the same. *Please refer to Cheque Numbers 950038582 & 950037966.*

Date of advance taken	Date advance cleared	Name of advance holder	Advance amount G\$	Purpose of the advance	Cheque number	Meals and accommodation G\$	Percentage (%) of advance covered by meals
05.12.2018	08.01.2019	Jumal Duncan	1,850,000	Water Imp. in Port Kaituma	950032899	1,112,000	60%
18.04.2018	19.06.2018	Mark Jeffrey	600,000	Site visit to Chinoweing	950034158	318,000	53%
08.01.2018	05.03.2018	Lavern McPherson	576,000	TV appearance	950032116	218,601	38%
17.01.2018	03.05.2018	Lavern McPherson	389,000	TV appearance	950032350	141,275	36%
08.11.2018	13.05.2018	Leanna Bradshaw	548,000	Trip to Port Kaituma	950037874	265,720	48%

- An advance of \$174,700 was given to employee for visit to Aruwai Resort for leisure purpose. **Please refer to Cheque Number 950036578.**
- In most instances, advance monies were used on meals and accommodation without clear reasons for extensive stays in the underlying regions of Guyana. **Refer to table below:**

Effect

- i. This is a breach of internal controls surrounding the issuing and clearance of site advances and in non- compliance of the company's policy and procedures governing advances.

Recommendations

- i. We recommend that management ensure that the controls are working effectively and company's policies and procedures are adhered to at all times by employees.
- ii. For disbursements and subsequent clearance of site advances, the Finance Department together with Heads of Departments approving the initial site advances should ensure such advances are cleared prior to the approval and issuance of new advances.

Management's Responses

- i. Management decided to write off the balances of \$8,775,000 and \$222,488 owed by C&N Trading and Salod Marketing Agency respectively. These outstanding balances have become hardcore debts.
- ii. Kindly refer to comments in table above.

- iii. These advances were necessary to undertake improvement works in Region 1 by the respective Engineers' which was subsequently cleared, Out of allowance or subsistence should be paid separately and not via site advances.
- iv. Management would take corrective actions with the implementation of Standard Operating Procedures on Advances (Salary, Site and other advances) to avoid re-occurrences.

9. INCOME & EXPENDITURE

Findings

The company's expenditure continued to spiral over the years. As a result of this increase in expenditure, we placed emphasis on prudent spending. The results of our findings are as follows-

- i. The company's monthly rent payments vary from \$240,000 - \$372,000 for one (1) room accommodation at Jaigobin Hotel situated in Essequibo, Region No.2. This accommodation was provided by the company because of re-assignment of Regional Manager from Region No.3 to Region No.2. This rental which started in 2018 and continued until October 2018 as a result of previous landlord tenancy agreement ending in 2017.
We came across payment for rental of an apartment in Essequibo for forty thousand dollars (\$40,000) by GWI on behalf of the Revenue Manager.
Please refer to Cheque Number 950042502.
- ii. For the year 2018, the company consumed the sum of \$491,793,838 on chemical, Sea Quest. Included in this sum, the amount of \$205,317,064 could not be verified to material requisitions, therefore we unable to determine whether this amount was actually delivered to GWI. The Officer responsible did not offer an explanation when approached on this matter.
- iii. The company spent significant sums of monies on the following activities:-
 - Staff social party 2018- Head Office: \$11.7M and Regional Offices: \$5.4M
 - GWI Anniversary celebrations: \$14.3M
 - Co- water Sogena event: \$2.6M
 - International Women's day march: \$4.2M.
 - Total rental: buildings: \$28.6M

Table 1

Vehicle Registration Number	Amount Spent \$	Net Book value (\$) as at 31.12.2018	Management's Response
PHH 7370	808,830	NIL	The vehicle was subsequently sold.
PJJ 7385	2,040,460	NIL	The vehicle was subsequently sold.
PJJ 2852	906,300	NIL	No comment was received.
PHH 6372	221,958	NIL	The vehicle was subsequently sold.
PKK 2225	116,280	NIL	The vehicle was subsequently sold.
PKK 7076	234,270	NIL	Still in use
PRR 5312	1,311,336	NIL	Still in use
PNN 8764	425,600	NIL	Still in use
PJJ 6748	324,470	NIL	The vehicle was subsequently sold.
Total	6,389,504		

Included in the amount of \$6.3M, we identified payment made to vehicle belonging to Wildlife Department bearing vehicle number PVV 9341 for \$15,680.

- v. A review of the company's fuel and lubricant expense revealed contracts awarded for \$2.2M and \$4.4M for the supply of fuel to Mabaruma. However, we were unable to determine whether the items were delivered due to the absence of adequate documentations, for example, fuel log-book showing receipts and consumption.
- vi. A contract (GWI 2017/20362) was awarded for the amount of USD\$8,000 for the execution and implementation of GWI's Health and Customer Satisfaction Survey. A request was made for the final report from the consultant; however, this report could not be located.

Similarly, a contract (GWI 2017/19840) was awarded for the amount of \$15,257,666 to carry out Customer Satisfaction Survey. This survey covers water quality, customer service, level of service, accuracy of billing, etc. We believe that information obtained from this survey would have been useful for decision making. However, this survey could have been carried out by employees of Customer Services, Laboratory and Operations Departments of GWI with their daily interactions with customers.

- vii. During our audit, payment vouchers amounting to **\$20,571,602** could not be located. In addition, we were unable to provide comments on work contracts totaling **\$102,930,310** due to contracts, payment vouchers, and other documentations not presented for audit examination. **Details are as follows:**

Table 2

Cheque/Reference Numbers	Amount G\$	Management's comments
950042164	236,844	
2366978125 – Check Number	410,410	Reference does not match
950036212	1,195,124	
950041438/495	1,743,206	
PO#18435	533,673	Reference does not match
950026194	138,720	
PO#24409-cannot find	493,200	Reference does not match
950034857	846,400	
950002196	855,600	Reference does not match
950037341	2,400,000	
950038390	2,873,840	
950034775	4,000,000	
950034125/4126/4127	2,194,720	
950036277	1,565,197	
950044156	1,084,668	
Total	20,571,602	

Table 3

Contract/Contractor	Amount \$
NPTAB 642/2016/42 Alvin Chowramatoo	61,649,500
GWI 2018/23790	10,930,000
GWI 2018/24071	4,900,000
GWI 2018/2118	3,352,020
GWI 2017/16038	9,009,790
GWI 2018/20488	13,062,000
Total	102,903,310

Similarly, the contracts and other documentations for the construction of Regional Office building in Region #5 and the drilling of a well in Leguan were not presented for audit examination.

viii. For the financial year ended 31 December 2018, an amount of \$534.3M are shown in note 20 of the financial statements as prior year adjustment. This amount relates to adjustments made to customers' account as a result of estimate billings, incorrect billings, etc. In this regard, income and receivables would have been overstated in years when billing occurred and subsequently adjusted for in later years upon reconciliation or queries raised by customers. As a result of this action, we believe that there is a violation of International Financial Reporting Standards (IFRSs).

Effects

In this regard, income and receivables would have been overstated in years when billing occurred and subsequently adjusted for in later years upon reconciliation or queries raised by customers. As a result of this action, we believe that there is a violation of International Financial Reporting Standards (IFRSs).

Effects

- i. As a result of over expenditure, the company continued to exert pressure on cash flows to make timely payments to suppliers.
- ii. We were unable to verify the accuracy of payments made for the total amount of \$127,607,411.
- iii. Revenue and receivables were overstated in the financial statements.

Recommendations

We recommend that management:

- i. Maintain an oversight and control over expenditure spending in alignment with the approved company's budget.
- ii. To make a special effort to locate missing documentations for submission to the external auditors for review and verification.
- iii. Review of the billing system to change the current culture of estimate and partial billing of customers so as to provide an accurate position of revenue and receivables in the financial statements.

Management's Responses

- i. Management would take corrective actions to avoid re-occurrences.
- ii. Committees would be set up to ensure prudent financial management of the company's financial resources.
- iii. Most of the vehicles were subsequently sold. Kindly refer to above table for additional details.
- iv. There are several reports to give clarity to the subject matter.
- v. Further clarity is required from auditor.

Auditor's Response

In relation to management's response (v), the cheque or reference numbers shown in table 2 was extracted from GWI's general ledger. In addition, these queries were forwarded to the Finance department during the audit but no responses were forthcoming.

10. PHYSICAL VERIFICATION OF CAPITAL WORKS

An independent audit was carried out by the Works and Structures Department of the Audit Office of Guyana on physical verification of capital infrastructure works executed by Guyana Water Incorporated for 2018. One (1) of the three (3) major projects selected for examination was the contract sum of \$720,950,069 awarded to Hi Pro Ecologicos S.A de Cv ("refer as Contractor") and Hydroplan Ingenieur – Gesellschaft mbH. After such examination, a full report was submitted to the Director of Finance for circulation to GWI's senior management and Project Unit.

The Design and Build Contract provides for the rehabilitation and expansion of water treatment facility at Shelterbelt, Georgetown.

Findings

- i. The contract (GWI 2018/22449) was awarded on February 16, 2018, after the bid validity period expired on January 22, 2018 inclusive of 60 days extension.
- ii. Physical measurement of works carried out by the Engineers' of the Audit Office of Guyana revealed the installation of barbed wire on top of the fence together with installation of 50mm x 50mm galvanized chain link were not carried out by the contractor as per approved plan and drawings.
- iii. According to correspondence supplied by GWI and measurements taken by the Engineer, Audit Office of Guyana, it was identified an overpayment of \$4,707,500 made to the contractor.

The management of GWI did not agree with this finding and provided photographs to justify their disagreements. However, GWI failed to provide the breakdown of the actual quantities used along with corresponding calculations to agree with bill of quantities.

- iv. From a correspondence reviewed, a contractor had applied to the Procurement Manager, GWI for duty free concessions and vat exemption on one double cab pick-up, one Land Cruiser and a Doosan Crawler Type Hydraulic Excavator based on Clause 1 of the General Conditions of Contract (GCC) and Addendum No.1.

However, GCC Clause 1 of the contract cannot be found even though Addendum 1 was submitted for verification. At this time, it is unclear whether these moveable assets are in GWI's possession.

Effects

- i. Overpayment of \$4.7M for works not carried out by contractor.
- ii. Due to the omission of Clause 1 of the contract and other key correspondences, we were unable to verify whether duty free concessions and tax exemptions were granted as per the general conditions of the signed contract.

Recommendations

- i. GWI should recover the amount of \$4,707,500 as soon as possible.
- ii. We recommend that management takes the necessary measures to ensure full recovery of all moveable assets under these concessionary and tax exemption arrangements.

Management's Responses

- i. Based on the chronological order of events as outlined below, the contract awarded before the expiration date of the bid as shown below:-

Series of Events	Timeline
Invitation for Bids advertised	June 4, 2017
Closing date for submission	July 25, 2017
Evaluation Report sent to IDB	November 22, 2017
IDB's No Objection	December 6, 2017
Bid Bond extension validity date	February 26, 2018
Award of Contract	February 16, 2018

- ii. A spreadsheet showing the breakdown of the actual quantities in response to queries on overpayment.
- iii. The Pickup and Excavator are in possession of the contractor. A meeting was held with GWI and contractor and it was decided that the contractor is willing to pay the required duties and costs to have the assets fully transferred into their name.

Auditor's Responses

- i. In relation to management's response (ii), no spreadsheet was submitted to the auditors.
- ii. The draft report from the Engineer' Department, Audit Office of Guyana was submitted to the GWI's for comments and submission of documents. The final report was issued taking into consideration all submissions of documents and explanations provided by the GWI's Technical team.

11. INSURANCE COVERAGE

Finding

During the year, it was identified that the company's non- current assets including inventories totaling to **\$21,413,989,802** were not adequately insured against potential risks such as fire, flood, etc. The net exposure amounting to **\$16,105,754,790** as shown in table below:

Details	Net Book Value \$	Sum Insured \$
Building	1,303,548,997	
Furniture, Fixtures and Office Equipment	68,512,824	
Mechanical & Electrical Infrastructure	1,167,958,506	
Inventories	730,782,159	
Computers and Accessories	78,135,012	
Sewerage Infrastructure	1,072,885,772	
Water Infrastructure	16,992,166,532	
Total	21,413,989,802	\$5,308,235,012
Net Exposure		\$16,105,754,790

Effect

The company's non-current assets was not adequately covered against insurable risk. In the event of unforeseen circumstances, the company may not be compensated for any losses.

Recommendation

We recommend that management review the current insurance policy of the company and where possible to reduce the net exposure to an acceptable level.

12. TRAINING AND DEVELOPMENT

Findings

For the year under review, training and development expenditure amounting to \$71,014,142 as at 31 December 2018. Examination of this account revealed, two (2) current employees benefitted from scholarships to attend an overseas University paid by GWI totaling \$13,380,304.

As per the company's policy on training and development (2018) it required that agreements be made between employees and GWI, however upon examination of the two employees personal files it was found that such agreements were not made. Both employees graduate from Cranfield University, UK in November 2019

Effect

The Human Resources Department, GWI failed to adhere to its own policy.

Recommendation

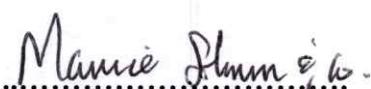
We recommend management to ensure that conditions outlined in the company's policy are being fully implemented, as the intention of these policies are to protect the company at all times.

CONCLUSION

This report is intended for the information and use of the management of Guyana Water Incorporated, is not intended to be, and should not be used by anyone else.

We wish to express our gratitude for the cooperation given to our staff during the course of the audit.

Yours faithfully,



**Maurice Solomon & Co.
Chartered Accountants**

APPENDIX 1 - IMPAIRMENT REVIEW OF NON CURRENT ASSETS

Assets Number	Descriptions	NBV	Location	Remarks
510101B3000044	Sign Board	-	Letter Kenny Pump Station	Damage
510101E6000014	110 volts 60 hertz 9 cubic metres Refrigerator	77,747	Chesney Office	Damage
510101E3000008	Lunch room white folding chairs	5,786	Chesney Office	Damage
510101E3000006	Lunch room white folding chairs	5,786	Chesney Office	Damage
510101E3000007	Lunch room white folding chairs	5,786	Chesney Office	Damage
510101C5000048	Pressure Guage	6,650	Cromarty Pump Station	To Dispose
510101E2000019	Chair - Black Typist	-	NA WTP	Damage
510101F4000196	Valve - 8 8 Butterfly	-	Adventure Line	Damage
510101B3000002	Sign Board	-	Eversham Pump Station	Damage
210101B3000012	Mercury Vapour Lamp	-	La Parfaite Harmonie #2 Well	Damage
210101F4000058	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
210101F4000059	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
210101F4000073	200mm gate valve	-	Fellowship WTP	Damage
210101F4000060	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
210101F4000061	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
210101F4000062	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
210101F4000063	200mm butterfly valve (electrical)	-	Fellowship WTP	Damage
110101F4000080	Air release valve	-	Ondeneeming #2	Damage
110101B3000021	Mercury Vapour Lamp	-	Ondeneeming #2	Damage
110101F4000086	Air cla valve	-	Dryshore Well	Damage
110101B2000003	Concrete B with zinc roof & metal door	-	Lima Well	Broken Down
110101C1000012	Chlorine Pump & Motor	-	Lima WTP	Not working
110101C1000013	Chlorine Pump & Motor	-	Lima WTP	Not working
110101C1000014	Chlorine Pump & Motor	-	Lima WTP	Not working
110101H8000008	Router Gray Phone	-	Lima WTP	Damage
110101B3000007	Mercury Vapour Lamp	-	Lima WTP	Damage
110101B2311013	Concrete B with zinc roof & wooden door	2,126,540	Noitgedacht Pump Station	Damage
120101C1000032	Rite Jet Pump 110/220V	46,246	Bartica WTP	To Dispose
120101C1000016	Chlorine Pump	-	Bartica WTP	Not working
120101C1000017	Chlorine Pump	-	Bartica WTP	Damage
120101C1000022	Chlorine Motor	-	Bartica WTP	Damage
120101B3000005	Mercury Vapour Lamp	-	Raw Water Pump Station	Damage
120101B3000006	Mercury Vapour Lamp	-	Raw Water Pump Station	Damage
120101B3000007	Mercury Vapour Lamp	-	Raw Water Pump Station	Damage
110101E6000001	Water Dispenser Grey Desteme	-	Anna Regina Office	Damage
		2,274,541		

FINANCE SECRETARY
MINISTRY OF FINANCE

CIRCULAR NO. 23/2018

FROM: Finance Secretary
 TO: All Heads of Budget Agencies
 REF NO: FS: 5/0 XI
 DATED: November 29, 2018
 SUBJECT: Wages/Salary Increases for 2018 - Part III

RECEIVED
 AA
 DEC 03 2018

PUBLIC/ COMMISSION
 VICE

Reference is hereby made to Finance Circular No. 23/2018 entitled "Wages/Salary Increases for 2018". The following is provided for clarification:

- Employees who have received an adjustment of salary after December 31st, 2017, which resulted in a higher salary than that of the 2018 salary/wage increase applied to the 3rd period from which the higher salary was applicable. Therefore, for the period the salary as at December 31st, 2017, remained in place (before any adjustment would have been approved), salary increases, as per this circular, is applicable, retroactively, for that period only.
 - For example, consider if John Doe earned \$100,000 at December, 2017, and received a promotion on May 10, 2018, whereby his salary was adjusted to \$130,000. The 2018 salary increase for his salary range (\$100,000 - \$299,999, 6.5%), when computed, would result in him receiving \$106,500 (an increase of \$6,500); however, since, by virtue of promotion he already earns more than \$106,500, he will remain at \$130,000 and not receive any increases for the period post May 10, 2018, his date of promotion. However, for the period prior to promotion, January to May 9, 2018, he would be eligible to receive the increase of 6.5% on his December, 2017, salary, amounting to \$6,500 per month for the period January to May 9, 2018.

2. For further clarity, please note that:
 - a. Employees recruited in 2018 are not entitled to the lump-sum retroactive payment.
 - b. Lump-sum retroactive pay should be calculated on December 31st 2017 base salary.
 - c. In-year 2018 addition to salary by way of promotions should not be indexed upward by the applicable increase.
3. Finance Circulars Nos. 23 and 24, and this circular should be read in conjunction with PSM Circular No. 1/2018 reference no. PS/18^{ts} dated November 21, 2018.

FINANCE SECRETARY
MINISTRY OF FINANCE

CIRCULAR NO. 23/2018

FROM: Finance Secretary 

TO: All Heads of Budget Agencies

REF NO: FS: 5/o XI

DATED: November 19, 2018

SUBJECT: **Wages/Salary Increases for 2018**

1. Government has also approved an increase for all public servants whose salaries and wages fall within the ranges herein stated as at December 31, 2017, with effect from January 1, 2018.

Salary Ranges	Applied Increase
Up to \$100,000	7.0%
\$ 100,000- \$ 299,999	6.5%
\$ 300,000- \$ 499,999	5.0%
\$ 500,000- \$ 699,999	3.0%
\$ 700,000- \$ 799,999	2.0%
\$ 800,000 - \$ 999,999	1.0%
\$1,000,000 and above	0.5%

2. These increases are payable to workers who were employed as at the November 2018 payroll. The increase is applicable to:
 - i. All traditional Public Servants, defined to mean those employed in Ministries, Departments not under Ministerial control, Regional Administrators, and Public Service related Agencies i.e. Commissions Secretariats and those who are engaged on contract positions reflected on the inventory of authorised positions of the Traditional Public Service and persons on contract outside on the inventorised positions.
 - ii. All members of the Disciplinary Services.
3. This circular is not applicable to teachers, employees of the University of Guyana, and Ministers and other Members of Parliament. A separate circular has been issued to address increases for teachers in keeping with the Memorandum of Agreement between the Ministry of Education and the Guyana Teachers' Union dated October 24, 2018.

4. Heads of Agencies not within the Traditional Public Service, for example, NAREI, GLDA, GSA and National Library, should approach the Finance Secretary of the Ministry of Finance in connection with increases within this framework, for their workers for the year 2018.
5. Workers employed in other Agencies not mentioned herein, for example, workers employed on Projects will be issued separate instructions by their respective policy Agencies.
6. For clarity, be informed that Government has approved the payment of an increased minimum basic salary of sixty four thousand two hundred dollars (\$64,200) as at December 31, 2017. This is applicable for all employees in the Public Service including workers deemed to be "red circled", with effect from 1st January, 2017. The monthly payment of any full-time employee below \$64,200 is **illegitimate**.
7. Expenditure for the salary increases will be met from Agency 03, Programme 1 - Chart of Account 6141, Other Employment Costs. Heads of Budget Agencies (Permanent Secretaries, Heads of Departments and Regional Executive Officers) should request **immediately** the amount necessary to make the payment of all arrears of salaries/wages by way of memorandum addressed to the Finance Secretary of the Ministry of Finance (for the attention of the Director, Office of the Budget). **The applicable Form: PL-4Y -Public Service Salary Increase must accompany all requests for payment and must be submitted on or before 4:30 pm, Friday, November 23, 2018. Requests submitted with incomplete or incorrect Forms will not be entertained.**
8. Government has approved also an increase to Government Pensioners whose pensions fall within similar ranges (as stipulated for salaries above at no. 2) as at December 31, 2017, with effect from January 1, 2018. These increases are payable to pensioners who became eligible on or before November 30, 2018.
9. The contents of this circular must be brought to the attention of all relevant personnel in your organisation and ensure that the full and correct payments are made within the December payroll of 2018. **Please note that the December pay date is December 14th, 2018, every effort should be taken to ensure that this date is honoured.**

Appendix 4 - List of Employees (New Recruits) that benefitted from retroactive salaries.

	Name of Employees	Date of Employment	Increase Amount	Retro Amount
			G\$	G\$
Executive Directors				
Christian Quaison	01.06.2018		20,978.46	125,871.00
Olston Thorman	20.08.2018		20,978.46	62,935.00
Elvis Jordon	03.04.2018		20,978.46	167,828.00
			62,935.38	356,634.00
Managers				
Faye Richards-Collins	16.04.2018		17,875.00	143,000.00
Kapil Singh	01.05.2018		16,057.28	112,401.00
Trishawn McGregor	01.09.2018		18,435.76	55,307.00
Orion Dhanraj	16.07.2018		18,320.71	73,283.00
Floy Niles	01.09.2018		17,616.30	52,849.00
Jason Andrews	01.10.2018		16,387.35	32,775.00
			104,692.40	469,615.00
Head Office				
Mahendra Mentore	14.02.2018		9,881.00	88,933.00
Zaheer Kahn	26.03.2018		11,117.00	88,933.00
Shanaz Samad	01.05.2018		9,881.00	69,170.00
Mark Veerasammy	19.04.2018		9,881.00	72,790.00
Allister Harry	01.05.2018		9,881.00	71,443.00
Rebecca Harris	16.04.2018		9,881.00	70,464.00
Oksana Adams	18.04.2018		9,881.00	59,289.00
Mikhail Robertson	27.06.2018		11,862.00	56,701.00
Harrinarine Balram	01.10.2018		9,881.00	19,763.00
Aniesa Persaud	01.10.2018		9,881.00	19,763.00
Gabriela Permansingh	01.10.2018		9,881.00	19,763.00
Stephano Seecharan	01.10.2018		9,881.00	19,763.00
Ronald Shepherd	01.04.2018		10,129.00	40,514.00
Xavier Fields	01.11.2018		9,881.00	9,881.00
Pooranlall Ballchan	17.09.2018		9,881.00	9,881.00
Sarah Ward	22.01.2018		4,499.00	66,746.00
Tiffany Sauns	12.03.2018		4,499.00	35,942.00
Fiona Browne	26.01.2018		4,231.00	53,764.00
Latoya Daly	19.03.2018		4,231.00	59,604.00
Waveney Melbourne	01.01.2018		4,848.00	59,685.00
Maureen Lachman	16.04.2018		4,499.00	26,994.00
Shivannah Sankar	16.04.2018		4,499.00	34,306.00
Odingo Lyken	01.06.2018		4,231.00	29,229.00
Dexter O'Brian	01.06.2018		4,231.00	25,385.00
Collwin Mentore	01.06.2018		4,231.00	25,385.00

Appendix 4 - List of Employees (New Recruits) that benefitted from retroactive salaries.

Name of Employees	Date of Employment	Increase Amount	Retro Amount
	dd.mm.yyyy	G\$	G\$
Leshawn Hinds	28.05.2018	4,499.00	26,994.00
Wendell Thomas	30.04.2018	4,859.00	35,069.00
Derek Jones	01.06.2018	4,231.00	22,130.00
Kevaughn Hutson	01.06.2018	4,231.00	21,484.00
Akeem Liverpool	01.06.2018	4,231.00	16,923.00
Sean Ault	25.07.2018	4,231.00	26,986.00
Nigel Thomas	02.08.2018	4,499.00	20,748.00
Stefon Ogle	17.09.2018	6,963.00	20,888.00
Johan Rampersaud	22.10.2018	4,859.00	5,679.00
Morris Keon	01.11.2018	4,837.00	4,837.00
Joel Davidson	03.07.2018	4,231.00	28,640.00
Ron Favorite	01.11.2018	4,859.00	4,859.00
Julianna Belle	01.11.2018	6,963.00	6,963.00
Emerson McKoy	01.11.2018	4,837.00	4,837.00
		264,009.00	1,381,128.00
Georgetown			
Takechand Rooplall	29.01.2018	9,881.43	98,814.00
Jawellin Jones Sealey	19.02.2018	9,881.43	19,763.00
Royston Reece	12.02.2018	4,230.80	48,935.00
Gillian Abrams	26.02.2018	4,499.04	45,418.00
Tia Fanfair	01.03.2018	4,499.04	36,504.00
Theola Callender	16.04.2018	4,230.80	33,427.00
Devon Miller	01.03.2018	6,962.69	101,692.00
Darren Roberts	28.05.2018	6,962.69	41,776.00
Patricia Murray	01.06.2018	4,230.80	26,019.00
Shondell Arthur	12.03.2018	4,230.80	33,376.00
Yonette Gordon	01.07.2018	4,230.80	12,692.00
Celicia Campbell	01.06.2018	4,230.80	21,768.00
Melissa Gordon	03.09.2018	4,230.80	4,231.00
Alex DeYounge	01.09.2018	6,962.69	20,888.00
Tolitha Wray	05.09.2018	4,230.80	8,983.00
Rondell Roberts	24.09.2018	4,230.80	8,645.00
Alana Albert	01.10.2018	4,499.04	8,998.00
Trenise Bearam	01.11.2018	4,230.80	4,231.00
Comoal Williams	15.10.2018	6,962.69	11,141.00
Selwin Grant	26.10.2018	4,858.98	6,008.00
Devon Joseph	01.11.2018	4,499.04	4,499.00
		112,776.76	597,808.00

Appendix 4 - List of Employees (New Recruits) that benefitted from retroactive salaries.

	Name of Employees	Date of Employment	Increase Amount	Retro Amount
			G\$	G\$
East Coast Demerara				
	Lenroy Hope	03.04.2018	4,230.80	48,861.00
	Ashana Griffith	15.01.2018	8,331.04	51,866.00
	Akelia McLennan	20.03.2018	8,331.04	36,468.00
	Tushanan Langevine	19.03.2018	4,230.80	44,221.00
	Tracey McEwan	19.03.2018	8,331.04	28,921.00
	Sentara Alleyne	19.03.2018	8,331.04	28,170.00
	Oleisa Jafferalli	26.03.2018	8,331.04	42,317.00
	Omeyana Venture	26.03.2018	8,331.04	23,391.00
	Iftikhar Husein	15.10.2018	4,499.04	4,499.00
			62,946.88	308,714.00
East Bank Demerara				
	Onica Demonic	04.01.2018	8,331.04	47,764.00
	Adacia James	05.02.2018	4,230.80	34,415.00
	Zameer Wazeralie	03.09.2018	4,499.04	22,290.00
	Tattianna Davis	08.10.2018	4,499.04	4,538.00
	Nackitna Nurse	08.10.2018	4,499.04	4,811.00
	Joel Latchman	01.10.2018	4,499.04	4,862.00
	Dennis Gill	01.10.2018	4,499.04	4,499.00
	Orlson Jackson	01.11.2018	4,230.80	4,231.00
			39,287.84	127,410.00
Region 3				
	Royston Garnett	03.04.2018	12,846.00	38,537.00
	Quincy Richmond	16.02.2018	4,499.00	25,385.00
	Shevon Isaacs	15.02.2018	4,499.00	34,334.00
	Nafeeza Haniff	12.03.2018	4,499.00	42,042.00
	Alisia Graham	15.02.2018	4,499.00	35,158.00
	Hemwattie Sukdeo	15.02.2018	4,231.00	39,916.00
	Anthony Stayman	01.04.2018	4,499.00	11,210.00
	Deamion Major	15.02.2018	4,231.00	25,916.00
	Derick Bourne	01.07.2018	4,859.00	40,588.00
	Mariah Low-Koon	04.04.2018	4,231.00	24,706.00
	Reignon Brojmohan	01.07.2018	6,963.00	349,334.00
	Geneane Kellman	01.07.2018	4,499.00	39,292.00
	Joan Critchlow	21.05.2018	4,231.00	21,154.00
	John Somerset	01.09.2018	4,499.00	14,354.00
	Stephney Rodrigues	02.08.2018	4,231.00	12,692.00
	Kester Dodson	01.09.2018	4,499.00	15,074.00
	Monique Lewis	01.10.2018	4,499.00	4,719.00

Appendix 4 - List of Employees (New Recruits) that benefitted from retroactive salaries.

Name of Employees	Date of Employment	Increase Amount	Retro Amount
	dd.mm.yyyy	G\$	G\$
Reesa Barron	01.10.2018	4,231.00	8,662.00
Kishanna Sam	01.10.2018	4,499.00	9,297.00
Raydon Barrow	06.08.2018	4,231.00	4,231.00
Akeem Bernard	08.10.2018	4,231.00	7,746.00
		103,506.00	804,347.00
Region 5			
Kelvin Hollingsworth	16.04.2018	4,230.80	31,127.00
Duke Jacque	16.04.2018	4,230.80	32,945.00
Bisnauth Bishun	01.05.2018	4,499.04	44,306.00
Nicollus Smith	16.04.2018	4,230.80	28,777.00
Joel Griffith	02.05.2018	4,499.04	17,996.00
Hackeem Fisher	09.07.2018	4,230.80	21,604.00
Witney Isaacs	02.05.2018	4,499.04	17,996.00
		30,420.32	194,751.00
Region 6			
Trendy Gray	01.01.2018	4,230.80	54,754.00
Daniel Luckham	01.01.2018	4,499.18	54,937.00
Quyce Lashley	02.01.2018	4,230.80	49,447.00
Deon Park	01.01.2018	4,230.80	48,655.00
Jonelle Downer	29.01.2018	4,230.80	52,126.00
Jomol Downer	02.01.2018	4,230.80	44,688.00
Hemradj Neeroram	29.01.2018	4,499.04	45,502.00
Surendra Persaud	29.01.2018	4,499.04	46,114.00
Kester Liverpool	01.01.2018	4,499.04	68,431.00
Kirth Fortune	02.01.2018	4,230.80	57,191.00
Claybryce Hawker	02.01.2018	4,230.80	45,432.00
Nevom Steele	01.01.2018	4,230.80	49,918.00
Clifford Hall	01.01.2018	4,499.04	60,863.00
Raeon Cush	29.01.2018	4,499.04	46,100.00
Trevlon Hayles	22.01.2018	4,230.80	51,656.00
Nicole Joseph	02.01.2018	4,499.04	49,663.00
Shakeem Gentle	02.01.2018	4,499.04	53,283.00
Leon Burnett	22.01.2018	4,499.04	52,777.00
Adelee Forde	02.01.2018	4,499.04	50,701.00
Simeon Allicock	02.01.2018	4,230.80	58,269.00
Nion Fraser	29.01.2018	4,499.04	47,405.00
Aaron Edwards	02.01.2018	4,230.80	59,637.00
Alwayne Daniels	12.02.2018	4,499.04	40,491.00
Michael Kinf	29.01.2018	4,499.04	45,833.00

Appendix 4 - List of Employees (New Recruits) that benefitted from retroactive salaries.

Name of Employees	Date of Employment	Increase Amount	Retro Amount
	dd.mm.yyyy	G\$	G\$
Eldon John	02.01.2018	4,230.80	47,738.00
Claude Lashley	02.01.2018	4,499.04	61,165.00
Kevin Roberts	02.01.2018	4,230.80	60,329.00
Tiffani Smartt	18.01.2018	8,331.04	34,115.00
Yadram Sukhraj	19.02.2018	4,499.04	40,491.00
Mandellah Thomas	05.02.2018	4,230.80	35,293.00
Kavita Persaud	12.06.2018	4,499.04	18,125.00
Bibi Hamid	25.06.2018	4,499.04	13,497.00
Delwyn Jacobs	13.08.2018	4,499.04	4,499.00
Shalina Hussain	15.10.2018	4,230.80	4,632.00
		152,775.90	1,553,757.00
Grand Total		933,350.48	5,794,164.00

APPENDIX 5 - WORK IN PROGRESS

GWI ACCOUNT

Contractor	Description of Work	Total Amount on WIP Register
Novad Investment	Drilling Potable Well In Region 9 GWI 2010/C079	410,000 2010
Pacific Services System	Trench Crossing supports DIV 3 GT Cont GWI 2010/C101	3,711,008 2010
Satar Mohamed	Rehabultation of portable water well DIV 2 GWI 2010/C089	14,237,310 2011
S Jagmohan Hardware Supplies	Installation of transmission main V/Rd Cont GWI 2011/064	4,259,000 2011
Mohamed Faraz Ahamad	Rehabilitation Transmission & Distribution Main on Cont# 2011\170	2,257,000 2012
Cummings Electrical Co. Ltd	Electrical Armoured Cable & single core on PO#22764 to facilitate the interconnection of raw water wells G/Town	50,593,890 2011
Mckenzie's Building And Civil Contracting Services	Rehabilitation Industry Well Site Cont#2012/032 V1 Div 3 ECD	744,619 2012
Macsood Ahamad	Supply & Installation of GWI Utility Network DDL Sales Office to Diamond EBD 2012/C044V2	122,403,256 2012
Rudolph Kissoon	Rehabiltation of Shelter belt front Fence on contract # 2012/069	1,711,420 2012
Cb General Contracting Services	Rehabilitation of Shelterbelt Compound Access Road, Vlissengen Road and Church Street, Georgetown	6,729,020 2014
Mohamed Faraz Ahamad	Installation of 200mm & 100mm Distribution Main with Fittings 100mm fITTINGS AND sERVICE cONNECTION uPGRADE AY NO 9 TO N0 21 vILLAHS bERBICE	2,227,824 2014
Paulo Oto Tavares De Melo	Drilling of Potable Water Well at Lethem, Region 9	3,000,892 2014
	Upgrade of HiAffinity and Implement new tariff rates	6,300,000 2014
Winston Jones	Service Connection Upgrade Georgetown	5,686,528 2014
Alfred Ramsaran	Construction of Pump House and Installation of Pipe Mains at Lethem Region 9	700,000 2014
Rudolph Kissoon	Construction of Fence at Cheshney& ECD Office	7,143,825 2014
Rudolph Kissoon	Rehabilitation/Construction Works at GWI Shelterbelt Compound Front Fence	3,101,060 2014
Wesley Haynes	Construction of Customer Service Office Melanie 2014/3465	3,198,800 2014
	Rehabiltation of customer service office Pouderoyen	8,106,090 2014
Alfred Ramsaran	Construciton of Pump House and Installation of Pipe Mains at Lethem, Region 9	4,116,200 2014

APPENDIX 5 - WORK IN PROGRESS

GWI ACCOUNT

Contractor	Description of Work	Total Amount on WIP Register
Olani Husbands	Rehabilition of Human Resources Building Shelterbelt Compound PO#3162.	5,582,523 2014
Alvin Chowramootoo	Install. of water distribution system 2012/C020V3	6,118,720 2014
Dynamic Engineering Co. Ltd.	Install Distr Line 2014/4682V1	3,707,980 2014
Aav Ragobeer	Drilling of potable water well 2014/2534V2	9,825,000 2014
Colin Reid	Installation Service connection/Meter service	306,544 2012
Million Mountain Engineering	Service Connection Upgrade Div 3 Georgetown	2,240,083 2014
Million Mountain Engineering	Service Connection Upgrade Georgetown	930,082 2014
Cb General Contracting Services Inc.	Service Connection Upgrade Georgetown	1,176,909 2014
Global Hardware Inc.	Installation of Distribution Main at D'Aguiar Park, Georgetown	1,441,837 2014
S & S Building Construction	Service Connection	2,774,694 2014
S & S Building Construction	Service Connection Upgrade Div 3 Georgetown	2,958,977 2014
	Miscellaneous	292,255,779 2013-2018
		579,956,869

IDB

Contractor	Description of Work	Total Amount on WIP Register
Envisage Marketing Company/EMTEC	620 Kits Binax Now Filariasis incl. of freight	1,273,200 2012
Egis Eau	Contract for Consultancy Ser. Between GWI & Egis Eau Fees, Consultancy, etc	208,722,274 2013 100,127,572 2011
George Torrington	Val #3: Ser Conn Upgrade - ECD, Div #3	153,571 2014
		310,276,616

APPENDIX 5 - WORK IN PROGRESS

GOG ACCOUNT

Contractor	Description of Work	Total Amount on WIP Register
T. Nurse Contracting Services	Ituni Treatment Plant Rehabilitation	2,784,077 2009
G. Bovell Construction Services	Rehab of Water Supply System @ Kurukabaru & Paramakatoi - Val#1	7,660,960 2010
Floyd Brown	SC Upgrade/Metering - #1 Road to Fylish - Advance	2,135,540 2010
Joshi Construction	Installation of Distribution Mains - Crabwood Creek - Val#1	5,828,918 2010
Yusuf General Contracting	Val#1:Install Water Distribution System-Monkey Mountain	6,600,000 2011
Bk International Inc.	Drilling of Potable Water Well-Hope, ECD, Region #4, Val #1 Adv Pmt	78,554,993 2011
Nabi Construction Inc	Drilling of Potable Water Well-Cotton Tree, Berbice, Region #5, Val #1 Adv Pmt	201,723,151 2011
S. Lorick Contracting Service	Supply & Installation of 300mm Transmission - Eccles to Providence	86,003,172 2012
Pioneer General Construction	Supply & Installation of 300mm Transmission - Providence to Mocha	88,476,141 2012
S. Lorick Contracting Service	Supply & Installation of 200mm Transmission - Bushlot to Eversham	60,270,975 2012
Alvin Chowramootoo	Supply & Installation of Distribution Mains - Eccles AA	6,890,300 2011
Malali Amerindian Village Council	Construction of a Spring Box, Installation of Pipes, Conduits, Pump & Interconnection Works - To Connect to PV System - Malali	4,000,000 2013
Narindra Lachman	Installation of Transmission Mains - Belvedere, Berbice, Reg #6	13,799,522 2013
Narindra Lachman	Val #1 (Adv Pmt): Service Connection Upgrade & Metering - Better Hope/ Mon Repos Area, Reg #4	17,882,560 2013
Glen Voglezon	Supply of Elster S150 Water Meters from UTECO	9,290,922 2013
Nandalall Seepaul	Inverness to Shields Town - Service Connection Upgrade	885,000 2013
Mohamed Salim Contracting Services	Inverness to Shields Town - Service Connection Upgrade	554,400 2013
Bridge Raaj Ramjit	Inverness to Shields Town - Service Connection Upgrade	315,000 2013
Ground Structures Engineering Consultants Inc	Val Adv Pmt: Drilling of Well - Mabaruma, Reg #1	3,000,000 2013
Aav Ragobeer	Consulting Services Contract for Geotechnical Engineering - Rapid Gravity Filter - Rose Hall Pure Water Plant	4,350,000 2013
Bk International Inc.	Construction of Pump House at Khan Hill Mabaruma	2,761,480 2013
Alvin Chowramootoo	Drilling of Potable Water Well at GLDA - Mon Repos, ECD, Reg #4	51,466,669 2013
Alvin Chowramootoo	Water Supply Improvement Project - Cobrora, Reg #1	8,217,460 2014
Mohamed Ahamad Construction Works	Installation of Water Distribution System - Rupanau	726,566 2014
Spads:	Val #1: Service Connection Upgrade, Div #5 - #56 Village & Queenstown WTP Network	4,516,164 2014
Y2k Construction	Grundfos Pumps & Electrical Equipment	8,634,360 2013
	Decommissioning of Old Mains, West & Est Bank, Linden Reg #10	2014

APPENDIX 5 - WORK IN PROGRESS

GOG ACCOUNT

Contractor	Description of Work	Total Amount on WIP Register
S.Jagmohan Hardware Supplies & Construction Services	Supply & Installation Materials for the Interconnection of Components within the Water Supply System, Linden, Reg #10	26,192,479 2014
Macsood Ahamad	Supply & Installation of 150mm PVC Distibution Mains - Agriculture Road to Lusignan, ECD, Reg #4	25,731,402 2014
Rudolph Kissoon	Supply & Installation of Distribution Main - Mahaicony Railway ECD, Reg #5	11,774,036 2014
Nandalall Seepaul	Service Connection Upgrade, Div #5 - #56 Village & Queenstown WTP Network	11,602,370 2014
Raphael Trotz	Service Connection Upgrade, Div #2 - Pouderyen & Fellowship WTP Area	3,471,691 2014
Y2k Construction	Val #1:Supply & Install 100mm PVC Dist Main - Melanie South, ECD, Reg #4	2,943,600 2014
Y2k Construction	Relocation of Distribution Mains - Windsor Forest, WCD	14,095,899 2014
R. Kissoon Contracting Service	Supply & Installation of 150mm PVC Distibution Mains - Victoria South, ECD, Reg #4	17,325,220 2014
E & A Consultants Inc.	Consultancy Ser Construct for Geotechnical Investigation	8,048,000 2014
Corwin John	Ser Conn Upgrade - ECD Div #3	5,406,291 2014
Dax Contracting Services	MOTOR ELMA0KSAN SUBMERSIBLE 2014/C4137V2 -DAX Contracting Services	4,135,675 2014
George Torrington	Ser Conn Upgrade - Div #3 ECD	877,891 2014
James Vaughn	Ser Conn Upgrade & Metering, Div #2 WBD	4,309,700 2014
Jane Ann Robinson Contracting	Ser Conn Upgrade, Div #3 - ECD	1,230,882 2014
Keyon Boyce	Ser Conn Upgrade - Div #2, Crane	2,991,655 2014
Million Mountain Engineering	Ser Conn Upgrade - G/Town, Div #3	2,452,634 2014
Prestige Works	Val #1: Ser Conn Upgrade - EBD, Div #3	2,332,976 2014
Rudolph Kissoon	Val #1: Ser Conn Upgrade - ECD Div #3	2,138,904 2014
S & S Building Construction	Val #1: Ser Conn Upgrade, Div #3 - G/Town	2,427,013 2014
S.Jagmohan Hardware Supplies & Construction Services	Supply & Construct Potable Water Well, Lot 1 - Providence, EBD	23,923,005 2014
Valmiki Tulsi	Ser Conn Upgrade - ECD Div #3	476,560 2014
Virjanand Ramlal	Ser Conn Upgrade & Metering - Div #2 WBD	3,648,308 2014
		177,536,191
	GOG Holding 2011 - 2014	18,662,129
		196,198,320

Appendix 6
Contractor: James Samuel

Date of Contract	Contract Number	Order Number	Amount G\$	Contract Description	Division
09.01.2018	2018/20480	20506	10,000,000	Seaquest Delivery	GT
09.01.2018	2018/20481	20507	10,000,000	Seaquest Delivery	GT
10.01.2018	2017/20403	20541	3,000,000	Transportation	2,3,4,5 & 6
16.01.2018	2018/20590	20657	10,000,000	Seaquest Delivery	GT
16.01.2018	2018/20592	20658	10,000,000	Seaquest Delivery	GT
16.01.2018	2018/20589	20656	10,000,000	Seaquest Delivery	GT
16.01.2018	2018/20588	20655	<u>10,000,000</u>	Seaquest Delivery	GT
			<u>63,000,000</u>		
14.03.2018	2018/21646	21650	10,000,000	Seaquest Delivery	GT
14.03.2018	2018/21643	21647	3,000,000	Transportation	2,3,4,5
14.03.2018	2018/21645	21648	<u>10,000,000</u>	Seaquest Delivery	5
			<u>23,000,000</u>		
16.05.2018	2018/22495	22496	3,000,000	Transportation	GT
16.05.2018	2018/22497	22500	<u>10,000,000</u>	Seaquest Delivery	GT
			<u>13,000,000</u>		
07.06.2018	2018/22864	22865	10,000,000	Seaquest Delivery	GT
15.06.2018	2018/22998	22999	3,000,000	Transportation	2,3,4,5 & 6
15.06.2018	2018/22996	22997	<u>10,000,000</u>	Seaquest Delivery	1
			<u>23,000,000</u>		
26.07.2018	2018/23550	23551	10,000,000	Seaquest Delivery	5
26.07.2018	2018/23552	23553	10,000,000	Seaquest Delivery	GT
26.07.2018	2018/23548	23549	10,000,000	Seaquest Delivery	GT
26.07.2018	2018/23546	23547	<u>3,000,000</u>	Transportation	2,3,4,5 & 6
			<u>33,000,000</u>		
05.09.2018	2018/24135	24158	10,000,000	Seaquest Delivery	GT
05.09.2018	2018/24130	24133	10,000,000	Seaquest Delivery	Reg 3 & 4
24.09.2018	2018/24372	24373	10,000,000	Seaquest Delivery	5
24.09.2018	2018/24370	24371	10,000,000	Seaquest Delivery	1
24.09.2018	2018/24374	24375	10,000,000	Seaquest Delivery	GT
24.09.2018	2018/24390	24391	3,000,000	Transportation	2,3,4,5 & 6
24.09.2018	2018/24392	24393	<u>10,000,000</u>	Seaquest Delivery	5
			<u>63,000,000</u>		
29.10.2018	2018/24893	24894	10,000,000	Seaquest Delivery	GT
29.10.2018	2018/24895	24896	<u>10,000,000</u>	Seaquest Delivery	GT
			<u>20,000,000</u>		
18.12.2018	2018/25362	25363	3,000,000	Transportation	2,3,4,5 & 6
18.12.2018	2018/25360	25361	<u>10,000,000</u>	Seaquest Delivery	GT
			<u>13,000,000</u>		
Total			<u>251,000,000</u>		

APPENDIX 7
Customer with duplicate accounts

Name of Customer	Account Nos.
C. Gravesande	1083939 1062529
Deokie Sankar	1159718 1136211
Temaul Singh	1016803 1016804
P.Rakumar	1111357 1177940
Ishmael	1034464 1034693
Somar	1004281 1030730 1024132
Bibi Masmat Abraham	1032990 1025099
Rebecca Parshad	1135430

APPENDIX 8
OVERBILLED ESTIMATES

Name of Customer	Account Number	Reasons for overdue balance
John Zammett	1105908	Estimated billing. GWI written off \$1,241,542
Matthew Felix	1044459	Customer was overbilled and portion of balance was written off. However, no payments nor billings were recorded in the customer account.
Rookmin Balbadar	1084725	Estimate billing. GWI written off \$363,412
GPL	1072111	Customer balance of \$708,135 was written off. However in 2020, billing amount of \$125,654 was recorded but no payment was applied to this balance.
Violet Cozier	1141253	Based on information shown in Hi- Affinity, this account was opened in her name as an error. Customer balance of \$133,563 was written off

APPENDIX 9
PAYMENTS WERE NOT MADE BY CUSTOMERS

Enterprise Nursery School	1197997
Union/Naarstigheid NDC	1171540; Service was disconnected in 2018. Last payment on account in 2007 of \$4,000.
E. Ramsammy	1074748
Jacklyn Collins	1113407
Cecil Veersammy	1069032
Bartica Market	1064779; Service was disconnected in 2019. Reconnection fee was never billed to customer account. No payments were seen recorded to customer account. A balance of \$195,871 was written off.
Gary Williams	1170568; A balance of \$269,297 was written off. No payments were seen recorded to customer account.
Hylude Grocery Shop	1131117
GMM &GWU	1173690