

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT №. 5966-GY**

FOR THE PERIOD

**1 JANUARY 2021
TO
31 JULY 2022**

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

**AUDITED FINANCIAL STATEMENTS OF THE
GUYANA PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT NO. 5966 - GY
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022**

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Audit Office of Guyana

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

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

528/IDA: 22/1/2022

21 November 2022

Dr. Gobind Ganga
Governor
Bank of Guyana
1 Avenue of the Republic
Georgetown.

Dear Dr. Ganga,

AUDIT OF THE RESOURCES MANAGED AND USED
BY THE BANK OF GUYANA UNDER THE
GUYANA PAYMENTS SYSTEM PROJECT
CREDIT AGREEMENT No 5966-GY
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

I forward herewith two (2) copies of the audited financial statements for the above-mentioned Project for the period 1 January 2021 to 31 July 2022, together with the Report of the Auditor General and management letter thereon.

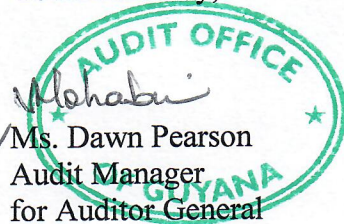
Should you need any clarification or explanation, please do not hesitate to let me know.

With kind regards.

Yours sincerely,

Mohabi

Ms. Dawn Pearson
Audit Manager
for Auditor General





Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

592/IDA: 22/1/2022

21 November 2022

Mr. Daniel del Salto
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 Mr. Salto,

AUDIT OF THE RESOURCES MANAGED AND USED
BY THE BANK OF GUYANA UNDER THE
GUYANA PAYMENTS SYSTEM PROJECT
CREDIT AGREEMENT № 5966-GY
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

I forward herewith one (1) copy of the audited financial statements for the above-mentioned Project for the period 1 January 2021 to 31 July 2022, 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,

Mohab
to Ms. Dawn Pearson
Audit Manager
for Auditor General

AUDIT OFFICE

GUYANA



Audit Office of Guyana

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

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AG: 224/2022-1

21 November 2022

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 PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT (CREDIT № 5966-GY)
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

Opinion

I have audited the Financial Statements of the Guyana Payments System Project which comprise the Statement of Cumulative Investments for the period 1 January 2021 to 31 July 2022, 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 Payments System Project for the period 1 January 2021 to 31 July 2022 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 № 5966-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 5:09 of the General for International Development Association (IDA) Financing: "Investment Project Financing" and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

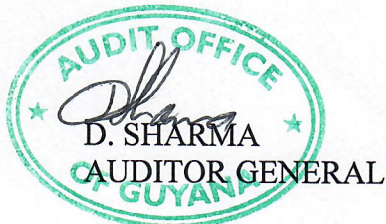
Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 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.

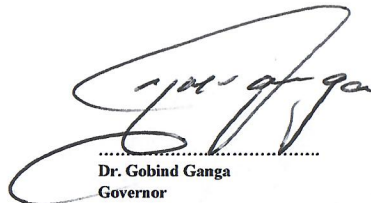


AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

Bank of Guyana
Guyana Payments System Project (P159512)
Statement of Cumulative Investments
For the period 1st January, 2021 to 31st July, 2022

Categories	September 2017 to December 2018		January to December 2019		January to December 2020		January 2021 to July 2022		September 2017 to July 2022 Cumulative	
	US\$	G\$	US\$	G\$	US\$	G\$	US\$	G\$	US\$	G\$
Component 1 - Developing Payments System Infrastructure	-	-	135,082.36	28,062,214	929,244.18	193,740,443	1,189,038.83	243,125,789	2,253,365.37	464,928,446
Component 2 - Capacity Building of the Bank of Guyana	-	-	-	-	-	-	59,900.50	12,489,254	59,900.50	12,489,254
Component 3 - Project Implementation Unit	7,965.71	1,644,919	29,374.97	6,118,728	25,103.77	5,234,136	-	-	62,444.45	12,997,783
Total	7,965.71	1,644,919	164,457.33	34,180,942	954,347.95	198,974,579	1,248,939.33	255,615,043	2,375,710.32	490,415,483

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Mr. Imran Khan
Project Coordinator
Bank of Guyana

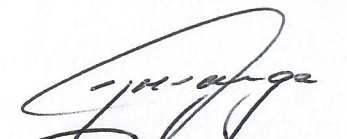

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Dr. Gobind Ganga
Governor
Bank of Guyana

The accompanying notes form an integral part of this statement.

Bank of Guyana
Guyana Payments System Project (P159512)
Statement of Sources and Uses of Funds
For the period 1st January, 2021 to 31st July, 2022

	September 2017 to December 2018		January to December 2019		January to December 2020		January 2021 to July 2022		September 2017 to July 2022 Cumulative	
	US\$	GS	US\$	GS Restated	US\$	GS	US\$	GS	US\$	GS
RECEIPTS										
World Bank										
Designated Account	648,000.00	133,812.000	200,000.00	41,700,000	1,096,574.97	228,635,881	703,166.17	146,610,146	2,647,741.14	550,758,028
Direct Payment	-	-	-	-	-	-	-	-	-	-
Other disbursement methods	-	-	-	-	-	-	-	-	-	-
Total Receipts (A)	648,000.00	133,812.000	200,000.00	41,700,000	1,096,574.97	228,635,881	703,166.17	146,610,146	2,647,741.14	550,758,028
LESS EXPENDITURES BY COMPONENT										
Component 1 - Developing Payments System Infrastructure	-	-	135,082.36	28,062,214	929,244.18	193,740,443	1,189,038.83	247,901,065	2,253,365.37	469,703,722
Component 2 - Capacity Building of the Bank of Guyana	-	-	-	-	-	-	59,900.50	12,489,254	59,900.50	12,489,254
Component 3 - Project Implementation Unit	7,965.71	1,644,919	29,374.97	6,118,728	25,103.77	5,234,136	-	-	62,444.45	12,997,783
Total Expenditures (B)	7,965.71	1,644,919	164,457.33	34,180,942	954,347.95	198,974,579	1,248,939.33	260,390,319	2,375,710.32	495,190,759
RECEIPTS LESS EXPENDITURE	640,034.29	132,167.081	35,542.67	7,519,058	142,227.02	29,661,302	(545,773.16)	(113,780,172)	272,030.82	55,567,269
Foreign Exchange Adjustment			499.75				(1,340.57)			
BANK BALANCES										
Opening Cash Balances										
Designated Account	500,000.00	103,250,000	500,000.00	103,250,000	589,896.45	122,993,410	735,607.85	153,374,237		
Project Account	148,000.00	30,562,000	140,034.29	28,917,081	86,180.26	17,796,224	82,695.88	17,076,699		
Total Opening Balance	648,000.00	133,812.000	640,034.29	132,167,081	676,076.71	140,789,634	818,303.73	170,450,936		
Closing Cash Balances										
Designated Account	500,000.00	103,250,000	589,896.45	122,993,410	735,607.85	153,374,237	266,600.16	55,586,133		
Project Account	140,034.29	28,917,081	86,180.26	17,796,224	82,695.88	17,076,699	4,589.84	947,802		
Total Closing Balance	640,034.29	132,167,081	676,076.71	140,789,634	818,303.73	170,450,936	271,190.00	56,533,935		

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Mr. Imran Khan
Project Coordinator
Bank of Guyana


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Dr. Gobind Ganga
Governor
Bank of Guyana

The accompanying notes form an integral part of this statement.

Bank of Guyana
Guyana Payment System Project (P159512)
Notes to the Financial Statements
For the period ended July 31st, 2022

1. Project Description

This is a US\$6 million Project that was scheduled to be executed in 4 years, from March 2017 to March 2021, with the objective of improving Guyana's National Payments System by enhancing safety and efficiency of payments. A total of US\$3.29 million was canceled from the loan by request of the Government of Guyana. The World Bank had first granted an extension to the closing date to September 30, 2021, however a final extension of the project was granted to May 31, 2022.

Project Beneficiaries

The project beneficiaries includes:

1. Consumers, government agencies and the private sector
2. The Bank of Guyana
3. Financial institutions

Final users of the National Payments System are the ultimate beneficiaries of this Project.

Consumers, government agencies, and the private sector will benefit from an improved and modern national payments system. The Project will provide users safe and efficient electronic payment instruments.

The Bank of Guyana (BOG) will benefit by increased knowledge and capacity by operating and governing a National Payments System. Technical assistance will be provided to the BOG to conduct a comprehensive reform supported by a strong legal and policy framework to support safe and efficient electronic payments. In addition, the Project will provide financial and technical support to the BOG for developing the payments system infrastructure and for providing capacity building for BOG Staff.

Financial institutions will also benefit from the Project. Core payment infrastructure consistent of a RTGS, ACH and CSD that are connected would provide a number of advantages to financial institutions: 1) safer and more efficient processing of electronic payments and 2) banks and other eligible institutions will be able to offer payment instruments such as credit transfers and direct debits that can be used for a variety of retail payment needs, such as salary payments, bill payments and tax payments.

Project Development Objectives – Results Indicators

Progress towards meeting the Project Development Objective would be measured by the following results indicators:

- a. Percentage of large-value payments processed through the Real-Time Gross Settlement Systems (RTGS) (Turnover of GDP)
- b. New system observes or broadly observes all applicable Principles for Financial Market Infrastructures (PFMIs)

Project Components

The Project will support the improvement of Guyana's National Payments System by enhancing safety and efficiency of payments, through three components:

- (i) Developing Payments System Infrastructure (estimated total cost: US\$4.30 million)
- (ii) Capacity Building of the Bank of Guyana (estimated total cost: US\$ 1.38 million)
- (iii) Project Implementation Unit (estimated total cost: US\$ 0.32 million).

Component 1: Developing Payments System Infrastructure

This component will focus on financing the required hardware and software infrastructure by the Government in order to provide interbank clearing and settlement services for electronic payments. Under component 1 the Project will finance: (a) Software and Hardware for the RTGS, (b) Software and Hardware for the CSD, (c) Bank of Guyana Current Account System upgrade (d) Treasury Software Modification, (e) GRA Software Modification, and NIS Software Modification.

Component 2: Capacity Building of the BOG

This component is mainly focusing on the capacity building of BOG staff in the specific technical areas required for ongoing operation and management of the infrastructure systems. Under component 2 the Project will finance, *inter alia*: (a) PIU operational technical advisory support for the RTGS and CSD (b) technical advice for connection government payments, (c) peer study tours for the PIU and (d) training.

Component 3: Project Implementation Unit

This component will focus on supporting the efforts of the implementation agency to effectively execute the Payments System Project. Under this component the Project will finance: (a) the recruitment and training of the Project Implementation Unit (PIU) team members including specialists responsible for procurement procedures, financial management, information, technology, and the overall execution of the project, (b) equipment and furniture for the PIU, (c) monitoring and evaluation activities, and (d) operative costs.

2. Basis of Preparation

The Financial Statement have been prepared in accordance with the 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 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 conversion of Guyana currency to United States currency was GY\$208.5 = US\$1.

3. Available Cash Balance

Closing balances as at 31st July, 2022:

US\$

i.	Crown Agents Bank account No. 33681125	266,600.16
ii.	Bank of Guyana No. 01627004550	<u>4,589.84</u>
	Total	<u>271,190.00</u>

4. Designated Account

In accordance with the disbursement letter the designated account was established to deposit advances withdrawn from the loan account to facilitate eligible expenditure. During the period under review advances from World Bank to the Designated Account total the sum of US\$703,166.17.

5. Sources & Use of Funds

The Statement of Sources and Uses of Funds represent expenditures, which are paid in the period.

6. Exchange Rate Gain

Over the life of the project, there was a total gain of US\$155,723.49 due to the increase in the exchange rates SDR versus US dollars from 1.3333333 as at 31st March, 2017 to 1.44027 as at 31st July, 2022.

Loan	SDR	USD
At signing 31st March, 2017	4,500,000.00	6,000,000.00
Undisbursed Funds as at 31st July, 2022	161,998.24	218,649.02
Cancelled Funds	2,467,000.00	3,289,333.33
Add: Disbursed Advances	1,871,001.76	2,647,741.14
Total Funds as at 31st July, 2022	4,500,000.00	6,155,723.49
Gain due to SDR movement		155,723.49

Bank of Guyana
Guyana Payments System Project (P159512)
Asset Register
For the period ending 31st July, 2022

Date of Purchase	Asset #	Asset Category	Description of Assets	Serial #	Location	Cost		Condition of Asset
						US\$	GS	
26-Apr-18	PIU/OE/001	Office Equipment	Hp Laserjet Color Multi Functional Printer	VNBKBMFN8	BOG - PIU	524.46	108,300	Working Condition
26-Apr-18	PIU/OE/002	Office Equipment	HP ProBook 450 G5 Laptops	SCD8033FZG	BOG - PIU	1,041.16	215,000	Working Condition
26-Apr-18	PIU/OE/003	Office Equipment	HP ProBook 450 G5 Laptops	SCD8033FT7	BOG - PIU	1,041.16	215,000	Working Condition
26-Apr-18	PIU/OE/004	Office Equipment	HP ProBook 450 G5 Laptops	SCD8033FYR	BOG - PIU	1,041.16	215,000	Working Condition
26-Apr-18	PIU/OE/005	Office Equipment	HP ProBook 450 G5 Laptops	SCD8033FZ2	BOG - PIU	1,041.16	215,000	Working Condition
27-Aug-19	PIU/OE/006	Office Equipment	HP Printer M553DN	JPCCLAH1RA	BOG - PIU	1,766.59	364,800	Working Condition
27-Aug-19	PIU/OE/007	Office Equipment	Epson Powerlite Proector	ZX4HS8801707	BOG - PIU	772.33	159,486	Working Condition
27-Aug-19	PIU/OE/008	Office Equipment	Klip Projector Screen	-	BOG - PIU	109.86	22,686	Working Condition
17-Mar-20	PIU/OF/009	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.92	95,894	Working Condition
17-Mar-20	PIU/OF/010	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.92	95,894	Working Condition
17-Mar-20	PIU/OF/011	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.92	95,895	Working Condition
17-Mar-20	PIU/OF/012	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.92	95,895	Working Condition
17-Mar-20	PIU/OF/013	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/014	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/015	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/016	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/017	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/018	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/019	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/020	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/021	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/022	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition

Bank of Guyana
Guyana Payments System Project (P159512)
Asset Register
For the period ending 31st July, 2022

Date of Purchase	Asset #	Asset Category	Description of Assets	Serial #	Location	Cost		Condition of Asset
						US\$	GS	
17-Mar-20	PIU/OF/023	Office Furniture	Mesh HB heavy Duty M/Vion Granter seat	-	BOG - PIU	459.93	95,895	Working Condition
17-Mar-20	PIU/OF/024	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/025	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/026	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/027	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,959	Working Condition
17-Mar-20	PIU/OF/028	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/029	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/030	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/031	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/032	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,958	Working Condition
17-Mar-20	PIU/OF/033	Office Furniture	Mesh Low Back Amcha/Vion Grantr seat	-	BOG - PIU	249.20	51,959	Working Condition
17-Mar-20	PIU/OF/034	Office Furniture	Bufffet Credenza	-	BOG - PIU	1,653.20	344,692	Working Condition
17-Mar-20	PIU/OF/035	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,705	Working Condition
17-Mar-20	PIU/OF/036	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,705	Working Condition
17-Mar-20	PIU/OF/037	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,705	Working Condition
17-Mar-20	PIU/OF/038	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,705	Working Condition
17-Mar-20	PIU/OF/039	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,706	Working Condition
17-Mar-20	PIU/OF/040	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,706	Working Condition
17-Mar-20	PIU/OF/041	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,706	Working Condition
17-Mar-20	PIU/OF/042	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.03	561,706	Working Condition
17-Mar-20	PIU/OF/043	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
17-Mar-20	PIU/OF/044	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
17-Mar-20	PIU/OF/045	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition

Bank of Guyana
Guyana Payments System Project (P159512)
Asset Register
For the period ending 31st July, 2022

Date of Purchase	Asset #	Asset Category	Description of Assets	Serial #	Location	Cost		Condition of Asset
						US\$	GS	
17-Mar-20	PIU/OF/046	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
17-Mar-20	PIU/OF/047	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
17-Mar-20	PIU/OF/048	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
17-Mar-20	PIU/OF/049	Office Furniture	60*66 Lshape Workstations with Lshape Wall	-	BOG - PIU	2,694.04	561,707	Working Condition
22-May-20	PIU/OE/050	Office Equipment	Dell PowerEdge R740 Server	114JR33	Castellani House	11,250.00	2,345,625	Working Condition
22-May-20	PIU/OE/051	Office Equipment	Dell PowerEdge R740 Server	115DR33	BOG - PIU	11,250.00	2,345,625	Working Condition
22-May-20	PIU/OE/052	Office Equipment	Dell PowerEdge R740 Server	115CR33	BOG - PIU	11,250.00	2,345,625	Working Condition
22-May-20	PIU/OE/053	Office Equipment	Dell PowerEdge R740 Server	114KR33	BOG - PIU	11,250.00	2,345,625	Working Condition
8-Jun-20	PIU/SE/054	Sundry item	Network Firewall/VPN and Power adapter	012801167458 & 0H9491005349	Bank of Baroda	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/055	Sundry item	Power Adapter	0H9361009222	Bank of Baroda	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/056	Sundry item	19U Rack Mount	-	Bank of Baroda	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/057	Sundry item	Network Firewall/VPN and Power adapter	012801167460 & 0H9491004011	Republic Bank	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/058	Sundry item	Power Adapter	0H0011005285	Republic Bank	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/059	Sundry item	19U Rack Mount	-	Republic Bank	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/060	Sundry item	Network Firewall/VPN and Power adapter	012801167443 & 0H0011005753	Citizens Bank	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/061	Sundry item	Power Adapter	0H9491004014	Citizens Bank	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/062	Sundry item	19U Rack Mount	-	Citizens Bank	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/063	Sundry item	Network Firewall/VPN and Power adapter	012801167305 & 0H9491004730	Bank Nova Scotia	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/064	Sundry item	Power Adapter	0H9361009228	Bank Nova Scotia	147.00	30,650	Working Condition

Bank of Guyana
Guyana Payments System Project (P159512)
Asset Register
For the period ending 31st July, 2022

Date of Purchase	Asset #	Asset Category	Description of Assets	Serial #	Location	Cost		Condition of Asset
						US\$	GS	
8-Jun-20	PIU/SE/065	Sundry item	19U Rack Mount	-	Bank Nova Scotia	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/066	Sundry item	Network Firewall/VPN and Power adapter	012801167389 & 0H0011005287	Demerara Bank	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/067	Sundry item	Power Adapter	0H0011005733	Demerara Bank	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/068	Sundry item	19U Rack Mount	-	Demerara Bank	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/068	Sundry item	Network Firewall/VPN and Power adapter	012801167444 & 0H9491004740	Ministry Finance	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/069	Sundry item	Power Adapter	0H0011005732	Ministry Finance	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/070	Sundry item	19U Rack Mount	-	Ministry Finance	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/071	Sundry item	Network Firewall/VPN and Power adapter	012801167464 & 0H0011005310	GBTI	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/072	Sundry item	Power Adapter	0H9491004631	GBTI	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/073	Sundry item	19U Rack Mount	-	GBTI	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/074	Sundry item	Network Firewall/VPN and Power adapter	012801167462 & 0H9491004741	NIS	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/075	Sundry item	Power Adapter	0H0011005742	NIS	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/076	Sundry item	19U Rack Mount	-	NIS	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/077	Sundry item	Network Firewall/VPN and Power adapter	012801167453 & 0H0011005941	GRA	1,819.00	379,262	Working Condition
8-Jun-20	PIU/SE/078	Sundry item	Power Adapter	0H9491004023	GRA	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/079	Sundry item	19U Rack Mount	-	GRA	293.00	61,091	Working Condition
8-Jun-20	PIU/SE/080	Sundry item	Network Firewall/VPN and Power adapter	012801167159 & 0H0011005307	BOG	675.00	140,738	Working Condition
8-Jun-20	PIU/SE/081	Sundry item	Power Adapter	0H0011005318	BOG	147.00	30,650	Working Condition
8-Jun-20	PIU/SE/082	Sundry item	19U Rack Mount	-	BOG	293.00	61,091	Working Condition



Audit Office of Guyana

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AG: 224/2022-2

21 November 2022

REPORT OF THE AUDITOR GENERAL ON THE
ELIGIBILITY OF EXPENDITURE
FOR THE GUYANA PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT (CREDIT № 5966-GY)
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

Opinion

I have audited the Requests for Reimbursement of Expenditure submitted for the Guyana Payments System Project for the period 1 January 2021 to 31 July 2022, in support of credit withdrawals under Financing Agreement (Credit № 5966-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 (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 Requests for Reimbursement of Expenditure in accordance with the requirements established in Section IV of the Financing Agreement (Credit Agreement № 5966-GY) and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

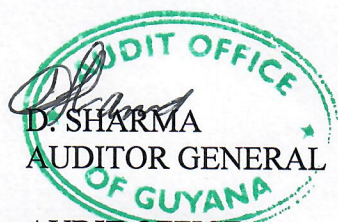
Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 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.



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AG: 224 /2022-3

21 November 2022

REPORT OF THE AUDITOR GENERAL ON THE
DESIGNATED ACCOUNT RECONCILIATION STATEMENT
AND THE PROJECT ACCOUNTS
FOR THE GUYANA PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT (CREDIT № 5966-GY)
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

Opinion

I have audited the Designated Account Reconciliation Statement and the Project Accounts submitted for the Guyana Payments System Project for the 1 January 2021 to 31 July 2022. This statement and the accounts are the responsibility of the Guyana Payments System Project.

In my opinion, the Designated Account Reconciliation Statement and the Project Accounts, used for managing the funds provided by the International Development Association, present fairly, in all material respects, the availability of funds for the period 1 January 2021 to 31 July 2022, as well as the transactions made during the same year, 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 5:09 of the General for International Development Association (IDA) Financing: "Investment Project Financing" and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

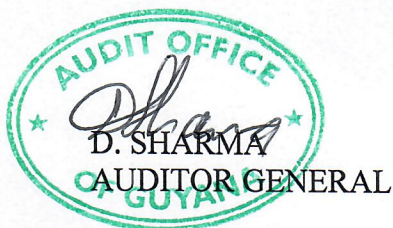
Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 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.



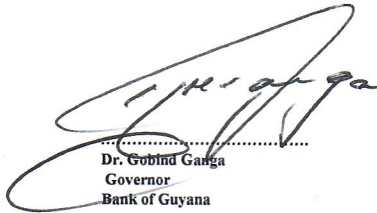
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GUYANA

Bank of Guyana
Guyana: Payments System Project (P159512)
Designated Account Reconciliation Statement
For the period 1st January, 2021 to 31st July, 2022
Account Number: 33681125 with Crown Agents Bank Limited
LOAN/CREDIT/PPF/COFINANCIER NUMBER IDA 59660

	US\$	G\$
1 Total advance by World Bank	2,647,741.14	550,758,028
2 LESS: Eligible expenditure for the current period ended December 2021 documented by World Bank	(1,475,502.10)	(307,627,197)
3 LESS: Cumulative eligible expenditure for the prior year ended December 2020 documented by World Bank	(479,075.72)	(99,757,437)
3 Present Outstanding amount advanced to the Designated account	693,163.32	143,373,394
4 Balance of USD Designated account per Bank Reconciliation statement as at year ended 31st July, 2022	266,600.16	55,586,134
4 Balance of Project account per Bank Reconciliation statement as at period ended 31st July, 2022	4,589.84	947,802
5 PLUS: Eligible expenditure for the current year documented after the year ended 31st July, 2022	421,132.50	87,806,127
6 PLUS: Total amount withdrawn and not yet claimed		
REASON:		
7 Amounts claimed in previous applications not yet credited at date of Bank Statements		
<u>APPLICATION NO.</u>		
Subtotal of previous applications not yet credited		
8 LESS: Interest Earned	-	-
9 Total advance accounted for	692,322.50	144,340,063
10 DIFFERENCE	840.82	(966,669)

11 Explanation of difference shown in line 10
This difference represents net loss in the transfer of funds due to the movement of exchange rate.

.....
Mr. Imran Khan
Project Coordinator
Bank of Guyana

.....

Dr. Gobind Ganga
Governor
Bank of Guyana

The accompanying notes form an integral part of this statement.



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AG:224 /2022-4

21 November 2022

REPORT OF THE AUDITOR GENERAL ON THE
COMPLIANCE WITH THE FINANCING AGREEMENT AND THE
RELEVANT LAWS AND REGULATIONS
FOR THE GUYANA PAYMENTS SYSTEM PROJECT
FINANCING AGREEMENT (CREDIT № 5966-GY)
FOR THE PERIOD 1 JANUARY 2021 TO 31 JULY 2022

Opinion

I have audited the Financial Statements of the Guyana Payments System Project which comprise the Statement of Cumulative Investments for the period 1 January 2021 to 31 July 2022, 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 Payments System Project complied with Articles I to V of the Financing Agreement (Credit № 5966-GY) and the relevant laws and regulations for the period 1 January 2021 to 31 July 2022.

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 compliance with the requirements of Articles I to V of the Financing Agreement (Credit № 5966-GY) 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.

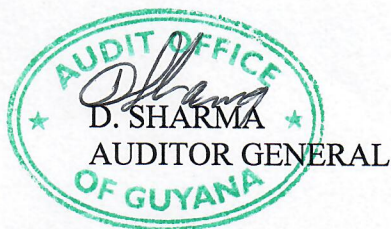
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My objective is to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is 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 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.



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Bank of Guyana
Guyana Payments System Project (P159512)
IDA Credit No. 59660
For the period ended July 31, 2022

Compliance with Financing Agreement

Article II – Financing

2.02

According to this Article, the Recipient may withdraw 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 ($\frac{1}{2}$ 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 ($\frac{3}{4}$ 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 US\$ 19,603.50 on June 1, 2021, US\$19,731.59 on December 1, 2021 and US\$70,444.34 on June 1, 2022. 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 June 1, 2022 and the last on December 1, 2041. Therefore, the requirements were not applicable during the period.

2.08

The Payment Currency is United States Dollars.

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 Bank of Guyana 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 Bank of Guyana. 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

5.01

The Additional Conditions of Effectiveness consist of, namely, that the Project Operations Manual has been adopted by the Recipient pursuant to Section I.C.1 of Schedule 2 to this Agreement.

During the period under review, the Recipient through the Bank of Guyana has prepared and adopted the Operational Manual and is executing the Project in accordance with the terms of the Operations Manual.

5.02

The Additional Legal Matter of the Subsidiary agreement has been duly authorized or ratified by the recipient and BOG and is legally binding upon the Recipient and the BOG in accordance with its terms.

During the period under review, the Recipient through the Bank of Guyana has complied with the Subsidiary Agreement and is executing the Project in accordance with the terms of the Subsidiary Agreement.

5.03

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

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

5.04

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.



Audit Office of Guyana

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530/IDA: 22/2/2022

21 November 2022

Dr. Gobind Ganga
Governor
Bank of Guyana
1 Avenue of the Republic
Georgetown.

Dear Dr. Ganga,

AUDIT OF THE RESOURCES
MANAGED AND USED BY THE BANK OF GUYANA
UNDER THE GUYANA PAYMENTS SYSTEM PROJECT
CREDIT AGREEMENT № 5966-GY FOR THE PERIOD
1 JANUARY 2021 TO 31 JULY 2022

The financial statements for the Guyana Payments System Project for the period 1 January 2021 to 31 July 2022 have been audited and accordingly the Auditor General has reported thereon. The audit was conducted in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), the International Standard of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004.

2. The audit planning and execution took into account the internal control structure which was utilised in the preparation of the financial statements in order to determine the auditing procedures and to assess whether it formed a reliable basis for expressing an opinion. This consideration was however, not directed at providing assurance of the internal accounting control structure and its operations. There were no matters involving the internal accounting control structure and its operation that we consider to be material weaknesses in accordance with the standard referred to above.

3. This report is comprised of findings and recommendations in relation to the existing systems and procedures noted during the period audited.

4. On 22 June 2017, the Co-operative Republic of Guyana (CROG) and the International Development Association (IDA) signed an agreement whereby the IDA agreed to provide credit in an amount equivalent to four million, five hundred thousand Special Drawing Rights (SDR4.5M or US\$6M). Approval was granted on 24 February 2021, for a no cost extension to 30 September 2021. However, another approval was granted on 16 December 2021 for a further no cost extension with a new end date of 31 May 2022 for the purposes of Schedule 2, Section IV, B - Withdrawal Conditions, Withdrawal Period - of the Financing Agreement. The objective of the Project is to improve the usage of financial services through the development of Guyana's National Payments System to enhance safety and efficiency of payments.

5. The Project will support the improvement of Guyana's National Payments System by enhancing safety and efficiency of payments through three Components, namely:

1. Developing Payment System Infrastructure;
2. Capacity Building of the Bank of Guyana; and
3. Project Implementation Unit.

6. In accordance with Section II – Project Description, of the Operation Manual (OM), the Project will achieve its development objectives through implementation of three components namely, Component 1: Developing Payments System Infrastructure, Component 2: Capacity Building of the Bank of Guyana and Component 3: Project Implementation Unit. The table below summarises the financing by components expressed in United States Dollars (US\$) as stated in the Operations Manual:

Components	Amounts US\$'000
1- Developing Payments System Infrastructure	4,300
2-Capacity Building of the Bank of Guyana	1,380
3-Project Implementation Unit	320
Total	6,000

7. However, according to Note 6 of the Financial Statements, the value of the total fund as at 31 July 2022 was US\$6,155,723 based on the fluctuation of the exchange rate of the SDR to the United States Dollar. As a result, the value gain due to the SDR exchange rate was US\$155,723.

8. During the period, the Project operated two bank accounts namely, Crown Agents Bank Account № 33681125 and Bank of Guyana Account № 01627004550. According to the records kept by the Project, amounts totalling US\$703,166 were disbursed by the IDA. All amounts were verified as being properly received and brought to account in the records of the Project.

9. As at 31 July 2022, the sum of US\$2,647,741 or 44% of the Project sum was disbursed for the execution of the Project. Despite the completion of the Project, only amounts totalling US\$2,375,710 which represents 90% of the disbursed amount and only 40% of the Project sum were expended. The total expenditure is summarised by Component in the table below:

Components	Amount Budgeted US\$'000	Total Expended US\$'000
1- Developing Payments System Infrastructure	4,300	2,253
2-Capacity Building of the Bank of Guyana	1,380	60
3-Project Implementation Unit	320	63
Total	6,000	2,376

Management Response

There were significant cost savings gained as many activities actual contract sums were way below their original budgeted allocation. An example being, Consultancy Services (Monetics Pte Firm) and the RTGS/CSD systems supplier (Montran Corporation) were initially budgeted to a combined sum of US\$3.1M. However, combined related contracts totaled US\$1.6M resulting in significant savings of US\$1.5M.

10. Audit checks revealed that at 31 July 2022, Project Account No. 01627004550 which is held at the Bank of Guyana reflected a balance of US\$4,590 and the Crown Agents Bank Account No. 33681125 reflected a balance of US\$266,600 bringing the total balance to US\$271,190. In addition, the balance was refunded to and acknowledged by the World Bank on 9 November 2022.

11. According to the Estimate presented to the National Assembly, the sum of US\$1,723,498 was budgeted to be expended during the period. However, audit checks revealed that amounts totalling US\$1,248,939 or 72% of the budgeted amount were expended. However, it was noted that the Project achieved all its stated objectives. The Approved Estimate is summarised in the table below:

Components	Amount Budgeted US\$'000	Amount Expended US\$'000	Balance on Budget US\$'000
Component 1 - Developing Payments System Infrastructure	1,245	1,189	56
Component 2- Capacity Building of the Bank of Guyana	478	60	418
Component 3 - Project Implementation Unit	0	0	0
Total	1,723	1,249	474

Management Response

Provision (budgeting) was made for further capacity building (training and peer visits). However, due to the comprehensive training provided by the RTGS & CSD systems supplier, Montran Corporation along with the knowledge transfer by Consultant, Monetics Pte., there was no need for further related training/peer visits which resulted in underspending and gaining additional cost savings.

Component 1: Developing Payments System Infrastructure

12. During the period, the Project in accordance with the Procurement Plan expended amounts totalling US\$1,189,038.83 under this Component. The table below summarises the expenditure:

Description	Amount US\$
System Software Updates & Modifications	389,143.86
Design, supply & installation of RTGS and CSD	332,000.00
Amending the GoG Financial and Payroll Systems	299,710.00
Consultancy services	139,754.50
Interface to export lodgment data for the Electronic Funds Transfer System	21,665.00
Microsoft licenses	6,635.74
Courier charges	129.73
Total	1,189,038.83

System Software Updates & Modifications – US\$389,143.86

13. On 2 October 2020, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$87,959 to an overseas company to support the Bank of Guyana Cheque system upgrade to R6 Web version and Real Time Gross Settlement System (RTGS) Integration work for Electronic Funds Transfer (EFT)/Cheque Image Automated Clearing House (ACH) in Guyana. A contract was signed on 4 September 2020. During the period of audit, two payments of US\$47,958.86 were paid based on (i) 35% payment of cheques systems upgrade to R6 Web version & RTGS integration work for EFT/Cheque image ACH for Bank of Guyana and (ii) final payment of 15% payment for cheques system upgrade to R6 Web version and RTGS integration work for EFT/ Cheque image ACH for Bank of Guyana. All components in the Work Order were completed and Operational Acceptance Report was signed on 28 September 2021 by BoG representative. The amount was verified as properly brought to account in the records of the Project.

14. On 2 October 2020, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$81,400 to an overseas company to support the Bank of Guyana with the upgrade of SunSystems 6.4 and Real Time Gross Settlement System (RTGS) interface. During the period of audit, six payments totalling US\$53,355 were paid based on invoices submitted. The SunSystems 6.4 Requisitioning Module Sign Off form was signed on 17 November 2021 by the BoG representative that all deliverables were received. The amounts were verified as properly brought to account in the records of the Project.

15. On 31 August 2021, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$102,000 to an overseas company for the procurement of systems software upgrades and system hardware license for Guyana Revenue Authority (GRA) payment hub and integration project. An agreement was signed on 14 September 2021. During the period of audit, the entire contract sum was paid based on (i) initial 50% payment for GRA's integration to BOG's system (G-EFT & G-RTGS), (ii) 25% on delivery, (iii) 15% on completion of User Acceptance Testing (UAT) and (iv) 10% on production. The Operational Acceptance Report was signed on 08 April 2022 by GRA's representative that all deliverables were received as per agreed specification and operational. The amounts were verified as properly brought to account in the records of the Project.

16. On 20 August 2021, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$138,730 to an overseas company for the procurement of systems software modification services which are required at Bank of Guyana for Guyana Revenue Authority. An agreement was signed on 15 September 2021. During the period of audit, the entire contract sum was paid based on (i) initial 50% payment for GRA's integration to BOG's system (G-EFT & G-RTGS), (ii) 25% on delivery, (iii) 15% on completion of User Acceptance Testing (UAT) and (iv) 10% on production. The Operational Acceptance Report dated 05 April 2022 was signed by BoG's representative stating that all activities outlined in the project plans are completed. The amounts were verified as properly brought to account in the records of the Project.

17. On 31 March 2022, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$47,100 to an overseas company for the procurement of systems software modification services for the Ministry of Finance Core Systems. The contract agreement was signed on 23 March 2022. During the period of audit, the entire contract sum was paid based on invoices submitted. The Operational Acceptance Report dated 25 May 2022 was signed by BoG and Ministry of Finance representatives stating that all activities outlined in the Project plans are completed. The amounts were verified as properly brought to account in the records of the Project.

18. However, it was noted that the contact was entered into before the approval from the NPTAB was obtained.

Management Response

World Bank issued “No Objection” on Procurement Plan on August 9 2021 covering systems software modification services for MOF’s Core Systems prior to Award of Contract received from NPTAB on March 31 2022.

The related procurement activity was approved by World Bank in the category of sole sourcing (direct) due to the long-standing relationship between the MOF, BOG and supplier (Aperta Ltd.). Hence, works commenced with no payment(s) prior to award of contract on the basis of the above outlined scenario along with the intention to complete activity in line with Project close-out date May 31 2022.

Design, Supply & Installation of RTGS and CSD – US\$332,000

19. On 11 November 2019, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$1,052,000 to an overseas company to support the Bank of Guyana in the design, supply and installation of a Real Time Gross Settlement System and a Central Securities Depository System. The contract was signed on 11 December 2019. During the period, two payments totalling US\$332,000 were made based on (i) 20% of contract price for delivery of the completion of Test Bed Testing and User Acceptance Testing (UAT) (ii) 20% of contract price for the final payment against Operational Acceptance of the RTGS and CSD systems. As at 31 July 2022, the contract deliverables were completed with 21% remaining as savings. The amounts were verified as properly brought to account in the records of the Project.

Amending the GoG Financial and Payroll Systems US\$299,710

20. On 31 March 2022, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$70,680 to an overseas company for the procurement of systems software modification services for the Ministry of Finance Core Systems by development of an Electronic Funds Transfer (EFT) process for SmartStream Payroll. The contract was signed on 25 March 2022. During the period of audit, the entire contract sum was paid based on invoices submitted. The Operational Acceptance Sign-Off dated 31 May 2022 was signed by Ministry of Finance representative that all deliverables were received and operational. The amounts were verified as properly brought to account in the records of the Project.

21. On 31 March 2022, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract to an overseas company for the procurement of systems software modification services for the Ministry of Finance Core Systems by preparing the system functionality to send electronic payments through Real Time Gross Settlements (RTGS) in the sum of US\$229,030. The contract was signed on 25 March 2022. During the period of audit, the entire contract sum was paid based on (i) 20% for commencement of project and project plan, (ii) 70% for execution of works (validation, system designs, configuration, UAT) and (iii) 10% final payment for submission of satisfactory report. The Acknowledgement Receipt Form and Operational Delivery Acceptance Form were signed on 31 May 2022 by the

Ministry of Finance representative stating that the deliverables were satisfactorily delivered and accepted. The amounts were verified as properly brought to account in the records of the Project.

22. However, it was noted that the contacts were entered into before the approval from the NPTAB was obtained.

Management Response

World Bank issued “No Objection” on Procurement Plan on August 9 2021 covering systems software modification services for MOF’s Core Systems prior to Award of Contract received from NPTAB on March 31 2022.

The related procurement activity was approved by World Bank in the category of sole sourcing (direct) due to the long-standing relationship between the MOF and supplier (FreeBalance Inc.) Hence, works commenced with no payment(s) prior to award of contract on the basis of the above outlined scenario along with the intention to complete in line with Project close-out date May 31 2022.

Consultancy Services US\$139,754.50

23. On 25 July 2019, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$559,018 to an overseas consultant to support the Bank of Guyana in procurement and implementation of a Real Time Gross Settlement System and a Central Securities Depository system and Integration of Government payments. The contract was signed on 31 July 2019 for the services to be completed within twenty months from the date of execution of the agreement. A non-financial amendment was signed on 1 July 2021 for an extension of three (3) months.

24. During the period, three payments totalling US\$139,754.50 were made based on (i) 10% payment on User Acceptance Testing (UAT) and technical (stress) testing of the systems (ii) 5% for Operational Acceptance of the systems and 5% for Project Management (iii) final payment of 5%. As at 31 July 2021, the entire contract sum was paid. The amounts were verified as properly brought to account in the records of the Project.

Interface to export lodgment data for the Electronic Funds Transfer System - US\$21,665

25. On 9 July 2021, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract in the sum of US\$15,050 to an overseas company for the implementation of an Interface to Export Lodgment Data for the Electronic Funds Transfer (EFT) System. The contract was dated on 10 August 2021, and on 22 October 2022, the NPTAB granted approval for additional cost in the sum of US\$6,615, bringing the total contract sum to US\$21,665. During the period of audit, the entire contract sum was paid based on invoices and documentary evidence for works completed were also submitted. The amounts were verified as properly brought to account in the records of the Project.

Microsoft Licenses – US\$6,635.74

26. On 31 August 2021, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract to a local company for the procurement of system hardware license (Microsoft) in the sum of GYD\$1,370,280 equivalent to US\$6,635.74. During the period of audit, the entire contract sum was paid based on (i) 50% advance payment on placement of order and (ii) 50% on delivery of items. The amounts were verified as properly brought to account in the records of the Project.

Component 2 – Capacity Building of the Bank of Guyana – US\$59,900.50

27. On 25 March 2021, the National Procurement and Tender Administrative Board (NPTAB) granted approval for the award of a contract to an overseas company for the provision of consultancy services to perform security audit of the new National Payment System infrastructure in the sum of US\$59,901. A contract was signed on 26 April 2021. During the period of audit, the entire contract sum was paid based on (i) 50% on the delivery of 1st Phase audit report and (ii) 50% on delivery of 2nd Phase audit report. The Act of Acceptance of Provided Services dated 25 October 2021 was signed on by BoG's representatives that there were no claims regarding the delivered consulting services, the content of services or delivered reports. The amounts were verified as properly brought to account in the records of the Project.

Component 3 – Project Implementation Unit

28. For the period of audit, no amounts were budgeted and expended for the Project Implementation Unit of the Bank of Guyana.

General

29. The Audit Office wishes to express its gratitude for the co-operation given to its officers during the course of the audit.

With kind regards.

Yours sincerely,

for 
Ms. Dawn Pearson
Audit Manager
for Auditor General

