



*Report of the Auditor-General
on the Accounts of the
National Youth Commission
for the year ended 31 December 2014*





Report of the Auditor-General on the Accounts of the National Youth Commission for the year ended 31 December 2014



**An Assurance Audit Report of the Auditor General on the Financial
Statements of the National Youth Commission for the year ended 31
December 2014**

OFFICE OF THE AUDITOR - GENERAL

28 January 2019

The Honourable Job Pomat, MP
The Speaker of National Parliament
Parliament House
WAIGANI
National Capital District

Dear Sir,

In accordance with the provisions of *Section 214* of the *Constitution of the Independent State of Papua New Guinea*, I forward herewith a copy of my report signed on 9th August 2018 upon the inspection and audit of the financial statements of the National Youth Commission for the year ended 31 December 2014.

Yours sincerely,



GORDON KEGA, CPA
Acting Auditor-General

AUDITOR-GENERAL'S REPORT ON THE NATIONAL YOUTH COMMISSION

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1. Executive Summary

Results of Operations

The National Youth Commission recorded a net surplus of K3,168,960 in year 2014, an increase of 256% as compared to prior year 2013. The Commission indicates that this surplus was the result of proper management of expenditures.

Expansion/Development programs

The Commission is under reform with the view of developing a proper Governance framework for the proposed National Youth Development Authority. This reform will then require the redefinition of powers and functions of the Commissioner under the *National Youth Commission Act 1999*.

2. Enabling Entity Legislation

Functional Responsibilities/Mandate

The National Youth Commission is established under the *National Youth Commission Act 1999*. Its primary functions are to advise the National Executive Council on any matter referred to it by the National Executive Council; and work with relevant authorities on developments of policy; and establish and maintain a strong youth network throughout the country; and promote awareness and disseminate information on youth matters through its network; and act as the spokesman for youth and for its affiliated members to protect and promote the welfare of youth both locally and internationally; and promote youth development initiatives throughout the nation; and represent youth on policy matters in forums locally and internationally; and report to the Minister on any matters referred to it by the Minister from time to time.

Functional Structure

The National Youth Commission has five streamlined divisions to effectively perform its functions. The divisions include the Executive Division; Policy Development, Coordination and Research Division; Program Division; Education, Training and Youth Rehabilitation Division and Corporate Services Division.

The Executive Division is headed by the Commissioner who provides leadership and manages the overall administration of the Commission and to whom all divisional directors of the Commission report. The Executive management team consist of the Commissioner and four divisional directors. The role of the divisional directors is to assist and provide advice to the Commissioner for the effective administration of the Commission. Below the divisional directors are the line managers who also give advice and support for implementation of each divisional line of responsibilities.

The Commissioner reports to the minister responsible for the Commission and the National Youth Council.

3. Policies and Budget

Corporate Plan

The National Youth Commission is the lead agency in promoting and coordinating sustainable services for young people in partnership with stakeholders with the vision of transforming and empowering youth for the nation building. Thus, the Commission developed the National Youth Commission's Corporate Plan 2013 – 2016 to meet the challenging situations and the growing youth population. The Commission strategically developed Key Performing Activities tailored within responsible Divisions aligned with the *National Youth Commission Act 1999*.

The key areas of functions and responsibilities are to:

- Coordinate policy development and provide policy advice to the Government on matters pertaining to youth.
- Provide policy and technical advice to the Provincial Governments and Local Level Governments on matters pertaining to youth.
- Identify and provide training opportunities for employees of National, Provincial and Local Level Governments as well as for other young men and women.
- Facilitate relevant research on youth matters.
- Establish standards, re-enforce and monitor the level of services offered to youths by Governments and Non Profit Organizations.
- Monitor the execution of National Youth Development Plans at the Provincial and District levels.

- Provide opportunities to enable youths to participate meaningfully in activities at the International, National and Local Levels.

Budget

The recurrent budget for the Commission is made up of Operational Grants, Personnel Emoluments and PIP. The Commission was allocated K9, 181,234 under the National budget. The Commission is a government agency and it relies heavily on the National budget then the internal revenues.

The budget was appropriated under three expenditure heads with operational grants of 29.4%, personnel emolument of 16.1% and PIP (Youth Friendly Centre) of 54.5% respectively.

Policies

The National Youth Commission had an established 10 years (2007 – 2017) National Youth Policy published in 2007. The policy was in line with the National Government strategy for implementing the Medium Term Development Strategy.

The National Youth Policy also provides a framework for planning and program development for all agencies and organization involved in youth development work.

The Commission is in the process of reviewing the Accounting and Administration Procedural manual. However, compliances are placed on Public Finances Management Act and the Manual, General Orders and Generally Accepted Accounting Standards for management and reporting purposes.

4. Role and Mandate of Auditor General

The responsibilities of the Auditor-General are specified in *Section 214* of the Constitution, *Sections 3, 4 and 8* of the *Audit Act, 1989 (as amended)* and *Section 63(4)* of the *Public Finances (Management) Act, 1995*. Subject to these laws, the Auditor-General has complete discretion in the performance or exercise of the mandated functions or powers.

5. Audit Scope and Nature

Audit Scope

The audit was conducted in accordance with the *International Standards on Auditing* and the promulgated best business practices.

Nature of audit

The engagement is an assurance audit engagement in compliance with the *Audit Act, 1989 (as amended)* and *Public Finances (Management) Act, 1995*.

Period of reporting

The period of reporting covers for the financial year ended 31 December 2014 from which the audit had been in arrears and completed and issued in the 2018/2019 Audit Cycle.

6. Results of Audit

Audit Opinion

The Audit report in accordance with the provisions of the *Audit Act, 1989 (as amended)* on the financial Statements of the Printing for the year ended 31 December 2014 was issued on 9 August 2018. The report contained a **Disclaimer of Opinion**.

“BASIS FOR DISCLAIMER OF OPINION

Limitation on the Scope of my Audit

Internal Control Environment

During my examination of accounts and records and the review of internal control system of the Commission for the year ended December, 2014, I noted that the Commission’s overall internal control environment was very weak. The internal control processes and procedures were not implemented by the Commission. I also noted a lack of segregation of duties within the Corporate Services Division of the Commission. The staff employed by the Commission both permanent and casual lacked necessary skills and qualifications to undertake the accounting and finance and other tasks allocated to them. I further noted that they were not

familiar with the Public Finance (Management) Act, (1995), General Orders and other Financial Procedures and Instructions to strengthen the internal control system of the Commission. As such, I was unable to rely on the overall internal control system of the Commission during the year under review. Consequently, I was unable to place reliance on the Commission's financial statements for the year ended 31 December, 2014.

Cash at Bank – K3,256,406

My review of the Commission's both Operating and Commonwealth Youth Ministers Meeting Fund Account bank reconciliations revealed that the bank reconciliations were not prepared, checked and approved by senior finance officers of the Commission during the year under review. I was also not provided with the bank statements and independent bank confirmation of the Commonwealth Youth Ministers Meeting Fund Account to ascertain the completeness and accuracy of the bank account disclosed in the financial statements. As a result, I was not able to verify and confirm the accuracy and completeness of the balance stated at the year end nor place reliance on the effectiveness of the controls maintained by the Commission over cash.

Fixed Assets – K1,976,466

My review of the Fixed Assets Register (FAR) of the Commission for the year ended 31 December, 2014 revealed that the Commission did not maintain a complete Fixed Assets Register to record details of all fixed assets worth K1,976,466. I noted that the assets lacked proper labeling or tagging for identification purposes. There was also no physical stock take undertaken by the Commission to confirm the existence of assets. The Assets Register provided for my verification was incomplete and did not capture all assets purchased over the years. As such, I was unable to conclude on the accuracy, valuation, existence and ownership of the fixed assets disclosed by the Commission as at 31 December, 2014.

Consultancy Fees – K327,720

During my review, I noted that the Commission engaged a number of consultants to provide various consultancy services to the Commission. However, there were no proper consultancy contracts or terms of references drawn up to engage them during the year under review. I

further noted that most of the consultants were engaged by way of engagement letters or notice of engagements without specifying any fee for engagements and scope of work to be done. As a result, I was unable to verify the validity and correctness of the payments made to the consultants totalled K327,720.

The Audited Financial Statements are attached with this report. Please see Attachment “C”.

Significant matters of Concern

My report to the Ministers under *Sections 8(2) of the Audit Act, 1989 (as amended)* on the inspection and audit of the accounts and records of the Printing Office for the year ended 31 December 2014 was issued on 9 August 2018. The report contained the following observations:

Accounting and Administration Procedural Manual

The Commission did not have an accounting and administration procedural manual in place for its staff to carry out tasks in accordance with the required procedures and guidelines applicable to the Commission. I observed that the Commission’s staff were not adhering to the processes and procedures of the *Public Finance (Management) Act, 1995, General Orders* and other *Financial Manuals and Instructions*. As a result, I noted significant internal control weaknesses within the Commission during the year under review.

I drew this to the attention of the Management and they responded as follows;

“A local company was hired to compile an accounting and procedural manual. This manual was in place in 2014, however it was not being used by the officers of the Commission. Resolutions have been made during the last Internal Audit Committee meeting that the manual needed review to be in line with the NYDA Act. The Commission will ensure to have the manual reviewed at the earliest and have it distributed within the Commission to fully utilize the guidelines to ensure procedures are followed effectively and efficiently for the Authority’s best interest.”

Travel Advance Acquittal Register

There was a complete breakdown in the internal control system of payments and monitoring of the usage and acquittals of the various travel related expenses and advances that were paid

to officers of the Commission. The advances register lacked necessary supporting documents of hotel receipts/statement of accounts, hire car receipts; airline tickets/boarding passes, incidental allowances receipts, cash advance acquittals etc. Most of the duty travels taken were not properly and fully acquitted by the concerned officers. As a result, I was unable to trace and authenticate travel advances and related expenses amounting to K872,103 during the year under review.

The Commission responded that the Management will ensure to have all advances acquitted on a timely manner.

Internal Control Weaknesses

Other internal control weaknesses noted during my audit are summarized as follows:

- i. There was no proper segregation of duties implemented in preparing accounting records as the same person responsible for data entry was also responsible for reconciling the books.
- ii. In numerous instances the Commission did payments without obtaining the required three (3) written quotations from reputable suppliers when making payments for expenditure exceeding K5,000 and totaled K538,228. I further noted that some payments were executed on quotations and not on the basis of official supplier's invoices.
- iii. Payments made to the purchases of goods and services totaling K35,458 had no delivery dockets/consignment and other supporting documents attached to confirm if the actual goods purchased had been delivered to the Commission for their intended purposes.
- iv. "Pay Cash" payments made to paymaster totaled K28,000 for various expenses had no proper acquittals attached to determine or confirm if the funds have been utilized for the intended purposes.
- v. Several cheques were issued open for encashment. I further noted that this practice

was in place in the prior years and continue to exist up to the time of audit in 2017. It was the Commission's practice to raise pay cash cheques for most of its payments and not directly to the suppliers of goods and services. It was further noted that these payments were not properly acquitted with proper supporting documents. This practice makes the internal control system very weak and expose to irregularities and malpractices.

- vi. Some payments were made for personal purposes and not for the benefit and interest of the Commission. I further noted some officers of the Commission were paid special allowances for jobs which were supposed to be part of their job descriptions.
- vii. Overtime payments were claimed by officers who occupied positions at Grade 10 levels and above. Further, hours claimed on overtime sheet were not approved by immediate supervisor or manager to verify the hours claimed by staff before payments were made.
- viii. The Commission did not remit the wages and overtime taxes to Internal Revenue Commission which is in breach of the *Income Tax Act, 1959 (as amended)*. I further noted that security allowances received by some staff were not taxed.
- ix. The Commissions' staff personal files were not updated with birth certificates or statutory declarations to verify the legitimacy of their dependents. In two (2) instances, the personal files were not available for my review. Further, no short term employment contracts in place for casual officers to validate the wages paid to them during the year.

I drew management's attention to these weaknesses and I was advised that the Commission will ensure to improve this year onwards.

7. Entity Comments and Responses

Responses from the client to the issues that have been raised are also included and form part of the report under *section 8(2) and 8(4) of the Audit Act, 1989 (as amended)*.

8. Stakeholder Expectations

The National Government had mandated the National Youth Commission to be the central agency in youth affairs of the country. In order to achieve its mandated function and responsibilities in expected manner, the Commission needs to engage in mutual relationships and establish rather workable networks among stakeholders nationally, regionally and internationally. The strategic goal is to bring the issues of youth for collective collaboration by all parties to needed expectations.

9. Recommendations

Specific recommendations proposed to the National Youth Commission have been included in this report and the corresponding management replies have been incorporated, where necessary.

Attachment: A

Audit report on the National Youth Commission in accordance with *section 8(4)* of the *Audit Act, 1989* as amended.



Phone: (+675) 3012200 Fax: (+675) 325 2872 Email: agopng@ago.gov.pg Website: www.ago.gov.pg



Our Reference: 31-40-4

The Honourable Soroi Eoe, MP

Minister for Religion, Youth & Community Development

Office of the Minister

PO Parliament Haus

WAIGANI, NCD

INDEPENDENT AUDIT REPORT ON NATIONAL YOUTH COMMISSION FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with *Section 8(4)* of the *Audit Act, 1989 (as amended)*, I have audited the accompanying financial statements of the **National Youth Commission** for the year ended **31 December, 2014** as set out on pages **3 to 11**, which comprise the statement of receipts and payments for the year ended 31 December 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Commission is responsible for the preparation and fair presentation of the financial statements in accordance with *Generally Accepted Accounting Practice* adopted in Papua New Guinea, *Section 63(4)* of the *Public Finances (Management) Act, 1995* and other Statutory requirements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Responsibility of the Auditor-General

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the *Audit Act and International Standards on Auditing*. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION**Internal Control Environment**

During my examination of accounts and records and the review of internal control system of the Commission for the year ended December, 2014, I noted that the Commission's overall internal control environment was very weak. The internal control processes and procedures were not implemented by the Commission. I also noted a lack of segregation of duties within the Corporate Services Division of the Commission. The staff employed by the Commission both permanent and casual lacked necessary skills and qualifications to undertake the accounting and finance and other tasks allocated to them. I further noted that they were not familiar with the *Public Finance (Management) Act, (1995)*, *General Orders* and other *Financial Procedures and Instructions* to strengthen the internal control system of the Commission. As such, I was unable to rely on the overall internal control system of the Commission during the year under review. Consequently, I was unable to place reliance on the Commission's financial statements for the year ended 31 December, 2014.

Cash at Bank – K3,256,406

My review of the Commission's both Operating and Commonwealth Youth Ministers Meeting Fund Account bank reconciliations revealed that the bank reconciliations were not prepared, checked and approved by senior finance officers of the Commission during the year under review. I was also not provided with the bank statements and independent bank confirmation of the Commonwealth Youth Ministers Meeting Fund Account to ascertain the completeness and accuracy of the bank account disclosed in the financial statements. As a result, I was not able to verify and confirm the accuracy and completeness of the balance stated at the year end nor place reliance on the effectiveness of the controls maintained by the Commission over cash.

Fixed Assets – K1,976,466

My review of the Fixed Assets Register (FAR) of the Commission for the year ended 31 December, 2014 revealed that the Commission did not maintain a complete Fixed Assets Register to record details of all fixed assets worth K1,976,466. I noted that the assets lacked proper labeling or tagging for identification purposes. There was also no physical stock take undertaken by the Commission to confirm the existence of assets. The Assets Register provided for my verification was incomplete and did not capture all assets purchased over the years. As such, I was unable to conclude on the accuracy, valuation, existence and ownership of the fixed assets disclosed by the Commission as at 31 December, 2014.

Consultancy Fees – K327,720

During my review, I noted that the Commission engaged a number of consultants to provide various consultancy services to the Commission. However, there were no proper consultancy contracts or terms of references drawn up to engage them during the year under review. I further noted that most of the consultants were engaged by way of engagement letters or notice of engagements without specifying any fee for engagements and scope of work to be done. As a result, I was unable to verify the validity and correctness of the payments made to the consultants totaled K327,720.

DISCLAIMER OF OPINION

Because of the significance of the matters referred to in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements of the Commission for the year ended 31 December, 2014.

**GORDON KEGA***Acting Auditor-General***9 August, 2018**

Attachment: B

Audit report on the National Youth Commission in accordance with *section 8(2)* of the *Audit Act, 1989* as amended.



Phone: (+675) 3012200 Fax: (+675) 325 2872 Email: agopng@ago.gov.pg Website: www.ago.gov.pg



Our Reference: 31-40-4

The Honourable Soroi Eoe, MP
Minister for Religion, Youth & Community Development
Office of the Minister
PO Parliament Haus
WAIGANI, NCD

AUDIT REPORT ON NATIONAL YOUTH COMMISSION FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with *Section 8(2)* of the *Audit Act, 1989 (as amended)*, I have inspected and audited the accounts and records of the financial transactions and records relating to the assets and liabilities and assets in the custody of **National Youth Commission** for the year ended **31 December, 2014**.

My report in terms of *Section 8(4)* of the *Audit Act, 1989 (as amended)*, on the Commission's financial statements for the year ended 31 December, 2014 was forwarded to you on even date. This report contained a Disclaimer of Opinion.

OTHER MATTERS

I wish to bring to your attention the following matters which in my opinion are of importance:

Accounting and Administration Procedural Manual

During my review, I noted that the Commission did not have an accounting and administration procedural manual in place for its staff to carry out tasks in accordance with the required procedures and guidelines applicable to the Commission. I observed that the Commission's staff were not adhering to the processes and procedures of the *Public Finance (Management) Act, 1995, General Orders* and other *Financial Manuals and Instructions*. As a result, I noted significant internal control weaknesses within the Commission during the year under review.

I drew this to the attention of the Management and they responded as follows;

Level 6
TISA Investment Haus
Kumul Avenue, NCD

PO Box 423
WAIGANI, NCD
Papua New Guinea

Audit Report on the Accounts & Records of National Youth Commission for the year ended 31 December 2014

“A local company was hired to compile an accounting and procedural manual. This manual was in place in 2014, however it was not being used by the officers of the Commission. Resolutions have been made during the last Internal Audit Committee meeting that the manual needed review to be in line with the NYDA Act. The Commission will ensure to have the manual reviewed at the earliest and have it distributed within the Commission to fully utilize the guidelines to ensure procedures are followed effectively and efficiently for the Authority’s best interest.”

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During my review, I noted that there was a complete breakdown in the internal control system of payments and monitoring of the usage and acquittals of the various travel related expenses and advances that were paid to officers of the Commission. The Commission provided an incomplete acquittal register. However, these registers lacked necessary supporting documents of hotel receipts/statement of accounts, hire car receipts; airline tickets/boarding passes, incidental allowances receipts, cash advance acquittals etc. Most of the duty travels taken were not properly and fully acquitted by the concerned officers. As a result, I was unable to trace and authenticate travel advances and related expenses amounting to K872,103 during the year under review.

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Other internal control weaknesses noted during my audit are summarized as follows:

- i. I noted that there was no proper segregation of duties implemented in preparing accounting records as the same person responsible for data entry was also responsible for reconciling the books.
- ii. I observed on a number of instances that the Commission did payments without obtaining three (3) written quotations from reputable suppliers when making payments for expenditure exceeding K5,000 and totaled K538,228. I further noted that some payments were executed on quotations and not on the basis of official suppliers invoices.
- iii. During my review, I noted payments totaled K35,458 had no delivery dockets/consignment and other supporting documents attached to confirm if the actual goods purchased had been delivered to the Commission for their intended purposes.
- iv. My review on pay cash payments made to paymaster totaled K28,000 for various expenses had no proper acquittals attached to determine or confirm if the funds have been utilized for the intended purposes.

Audit Report on the Accounts & Records of National Youth Commission for the year ended 31 December 2014

- v. I noted cheques were issued open for encashment. I further noted that this practice was in place in the prior years and continue to exist up to the time of audit in 2017. It was the Commission's practice to raise pay cash cheques for most of its payments and not directly to the suppliers of goods and services. It was further noted that these payments were not properly acquitted with proper supporting documents. This practice makes the internal control system very weak and expose to irregularities and malpractices.
- vi. I noted some payments were made for personal purposes and not for the benefit and interest of the Commission. I further noted some officers of the Commission were paid special allowances for jobs which were supposed to be part of their job descriptions.
- vii. My review of overtime revealed that overtime was claimed by officers who occupied positions at grade 10 levels and above. Further, hours claimed on overtime sheet were not approved by immediate supervisor or manager to verify the hours claimed by staff before payments were made.
- viii. My review on wages and overtime revealed that the Commission did not remit the wages and overtime taxes to Internal Revenue Commission which is in breach of the *Income Tax Act, 1959 (as amended)*. I further noted that security allowances received by some staff were not taxed.
- ix. The Commissions' staff personal files were not updated with birth certificates or statutory declarations to verify the legitimacy of their dependents. In two (2) instances, the personal files were not available for my review. Further, no short term employment contracts in place for casual officers to validate the wages paid to them during the year.

I drew management's attention to these weaknesses and I was advised that the Commission will ensure to improve this year onwards.



GORDON KEGA
Acting Auditor-General

9 August, 2018

Attachment: C

The 2014 Audited Financial Statements



NATIONAL YOUTH COMMISSION
Ministry for Community Development



FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014



NATIONAL YOUTH COMMISSION
Ministry for Community Development



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NATIONAL YOUTH COMMISSION

Ministry for Community Development



COMMISSIONER'S REPORT

The National Youth Commissioner present his Report on the National Youth Commission audited accounts for the year ended 31 December 2014 and the state of affairs of the Commission at that date.

PRINCIPAL ACTIVITIES

Apart from other activities mandated by the National Youth Commission's Act, the National Youth Commission concentrated efforts on establishing a proper foundation on which the Commission will be self-sustaining in the long term. While fulfilling its functional responsibilities to the National Youth Commission's missions and objectives through various training programs run during the year, the Commission continues with its restructure in line with its revised Corporate Plan addressing the National Government Medium Term Development Objectives.

OPERATING RESULTS

The National Youth Commission recorded a net surplus of K 3, 168, 960 for the year ended 31 December 2014 compared to K 891, 169 for the year ended 31 December 2013.

The Commissioner, states that, the surplus of K3, 168, 960 is not a trading surplus, consequently, this figure must read in conjunction with the notes to and forming part of the accounts.

Subject to the above, the Commissioner states as his opinion:

1. The results of the Commission's operation for the year under review have not been materially affected by any item of an abnormal character.
2. No circumstances have arisen which render adherence to the existing method of valuation of assets, liabilities, receipts and payments misleading or in-appropriated.
3. Unforeseen liability relating to the goods and services of the Commission for the year ended 31 December 2014, if any, the accounts and records being cash basis, the Commission has not become aware of any liabilities at the year end.
4. The Receipt and Payment Statement, notes to the accounts and the results are drawn up so as to exhibit the true and fair view of the state of affairs of the Commission as at 31 December 2014.

Signed as Director General of the National Youth Development Authority and on behalf of the National Youth Council

Director General

Declared at Port Moresby, Papua New Guinea, this 01st day of May 2018



NATIONAL YOUTH COMMISSION

Ministry for Community Development



DECLARATION BY MANAGEMENT

In our opinion, the Statement of Receipts and Payments together with the Notes to the Statement of the National Youth Commission have been drawn up so as to show fairly, the financial performance for the year ended 31 December 2014.

Except as disclosed, we are of the opinion that:-

- The results of the Commission's operations for the year have not been materially affected by any item, transactions or events of an abnormal nature or material circumstances have arisen which would render any amounts shown in the statements misleading.
- The operations of the Commission are on cash basis and it does not expect to incur any credit transactions in its normal course of business affairs.
- Fixed assets at the value shown in the Financial Statements were in existence as at 31 December 2014.
- The current assets of the National Youth Commission including the debtors are expected to realize in the ordinary course of business at least the value at which they are included in the Financial Statements.

NORIT LUIO
DIRECTOR GENERAL

DORAH ASERA
DIRECTOR - FINANCE & ADMIN

Date.....

01st May 2015

Date.....

24 April 2015

**NATIONAL YOUTH COMMISSION
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 K	2013 K
INCOME			
Balance Beginning		887,032	4,437,029
Government Grants	11	9,181,234	4,860,272
Donor Funding	10	-	58,537
Other Income	10	-	17,478
TOTAL INCOME		10,068,266	9,373,316
EXPENDITURE			
Salaries, Wages, Overtime & Allowances	6	1,619,263	2,024,270
Leave Fares		62,644	80,023
Contract Gratuity		-	8,000
Travel & Subsistence Expenses	8	1,369,056	1,516,048
Office Materials and Supplies		28,400	58,103
Operational Materials & Supplies	4	85,222	54,002
Transport and Fuel	5	680,474	628,752
Administrative Consultancy Fees	13	1,366,907	812,641
Other Operational Expenses	9	666,818	890,534
Training		111,400	109,884
Utilities Expenses	7	160,234	226,698
Rental of Property		-	1,373,150
Routine Maintenance	3	403,213	406,816
Membership Fees Subscription		2,299	-
Donation Expenses		195,138	41,643
Capital Expenditures	2	131,477	235,337
Bank Charges/Fees		16,762	16,246
TOTAL EXPENDITURES		6,899,306	8,482,147
NET SURPLUS/(DEFICIT)		3,168,960	891,169

The accompanying notes form part of this financial statement



**NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Legislative Frame

The financial statements have been prepared in accordance with the acceptable requirements of the Public Finance (Management), Act 1995, as amended.

(b) Accounting Convention

The financial Statement have been prepared under the historical cost convention.

(c) General Policy

Although not strictly required, the financial statement has been prepared in accordance with Generally Accepted Accounting Principles and to make full disclosure of material facts relating to the accounts.

(d) Cash Basis of Accounting

The financial statement has been prepared on cash basis of accounting has been adopted and in operation since 2002.

(e) Income Tax

The National Youth Commission is exempted from income tax under section 125 of the PNG Income Tax Act (1959), as amended.

(f) Income of the Commission

The Income of the Commission includes: Government grants, Donor funding and others.

(g) Expenditure

The Expenditures of the Commission is grouped into the same expenditure sub-heads utilized by the government (for purpose of consistency) and is accounted for in the year in which monies were actually paid.

(h) Donation or Grants Expense

Cash Donations/grants are reflected as income in financial statement whereas donations of assets are capitalized.



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Note 2

FIXED ASSETS						
Particulars	Office Furniture	Computer Equipment	Constn, Ren, Improvmt	Office Equipment	Motor Vehicle	Total
Bal 1/01/14	371,574	121,605	61,099	247,346	1,043,364	1,844,988
Additions	9,438	92,200	-	29,840	-	131,477
Disposal	-	-	-	-	-	-
Net Assets	381,012	213,805	61,099	277,186	1,043,364	1,976,466
Carrying Value						
31/12/2014	381,012	213,805	61,099	277,186	1,043,364	1,976,466
Bal 1/01/13	251,524	121,605	61,099	247,346	928,077	1,609,651
Additions	120,050				115,287	235,337
Total Cost	371,574	121,605	61,099	247,346	1,043,364	1,844,988
Disposal	-	-	-	-	-	-
Net Assets	371,574	121,605	61,099	247,346	1,043,364	1,844,988
Carrying Value						
31/12/2013	371,574	121,605	61,099	247,346	1,043,364	1,844,988



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	K	K
Note 3 Routine Maintenance		
Buildings	240,754	261,240
Equipments/Computer Equip	7,951	145,576
Vehicle	154,509	-
	<u>403,213</u>	<u>406,816</u>
Note 4 Operational Materials & Supplies		
Computer Consumables	69,040	25,663
Office Materials & Supplies	16,182	32,440
	<u>85,222</u>	<u>58,103</u>
Note 5 Transport and Fuel		
Fuel - Office	48,970	-
Vehicle Hire - Office	631,504	628,752
	<u>680,474</u>	<u>628,752</u>
Note 6 Salaries & Allowance, Wages, Overtime		
Salaries & Allowances (DoF Payroll)	1,481,634	1,906,672
Salaries & Allowances (NYC Office)	15,000	6,983
Wages	84,232	77,490
Overtime	38,397	33,125
	<u>1,619,263</u>	<u>2,024,270</u>
Note 7 Utilities		
Internet/emails	28,023	92,741
Electricity	83,323	132,717
Telephone	32,318	-
Postage	-	1,240
Water & Sewerage	16,327	-
Hiltron	242	-
	<u>160,234</u>	<u>226,698</u>



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	K	K
Note 8 Travel & Subsistence		
Travel - Accommodation, meal, venue hire	402,782	423,031
Travel - Airfares	178,542	216,006
Travel - Vehicle hire	278,074	567,824
Travel - Allowances	509,657	309,187
	<u>1,369,056</u>	<u>1,516,048</u>
Note 9 Other Operational Expenses		
Other Operational Expenses	322,731	890,534
Petty Cash	118,500	-
Printing	189,366	-
Advertisement	36,220	-
	<u>666,818</u>	<u>890,534</u>
Note 10 Other Income		
Donor Funding	-	58,536
Other Income	-	17,478
	<u>-</u>	<u>76,014</u>
Note 11 Government Grants		
Operational Grants	2,699,600	2,953,600
Department of Finance Payroll	1,481,634	1,906,672
Youth Friendly Centre (PIP)	5,000,000	-
	<u>9,181,234</u>	<u>4,860,272</u>



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
Note 12 Reconciliation of Bank Account		
Opening Balance January 2014	887,032	4,437,029
Governments Operations through Bank	2,699,600	2,953,600
National Govt -(PIP)	5,000,000	-
Others	-	76,014
Total Cash Available	<u>8,586,632</u>	<u>7,466,643</u>
Total cash payments made during 2014 Excluding DOF Payroll	5,417,672	(6,575,475)
Cash Available End of Year 2014	<u>3,168,960</u>	<u>891,168</u>
Note 13 Administrative Consultancy Fees		
Accounting Fees	40,000	
Audit Fees	-	150,000
Legal Fees	12,000	103,030
Administrative Fees	1,314,907	559,611
	<u>1,366,907</u>	<u>812,641</u>
Note 14 Expenses By Division/Activities		
Executive	-	859,032
Corporate Services	-	1,929,889
Policy Division	-	303,829
Programs Division	-	321,319
Education & Training	-	274,663
Recurrent	4,416,865	
Youth Friendly Centre	2,408,311	586,438
UNFPA	-	5,986
UNESCO	34,525	54,442
Commonwealth Youth Min. Meeting	-	385,005
Total Expenses	<u>6,859,702</u>	<u>4,720,603</u>



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 K	2013 K
Note 15 Youth Friendly Centre		
Fund Brought Forward Jan 2014	313,337	3,334,579
Grants-GoPNG	-	-
Development Grants	5,000,000	-
Total Funds Available	5,313,337	3,334,579
Expenses on the Fund:		
Travel & Subsistence	919,498	64,765
Utilities	-	100
Operational Materials and Supplies	6,053	-
Transport and Fuel	152,827	83,405
Other Operational Expenses	127,629	51,457
Administrative Consultancy	653,154	386,711
Training	-	-
Routine Maintenance	245,024	-
Grants/Transfer Individual & Non-Profit	172,649	-
Office Equipment, Furniture & Fittings	131,477	-
Policy Division	-	303,829
Programs Division	-	321,319
Education & Training	-	274,663
Total Expenses	2,408,311	1,486,249
Net Funds Surplus	2,905,025	1,848,330
Note 16 UNFPA Fund		
Fund Brought Forward Jan 2014	-	13,352
Donation/Grant from UNFPA	-	-
Development Grants	-	-
Total Funds Available	-	13,352
Expenses on the Fund:		
Other Operational Expenses	-	5,986
Total Expenses	-	5,986
Net Funds Surplus	-	7,366



NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Note 17	UNESCO Fund	2014 K	2013 K
	Fund Brought Forward Jan 2014	34,525	14,950
	Grants/Donation	-	58,537
	Total	34,525	73,487
	Expenses on the Fund:		
	Travel & Subsistence	34,525	26,192
	Operational Materials & Supp	-	1,364
	Other Operational Expenses	-	15,686
	Transport and Fuel	-	7,200
	Administrative Consultancy	-	4,000
	Total	34,525	54,442
	Net Funds Surplus	(0)	19,045
Note 18	Commonwealth Youth Ministers Meeting		
	Fund Brought Forward Jan 2014	-	1,535,402.00
	Youth Ministers Meeting Fund	-	-
	Development Grants	-	-
	Total Funds Available	-	1,535,402.00
	Expenses on the Fund:		
	Overtime	-	1,458.00
	Contract Officers Edu Benefit	-	3,000.00
	Travel & Subsistence	-	115,073.00
	Operational Materials & Supplies	-	1,000.00
	Transport & Fuel	-	11,000.00
	Administrative Consultancy Fees	-	169,400.00
	Other Operational Materials	-	67,828.00
	Transfer to National Events Council	-	1,321,783.00
	Total Expenses	-	1,690,542.00
	Net Fund Surplus(Deficit)	-	(155,140.00)



**NATIONAL YOUTH COMMISSION
NOTES TO AND FORMING PARTS OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	K	K
Note 19 Account Opening balance comprised:		
National Youth Commission Account	533,802	2,742,872
Youth Ministers Meeting Trust Account	1,012	1,694,157
UNESCO Fund	39,893	-
UNFPA Fund	-	-
Youth Friendly Centre	313,337	-
Total Fund January 1	<u>888,044</u>	<u>4,437,029</u>
Note 20 Cash & Bank Account Closing balance comprised:		
Commonwealth Youth Minister's Meeting Fund	1,012	1,012
National Youth Commission	3,255,394	887,032
	<u>3,256,406</u>	<u>888,044</u>





AUDITOR GENERAL'S OFFICE

PAPUA NEW GUINEA