



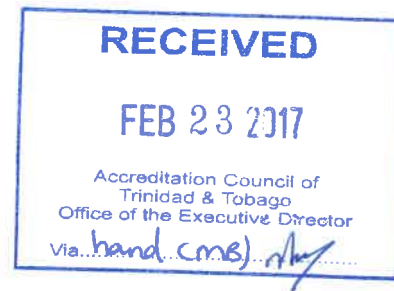
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Please address your response to the Auditor General and quote the reference particulars below

Ref No: XI 156/4/2008/41

31st January, 2017

The Executive Director
Accreditation Council of Trinidad and Tobago
Level 3, Building B
ALGICO Plaza
91-93 St. Vincent Street
PORT OF SPAIN



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, 2008

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, 2008.

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.

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

Yours faithfully

MAJEED ALI
AUDITOR GENERAL



"championing good governance"

2 Feb 24/2017



**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, 2008



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, 2008

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, 2008 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. Section 22(1) of the Accreditation Council of Trinidad and Tobago Act, Chapter 39:06 (the Act) requires the Auditor General to audit the accounts of the the Accreditation Council of Trinidad and Tobago Act. The accompanying Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2008 have been audited. The Statements as set out on pages 1 to 12 comprise a Balance Sheet as at September 30, 2008, an Income Statement, a Statement of Changes in Accumulated Fund, a Statement of Cash Flows for the year ended September 30, 2008, Accounting Policies referenced (a) to (l), Notes numbered 1 to 8 and a 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, 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 RESPONSIBILITY

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. 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.

6. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph seven.

OPINION

7. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of the Accreditation Council of Trinidad and Tobago as at September 30, 2008 and their financial performance and cash flows for the year ended September 30, 2008 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

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

31ST JANUARY, 2017
PORT-OF-SPAIN



A handwritten signature in black ink, appearing to read "MAJEED ALI".

MAJEED ALI
AUDITOR GENERAL

SS
20170131

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>PAGE NUMBERS</u>
BALANCE SHEET	1
INCOME STATEMENT	2
STATEMENT OF CHANGES IN ACCUMULATED FUND	3
STATEMENT OF CASH FLOWS	4
SIGNIFICANT ACCOUNTING POLICIES	5 - 8
NOTES TO THE FINANCIAL STATEMENTS	9 - 11
SCHEDULE TO THE FINANCIAL STATEMENTS	12

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
BALANCE SHEET
AS AT SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

	Notes	2008 \$	2007 restated \$
ASSETS			
Non-Current Assets			
Fixed Assets	1	1,127,758	1,227,789
Intangible Assets	2	344,243	8,787
Total Non-Current Assets		1,472,001	1,236,576
Current Assets			
Prepayments	3	230,091	1,051,150
Value Added Tax Recoverable		685,758	497,852
Accounts Receivable		824,622	91,038
Cash on Hand and Bank	4	2,993,682	1,163,821
Total Current Assets		4,734,153	2,803,861
TOTAL ASSETS		6,206,154	4,040,437
Accumulated Fund and Liabilities			
Accumulated Fund		4,481,502	3,666,007
Non-Current Liabilities			
Deferred Income	5	278,042	64,214
Current Liabilities			
Accounts Payable and Accrued Liabilities	7	1,446,609	310,215
TOTAL ACCUMULATED FUND AND LIABILITIES		6,206,154	4,040,437

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

Dr. Michael R. Dowloth
 CHAIRMAN



[Signature]
 EXECUTIVE DIRECTOR

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
INCOME STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

	Notes	2008 \$	2007 restated \$
INCOME			
Revenue		614,493	365,840
Government Subventions		13,000,000	10,000,000
Interest Income		33,021	11,021
Other Income	6	2,278,545	1,999,058
Total Income		<u>15,926,059</u>	<u>12,375,919</u>
EXPENDITURE			
Administrative Expenses – Schedule 1		14,206,709	10,636,293
Depreciation		762,671	646,074
Amortisation of Intangible Assets		141,184	3,488
Total Expenditure		<u>15,110,565</u>	<u>11,285,855</u>
Surplus of Income over Expenditure		<u>815,495</u>	<u>1,090,063</u>

See accompanying notes to the financial statements.

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

	Notes	Accumulated Fund
Period ended September 30, 2007		\$
Balance as at October 1, 2006		2,575,944
Surplus of Income over Expenditure for the Period		1,251,492
Adjustment Arising from Change in Fixed Assets and Depreciation Policy	1	(161,429)
Restated Balance as at September 30, 2007		<u><u>3,666,007</u></u>
Year ended September 30, 2008		
Restated Balance as at September 30, 2007		3,666,007
Surplus of Income over Expenditure		815,495
Balance as at September 30, 2008		<u><u>4,481,502</u></u>

See accompanying notes to the financial statements.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

	Notes	2008	2007 restated
		\$	\$
Cash Flows from Operating Activities			
Surplus/(Deficit) of Income over Expenditure		815,495	1,090,063
Adjustments to Reconcile the Surplus of Income over Expenditure to Net Cash from Operating Activities			
Depreciation		762,671	646,074
Amortisation of Intangible Assets		141,184	3,488
Amortisation of Deferred Income	5	(11,172)	(4,684)
Loss on Disposal of Fixed Assets	1	7,627	5,625
Fixed assets reclassification	1	-	15,178
		900,310	665,682
Movements in Working Capital			
Prepayments		821,060	(867,021)
Accounts Receivable		(921,490)	(181,982)
Accounts Payable and Accrued Liabilities		1,136,394	67,039
		1,035,964	(981,964)
Net Cash (Used In)/From Operating Activities		2,751,769	773,781
Cash Flows from Investing Activities			
Purchase of Fixed Assets		(670,267)	(466,278)
Purchase of Intangible Assets		(476,640)	
Proceeds from Assets Disposal		-	2,776
Net Cash used in Investing Activities		(1,146,907)	(463,502)
Cash Flows from Financing Activities			
Proceeds from Government Grants		25,000	50,000
Proceeds from EDF Grants		200,000	-
		225,000	50,000
Net (Decrease)/Increase in Cash and Cash Equivalents		1,829,861	360,279
Cash and Cash Equivalents at Beginning of Period		1,163,821	803,542
Cash and Cash Equivalents at End of Period		2,993,682	1,163,821
Analysis of Cash and Cash Equivalents			
Chequing Account		2,935,311	1,149,521
Cash on Hand		55,558	12,800
Petty Cash		2,813	1,500
		2,993,682	1,163,821

See accompanying notes to financial statements.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Limitation of liability and principal activity

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 #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).

(b) *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.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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 an item of fixed assets, 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.

With effect from January 1, 2008, the Council has revised its depreciation policy from the reducing balance basis to straight line. Under this new policy, the Council has also adopted a revised capitalisation policy of expensing assets that fall below the cost of \$500.00, even though that asset may have a useful life in excess of one (1) accounting period.

Depreciation is charged using the straight line basis at the following rates which are designed to write off 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 at 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 at 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, 2008

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.

(k) Operating Leases

Payments made under operating leases are recognised in the Income Statement on a straight-line 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.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Significant accounting policies (continued)

(I) *Taxation*

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

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

1 Net Fixed Assets - \$1,127,758

	MOTOR VEHICLES	COMPUTERS EQUIPMENT	FURNITURE & FURNISHINGS	EQUIPMENT	TOTAL
COST					
Balance as at October 1, 2007 <i>(restated)</i>	678,877	942,377	600,825	163,047	2,385,126
Additions for the period	-	383,878	146,166	140,223	670,267
Disposals for the year	-	(10,350)	-	(23,971)	(34,321)
ACCUMULATED DEPRECIATION	678,877	1,315,905	746,991	279,299	3,021,072
Balance as at October 1, 2007 <i>(restated)</i>	274,843	547,044	255,958	79,493	1,157,338
Charge for the Period	169,719	362,009	164,368	66,575	762,671
Depreciation on disposals	-	(10,350)	-	(16,345)	(26,695)
Balance as at September 30, 2008	444,562	898,703	420,326	129,723	1,893,314
NET BOOK VALUE					
Balance as at September 30, 2008	234,315	417,202	326,665	149,576	1,127,758
Balance as at September 30, 2007	404,034	395,333	344,867	83,554	1,227,789

* With effect from January 1, 2008, the Council revised its depreciation policy from the reducing balance basis to straight line. Under this new policy, the Council has also adopted a revised capitalisation policy of expensing assets that fall below the cost of \$500.00, even though that asset may have a useful life in excess of one (1) accounting period. The accounts and financial statements for the year ended September 30, 2007 were therefore revised to reflect this policy change, in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

2 Intangible Assets - \$344,243

	2008	2007 restated
Software	46,910	8,787
Document Management System	297,333	-
	344,243	8,787
Movement in Intangible Assets		
Balance as at October 1, 2007	8,787	7,680
Additions	476,640	4,595
Amortisation Charge for the Year	(141,184)	(3,488)
Balance at September 30, 2008	344,243	8,787

Software is amortised in accordance with the rates applied to the hardware systems on which they operate

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

3 Prepayments - \$230,091	2008	2007 restated
	\$	\$
Computer Equipment	-	726,962
Furniture & Furnishings	-	1,345
Equipment	-	49,442
Hosting of Conference (CANQATE 2007)	-	33,333
Insurance	25,209	33,304
Security Deposit	158,171	163,860
Rent	31,500	30,000
Janitorial	-	5,689
Office Expenses	8,309	7,215
Training	6,903	-
	<u>230,091</u>	<u>1,051,150</u>
4 Cash on Hand and at Bank - \$2,993,682	2008	2007 restated
	\$	\$
Chequing Account	2,935,311	1,149,521
Cash on Hand	55,558	12,800
Petty Cash	2,813	1,500
Balance at September 30, 2008	<u>2,993,682</u>	<u>1,163,821</u>
5 Deferred Income - \$278,042	2008	2007 restated
	\$	\$
Grant b/fwd October 1, 2007	64,214	18,898
Grant Received - PSIP	25,000	50,000
Grant Received - EDF	200,000	-
Amortisation of Deferred Income	(11,172)	(4,684)
Balance at September 30, 2008	<u>278,042</u>	<u>64,214</u>
6 Other Income - \$2,279,433	2008	2007 restated
	\$	\$
PSIP Grant Funding	1,375,000	2,000,000
EDF Grant Funding	900,000	-
Amortisation of Deferred Income (PSIP)	11,172	4,684
Gain/(Loss) on Disposal	(7,627)	(5,625)
	<u>2,278,545</u>	<u>1,999,058</u>

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

7 Accounts Payable and Accrued Liabilities - \$1,446,609	2008	2007 restated
	\$	\$
Advertising and Promotions	464,856	135,173
Audit Fees	143,750	115,346
Contracted Services	131,717	8,203
Equipment	96,264	35,438
Fees	23,039	-
Furniture	116,422	-
Office Expenses	52,854	12,813
Repairs and Maintenance	50,182	1,000
Salaries and Wages	52,240	2,242
Training	315,285	-
	<u>1,446,609</u>	<u>310,215</u>

8 Related Parties - \$2,916,482

Key Management Personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits. 2008 marked the end of the Council's first three (3) years of operations and several 3-year contracts matured during fiscal 2008

Key management personnel received compensation of \$2,916,481.88 for the period. Total remuneration is included in salaries and wages

9 Operating Leases - \$1,275,696	2008	2007 restated
	\$	\$
Leases as Lessee		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	859,896	1,283,634
Between one and five years	415,800	897,696
	<u>1,275,696</u>	<u>2,181,330</u>

During the period, \$1,283,634.00 was recognised as an expense in the income statement in respect of Operating Leases

ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2008
(with restated comparative figures for the year ended September 30, 2007)

	<u>2008</u>	<u>2007 restated</u>
	\$	\$
1 Advertising and Promotions	1,042,904	1,130,495
2 Audit Fees	24,654	49,000
3 Hosting of Conferences, Seminars, Functions, etc.	1,067,309	325,608
4 Insurance	62,350	55,784
5 Office Expenses	458,574	692,341
6 Other Contracted Services	545,711	484,061
7 Rent	1,283,634	875,218
8 Repairs and Maintenance	791,612	322,567
9 Salaries and Wages	7,418,647	4,961,418
10 Security and Janitorial	152,546	140,445
11 Training	820,283	781,327
12 Travel	200,746	548,655
13 Utilities	337,739	269,375
	<u>14,206,709</u>	<u>10,636,293</u>