AUDITED FINANCIAL STATEMENTS OF THE GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT
FINANCING AGREEMENT No. 5473-GY

RECEIVED
Date: 2019/06/14
Permanent Secretary
Ministry of Education

FOR THE YEAR ENDED 31 DECEMBER 2018

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA
AUDITED FINANCIAL STATEMENTS OF THE
GUAYANA SECONDARY EDUCATION IMPROVEMENT PROJECT
FINANCING AGREEMENT NO. 5473-GY
FOR THE YEAR ENDED 31 DECEMBER 2018

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135/IDA: 16/1/2019

Ms. Adele Clarke
Permanent Secretary
Ministry of Education
26 Brickdam
Georgetown.

Dear Ms. Clarke,

RE: AUDIT OF THE FINANCIAL STATEMENTS OF THE GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT CREDIT AGREEMENT No. 5473-GY FOR THE YEAR ENDED 31 DECEMBER 2018

I forward herewith two (2) copies of the audited financial statements for the above-mentioned Project for the year ended 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,

s. Dawn Pearson
Audit Manager
for Auditor General
Dear Ms. Yang,

RE: AUDIT OF THE FINANCIAL STATEMENTS OF THE GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT CREDIT AGREEMENT No. 5473-GY FOR THE YEAR ENDED 31 DECEMBER 2018

I forward herewith one (1) copy of the audited financial statements for the above-mentioned Project for the year ended 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 SECONDARY EDUCATION IMPROVEMENT
PROJECT FINANCING AGREEMENT (CREDIT NUMBER 5473-GY)
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

I have audited the financial statements of the Guyana Secondary Education Improvement Project which comprise the Statement of Cumulative Investments as of 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 Secondary Education Improvement Project for the year ended 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 Number 5473-GY) dated 10 October 2014 between the Government 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 (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 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 № 5473-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 SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)
CREDIT AGREEMENT No. 5473 - GY
STATEMENT OF CUMULATIVE INVESTMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, works, non-consulting services and consultants' services, training and operating costs under project</td>
<td>1,290,533.30</td>
<td>266,495,127</td>
<td>1,631,989.28</td>
<td>339,675,838</td>
</tr>
<tr>
<td>Total</td>
<td>1,290,533.30</td>
<td>266,495,127</td>
<td>1,631,989.28</td>
<td>339,675,838</td>
</tr>
</tbody>
</table>

Mr. Jimmy Bhojedat
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 SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)  
CREDIT AGREEMENT No. 5473 - GY  
STATEMENT OF SOURCES AND USES OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2018  

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>PREVIOUS PERIOD ENDED 31 DECEMBER 2017</th>
<th>CURRENT YEAR ENDED 31 DECEMBER 2018</th>
<th>CUMMULATIVE AS AT 31 DECEMBER 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>G$</td>
<td>USD</td>
</tr>
<tr>
<td>World Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated Account</td>
<td>1,872,775.12</td>
<td>386,728,062</td>
<td>3,923,016.67</td>
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<tr>
<td>Direct Payment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other disbursement methods</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Government - Sale of bid documents</td>
<td>797.70</td>
<td>164,725</td>
<td>1,027.97</td>
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<tr>
<td><strong>Total Receipts (A)</strong></td>
<td>1,873,572.82</td>
<td>386,892,787</td>
<td>3,924,044.64</td>
</tr>
<tr>
<td>LESS EXPENDITURES BY COMPONENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 1 - Strengthen the Capacity of Secondary School Mathematics Teachers Nationwide</td>
<td>514,783.23</td>
<td>106,302,737</td>
<td>252,230.86</td>
</tr>
<tr>
<td>Component 2 - Expansion of General Secondary School Facilities</td>
<td>199,004.43</td>
<td>41,094,415</td>
<td>1,187,439.39</td>
</tr>
<tr>
<td>Component 3 - Strengthen Institutional Capacity and Project Management</td>
<td>576,745.64</td>
<td>119,097,975</td>
<td>192,319.03</td>
</tr>
<tr>
<td><strong>Total Expenditures (B)</strong></td>
<td>1,290,533.30</td>
<td>266,495,127</td>
<td>1,631,989.28</td>
</tr>
<tr>
<td>RECEIPTS LESS EXPENDITURES (A-B)</td>
<td>583,039.52</td>
<td>120,397,660</td>
<td>2,292,055.36</td>
</tr>
<tr>
<td>Foreign Exchange Adjustment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>NET BALANCE</strong></td>
<td>583,039.52</td>
<td>120,397,660</td>
<td>2,292,055.36</td>
</tr>
<tr>
<td>BANK BALANCES</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Opening Cash Balances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated Account</td>
<td>862,046.59</td>
<td>178,012,621</td>
<td>388,391.34</td>
</tr>
<tr>
<td>Project Account</td>
<td>16,985.60</td>
<td>3,507,526</td>
<td>194,648.13</td>
</tr>
<tr>
<td><strong>Total Opening Balance</strong></td>
<td>879,032.19</td>
<td>181,520,147</td>
<td>583,039.47</td>
</tr>
<tr>
<td>Closing Cash Balances</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Designated Account</td>
<td>388,391.34</td>
<td>80,202,812</td>
<td>2,728,241.17</td>
</tr>
<tr>
<td>Project Account (Note 3 (b))</td>
<td>194,648.13</td>
<td>40,194,839</td>
<td>146,853.71</td>
</tr>
<tr>
<td><strong>Total Closing Balance</strong></td>
<td>583,039.47</td>
<td>120,397,651</td>
<td>2,875,094.88</td>
</tr>
</tbody>
</table>

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Mr. Jimmy Blouedat  
Project Coordinator  
Ministry of Education  
The accompanying notes form an integral part of these financial statements  
Ms. Adele Clarke  
Permanent Secretary  
Ministry of Education
GOVERNMENT OF GUYANA  
MINISTRY OF EDUCATION  
Name of Project: GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)  
CREDIT AGREEMENT No. 5473 - GY  
ASSET FOR THE YEAR ENDED 31 DECEMBER 2018

<table>
<thead>
<tr>
<th>ASSET GROUP</th>
<th>OPENING COST</th>
<th>ADDITION</th>
<th>CLOSING COST</th>
<th>CLOSING COST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USS</td>
<td>USS</td>
<td>USS</td>
<td>G$</td>
</tr>
<tr>
<td>Math Technical Group</td>
<td>13,866.73</td>
<td>0</td>
<td>13,866.73</td>
<td>2,863,480</td>
</tr>
<tr>
<td>National Centre for Educational Resource Development (NCERD)</td>
<td>266,308.57</td>
<td>0</td>
<td>266,308.57</td>
<td>54,992,720</td>
</tr>
<tr>
<td>MIS Building</td>
<td>63,699.76</td>
<td>0</td>
<td>63,699.76</td>
<td>13,154,000</td>
</tr>
<tr>
<td>Office Furniture and equipment</td>
<td>16,111.37</td>
<td>126.42</td>
<td>16,237.79</td>
<td>3,353,104</td>
</tr>
<tr>
<td>Total</td>
<td>359,986.43</td>
<td>126.42</td>
<td>360,112.85</td>
<td>74,363,304</td>
</tr>
</tbody>
</table>
GOVERNMENT OF GUYANA
MINISTRY OF EDUCATION

Name of Project: GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)
CREDIT AGREEMENT No. 5473-GY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

1. PROJECT DESCRIPTION

The Guyana Secondary Education Project (GSEIP) IDA Financing No. 5473-GY is an agreement between the Co-operative Republic of Guyana (the Recipient) and the International Development Association (the Association). The agreement was signed on October 10, 2014. The Project date of effectiveness being 25 November 2014 and closing date being March 31, 2020. The total cost of the project is a credit of Six Million and Five Hundred Thousand Special Drawing Rights (SDR 6,500,000) equivalent to Ten Million United States Dollars (US$10,000,000).

The recipient of the funds under the GSEIP is the Ministry of Finance. The Project is implemented by the Ministry of Education.

The table specifies the categories of Eligible Expenditure that may be financed out of the proceeds of the Financing, the allocation of the amounts of the Grant to each category, and the percentage of expenditure to be financed for Eligible Expenditures in each category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditure to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Goods, works, non-consulting services, consultants' services, Training and Operation Costs for the Project.</td>
<td>6,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,500,000</td>
<td></td>
</tr>
</tbody>
</table>

The objectives of the SEIP will be achieved through the following three (3) components:

1. Strengthen the Capacity of Secondary School Mathematics Teachers Nationwide (US$1.8 M);
2. Expansion of General Secondary School Facilities (US$7.15 M); and
3. Strengthen Institutional Capacity and Project Management (US$1.05 M)

Component 1: Strengthen the Capacity of Secondary School Mathematics Teachers Nationwide (US$ 1.80 million). The objective of this component is to improve content knowledge and instructional skills of secondary school mathematics teachers to enhance their
effectiveness in the classroom, and is comprised of three (3) sub-components.

**Sub-component 1.1-In-Service Mathematics Teacher Training and Upgrading (US$1.275 million).**
Carrying out the following activities (i) a diagnostic assessment of mathematics teachers (ii) training and workshops for master trainers from the Ministry of Education and the National Centre for Education Resource Development (NCERD) to deliver in-service training to all public secondary school mathematics teachers; (iii) design, development and provision of modular, iterative, competency-based training for all secondary mathematics teachers; (iv) in all public secondary schools, distribution of mathematics teaching aids to promote the application of training in the classroom and improved student learning; and (v) development of comprehensive website for an online community of practice for mathematics teachers in the country.

Teachers would be formally assessed at the end of each training course (a key Project indicator). This training would be closely followed up by regular supervision visits by master trainers (3 times per year per school, including in hinterland regions), who would observe teachers’ practice and provide immediate feedback. In addition, Regional Education Officers (REDOs) and District Education Officers (DEOs) will play a key role in all training, supervision and project monitoring activities. REDOs and DEOs will help coordinate and participate in the teacher professional development workshops and school visits.

At the regional level monthly Mathematics Subject Committee Meetings would be held for all Mathematics Department Heads, reinvigorating an existing policy that has not been rigorously implemented. Subject Committee Meetings would be carefully planned, structured and offered each month to address specific learning objectives and to share experiences facilitated by mathematics instructional specialists and coordinated by Regional and District Education Officers. At the school level, Department Heads for Mathematics would organize monthly meetings for all math teachers to share lesson plans, teaching methods, knowledge and skills from regional Subject Committee Meetings, and to prepare new lessons and learning activities together. The Project will also provide information through initial training sessions to ensure the buy-in and support of all School Heads and to emphasize their responsibility as school leaders and agents of change for the whole school and beyond mathematics. The project would finance procurement of laptops and LCD projectors to support the regional meetings. Meanwhile, the GoG has committed to provide sufficient funding each year in the MoE’s budget to provide required logistical support (supplies, transportation, snacks, etc.).

The establishment of an on-line “community of practice” among all mathematics teachers, via a comprehensive website would enable teachers to inter alia access on-line instructional resources, share lesson plans, pose questions to fellow teachers and mathematics experts, post blogs, review CSEC mathematics study guides, and exchange experiences with fellow mathematics teachers through internal email. This community of practice would be
facilitated by the Mathematics Technical Group, which is composed of mathematics specialists from the MoE, NCERD, CPCE and UG. The project would finance technical assistance, materials, training activities, supervision logistics and procurement/distribution of teaching aids.

Sub-component 1.2 – Revising Secondary School Teachers Appraisal Instruments (US$200,000). Improving mathematics instruction through: (i) the development of specific standards for mathematics instruction; (ii) the revision of the appraisal system for secondary school teachers and school principals; and (iii) the provision of training for secondary school principals, deputy principals, and master trainers in the use of the revised teacher appraisal instruments.

Sub-component 1.3 - Technology-assisted Learning in Mathematics (US$325,000): Carrying out the following activities: (i) improvement of mathematics instruction and learning through the use of innovative technology, on a pilot basis; and (ii) an independent process evaluation to assess the effectiveness of different packages of tablets and on-line mathematics learning management systems for improving student learning outcomes in mathematics.

Specifically, this would be piloted in 8 secondary schools over three years promoting innovation and providing lessons for possible future scaling up. Tablets would be distributed to all Grade 7 students in the 8 pilot schools, for both school and home use, with the capability to download and operate a range of self-paced mathematics software applications. This cohort would be followed for three years. LCD projectors and basic servers would also be provided to each school, so on-line resources can be downloaded and stored at the school level and accessed offline. After receiving training, teachers would post regular “reflection blogs” regarding their experiences and questions to a website set up for this purpose. A more qualitative, process-focused evaluation would be conducted to gather teacher and student feedback, assess technology adoption, review online resources prepared by participating teachers, and compare outcomes with a set of control schools. The project would finance technical assistance, procurement of hardware and software, training and evaluation activities.

Component 2: Expansion of General Secondary School Facilities (US$ 7.15 million). Expand access to General Secondary School services in underserved areas of Regions 3 and 4 of the Recipient, through:


The three new schools would create a total of 2,600 student places. The main goal is to consolidate nearby Secondary Department (SD) of primary schools into these new GSSs, but also to prepare for increasing student populations coming from discrete primary schools in these regions and ease some crowdedness in surrounding GSSs. There are 10 SDs with a total number of 728 students in
Region 3, and 17 with a total number of 1,257 students in Region 4. In addition, two of the new GSSs would be located in new housing areas where hundreds of new homes are in the process of being built and no schools exist. The basic design and architectural plans already exist from recently constructed GSSs financed through domestic resources; although they need to be revised, this should accelerate bidding and implementation of the civil works. This sub-component includes the design and supervision fees.

Sub-component 2.2 – Provision of Furniture and Equipment for the New Schools (US$870,000). This would finance procurement of classroom furniture, laboratory equipment and basic technology for the three new GSSs to ensure that the new schools provide the necessary learning conditions to offer the full secondary education curriculum.

Component 3: Strengthen Institutional Capacity and Project Management (US$ 1.05 million). This component is to strengthen the capacity of the Education Management Information System (EMIS) through design, development and implementation of a new EMIS to increase efficiency in education sector data management and information use for planning and policymaking.

Sub-component 3.1 – Design, develop and implement a new education management information system to increase efficiency in education sector data management and information use for planning and policymaking (US$200,000).

This would increase efficiency in education sector data management and information use for planning and policymaking. This would include design, development and implementation of a new EMIS, which would enable school heads, Regional Education Officers (REDOs) and MoE policymakers to more efficiently manage education sector data and use information for more effective planning and policymaking. The project would finance procurement of EMIS software and hardware, two tablets for each GSS for school-level uploading/downloading of data (including a keyboard accessory as necessary), technical assistance and training, as well as tablets for REDOs and the central MoE MIS unit. The EMIS would capitalize on the GoG’s “e-government initiative”, which has set up a large national data center and is establishing 4G wireless connectivity covering approximately 80 percent of the population (to be operational in August 2014). The vast majority (approximately 85 percent) of secondary schools are located within this high-speed wireless area, so they will have free connectivity, easy uploading and access to education information with their tablets, and free hosting of the EMIS software and database. The REDOs and DEOs will be in charge of supervising the implementation of the new EMIS at the school level.

Sub-component 3.2 – Carrying out Project management, monitoring and evaluation, and audits (US$850,000). This would carry out project management, monitoring and evaluation, and auditing activities.
GOVERNMENT OF GUYANA
MINISTRY OF EDUCATION

Name of Project: GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)
CREDIT AGREEMENT No. 5473-GY

NOTES TO THE FINANCIAL STATEMENT – CONT’D
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

3. AVAILABLE CASH BALANCES

a) Closing balances as at 31 December 2018

i. Crown Agents Bank Account No. 33681111 2,728,241.17
ii. Bank of Guyana No.0162700406008 146,402.03

Total 2,874,643.20

b) Project local account

Local account — US$146,402.03
Petty cash — US$ 451.68

Balance in project local account US$146,853.71
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$3,923,016.67 through withdrawal application No. 13,14 & 16.

(b) During the period under review, disbursements were made for a total amount of US$1,631,989.28 as follows:

i. Documented expenditure amount for a total sum of US$446,739.59 through withdrawal application No. 14,15 & 16

ii. Expenditure made during the current period under review documented after 31 December 2018 for a total sum of US$1,185,249.69 through withdrawal applications No. 17

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/LOSS

During the period under review there was a total deficit of US$866,501.44 due to the decline in the exchange rates SDR versus US dollars from 1.53846154 as at 10 October 2014 to 1.4052 as at 31 December 2018.

<table>
<thead>
<tr>
<th>Loan</th>
<th>SDR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Signing 10 October 2014</td>
<td>6,500,000.00</td>
<td>10,000,000.00</td>
</tr>
<tr>
<td>Undisbursed Funds as at 31 December 2018</td>
<td>2,399,863.94</td>
<td>3,337,706.77</td>
</tr>
<tr>
<td>Add: Disbursed Advances</td>
<td>4,100,136.06</td>
<td>5,795,791.79</td>
</tr>
<tr>
<td>Total Funds Available as at 31 December 2018</td>
<td>6,500,000.00</td>
<td>9,133,498.56</td>
</tr>
<tr>
<td>Loss due to SDR movement</td>
<td>866,501.44</td>
<td></td>
</tr>
</tbody>
</table>
7. KEY MANAGEMENT /ORGANISATION STRUCTURE

7.1 According to the Credit Agreement, the organization structure should comprise a Project Coordinator, Project Engineer, Procurement Specialist, Finance Office and an Assistant Accountant.

7.2 The organization chart reflecting the reporting relationship is seen below:
REPORT OF THE AUDITOR GENERAL ON THE
ELIGIBILITY OF EXPENDITURE
FOR THE GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT NUMBER 5473-GY)
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

I have audited the Requests for Reimbursement of Expenditure submitted for the Guyana Secondary Education Improvement Project for the year ended 31 December 2018, in support of credit withdrawals under Financing Agreement (Credit Number 5473-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 Number 5473-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.
REPORT OF THE AUDITOR GENERAL ON THE
DESIGNATED ACCOUNT RECONCILIATION STATEMENT
AND THE PROJECT ACCOUNTS
FOR THE GUYANA SECONDARY EDUCATION IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT NUMBER 5473-GY)
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

I have audited the Designated Account Reconciliation Statement and the Project Accounts submitted for the Guyana Secondary Education Improvement Project for the year ended 31 December 2018. This statement and the accounts are the responsibility of the Guyana Secondary Education 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 year ended 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 of the financial statements in accordance with the requirements established in Section 4.09 of the Financing Agreement (Credit Agreement No 5473-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 SECONDARY EDUCATION IMPROVEMENT PROJECT (GSEIP)  
CREDIT AGREEMENT No. 5473 - GY  
DESIGNATED ACCOUNT RECONCILIATION STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018  
ACCOUNT NUMBER: 33681111 CROWN AGENTS BANK

<table>
<thead>
<tr>
<th>Description</th>
<th>US$</th>
<th>GS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Total Advanced By World Bank (or Cofinancier)</td>
<td>5,795,791.79</td>
<td>1,200,270,832</td>
</tr>
<tr>
<td>2 Less: Eligible Expenditure Documented by World Bank</td>
<td>1,737,272.89</td>
<td>359,046,405</td>
</tr>
<tr>
<td>3 PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)</td>
<td>4,058,518.90</td>
<td>841,224,427</td>
</tr>
<tr>
<td>4 Balance of Designated Account per attached Bank Reconciliation Statement as at 31 December 2018</td>
<td>2,728,241.17</td>
<td>568,838,284</td>
</tr>
<tr>
<td>4.1 Balance in Project Local Account (Note 3 (b))</td>
<td>146,853.71</td>
<td>30,618,999</td>
</tr>
<tr>
<td>5 PLUS: Eligible Expenditure for the current period Documented after period end (Withdrawal Application #17)</td>
<td>1,185,249.69</td>
<td>247,124,560</td>
</tr>
<tr>
<td>6 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>7 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. 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>8 LESS: INTEREST EARNED</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9 TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)</td>
<td>4,060,344.57</td>
<td>846,581,843</td>
</tr>
<tr>
<td>10 DIFFERENCE (3 - 9)</td>
<td>(1,825.67)</td>
<td>(5,357,416)</td>
</tr>
</tbody>
</table>

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

Mr. Jimmy Bhojedat  
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 SECONDARY EDUCATION IMPROVEMENT PROJECT
FINANCING AGREEMENT (CREDIT NUMBER 5473-GY)
FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

I have audited the financial statements of the Guyana Secondary Education Improvement Project which comprise the Statement of Cumulative Investments as of 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 Secondary Education Improvement Project complied with Articles II to IV of the Financing Agreement (Credit Number 5473-GY) and the relevant laws and regulations for the year ended 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 II to V of the Financing Agreement (Credit Number 5473-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:

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- 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
MINISTRY OF EDUCATION
SECONDARY EDUCATION IMPROVEMENT PROJECT
IDA CREDIT NO. 5473 – GY
FOR THE YEAR ENDED 31 DECEMBER 2018

Compliance with Financing Agreement

2.02

Article II – Financing

According to this Article, the Recipient may withdrawal the proceedings of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

*During the year 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

This Article stipulates that 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 year 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 year 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.*

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 year 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$ 26,599.90 on 28 May 2018 and US$ 39,664.31 on 28 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 the 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 December 2019 and the last on 1 June 2039. Therefore, the requirements were not applicable during the period.

2.08

The Payment Currency is United States Dollars.

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

Article III – Project

3.01

The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Education in accordance with provisions of Article IV of the General Conditions.

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

According to this Article, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 of the Financing 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 – Effectiveness; Termination

4.01

The Additional Conditions of Effectiveness consist of, namely, that the Recipient, through the Ministry of Education, has hired the Project coordinator, and the Project engineer, referred to in Section I.A.1 of Schedule and that the Project Operations Manual has been adopted by the Recipient pursuant to Section I.A.2 of Schedule 2 to this Agreement.

During the year under review it was observed that the Recipient through the Ministry of Education have hired the Project coordinator and Project engineer and has prepared and adopted the Operational Manual and is executing the Project in accordance with the terms of the Operations Manual.

4.02

Without prejudice to the provision of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the date eighteen (18) months after the Association’s approval of the Financing, which expires on December 4, 2015.

It was observed that the Project date of effectiveness was on 25 November 2014 which did not exceed the expired date in the Financing Agreement and therefore, the requirement of this Article was fully met.

4.03

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.