

AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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Please address your response to the Auditor General and quote the reference particulars below.

Ref No: XI 156/4/2006/51

10th July, 2014

The Executive Director Accreditation Council of Trinidad and Tobago Level 3, Building B

ALGICO Plaza 91-93 St. Vincent Street

PORT OF SPAIN

JUL 14 2014

Accreditation Council of Trinidad 8. Tobago RECORDS MANAGEMENT UNIT

Dear Sir

Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2006

Forwarded herewith is a copy of my Second Report on the Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2006.

In accordance with section 116 (4) of the Constitution of the Republic of Trinidad and Tobago, the Report has been forwarded to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance and the Economy.

A copy of the Report has been forwarded also to the Minister of Tertiary Education and Skills Training and the Chairman of the Accreditation Council of Trinidad and Tobago.

Yours faithfully,

MAJEED ALI

ACTING AUDITOR GENERAL





REPUBLIC OF TRINIDAD AND TOBAGO AUDITOR GENERAL'S DEPARTMENT

SECOND REPORT OF THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO

FOR THE YEAR ENDED

September 30, 2006



SECOND REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED SEPTEMBER 30, 2006

The First Report of the Auditor General of the Republic of Trinidad and Tobago on the non-receipt of Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2006 were signed by the Auditor General on November 04, 2009 and submitted to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2006 have been audited. The Statements comprise a Balance Sheet as at September 30, 2006, an Income Statement, a Statement of Changes in Accumulated Fund, a Statement of Cash Flows for the year ended September 30, 2006, Significant accounting policies referenced (a) to (l), Notes numbered 1 to 8 and Schedule 1 to the Financial Statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

3. The management of the Accreditation Council of Trinidad and Tobago is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

- 4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and Section 22(1) of the Accreditation Council of Trinidad and Tobago Act, Chapter 39:06 (the Act). The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. It is my view that the audit

evidence obtained is sufficient and appropriate to provide a basis for the opinion 6 of this Report.

OPINION

6. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of the the Accreditation Council of Trinidad and Tobago as at September 30, 2006 and its financial performance and its cash flows for the year ended September 30, 2006 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

7. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance and the Economy in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

10th July, 2014



MAJEED ALI ACTING AUDITOR GENERAL



THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO BALANCE SHEET

AS AT SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

	Notes	2006	2005
AMOONE.		\$	\$
ASSETS			
May no			
Non-Current Assets		a waded as	
Fixed Assets	1	1,443,440	930,464
Current Assets			
Prepayments	2	184,128	350,904
Value Added Tax Recoverable		394,214	145,468
Accounts Receivable		12,693	330
Cash on Hand and Bank	3	803,542	1,151,120
Total Current Assets		1,394,577	1,647,822
TOTAL ASSETS		2,838,017	2,578,286
ACCUMULATED FUND AND LIABILITIES			
Accumulated Fund		2,575,944	2,248,677
Non-Current Liabilities		×	
Deferred Income	4	18,898	22,490
Current Liabilities			
Accounts Payable and Accrued Liabilities	6	243,175	307,119
TOTAL ACCUMULATED FUND AND LIABILITIES		2,838,017	2,578,286

The attached notes form an integral part of these financial statements and should be read in conjunction therewith

EXECUTIVE DIRECTOR

DIRECTOR, FINANCE AND ADMINISTRATION

Date: 07/05/243

Date: May 6, 2013

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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO INCOME STATEMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2006
(with comparative figures for the fifteen months ended September 30, 2005)

	Notes	2006	2005
		\$	\$
INCOME			1,197
Revenue		328,603	52,417
Government Subventions		7,524,577	4,912,000
Interest Income		10,807	4,491
Other Income	5	1,183,671	374,960
Total Income	_	9,047,658	5,343,868
EXPENDITURE			
Administrative Expenses – Schedule 1		8,248,608	3,028,438
Depreciation		471,783	66,753
Total Expenditure		8,720,391	3,095,191
Surplus of Income over Expenditure		327,267	2,248,677

See accompanying notes to the financial statements.



THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

	Accumulated Fund
Period ended September 30, 2005	\$
Balance as at July 1, 2004	
Surplus of Income over Expenditure for the Period	2,248,677
Balance as at September 30, 2005	2,248,677
Year ended September 30, 2006	
Opening Balance	2,248,677
Surplus of Income over Expenditure for the Year	327,267
Balance as at September 30, 2006	2,575,944

See accompanying notes to the financial statements.

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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

	Notes	2006	2005
		\$	\$
Cash Flows from Operating Activities			
(Deficit)/Surplus of Income over Expenditure for the Period		327,267	2,248,677
Adjustments to reconcile the Surplus of Income over			
Expenditure to Net Cash from Operating Activities			
Depreciation		471,783	66,753
Amortisation of Deferred Income	4	(5,592)	(377,510)
Loss on Disposal of Fixed Assets	5 _	24,921	2,550
	_	491,112	(308,207)
Movement in Working Capital			
Prepayments		166,776	(350,904)
Accounts Receivable		(261,109)	(145,798)
Accounts Payable and Accrued Liabilities	_	(63,945)	307,119
*	-	(158,278)	(189,583)
Net Cash Flow (Used in)/from Operating Activities	_	660,101	1,750,887
Cash Flows from Investing Activities			
Purchase of Fixed Assets		(1,010,679)	(999,767)
Proceeds from Disposal of Fixed Assets		1,000	-
Net Cash used in Investing Activities		(1,009,679)	(999,767)
	_		
Cash Flows from Financing Activities			
Proceeds from Government Grants	_	2,000	400,000
Net Cash from Financing Activities	_	2,000	400,000
Net (Decrease)/Increase in Cash and Cash Equivalents		(347,578)	1,151,120
Cash and Cash Equivalents at Beginning of Period	-	1,151,120	- 2
Cash and Cash Equivalents at End of Period		803,542	1,151,120
Analysis of Cash and Cash Equivalents			
Chequing Account		801,922	1,136,373
Cash on Hand		620	13,747
Petty Cash		1,000	1,000
relly Casil	-	803,542	1,151,120
		000,012	.,,,,,,,,

See accompanying notes to financial statements.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED SEPTEMBER 30, 2006

Establishment and Principal Activities

The Accreditation Council of Trinidad and Tobago (the Council) was established in the Republic of Trinidad and Tobago in June 2004, by an Act of Parliament No. 16. The Council commenced commercial operations on June 14, 2004.

The principal activity of the organisation is to ensure quality in higher education in Trinidad and Tobago through the following five major activities:

- a) registration of Tertiary Level Institutions;
- b) accreditation of Tertiary Level Institutions;
- c) accreditation of Specialised Programmes;
- d) recognition of Foreign Tertiary Level Institutions and their programmes and awards;
- e) conferment of title on Tertiary Level Institutions.

Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB).

Basis of Preparation

These financial statements have been prepared on the historical cost basis.

(c) Reporting Currency

These financial statements have been prepared in Trinidad and Tobago dollars.

(d) Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Trinidad and Tobago dollars at the foreign exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction.

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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED SEPTEMBER 30, 2006

Significant Accounting Policies (continued)

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. The Council recognises in the carrying amount of a fixed asset, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Council and the cost of the item can be measured reliably.

All other costs are recognised in the Income Statement as an expense as incurred.

When parts of a fixed asset have different useful lives, those components are accounted for as separate items of fixed assets.

Depreciation is charged using the reducing balance basis at the following rates which are designed to write off the cost of the assets over their estimated useful lives.

Motor Vehicles	25%
Computer Equipment	33%
Furniture and Furnishings	25%
Equipment	25%
Cellular Phones	50%

(f) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents comprise cash on hand and in bank.

(g) Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities are stated at cost.

(h) Provisions

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED SEPTEMBER 30, 2006

Significant Accounting Policies (continued)

(i) Impairment

The carrying amounts of the Council's assets, other than fixed assets and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Revenue Recognition

Unconditional grants related to the ongoing operations of the Council are recognised in the Income Statement as revenue when the grant becomes receivable.

Grants that compensate the Council for the cost of an asset are recognised in the Income Statement on a systematic basis over the life of the asset.

Revenue related to the Council includes revenue earned from the issuance of statements of recognition and equivalencies. This revenue is recorded on an accruals basis.

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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED SEPTEMBER 30, 2006

Significant Accounting Policies (continued)

(k) Operating Leases

Payments made under Operating Leases are recognised in the Income Statement on a straightline basis over the term of the lease. Lease incentives received are recognised in the Income Statement as an integral part of the total lease expense.

(I) Taxation

Section 20 of the Act indicates that the Council should be exempt from stamp duties, corporation taxes, customs duties, value added taxes and all other taxes.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

1	Net Fixed	Accate -	. \$1	443	440

	MOTOR	COMPUTERS	FURNITURE		
	VEHICLES	EQUIPMENT	& FURNISHINGS	EQUIPMENT	TOTAL
COST	\$	\$	\$	\$	\$
Balance as at October 1, 2005	236,732	283,697	414,207	61,910	996,546
Additions for the Period	192,016	633,565	84,152	100,946	1,010,679
Disposals for the Year	-	(26,333)	-	(11,614)	(37,947)
Balance as at September 30, 2006	428,748	890,929	498,359	151,242	1,969,278
Balance as at October 1, 2005	29,442	20,026	12,486	4,128	66,082
ACCUMULATED DEPRECIATION					
Charge for the Period	91,678	229,566	110,799	39,739	471,782
Depreciation on Disposals	-	(7,683)		(4,343)	(12,026)
Variable Var	121,120	241,909	123,285	39,524	
Balance as at September 30, 2006	121,120		-		525,838
and the Colonia de Caracilla de	121,120		•		525,838
NET BOOK VALUE Balance as at September 30, 2006	307,628	649,020	375,074	111,718	525,838 1,443,440

2	Prepayments = \$184,128	2006	2005
		\$	\$
	Equipment	11 f 2 .6.	2,298
	Furniture & Furnishings	19,833	15,518
	Insurance	30,435	8,983
	Rent - Security Deposit	133,860	133,860
	Vehicles		190,245
	Khiri Auri e i	184,128	350,904
3	Cash on Hand and at Bank = \$803,542	2006	2005
3	Casil Oil Haild alld at Balik - \$603,342	\$	\$
	Chequing Account	801,922	1,136,373
	Cash on Hand	620	13,747
	Petty cash	1,000	1,000
	Balance at September 30, 2006	803,542	1,151,120



THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

4 Deferred Income = \$18,898	2006	2005
	\$	\$
Grant b/fwd October 1, 2005	22,490	-
Grant Received	2,000	400,000
Amortisation of Deferred Income	(5,592)	(377,510)
Balance at September 30, 2006	18,898	22,490
5 Other Income - \$1,183,671	2006	2005
	\$	\$
PSIP Funding	1,203,000	-
Amortisation of Deferred Income	5,592	377,510
Gain/(Loss) on Disposal	(24,921)	(2,550)
	1,183,671	374,960
6 Accounts Payable and Accrued Liabilities - \$243,175	2006	2005
Accounts rayable and Accided Liabilities - \$243,175	<u> </u>	\$
Audit Fees	107,196	Ψ _
Computer Equipment	-	13,415
Contracted Services	650	7,600
Equipment	2,390	2,098
Furniture and Furnishings	-,	189,942
Office Supplies and Stationery	2,371	42,110
Promotions	113,436	42,087
Repairs and Maintenance - Building	2,076	9,867
Utilities	15,056	-
	243,175	307,119

7 Related Parties - \$1,895,756

Key Management Personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits.

Key management personnel received compensation of \$1,895,755.89 for the period. Total remuneration is included in salaries and wages.

8 Operating Leases (Accommodation) - \$2,248,848	2006	2005
		\$
Leases as Lessee		
Future minimum non-cancellable operating lease rentals are payable as follows:		
Not later than one year	843,318	803,160
Between one and five years	1,405,530	2,248,848
	2,248,848	3,052,008

During the period, \$910,086 was recognised as an expense in the Income Statement in respect of Operating Leases.

Schedule 1

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO SCHEDULE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

(with comparative figures for the fifteen months ended September 30, 2005)

		2006	2005
		\$	\$
1	Advertising and Promotions	1,154,452	189,484
2	Audit Fees	104,446	-
3	Insurance	25,180	7,249
4	Office Expenses	310,126	145,445
5	Other Contracted Services	385,501	56,395
6	Rent (Accommodation and Equipment)	911,521	417,660
7	Repairs and Maintenance	286,007	565,561
8	Salaries and Wages	4,074,256	1,177,734
9	Security and Janitorial	121,449	40,620
10	Training	494,120	180,139
11	Travel	191,859	201,530
12	Utilities	189,691	46,621
		8,248,608	3,028,438