AUDITED FINANCIAL STATEMENTS OF THE
GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT
FINANCING AGREEMENT №. 6009-GY

FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th></th>
<th>TRANSMITTAL LETTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>AUDITOR'S OPINION ON THE STATEMENT OF SOURCES AND USES OF FUNDS STATEMENT OF CUMULATIVE INVESTMENT AND ASSET REGISTER</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>AUDITED STATEMENT OF SOURCES AND USES OF FUNDS STATEMENT OF CUMULATIVE INVESTMENT AND ASSET REGISTER</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>AUDITOR'S OPINION ON THE ELIGIBILITY OF EXPENDITURE</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>AUDITOR'S OPINION ON THE DESIGNATED ACCOUNT RECONCILIATION</td>
<td>19</td>
</tr>
<tr>
<td>6</td>
<td>AUDITED DESIGNATED ACCOUNT RECONCILIATION STATEMENT</td>
<td>21</td>
</tr>
<tr>
<td>7</td>
<td>AUDITOR'S OPINION ON COMPLIANCE WITH THE FINANCING AGREEMENT AND THE RELEVANT LAWS AND REGULATION</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>COMPLIANCE WITH THE FINANCING AGREEMENT</td>
<td>24</td>
</tr>
<tr>
<td>9</td>
<td>MANAGEMENT LETTER</td>
<td>28</td>
</tr>
</tbody>
</table>
Ms. Adele Clarke
Permanent Secretary
Ministry of Education
26 Brickdam
Georgetown.

Dear Ms. Clarke,

AUDIT OF THE RESOURCES MANAGED AND USED BY THE MINISTRY OF EDUCATION UNDER THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT CREDIT AGREEMENT No 6009-GY FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

I forward herewith two (2) copies of the audited financial statements for the above-mentioned Project for the period 8 August 2017 to 31 December 2018, together with the Report of the Auditor General and management letter thereon.

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

With kind regards.

Yours sincerely,

Ms. Dawn Pearson
Audit Manager
for Auditor General
133/IDA: 21/1/2019

13 June 2019

Ms. Hongyu Yang
Task Team Leader
Human Development Department
Latin America and Caribbean Regional Office
World Bank
1818 H Street N.W
Washington D.C 20433
USA.

Dear Ms. Yang,

AUDIT OF THE RESOURCES MANAGED AND USED BY THE MINISTRY OF EDUCATION UNDER THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT CREDIT AGREEMENT No 6009-GY FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

I forward herewith one (1) copy of the audited financial statements for the above-mentioned Project for the period 8 August 2017 to 31 December 2018, together with the Report of the Auditor General and management letter thereon.

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

With kind regards.

Yours sincerely,

[Signature]

Ms. Dawn Pearson
Audit Manager for Auditor General
REPORT OF THE AUDITOR GENERAL ON THE
STATEMENT OF CUMULATIVE INVESTMENTS
STATEMENT OF SOURCES AND USES OF FUNDS AND THE
ASSET REGISTER OF THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT № 6009-GY)
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

Opinion

I have audited the financial statements of the Guyana Education Sector Improvement Project which comprise the Statement of Cumulative Investments for the period 8 August 2017 to 31 December 2018, the Statement of Sources and Uses of Funds, and the Asset Register for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Guyana Education Sector Improvement Project for the period 8 August 2017 to 31 December 2018 have been prepared in all material respects, in accordance with the financial reporting requirements of Section 4:09 of the General Conditions of Financing Agreement (Credit Agreement № 6009-GY) dated 22 June 2017 between the Cooperative Republic of Guyana and the International Development Association.

Basis of Opinion

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

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements established in Section 4:09 of the General Conditions of Financing Agreement (Credit Agreement № 6009-GY) and for such internal control as management determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.
Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance that 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 my 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 the Project’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.
GOVERNMENT OF GUYANA  
MINISTRY OF EDUCATION  
Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)  
CREDIT AGREEMENT No. 6009 - GY  
STATEMENT OF CUMULATIVE INVESTMENT  
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>USS</td>
<td>GS</td>
<td>USS</td>
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<tr>
<td>1. Goods, non-consulting services, consulting services and Training for Part 1 of the Project</td>
<td>307,001.77</td>
<td>63,647,182</td>
<td>63,647,182</td>
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<td>2. Goods, works, works, non-consulting services, consulting services and Training for Part 2 of the Project</td>
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<td>Total</td>
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<td>112,878,438</td>
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</table>

Ms. Quenita Walrond-Lewis  
Project Coordinator  
Ministry of Education

Ms. Adele Clarke  
Permanent Secretary  
Ministry of Education

The accompanying notes form an integral part of these financial statements.
GOVERNMENT OF GUYANA  
MINISTRY OF EDUCATION  
Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)  
CREDIT AGREEMENT No. 6009 - GY  
STATEMENT OF SOURCES AND USES OF FUNDS  
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

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<td>World Bank</td>
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<td>Direct Payment</td>
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<td>Other disbursement methods</td>
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<td>Government - Sale of bid documents</td>
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<td><strong>Total Receipts (A)</strong></td>
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<td>LESS EXPENDITURES BY COMPONENT</td>
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<tr>
<td>Component 1 - Integrated Curriculum Reform</td>
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<tr>
<td>Component 2 - Strengthening the Teaching Capacity and Improving the Learning Environment for the University of Guyana Faculty of Health Sciences</td>
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<tr>
<td>Component 3 - Project Implementation Support</td>
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<td><strong>Total Expenditures (B)</strong></td>
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<td>BANK BALANCES</td>
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<tr>
<td><strong>Total Opening Balance</strong></td>
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<td>Closing Cash Balances</td>
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<tr>
<td><strong>Total Closing Balance</strong></td>
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<td>204,045,329</td>
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</tbody>
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Ms. Quenita Walrond-Lewis  
Project Coordinator  
Ministry of Education

Ms. Adele Clarke  
Permanent Secretary  
Ministry of Education

The accompanying notes form an integral part of these financial statements
GOVERNMENT OF GUYANA  
MINISTRY OF EDUCATION

Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)  
CREDIT AGREEMENT No. 6009 - GY  
ASSET FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

<table>
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<tr>
<th>ASSET GROUP</th>
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<td></td>
<td>US$</td>
<td>US$</td>
<td>US$</td>
<td>GS</td>
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<tr>
<td>CURRICULUM REFORM - National Centre for Educational Resource Development (NCERD)</td>
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<td>125,984</td>
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<td>26,015,784</td>
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1. PROJECT DESCRIPTION

Project Development Objective (PDO)
The Project Development Objectives are to: (a) improve teaching practices and student achievement in mathematics at the Primary Level in selected schools; and (b) strengthen the teaching capacity and improve the learning environment of the University of Guyana, Faculty of Health Sciences (UG FHS).

Project Beneficiaries
The main beneficiaries of the Project will be the students of nursery, primary, and lower secondary schools and students at the UG FHS, who will receive better quality of services. The first part of the PDO focuses on mathematics, as this is the area of greatest need for Guyana’s students, and the methodology used to revise the mathematics curriculum and teaching practices will be used to revise other subjects later in the Project. Through its focus on teaching methods targeted to children’s learning levels, the Project is expected to benefit traditionally disadvantaged students along dimensions of gender, disability, and indigenous ethnicity. Additionally, teachers, Ministry of Education (MOE) and the National Center for Educational Resource Development (NCERD) officials, UG staff, the productive sector, employers, and the general public will benefit from the activities of the Project.

PDO-Level Results Indicators
Progress towards meeting the Project Development Objective would be measured by the following results indicators:

(a) PDO Indicator 1: Percentage of students with "approaching standard" or "attained standard" in numeracy in the National Grade Two Assessment.
(b) PDO Indicator 2: Percentage of pilot school teachers meeting standards in student-centered teaching practices.
(c) PDO Indicator 3: Medicine program at the UG meets CAAM-HP reaccreditation requirements for facilities, course delivery, and student performance assessment.

Project Components
The Project would achieve its development objectives through implementation of three components:

1. Integrated Curriculum Reform (estimated total cost: US$5.36 million);
2. Strengthening Teaching Capacity and Improving Learning Environment for the Faculty of Health Sciences at the UG (estimated total US$ 6.91 million); and

Component 1: Integrated Curriculum Reform (estimated total cost US$5.36 million).

The objective of this component is to improve student achievement at nursery, primary, and lower secondary levels. This will be achieved by implementing a phased revision of the curriculum, defined not only as the content students are expected to learn in each subject and grade level, but also as the way in which that content is taught, with an emphasis on interactive, student-centered pedagogies, social inclusion and gender informed approaches. This component has four subcomponents: (a) development of a curriculum framework and teaching guides, (b) teacher training, (c) strengthening of national assessment capacity, and (d) teaching and learning materials.

To build capacity for continuous improvement in the education system, the reforms will be phased in by subject and level. Guided by an overall curriculum framework, each subject course outlines will be revised— including revised teaching methods, assessments, and materials — and implemented in a set of pilot schools. The pilot schools will represent different regions of Guyana, including schools in Hinterland regions and riverine areas; different levels of student preparation and academic performance; different sizes and mixes of grade levels; and schools with students with disabilities. The pilot schools will be randomly assigned from a sampling frame in selected regions to enable an impact evaluation. The experience of the pilot schools and feedback gathered from beneficiaries will inform further revisions before the new subject curriculum is scaled up nationwide. The first subject curriculum to be revised, piloted, and scaled up nationwide will be primary-level mathematics, in view of Guyana’s particular weakness in mathematics and the critical importance of improving early grade outcomes for students’ future success. Drawing on this experience, the project will then repeat the process for secondary-level mathematics and primary-level English, followed in later years by secondary English and other subjects, as well as the nursery curriculum.

Subcomponent 1.1 – Curriculum Framework and Teaching Guides (estimated total cost: US$1.234 million).

To ensure coherence across subjects and levels, and to articulate the desired learning outcomes for each level, this sub-component will (a) develop a curriculum framework for nursery, primary and lower secondary levels. The framework will establish a vision of the ideal graduate from each level of the school system and a map for the subject-specific revisions of curriculum and pedagogy. (b) It will carry out a training for MOE Staff on current best practices in curriculum writing, teaching methods, and teacher training, including cross cutting dimensions such as social inclusion and gender informed approaches. (c) It will develop teaching guides and course outlines.
for selected subjects for nursery, primary and lower secondary grades, these guides will give due consideration to the above listed cross cutting dimensions. It will take on board a synthesis of findings from MOE and NCERD’s ongoing consultations with educators, faith and business leaders, parents, students, and community members across the country, including a specific consultation with persons with disabilities. The framework will be developed by a Core Technical Committee (CTC), to include representatives of the MOE, NCERD, CPCE, and the UG, retired educators, and of the indigenous community, and it will be approved by the Education Systems Committee of the MOE. (d) Finally, it will provide office and training equipment for NCERD as part of the capacity building.

Guided by the curriculum framework, course outlines and teaching guides will be developed by Subject-Specific Committees (SSCs). The SSCs will include individuals with technical expertise on each subject and will include representatives of indigenous communities. The teaching guides will outline the objectives, content, teaching and learning activities, teaching and learning strategies, assessment (see subcomponent 1.3), and learning support materials (see subcomponent 1.4) for each level, taking particular care to ensure coherence at the transitions between different levels of education (i.e. nursery to primary and primary to lower secondary). The CTC and SSCs will assure that indigenous culture will be included in the curriculum in various forms, e.g. through indigenous history, and indigenous stories.

Subcomponent 1.2 – Teacher Training (estimated total cost: US$2.430 million).

This subcomponent will provide support for the: (a) development and carrying out of teacher training courses on student-centered pedagogies and student assessment practices consistent with the new curriculum framework, including strategies to improve student inclusiveness; (b) training of master trainers and curriculum officers on the implementation of the new teaching guides and course outlines and student-centered pedagogies; (c) carrying out of capacity-building activities by the master trainers to public school teachers, principals and regional and district education officers on the new teaching guides, course outlines and student-centered pedagogies; and (d) carrying out of classroom observation of selected public school teachers and the related impact evaluation.

As the curriculum for each subject is revised and finalized, the training program will likewise be revised and scaled up nationally and integrated into the pre-service teacher training program at the Cyril Potter College of Education (CPCE) and the UG Faculty of Education. The training will be supported by sample lessons and a website for support resources, which would provide opportunities for sharing of best practices and raising concerns about the curriculum. This content will be delivered to hinterland teachers without internet access through regional hubs and by CD-ROM or other methods provided by traveling inspectors.
Classroom observation of teachers will be enhanced through the new open-source classroom observation tools being developed by the Systems Approach for Better Education Results (SABER) at the World Bank. Once validated for the Guyanese context, the tools will provide a baseline for teaching practices and will be incorporated into regular school-based supervision. The World Bank will provide technical support and training for the validation and implementation of these tools.

The teacher training will include sensitization of teachers on the consequences of biases (conscious or unconscious) against students of different genders, racial and ethnic groups, and students with disabilities. The training will equip teachers with classroom strategies to help overcome these biases and to accommodate students with special needs and diverse learning styles. The training will promote the use of mother-tongue instruction, when the instructor has the appropriate language skills, to supplement English-language instruction in hinterland regions. Teachers will also be trained to allow pupils to express themselves in their mother tongue and not stigmatize this expression. Members of indigenous communities will be included as master trainers; currently 4 of 31 master trainers are from indigenous communities.

Subcomponent 1.3—Strengthening of National Assessment Capacity (estimated total cost: US$0.314 million).

This subcomponent will strengthen national and school-level capacity to administer effective student learning assessments, analyze student performance, and feed results into improvements in the curriculum and teaching process. Specifically it will provide support for: (i) at the national level: (a) the development of end-of-term assessments for selected subjects of the recipient’s nursery, primary and secondary grades; (b) the alignment of national student examinations with the new revised course outlines consistent with the new curriculum framework; (c) the development of software for the analysis of the results of national student examinations by the NCERD Measurement and Evaluation Unit; and (d) the improvement of the format of student examinations results reports and the utilization of the results; (ii) at the school level, carrying out of capacity-building activities for: (a) public school administrators and teachers on interpreting and using the student examinations results; and (b) public school teachers on the design of student learning assessments and adaptation of teaching methods; and (iii) the carrying out of capacity-building activities for: (a) the NCERD Measurement and Evaluation Unit on assessment design; and (b) NCERD and other relevant MOE’s staff on the design of examination items to measure higher-level thinking, and on using the school-level student examination results reports for continuous examinations improvement and course outlines revision.
At the school level, this subcomponent will build teacher and school administrator capacity to use both national examination results and classroom assessments effectively. The key activities will be: (a) training school administrators and teachers on how to interpret and use the improved school-level reports on national standardized examination performance, and (b) training for teachers on how to design classroom assessments to identify weaknesses in student learning and then adapt their teaching methods to achieve better learning outcomes.


This subcomponent would support the development, acquisition and distribution of teaching and learning materials consistent with the new curriculum framework for selected subjects at nursery, primary and lower secondary levels.

Specifically, these will include developmentally-appropriate, play-based learning materials at the nursery level; and course outlines, workbooks, and charts at the primary and lower secondary levels. The materials will be designed to depict males and females, members of different ethnic and racial groups including Amerindians, and disabled students in a positive and inclusive manner that does not reinforce gender, ethnic, and other stereotypes or traditional roles. Indigenous cultural materials will be included in these materials.

Component 2: Strengthening Teaching Capacity and Improving Learning Environment for the Faculty of Health Sciences at the UG (estimated total cost: US$ 6.91 million).

This component will support UG Faculty of Health Sciences (FHS) in achieving and maintaining regional accreditation for programs through improved and sustained teaching quality and learning environment. It will build on the UG FHS recently revised curricula and improve conditions for teaching faculty. The two subcomponents will: (a) strengthen the capacity of teaching, course delivery, and establish a student performance and evaluation framework, and (b) improve the learning environment by financing the construction of a new health sciences education building with modern training and laboratory facilities.

Subcomponent 2.1 – Strengthening Teaching Capacity. (estimated total cost: US$60,000; IDA: US$30,000; UG: US$30,000).

This subcomponent will provide support for the: (a) carrying out of activities to strengthen the capacity of the UG FHS lecturers on course delivery using modern medical and health education methodologies; and (b) the establishment of a student performance and evaluation system consistent with requirements for CAAM-HP accreditation.
In more detail, this subcomponent will provide technical support for gradually modifying and adapting the course structures and contents of the UG Faculty of Health Sciences in line with problem-based, competency-oriented and team-based training and learning, consistent with the global guidance and standards in this respect by WHO/PAHO and the World Federation for Medical Education (WFME). The student evaluation will align with national and international norms of accomplishment and performance within the health care system; which employs a variety of modern measures of assessing new knowledge, skills, and clinical and non-clinical competencies, behaviors, and attitudes. This includes skills reflecting the enhanced prominence of social determinants of health in Guyana. Counterpart funds will support the training for FHS lecturers, while the IDA funds will support the development of a student performance and evaluation framework/system.

**Subcomponent 2.2 – Improving Learning Environment at UG FHS.** (estimated total cost: US$6.88 million).

This subcomponent will provide support for the design, construction and acquisition of furniture and equipment for a new health sciences building at the UG Turkeyen Campus existing at this time.

The current facility lacks sufficient laboratories and other clinical and non-clinical infrastructure necessary to support and sustain regional accreditation for the UG’s Health Sciences programs. The existing FHS buildings will continue to house teaching spaces and administrative offices once the new FHS is completed.

The proposed new FHS is planned with a gross floor area of approximately 40,000 square feet. It will provide a variety of teaching and multi-purpose spaces, giving flexibility that will allow for an optimal use of space to suit the different usage demands. These include clinical and non-clinical approaches such as skill labs and team-based, patient problem-based teaching and learning. As such, the FHS will complement the existing facilities for clinical rotations at academic teaching hospitals in Georgetown and rural areas. In addition to the teaching and learning spaces, the new FHS will house laboratories that will improve the capacity of the Faculty of Health Sciences to sustain its CAAM-HP accreditation requirements. Laboratory spaces will include a research lab, a microbiology lab, a histotechnology lab, a hematological/biochemistry lab, an anatomy lab and a skills lab. The planning of the new FHS will be such that through the use of reconfigurable multi-purpose spaces, the FHS will be able to accommodate MOOCs.

---

1 In line with the health and medical education approaches and curricula reforms of such universities and medical schools as McMaster University (Canada), Maastricht University (the Netherlands) and possibly those of the University of the Philippines School of Health Sciences in Leyte ("step-ladder approach").
green design and resilience to climate change hazards and disaster risks. In addition, the building wi (massive on-line open courses) teaching and presentations for those health and medical curricula courses for which teaching faculty or material at UG is scarce or missing.

In accordance with CAAM-HP requirements, the building will be completed inclusive of furniture and medical equipment. In line with the government strategy and to reduce the vulnerability to flooding, the design of the building will incorporate good practices with regard to sustainability, provide a barrier-free environment to ensure no one is physically excluded from use of it by unnecessary architectural or engineering barriers.


This component would support for (a) Project coordination, implementation and administration, including inter alia, the carrying out of monitoring and evaluation, procurement, financial management and environmental activities, and Project audits; and (b) For capacity-building activities on Project implementation.

2. BASIS OF PREPARATION

The Financial Statement have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting which recognizes transactions and events only when cash is received or paid by the Project.

Translation of local currency

United States currency (US$) is translated to local currency (GY$) at the rate of exchange at Bank of Guyana on the date the funds are deposited into the local currency account that supports the US$ designated account held at Bank of Guyana. Local currency disbursed is translated to US$ at the same rate at which the US$ funds were received into the local currency account. The rates of exchange during the period in the conversion of Guyana currency to United States currency were GY$206.5 = US$1 (January to May), and GY$208.5 = US$1 (June to December). There were no foreign exchange gain or loss during the financial period.
GOVERNMENT OF GUYANA
MINISTRY OF EDUCATION
Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)
CREDIT AGREEMENT No. 6009-GY
NOTES TO THE FINANCIAL STATEMENT – CONT’D
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

3. AVAILABLE CASH BALANCES

a) Closing balances as at 31 December 2018

i. Crown Agents Bank Account No. 33681123 958,261.14
ii. Bank of Guyana No.0162700406011 19,602.39

Total 977,863.53

b) Project local account

Local account – US$19,602.39
Petty cash – US$ 968.43

Balance in project local account US$20,570.82

4. DESIGNATED ACCOUNT

(a) In accordance with the Disbursement letter the Designated Account was established to deposit
advances withdrawn from the Credit to facilitate eligible expenditure. During the period under
review advances made by World Bank to the Designated Account in the sum of US$1,523,687.15
through withdrawal application No. 1 & 3.

(b) During the period under review, disbursements were made for a total amount of US$545,024.63 as
follows:

i. Documented expenditure amount for a total sum of US$257,109.58 through withdrawal
application No. 2 & 3

ii. Expenditure made during the current period under review documented after 31 December
2018 for a total sum of US$287,915.05 through withdrawal applications No. 4

5. SOURCES AND USE OF FUNDS

The Statement of Sources and Uses of funds represent expenditures, which are paid in the period.
Fixed assets and inventory of books are considered as expenditures under the Programme.
6. EXCHANGE RATE GAIN

During the period under review there was a total gain of US$ 467,617.98 due to the increase in the exchange rates SDR versus US dollars from 1.346153939 as at 22 June 2017 to 1.39338857878 as at 31 December 2018.

<table>
<thead>
<tr>
<th>Loan</th>
<th>SDR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Signing 22 June 2017</td>
<td>9,900,000.00</td>
<td>13,326,924.00</td>
</tr>
<tr>
<td>Undisbursed Funds as at 31 December 2018</td>
<td>8,822,938.64</td>
<td>12,270,854.83</td>
</tr>
<tr>
<td>Add: Disbursed Advances</td>
<td>1,077,061.36</td>
<td>1,523,687.15</td>
</tr>
<tr>
<td>Total Funds Available as at 31 December 2018</td>
<td>9,900,000.00</td>
<td>13,794,541.98</td>
</tr>
<tr>
<td>Gain due to SDR movement</td>
<td></td>
<td>467,617.98</td>
</tr>
</tbody>
</table>
GOVERNMENT OF GUYANA
MINISTRY OF EDUCATION
Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)
CREDIT AGREEMENT No. 6009-GY
NOTES TO THE FINANCIAL STATEMENT – CONT’D
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

7. IMPLEMENTATION STRUCTURE
REPORT OF THE AUDITOR GENERAL ON THE 

ELIGIBILITY OF EXPENDITURE 

FOR THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT 

FINANCING AGREEMENT (CREDIT № 6009-GY) 

FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

Opinion

I have audited the Requests for Reimbursement of Expenditure submitted for the Guyana Education Sector Improvement Project for the period 8 August 2017 to 31 December 2018, in support of credit withdrawals under Financing Agreement (Credit № 6009-GY).

In my opinion, the expenditure submitted for reimbursement were eligible to be replenished from the funds of the Project, the funds were used for the purposes intended and the internal control and procedures used in the preparation of the Requests for Reimbursement of Expenditure can be relied upon to support each request.

Basis of Opinion

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

Management’s Responsibility for the Financial Statements

Management is responsible for the Requests for Reimbursement of Expenditure in accordance with the requirements established in Section IV of the Financing Agreement (Credit Agreement № 6009-GY) and for such internal control as management determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.
Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance that 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 my 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 the Project’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA
REPORT OF THE AUDITOR GENERAL ON THE
DESIGNATED ACCOUNT RECONCILIATION STATEMENT
AND THE PROJECT ACCOUNTS
FOR THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT № 6009-GY)
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

Opinion

I have audited the Designated Account Reconciliation Statement and the Project Accounts submitted for the Guyana Education Sector Improvement Project for the period 8 August 2017 to 31 December 2018. This statement and the accounts are the responsibility of the Guyana Education Sector Improvement Project.

In my opinion, the Designated Account Reconciliation Statement and the Project Accounts, used for managing the funds provided by the International Development Association, presents fairly, in all material respects, the availability of funds for the period 8 August 2017 to 31 December 2018, as well as the transactions made during the same period, in accordance with the financial reporting provisions outlined in the Financing Agreement.

Basis of Opinion

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

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements established in Section 4:09 of the Financing Agreement (Credit Agreement № 6009-GY) and for such internal control as management determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.
Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance that 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 my 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 the Project’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA
GOVERNMENT OF GUYANA
MINISTRY OF EDUCATION

Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)
CREDIT AGREEMENT No. 6009 - GY
DESIGNATED ACCOUNT RECONCILIATION STATEMENT
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018
ACCOUNT NUMBER: 33681123 CROWN AGENTS BANK LIMITED

<table>
<thead>
<tr>
<th>Description</th>
<th>US$</th>
<th>G$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Advanced By World Bank (or Cofinancier)</td>
<td>1,523,687.15</td>
<td>315,362,089</td>
</tr>
<tr>
<td>Less: Eligible Expenditure Documented by World Bank</td>
<td>257,109.58</td>
<td>53,093,128</td>
</tr>
<tr>
<td>PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)</td>
<td>1,266,577.57</td>
<td>262,268,961</td>
</tr>
<tr>
<td>Balance of Designated Account per attached Bank Reconciliation Statement as at 31 December 2018</td>
<td>958,261.14</td>
<td>199,797,448</td>
</tr>
<tr>
<td>4.1 Balance in Project Local Account (Note 3 (b))</td>
<td>20,570.82</td>
<td>4,247,881</td>
</tr>
<tr>
<td>PLUS: Eligible Expenditure for the current period Documented after period end (Withdrawal Application #4)</td>
<td>287,915.05</td>
<td>59,785,310</td>
</tr>
<tr>
<td>PLUS: Total Amount Withdrawn and not yet Claimed</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>REASON: Application was pending signature in client connection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLUS: Amounts claimed in pervious applications not yet Credited at Date of Bank Statements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>APPLICATION NO.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA #</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED (NO. 5 to NO.7)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LESS: INTEREST EARNED</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)</td>
<td>1,266,747.01</td>
<td>263,830,639</td>
</tr>
<tr>
<td>DIFFERENCE (3 - 9)</td>
<td>(169.44)</td>
<td>(1,561,678)</td>
</tr>
</tbody>
</table>

EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10: US$ - Deposit of sale of bid documents (G$ sale of bid documents plus movement of exchange rate during the period)

Ms. Quenita Walrond-Lewis
Project Coordinator
Ministry of Education

Ms. Adele Clarke
Permanent Secretary
Ministry of Education

The accompanying notes form an integral part of these financial statements
REPORT OF THE AUDITOR GENERAL ON THE
COMPLIANCE WITH THE FINANCING AGREEMENT AND THE
RELEVANT LAWS AND REGULATIONS
FOR THE GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT № 6009-GY)
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018

Opinion

I have audited the financial statements of the Guyana Education Sector Improvement Project which comprise the Statement of Cumulative Investments for the period 8 August 2017 to 31 December 2018, the Statement of Sources and Uses of Funds, and the Asset Register for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the Guyana Education Sector Improvement Project complied with Articles I to V of the Financing Agreement (Credit № 6009-GY) and the relevant laws and regulations for the period 8 August 2017 to 31 December 2018.

Basis of Opinion

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

Management’s Responsibility for the Financial Statements

Management is responsible for the compliance with the requirements of Articles I to V of the Financing Agreement (Credit № 6009-GY) and for such internal control as management determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.
Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance that 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 my 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 the Project’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.
GOVERNMENT OF GUYANA  
MINISTRY OF EDUCATION  
Name of Project: GUYANA EDUCATION SECTOR IMPROVEMENT PROJECT (GESIP)  
CREDIT AGREEMENT No. 6009 – GY  
FOR THE PERIOD 8 AUGUST 2017 TO 31 DECEMBER 2018  

Compliance with Financing Agreement

Article II – Financing

2.01  
The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to nine million nine hundred thousand Special Drawing Rights (SDR 9,900,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02  
The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

During the period under review, the amounts withdrawn were in accordance with Section IV of Schedule 2 to the Financing Agreement. Therefore, the requirement of this Article was met.

2.03  
The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance is one-half of one percent (½ of 1%) per annum.

It was observed during the period under review that the Maximum Commitment Charge Rate payable by the Recipient did not exceed that stipulated in the Financing Agreement. Therefore, the requirement of this Article was met.

2.04  
The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (¾ of 1%) per annum.

During the period under review, the Service Charge payable by the Recipient on the Withdrawn Credit Balance did not exceed that stipulated in the Financing Agreement and therefore, the requirement of this Article was met.
COMPLIANCE WITH FINANCING AGREEMENT (CONT’D)

Article II – Financing

2.05

The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

During the period under review, the Interest Charge payable by the Recipient on the Withdrawn Credit Balance did not exceed that stipulated in the Financing Agreement and therefore, the requirement of this Article was met.

2.06

The Payment Dates are June 1 and December 1 in each year.

The Government of Guyana paid to the Association, the sums of US$ 4,875.62 on 29 November 2017, US$11,897.75 on 29 May 2018 and US$ 13,224.64 on 27 November 2018. Therefore, the requirement of this Article was met.

2.07

The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

According to the repayment schedule, the amounts to be paid to the Association are due in June and December each year, with the first repayment on 1 June 2022 and the last on 1 December 2041. Therefore, the requirements were not applicable during the period.

2.08

The Payment Currency is Dollar.

The amount paid as Service Charge was in United States Dollars and therefore, the requirement of this Article was met.
Article III – Project

The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Education, with assistance of the University of Guyana for carrying out Part 2 of the Project, all in accordance with provisions of Article IV of the General Conditions and the Subsidiary Agreement.

The Recipient declared its commitment to the objective of the Project and the activities of the Project were undertaken through the Ministry of Education. The requirements of this Article were therefore met.

3.02

Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

During the year under review, the activities of the Project were carried out in accordance with the provisions of Schedule 2 of the Financing Agreement.

Article IV – Remedies of the Association

4.01

The Additional Events of Suspension consist of the following:

a) The University of Guyana Act has been amended, suspended, abrogated, repealed, waived or not enforced in such a manner so as to materially and adversely, in the opinion of the Association, the ability of the University of Guyana to perform any of its obligations under the Subsidiary Agreement.

b) The University shall have failed to comply with any of its obligations under the Subsidiary Agreement.
Compliance with Financing Agreement (CONT’D)

Article IV – Remedies of the Association

4.02.

The Additional Event of Acceleration consists of, namely, that any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

Article V – Effectiveness; Termination

5.01

The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

It was observed that the Project date of effectiveness was on 8 August 2017 which did not exceed the expired date in the Financing Agreement and therefore, the requirement of this Article was fully met.

5.02

For purpose of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under the Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.