AUDIT OF THE RESOURCES MANAGED AND USED
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016
BY THE MINISTRY OF AGRICULTURE
UNDER THE FLOOD RISK MANAGEMENT PROJECT
CREDIT NUMBER 5474-GY

AUDITORS: AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA
AUDIT OF THE RESOURCES MANAGED AND USED
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016
BY THE MINISTRY OF AGRICULTURE
UNDER THE FLOOD RISK MANAGEMENT PROJECT
CREDIT NUMBER 5474-GY

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th></th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TRANSMITTAL LETTER</td>
<td>i</td>
</tr>
<tr>
<td>2. AUDITOR’S OPINION ON THE FINANCIAL STATEMENTS</td>
<td>ii-iv</td>
</tr>
<tr>
<td>Statement of Sources and Uses of Funds, Statement of Cumulative Investments and the Asset Register</td>
<td></td>
</tr>
<tr>
<td>3. AUDITED FINANCIAL STATEMENTS</td>
<td>1-8</td>
</tr>
<tr>
<td>4. AUDITOR’S OPINION ON THE ELIGIBILITY OF EXPENDITURES</td>
<td>9-11</td>
</tr>
<tr>
<td>5. AUDITOR’S OPINION ON DESIGNATED ACCOUNT</td>
<td>12-14</td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
</tr>
<tr>
<td>6. AUDITOR’S OPINION ON COMPLIANCE WITH THE LEGAL AGREEMENT AND THE RELEVANT LAWS AND REGULATIONS</td>
<td>15-17</td>
</tr>
<tr>
<td>7. COMPLIANCE WITH FINANCING AGREEMENT</td>
<td>18-20</td>
</tr>
<tr>
<td>8. MANAGEMENT LETTER</td>
<td>14-26</td>
</tr>
</tbody>
</table>
Ms. Joylyn Nestor-Burrowes
Permanent Secretary (ag)
Ministry of Agriculture
Regent & Vlissengen Roads
Georgetown.

Dear Ms. Nestor-Burrowes,

AUDIT OF THE RESOURCES MANAGED AND USED FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016 BY THE MINISTRY OF AGRICULTURE UNDER THE FLOOD RISK MANAGEMENT PROJECT CREDIT NUMBER 5474-GY

I forward herewith two (2) copies of the audited financial statements for the above-mentioned Project for the period 25 November 2014 to 31 December 2016, 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]

*Audit Manager
*For Auditor General
Mr. Armando E. Guzman  
Task Team Leader  
International Development Association  
1850 1 Street N.W  
Washington D.C 20433  
USA.

Dear Mr. Guzman,

AUDIT OF THE RESOURCES MANAGED AND USED  
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016  
BY THE MINISTRY OF AGRICULTURE  
UNDER THE FLOOD RISK MANAGEMENT PROJECT  
CREDIT NUMBER 5474-GY

I forward herewith one (1) copy of the audited financial statements for the above-mentioned Project for the period 25 November 2014 to 31 December 2016, 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]

Tennie Pyle  
Audit Manager  
For Auditor General
REPORT OF THE AUDITOR GENERAL ON THE
STATEMENT OF SOURCES AND USES OF FUNDS,
STATEMENT OF CUMULATIVE INVESTMENTS AND THE
ASSET REGISTER FOR THE FLOOD RISK MANAGEMENT PROJECT
(CREDIT NUMBER 5474-GY)
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016

Opinion

I have audited the Financial Statements, which comprise the Statement of Sources and Uses of Funds, Statement of Cumulative Investments, the Asset Register and a summary of significant accounting policies for the Flood Risk Management Project for the period 25 November 2014 to 31 December 2016.

In my opinion, the financial statements present fairly, in all material respects, Statement of Sources and Uses of Funds, Statement of Cumulative Investments and the Asset Register for the period 25 November 2014 to 31 December 2016, in accordance with the Cash Basis; International Public Sector Accounting Standards (IPSAS).

Basis for 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 audit opinion.
Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Cash Basis; IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Financial Reporting under the Cash Basis of Accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the Project, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

As part of my audit in accordance with the 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.
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 AGRICULTURE  
AGRICULTURE SECTOR DEVELOPMENT UNIT  
Name of Project: FLOOD RISK MANAGEMENT PROJECT (FRMP)  
IDA CREDIT NO. 5474 - GY  
Statement of Sources and Uses of Funds  
For the Period 25 November 2014 - 31 December 2016

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>Current Period ended 31 December 2016</th>
<th>Cumulative as at 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual US$</td>
<td>Actual US$</td>
</tr>
<tr>
<td>World Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designated Account</td>
<td>2,657,628.46</td>
<td>2,657,628.46</td>
</tr>
<tr>
<td>Direct Payment</td>
<td>192,307.61</td>
<td>192,307.61</td>
</tr>
<tr>
<td>Other disbursement methods</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Receipts (A)</td>
<td>2,849,936.07</td>
<td>2,849,936.07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Total Expenditures (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,255,637.01</td>
<td>162,017.59</td>
<td>324,073.49</td>
<td>2,741,728.09</td>
</tr>
</tbody>
</table>

Foreign Exchange Adjustment

<table>
<thead>
<tr>
<th>BANK BALANCES</th>
<th>Opening Cash Balances</th>
<th>Closing Cash Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Designated Account</td>
<td>Designated Account</td>
</tr>
<tr>
<td></td>
<td>Project Account</td>
<td>Project Account</td>
</tr>
<tr>
<td></td>
<td>Total Opening Balance</td>
<td>Total Closing Balance</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>9,109.81</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>99,098.17</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>108,207.98</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these Financial Statements
GOVERNMENT OF GUYANA  
MINISTRY OF AGRICULTURE  
AGRICULTURE SECTOR DEVELOPMENT UNIT  
Name of Project: FLOOD RISK MANAGEMENT PROJECT (FRMP)  
IDA CREDIT NO. 5474 - GY  
Statement of Cumulative Investments  
For the Period 25 November 2014 - 31 December 2016

<table>
<thead>
<tr>
<th>Categories</th>
<th>Current Period ended 31 December 2016 US$</th>
<th>Cumulative as at 31 December 2016 US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, works, non-consulting services, consultants’ services, Operating Cost and Training for the Project</td>
<td>2,741,728.09</td>
<td>2,741,728.09</td>
</tr>
<tr>
<td>Total</td>
<td>2,741,728.09</td>
<td>2,741,728.09</td>
</tr>
</tbody>
</table>

Dhaneshwar James  
Project Coordinator  
Flood Risk Management Project  

Jylynn Nestor-Burrowes  
Permanent Secretary (ag)  
Ministry of Agriculture

The accompanying notes form an integral part of these Financial Statements
**Government of Guyana**  
**Ministry of Agriculture**  
**Agriculture Sector Development Unit**  
*Name of Project: Flood Risk Management Project (FRMP)*  
*IDA Credit No. 5474 - GY*

**Designated Account Reconciliation Statement for the Period 25 November 2014 - 31 December 2016**

**Loan Credit/PPF/Co-financer Number: 5474 - GY**  
**Account Number: 3368132 Crown Agents Bank**

<table>
<thead>
<tr>
<th><strong>Line No.</strong></th>
<th><strong>Description</strong></th>
<th><strong>Amount</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Advanced by World Bank (or Co-financier)</td>
<td>USD 2,637,628.46</td>
</tr>
<tr>
<td>2</td>
<td>Less: Eligible Expenditure for the current year ended 31 December 2016 documented by World Bank</td>
<td>USD 1,482,823.30</td>
</tr>
<tr>
<td>3</td>
<td>Less: Cumulative Eligible Expenditure for the Prior Periods ended 31 December 2016 documented by World Bank</td>
<td>USD 0</td>
</tr>
<tr>
<td>4</td>
<td>Present Outstanding Amount Advanced to the Designated Account (1 - 2)</td>
<td>USD 1,174,805.16</td>
</tr>
<tr>
<td>5</td>
<td>Balance of USD Designated Account per Bank Reconciliation Statement as at Period end 31 December 2016</td>
<td>USD 9,109.81</td>
</tr>
<tr>
<td>6</td>
<td>Balance of Project Account per Bank Reconciliation Statement as at Period end 31 December 2016</td>
<td>USD 99,998.17</td>
</tr>
<tr>
<td>7</td>
<td>Plus: Eligible Expenditure for the Current Year Documented After the Period end 31 December 2016 (WA *)</td>
<td>USD 1,065,971.18</td>
</tr>
<tr>
<td>8</td>
<td>Plus: Total Amount Withdrawn and Not Yet Claimed</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Reason:</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Plus: Amounts Claimed in Previous Applications Not Yet Credited at Date of Bank Statements</td>
<td>USD 0</td>
</tr>
<tr>
<td>11</td>
<td>Subtotal of Previous Applications Not Yet Credited</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Less: Interest Earned</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Total Advance Accounted For (No. 4 Through No. 9)</td>
<td>USD 1,174,805.16</td>
</tr>
<tr>
<td>14</td>
<td>Difference (3 - 9)</td>
<td>USD 0</td>
</tr>
</tbody>
</table>

**Explanation of Any Difference Shown in Line 10**

---

**Dhaneshwar James**  
*Project Coordinator*  
Flood Risk Management Project

The accompanying notes form an integral part of these Financial Statements
### MINISTRY OF AGRICULTURE
### AGRICULTURE SECTOR DEVELOPMENT UNIT (ASDU)
### FLOOD RISK MANAGEMENT PROJECT
### CREDIT NO. 5474-GY

#### FIXED ASSETS REGISTER

<table>
<thead>
<tr>
<th>Date of Purchase</th>
<th>Asset #</th>
<th>Asset Category</th>
<th>Description of Assets</th>
<th>Serial #</th>
<th>Location</th>
<th>Amount</th>
<th>Condition of Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/08/2015</td>
<td>ASDU/FRMP/OE/001</td>
<td>OFFICE EQUIPMENT</td>
<td>Canon DR-M160 Heavy Duty Document Scanner</td>
<td>FQ312086</td>
<td>M.O.A</td>
<td>394.100</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/002</td>
<td>OFFICE EQUIPMENT</td>
<td>Canon Image Runner Monochrome Copier, Scanner and Printer</td>
<td>FQP50031</td>
<td>ASDU</td>
<td>820.400</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/003</td>
<td>OFFICE EQUIPMENT</td>
<td>Cyberpower CP1500AVRLCD UPS Battery</td>
<td>COA2001117</td>
<td>ASDU</td>
<td>32.400</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/004</td>
<td>OFFICE EQUIPMENT</td>
<td>HP Scanjet 7500 Network Scanner</td>
<td>CNCF420GF</td>
<td>ASDU</td>
<td>398.400</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/005</td>
<td>OFFICE EQUIPMENT</td>
<td>HP Scanjet 7500 Network Scanner</td>
<td>CN3410F687</td>
<td>ASDU</td>
<td>398.400</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/006</td>
<td>OFFICE EQUIPMENT</td>
<td>Dell PowerEdge T720 Server</td>
<td>CSW90Y1</td>
<td>M.O.A</td>
<td>1,224.200</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/007</td>
<td>OFFICE EQUIPMENT</td>
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<td>223AYOLC614600607</td>
<td>M.O.A</td>
<td>65.400</td>
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</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/OE/008</td>
<td>OFFICE EQUIPMENT</td>
<td>Canon Image Runner Monochrome Copier, Scanner and Printer</td>
<td>FQP60129</td>
<td>M.O.A</td>
<td>820.400</td>
<td>Working Condition</td>
</tr>
<tr>
<td>18/12/2015</td>
<td>ASDU/FRMP/OE/009</td>
<td>OFFICE EQUIPMENT</td>
<td>EPSON PowerLite 1262 Multimedia Projector</td>
<td>TTHK400539</td>
<td>ASDU</td>
<td>258.597</td>
<td>Working Condition</td>
</tr>
<tr>
<td>05/08/16</td>
<td>ASDU/FRMP/OE/010</td>
<td>OFFICE EQUIPMENT</td>
<td>Polar Hot &amp; Cold Floor model Water Dispenser 110volts</td>
<td>NIL</td>
<td>M.O.A</td>
<td>48.720</td>
<td>Excellent Working Condition</td>
</tr>
<tr>
<td>24/08/2016</td>
<td>ASDU/FRMP/OE/011</td>
<td>OFFICE EQUIPMENT</td>
<td>12000btu AC Unit</td>
<td>NIL</td>
<td>ASDU</td>
<td>140.000</td>
<td>Excellent Working Condition</td>
</tr>
<tr>
<td>17/11/2016</td>
<td>ASDU/FRMP/OE/012</td>
<td>OFFICE EQUIPMENT</td>
<td>EPSON PowerLite 1262 Multimedia Projector</td>
<td>TTHK400539</td>
<td>ASDU</td>
<td>258.597</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/COM/001</td>
<td>COMPUTERS</td>
<td>Dell Latitude 3450 Notebook Computer</td>
<td>9JT5K52</td>
<td>M.O.A</td>
<td>298.300</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/COM/002</td>
<td>COMPUTERS</td>
<td>Dell Latitude 3450 Notebook Computer</td>
<td>2QT5K52</td>
<td>ASDU</td>
<td>298.300</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/COM/003</td>
<td>COMPUTERS</td>
<td>Dell Latitude 3450 Notebook Computer</td>
<td>2SK5KYS1</td>
<td>M.O.A</td>
<td>298.300</td>
<td>Working Condition</td>
</tr>
<tr>
<td>06/10/15</td>
<td>ASDU/FRMP/COM/004</td>
<td>COMPUTERS</td>
<td>Dell Latitude 3450 Notebook Computer</td>
<td>7LKOSYS1</td>
<td>ASDU</td>
<td>298.300</td>
<td>Working Condition</td>
</tr>
<tr>
<td>11/08/15</td>
<td>ASDU/FRMP/OF/001</td>
<td>OFFICE FURNITURE</td>
<td>4 Drawer Cabinet, Legal, 52h x 25d. Black</td>
<td>8GDBK2</td>
<td>M.O.A</td>
<td>83.520</td>
<td>Working Condition</td>
</tr>
<tr>
<td>11/08/15</td>
<td>ASDU/FRMP/OF/003</td>
<td>OFFICE FURNITURE</td>
<td>4 Drawer Cabinet, Legal, 52h x 25d. Black</td>
<td>8GDKB4</td>
<td>ASDU</td>
<td>83.520</td>
<td>Working Condition</td>
</tr>
<tr>
<td>11/08/15</td>
<td>ASDU/FRMP/OF/004</td>
<td>OFFICE FURNITURE</td>
<td>4 Drawer Cabinet, Legal, 52h x 25d. Black</td>
<td>8GDKB3</td>
<td>M.O.A</td>
<td>83.520</td>
<td>Working Condition</td>
</tr>
<tr>
<td>10/12/15</td>
<td>ASDU/FRMP/OF/002</td>
<td>OFFICE FURNITURE</td>
<td>4200 Executive Chair (Black Fabric)</td>
<td>NIL</td>
<td>ASDU</td>
<td>40.000</td>
<td>Working Condition</td>
</tr>
<tr>
<td>10/12/15</td>
<td>ASDU/FRMP/OF/008</td>
<td>OFFICE FURNITURE</td>
<td>4200 Executive Chair (Black Fabric)</td>
<td>NIL</td>
<td>ASDU</td>
<td>40.000</td>
<td>Working Condition</td>
</tr>
</tbody>
</table>
**MINISTRY OF AGRICULTURE**  
**AGRICULTURE SECTOR DEVELOPMENT UNIT (ASDU)**  
**FLOOD RISK MANAGEMENT PROJECT**  
**CREDIT NO. 5474-GY**

**FIXED ASSETS REGISTER**

<table>
<thead>
<tr>
<th>Date of Purchase</th>
<th>Asset #</th>
<th>Asset Category</th>
<th>Description of Assets</th>
<th>Serial #</th>
<th>Location</th>
<th>Amount</th>
<th>Condition of Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/06/2016</td>
<td>ASDUIFRM/FE/001</td>
<td>FIELD EQUIPMENT</td>
<td>Hydromet Instruments</td>
<td>NIL</td>
<td>Hydromet Office</td>
<td>3,574,239</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/002</td>
<td>FIELD EQUIPMENT</td>
<td>Hydromet Instruments</td>
<td>NIL</td>
<td>Hydromet Office</td>
<td>3,574,239</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/003</td>
<td>FIELD EQUIPMENT</td>
<td>Hydromet Instruments</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/004</td>
<td>FIELD EQUIPMENT</td>
<td>Long Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/005</td>
<td>FIELD EQUIPMENT</td>
<td>Long Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/006</td>
<td>FIELD EQUIPMENT</td>
<td>Long Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/007</td>
<td>FIELD EQUIPMENT</td>
<td>Long Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/008</td>
<td>FIELD EQUIPMENT</td>
<td>Long Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/06/2016</td>
<td>ASDUIFRM/FE/009</td>
<td>FIELD EQUIPMENT</td>
<td>Short Reach Excavator</td>
<td>Eng #: DB54TIS 629665EN, Chasse#: DHKCEBACCHG 0018443</td>
<td>EDWC</td>
<td>29,000,000</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/11/2016</td>
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<td>FIELD EQUIPMENT</td>
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<td>JHIG8F GCAAH-5017614</td>
<td>EDWC</td>
<td>53,105,905</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>18/11/2016</td>
<td>ASDUIFRM/FE/011</td>
<td>FIELD EQUIPMENT</td>
<td>Unifloat Pontoons with Mud Bins &amp; 3&quot; Trash Water Pump</td>
<td>JHIG8F GCAAH-5017614</td>
<td>EDWC</td>
<td>53,105,905</td>
<td>Excellent Working</td>
</tr>
<tr>
<td>01/12/2016</td>
<td>ASDUIFRM/FE/012</td>
<td>FIELD EQUIPMENT</td>
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<td>EDWC</td>
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<td>Excellent Working</td>
</tr>
<tr>
<td>01/12/2016</td>
<td>ASDUIFRM/FE/013</td>
<td>FIELD EQUIPMENT</td>
<td>Unifloat Pontoons with Mud Bins &amp; 3&quot; Trash Water Pump</td>
<td>JHIG8F GCAAH-4909931</td>
<td>EDWC</td>
<td>53,105,905</td>
<td>Excellent Working</td>
</tr>
</tbody>
</table>

**TOTAL:** 426,854,070

PREPARED BY:  
VERIFIED BY:  
DATE: JAN 10 2017  
DATE: JAN 10 2017
GOVERNMENT OF GUYANA
MINISTRY OF AGRICULTURE - ASDU
FLOOD RISK MANAGEMENT PROJECT
IDA CREDIT NO. 5474 - GY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016

1. Description of the Project

The Flood Risk Management Project (FRMP) IDA Financing No. 5474-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 with the Project Implementation start date being 31 August 2014 and its Implementation end date as 31 January 2019. The total cost of the project is a credit of Seven million, seven hundred thousand Special Drawing Rights (SDR7, 700,000.) equivalent to Eleven Million, eight hundred and ninety thousand United States Dollars. (USD11, 890,000.) The date of effectiveness being November 25, 2014. The Recipient of the funds under the FRMP is the Ministry of Finance. The Project is implemented by the Ministry of Agriculture, Agriculture Sector Development Unit (ASDU).

The objective of the Project is to reduce the risk of Flooding in the low-lying areas of the East Demerara.

The project consists of the following parts:

Component 1: Priority Works for Flood Risk Reduction (USD 10.3 Million)

- Upgrading critical sections of the East Demerara Water Conservancy (EDWC) Dams to the criteria set forth in the Construction Supervision and Quality Assurance Plan including rehabilitation of the embankment and associated regulators and Installation of surveillance equipment.

- Carrying out priority flood risk reduction investments in the East Coast Demerara Drainage System, by improving pumping capacity in three areas being Lusignan, Buxton-Vigilance and Hope/Enmore

- Support the supervision of the construction and quality assurance for the investments based on the construction Quality Assurance Plan.

Component 2: Institutional Strengthening for Flood Risk Reduction (USD 0.5 Million)

- Improvement of EDWC Dams safety systems of the Recipient Ministry of Agriculture (MOA), including preparation and implementation of: (a) the Construction Supervision and Quality Assurance Plan; (b) the Operation, Maintenance and Surveillance Plan; (c) the Instrumentation Plan; and (d) the Emergency Preparedness Plan.
Support the MOA in the use and expansion of the hydrology and hydraulic modelling of the EDWC and coastal drainage system through the carrying out of the following activities: (a) hydraulic and hydrological modeling; (b) specialized training in hydraulic and hydrological modelling, use of remote sensing tools and data management; and (c) information technology support for data management.

- Support a series of communications activities as part of the MOA’s ongoing efforts in the disaster risk management and drainage and irrigation sectors. These activities will include: (a) carrying out of public meetings in the Project area on Project implementation progress; (b) carrying out of workshops on Project implementation activities; and (c) preparation and distribution of information materials related to the progress of the Project.

Component 3: Project Management and Implementation Support

Support Project management and implementation activities by the ASDU, including reporting and auditing activities.

2. Basis of Preparation

The Financial Statements 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.

The Project’s accounting records are maintained in both United States Dollars (US$) and Guyana Dollars (G$), with US$ being the presentation currency. Local currency transactions during the year are translated at the Bank of Guyana exchange rate on the date the funds are transfer to the local account. The average rate of exchange as at December 31, 2016 was 206.50 to US$1.00. There was no foreign exchange gain or loss during the financial year.

3. Available Cash Balances

<table>
<thead>
<tr>
<th>Opening Balances – 25 November 2014</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America Account No. 1901-6-60058</td>
<td>0</td>
</tr>
<tr>
<td>Bank of Guyana Account No. 0162700428016</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closing Balances – 31 December 2016</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown Agents Bank Account No. 33681112</td>
<td>9,109.81</td>
</tr>
<tr>
<td>Bank of Guyana Account No. 0162700428016</td>
<td>99,098.17</td>
</tr>
<tr>
<td>Total</td>
<td>108,207.98</td>
</tr>
</tbody>
</table>
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$2,657,628.46 through withdrawal Application No. 1 & 2

(b) During the period under review, disbursements were made for a total amount of US$2,741,728.09 as follows:
   i. Documented Expenditure amount for a total sum of US$1,482,823.30 through withdrawal Application No. 2,3,4,5,6
   ii. Direct Payments were made to Consultant & Contractor for a total sum of US$192,307.61 through Withdrawal Application 1 & 7
   iii. Expenditure made during current period under review documented after 31 December 2016 for a total sum of US$1,066,597.18 through Withdrawal Application No. 8

5. Sources and Use of Funds

The Statement of Sources and Uses of Funds shows a detailed breakdown of funds received and expended for the period under review.

6. Exchange Rate Gain/Loss

During the period under review there was a total budget deficit of US$1.539M due to the decline in the exchange rates SDR versus US dollars from 1.5442 as at 10 October 2014 to 1.34433000. as at 31 December 2016.

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>XDR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception</td>
<td>7,700,000</td>
<td>11,890,000</td>
</tr>
<tr>
<td>USD equivalent as at 31 December 2016</td>
<td>7,700,000</td>
<td>11,890,000</td>
</tr>
<tr>
<td>Loss due to XDR movement</td>
<td></td>
<td>1,546,590.0</td>
</tr>
</tbody>
</table>

7. Key Management Personnel

The overall responsibility for the implementation the project lies with the Permanent Secretary, coordinated by the Project Coordinator, Project Engineer, Procurement Officer, Finance Officer, Driver and other personnel from the accounting, engineering and Administrative sections of the ASDU.
REPORT OF THE AUDITOR GENERAL ON THE
ELIGIBILITY OF EXPENDITURES
FOR THE FLOOD RISK MANAGEMENT PROJECT
(CREDIT NUMBER 5474-GY)
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016

Opinion

I have audited the Requests for Reimbursement of Expenditure submitted for the period 25 November 2014 to 31 December 2016, in support of credit withdrawals under Financing Agreement Credit Number 5474-GY.

In my opinion, the expenditures submitted for reimbursement were eligible to be replenished from the funds of the Project and internal controls and procedures used in the preparation of the requests for reimbursement can be relied upon to support each request.

Basis for 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 audit opinion.
Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Cash Basis; International Public Sector Accounting Standards (IPSAS) and that expenditures reported are eligible for financing and funds have been used only for Project purposes. Financial Reporting under the Cash Basis of Accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the Project, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.
REPORT OF THE AUDITOR GENERAL ON THE
DESIGNATED ACCOUNT RECONCILIATION STATEMENT
FOR THE FLOOD RISK MANAGEMENT PROJECT
(CREDIT NUMBER 5474-GY)
FOR THE PERIOD 25 NOVEMBER 2014 TO 31 DECEMBER 2016

Opinion

I have audited the Designated Account Reconciliation Statement and the Project Account, for the Flood Risk Management Project. This statement is the responsibility of the Flood Risk Management Project.

In my opinion, the Designated Account Reconciliation Statement and the Project Account, used for managing the funds provided by the World Bank, present fairly the availability of funds for the period 25 November 2014 to 31 December 2016, as well as the transactions made during the same year, in accordance with the financial reporting provisions outlined in the Project’s legal agreement.

Basis for 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 statement 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 statement 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 audit opinion.
Responsibilities of Management and those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statement in accordance with the Cash Basis; International Public Sector Accounting Standards (IPSAS) and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error. Financial Reporting under the Cash Basis of Accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the Project, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement 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 statement.

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

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

Opinion

I have audited the Statement of Sources and Uses of Funds, and the Statement of Cumulative Investments for the period 25 November 2014 to 31 December 2016, for the Flood Risk Management Project, entered into by the Government of Guyana and the International Development Association, executed by the Ministry of Agriculture, and have issued my report thereon dated 28 June 2017.

In my opinion, the financial statements, for the period 25 November 2014 to 31 December 2016, present fairly, in all material respects, with the Financing Agreement with Credit Number 5474-GY, I have examined Articles II to IV, of the Agreement.

Basis for 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 audit opinion.
Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Cash Basis; International Public Sector Accounting Standards (IPSAS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Financial Reporting under the Cash Basis of Accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the Project, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.
MINISTRY OF AGRICULTURE - ASDU
FLOOD RISK MANAGEMENT PROJECT
IDA CREDIT NO. 5474 -GY
FOR THE PERIOD ENDING 31 DECEMBER 2016

Compliance with Financing Agreement

Article II – Financing

2.02

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 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

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 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.

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 USS 11,174.36 on 1 December 2015, USS 25,827.32 on 1 June 2016 and USS 26,535.35 on 1 December 2016 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 Agriculture 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 Agriculture. 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 period 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 Project Operations Manual has been adopted by the Recipient pursuant to Section 1.C.1 of Schedule 2 to this Agreement.

During the period under review it was observed that the Recipient through the Ministry of Agriculture 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 years after the date of this Agreement.