



**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, 2009



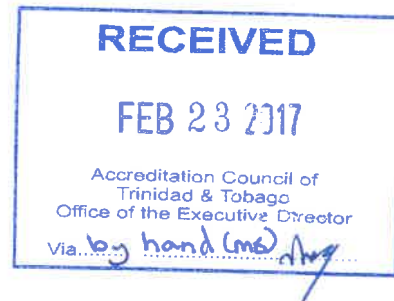
AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
Levels 2-4, Tower C, Port of Spain International Waterfront Centre, 1, Wrightson Road, Port of Spain
Phone: (868) 625-6585; 627-6727
Branch Offices: 11A Independence Avenue, San Fernando Phone/Fax: (868) 652-4953
Caribana Building, Bacolet Street, Tobago Phone: (868) 639-2886 or (868) 639-4935 Fax: (868) 639-2886
Website: <http://www.auditorgeneral.gov.tt/>

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

Ref No: XI 156/4/2009/37

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, 2009

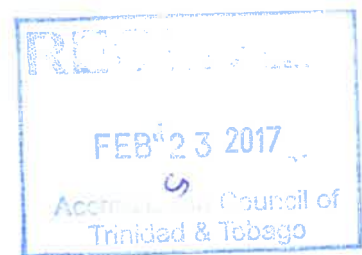
Forwarded herewith is a copy of my Second Report on the Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2009.

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



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, 2009

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, 2009 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. The accompanying Financial Statements of the Accreditation Council of Trinidad and Tobago for the year ended September 30, 2009 have been audited. The Statements as set out on pages 1 to 11 comprise a Balance Sheet as at September 30, 2009, an Income Statement, a Statement of Changes in Accumulated Fund, a Statement of Cash Flows for the year ended September 30, 2009, Accounting Policies referenced (a) to (k), Notes numbered 1 to 9 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, 2009 and their financial performance and cash flows for the year ended September 30, 2009 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




MAJEED ALI
AUDITOR GENERAL

SS
20170131

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | <u>PAGE NUMBERS</u> |
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THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
BALANCE SHEET
AS AT SEPTEMBER 30, 2009
(with comparative figures for the year ended September 30, 2008)

| | Notes | 2009 \$ | 2008 \$ |
|---|-------|------------|------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 1 | 1,065,336 | 1,127,758 |
| Intangible Assets | 2 | 188,798 | 344,243 |
| Total Non-Current Assets | | 1,254,134 | 1,472,001 |
| Current Assets | | | |
| Prepayments | 3 | 801,872 | 230,091 |
| Value Added Tax Recoverable | | 959,096 | 685,758 |
| Accounts Receivable | | 194,648 | 824,622 |
| Cash on Hand and Bank | 4 | 2,611,781 | 2,993,682 |
| Total Current Assets | | 4,567,397 | 4,734,153 |
| TOTAL ASSETS | | 5,821,531 | 6,206,154 |
| ACCUMULATED FUND AND LIABILITIES | | | |
| Accumulated Fund | | 3,570,725 | 4,481,502 |
| Non-Current Liabilities | | | |
| Deferred Income | 5 | 862,532 | 278,042 |
| Current Liabilities | | | |
| Accounts Payable and Accrued Liabilities | 7 | 447,432 | 1,446,610 |
| Provision for Gratuity | | 940,842 | - |
| Total Current Liabilities | | 1,388,274 | 1,446,610 |
| TOTAL ACCUMULATED FUND AND LIABILITIES | | 5,821,531 | 6,206,154 |

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

D. Michael R. Dowdath
 CHAIRMAN



[Signature]
 EXECUTIVE DIRECTOR

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
INCOME STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(with comparative figures for the year ended September 30, 2008)

| | Notes | 2009 | 2008 |
|---|-------|-------------------|-------------------|
| | | \$ | \$ |
| INCOME | | | |
| Revenue | | 898,581 | 614,493 |
| Government Subventions | | 13,000,000 | 13,000,000 |
| Interest Income | | 46,520 | 33,021 |
| Other Income | 6 | 1,168,660 | 2,278,545 |
| Total Income | | <u>15,113,761</u> | <u>15,926,059</u> |
| EXPENDITURE | | | |
| Administrative Expenses – Schedule 1 | | 15,120,671 | 14,206,710 |
| Depreciation | | 738,797 | 762,671 |
| Amortisation of Intangible Assets | | 165,070 | 141,184 |
| Total Expenditure | | <u>16,024,538</u> | <u>15,110,565</u> |
| (Deficit)/Surplus of Income over Expenditure | | <u>(910,777)</u> | <u>815,494</u> |

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, 2009
(with comparative figures for the year ended September 30, 2008)

| | Notes | Accumulated Fund |
|---|-------|-------------------------|
| Period ended September 30, 2008 | | \$ |
| Balance as at October 1, 2007 <i>(Restated)</i> | | 3,666,008 |
| Surplus of Income over Expenditure for the Year | | 815,494 |
| Balance as at September 30, 2008 | | <u>4,481,502</u> |
| Year ended September 30, 2009 | | |
| Balance as at October 1, 2008 | | 4,481,502 |
| (Deficit)/Surplus of Income over Expenditure | | (910,777) |
| Balance as at September 30, 2009 | | <u>3,570,725</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, 2009
(with comparative figures for the year ended September 30, 2008)

| | Notes | 2009 | 2008 |
|---|-------|------------------|--------------------|
| | | \$ | \$ |
| Cash Flows from Operating Activities | | | |
| (Deficit)/Surplus of Income over Expenditure | | (910,777) | 815,494 |
| Adjustments to Reconcile the (Deficit)/Surplus of Income over Expenditure to Net Cash (used in)/from Operating Activities | | | |
| Depreciation | | 738,797 | 762,671 |
| Amortisation of Intangible Assets | | 165,070 | 141,184 |
| Amortisation of Deferred Income | | (15,511) | (11,172) |
| Gain on Disposal of Fixed Assets | | (3,149) | 7,627 |
| | | <u>885,207</u> | <u>900,310</u> |
| Movements in Working Capital | | | |
| Prepayments | | (571,780) | 821,060 |
| Accounts Receivable | | 356,636 | (921,490) |
| Accounts Payable and Accrued Liabilities | | (58,336) | 1,136,394 |
| | | <u>(273,480)</u> | <u>1,035,964</u> |
| Net Cash (used In)/from Operating Activities | | <u>(299,050)</u> | <u>2,751,768</u> |
| Cash Flows from Investing Activities | | | |
| Purchase of Fixed Assets | | (681,058) | (670,267) |
| Purchase of Intangible Assets | | (9,625) | (476,640) |
| Proceeds from Assets Disposal | | 7,832 | - |
| Net Cash used in Investing Activities | | <u>(682,851)</u> | <u>(1,146,907)</u> |
| Cash Flows from Financing Activities | | | |
| Proceeds from Government Grants | | 50,000 | 25,000 |
| Proceeds from EDF Grants | | 550,000 | 200,000 |
| Net Cash from Financing Activities | | <u>600,000</u> | <u>225,000</u> |
| Net (Decrease)/Increase in Cash and Cash Equivalents | | (381,901) | 1,829,861 |
| Cash and Cash Equivalents at Beginning of Period | | <u>2,993,682</u> | <u>1,163,821</u> |
| Cash and Cash Equivalents at End of Period | | <u>2,611,781</u> | <u>2,993,682</u> |
| Analysis of Cash and Cash Equivalents | | | |
| Chequing Account | | 2,578,043 | 2,935,311 |
| Cash on Hand | | 26,506 | 55,558 |
| Petty Cash | | 7,232 | 2,813 |
| | | <u>2,611,781</u> | <u>2,993,682</u> |

See accompanying notes to financial statements.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Limitation of liability and principal activity

Trinidad and Tobago in June 2004, by an Act of Parliament #16. The Council commenced commercial

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, 2009

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 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, 2009

Significant Accounting Policies (*continued*)

(i) *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.

(j) *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.

(k) *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.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2009
(with comparative restated figures for the year ended September 30, 2008)

1 Net Fixed Assets - \$1,065,336

| | MOTOR VEHICLES | COMPUTERS EQUIPMENT | FURNITURE & FITTINGS | EQUIPMENT | TOTAL |
|----------------------------------|-------------------|------------------------|-------------------------|----------------|------------------|
| COST | | | | | |
| Balance as at October 1, 2008 | 678,876 | 1,315,905 | 746,992 | 279,299 | 3,021,072 |
| Additions for the Year | 351,089 | 229,783 | 47,514 | 52,672 | 681,058 |
| Disposals for the Year | - | (12,050) | (4,170) | (13,029) | (29,249) |
| Balance as at September 30, 2009 | <u>1,029,965</u> | <u>1,533,638</u> | <u>790,336</u> | <u>318,942</u> | <u>3,672,881</u> |
| ACCUMULATED DEPRECIATION | | | | | |
| Balance as at October 1, 2008 | 444,562 | 898,702 | 420,327 | 129,723 | 1,893,314 |
| Charge for the Year | 213,126 | 265,299 | 184,791 | 75,581 | 738,797 |
| Disposals for the Year | - | (12,050) | (2,780) | (9,736) | (24,566) |
| Balance as at September 30, 2009 | <u>657,688</u> | <u>1,151,951</u> | <u>602,338</u> | <u>195,568</u> | <u>2,607,545</u> |
| NET BOOK VALUE | | | | | |
| Balance as at September 30, 2009 | <u>372,277</u> | <u>381,687</u> | <u>187,998</u> | <u>123,374</u> | <u>1,065,336</u> |
| Balance as at September 30, 2008 | <u>234,314</u> | <u>417,203</u> | <u>326,665</u> | <u>149,577</u> | <u>1,127,758</u> |

* 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 - \$188,798

| | 2009 | 2008 |
|--------------------------------------|----------------|----------------|
| Software | 29,465 | 46,910 |
| Document Management System | 159,333 | 297,333 |
| | <u>188,798</u> | <u>344,243</u> |
| Movement in Intangible Assets | | |
| Balance as at October 1, 2008 | 344,243 | 8,787 |
| Additions | 9,625 | 476,640 |
| Amortisation Charge for the Year | (165,070) | (141,184) |
| Balance at September 30, 2009 | <u>188,798</u> | <u>344,243</u> |

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

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2009
(with comparative figures for the year ended September 30, 2008)

| | <u>2009</u> | <u>2008</u> |
|---|------------------|------------------|
| 3 Prepayments - \$801,872 | \$ | \$ |
| Computer Equipment | 334,800 | - |
| Furniture & Furnishings | 112,709 | - |
| Minor Equipment | 7,911 | - |
| Insurance | 43,237 | 25,209 |
| Office Expenses | 75,608 | 8,309 |
| Rent | - | 31,500 |
| Security Deposit | 158,171 | 158,171 |
| Subscriptions | 4,712 | - |
| Training | 64,723 | 6,903 |
| | <u>801,872</u> | <u>230,091</u> |
| 4 Cash on Hand and at Bank - \$2,611,781 | \$ | \$ |
| Bank Accounts | 2,578,043 | 2,935,311 |
| Cash on Hand | 26,506 | 55,558 |
| Petty Cash | 7,232 | 2,813 |
| Balance at September 30, 2009 | <u>2,611,781</u> | <u>2,993,682</u> |
| 5 Deferred Income - \$862,532 | \$ | \$ |
| Grant b/fwd October 1, 2008 | 278,042 | 64,214 |
| Grant Received - PSIP | 50,000 | 25,000 |
| Grant Received - EDF | 550,000 | 200,000 |
| Amortisation of Deferred Income | (15,511) | (11,172) |
| Balance at September 30, 2009 | <u>862,532</u> | <u>278,042</u> |
| 6 Other Income - \$1,168,660 | \$ | \$ |
| PSIP Grant Funding | 1,150,000 | 1,375,000 |
| EDF Grant Funding | - | 900,000 |
| Amortisation of Deferred Income (PSIP) | 15,511 | 11,172 |
| Gain/(Loss) on Disposal | 3,149 | (7,627) |
| | <u>1,168,660</u> | <u>2,278,545</u> |

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2009
(with comparative figures for the year ended September 30, 2008)

| 7 Accounts Payable and Accrued Liabilities - \$447,432 | 2009 | 2008 |
|--|----------------|------------------|
| | \$ | \$ |
| Advertising and Promotions | 47,101 | 464,856 |
| Audit Fees | 143,000 | 143,750 |
| Contracted Services | 71,433 | 131,717 |
| Equipment | 28,329 | 96,264 |
| Fees | 28,015 | 23,039 |
| Furniture | - | 116,423 |
| Office Expenses | 1,168 | 52,854 |
| Repairs and Maintenance | 13,066 | 50,182 |
| Salaries and Wages | 596 | 52,240 |
| Training | 114,723 | 315,285 |
| | <u>447,432</u> | <u>1,446,610</u> |

8 Related Parties - \$2,635,045

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 \$2,635,044.88 for the period. Total remuneration is included in salaries and wages.

| 9 Operating Leases - \$1,861,488 | 2009 | 2008 |
|---|------------------|------------------|
| | \$ | \$ |
| Leases as Lessee | | |
| Non-cancellable operating lease rentals are payable as follows: | | |
| Less than one year | 1,379,592 | 859,896 |
| Between one and five years | 481,896 | 415,800 |
| | <u>1,861,488</u> | <u>1,275,696</u> |

During the period, \$1,308,704 was recognised as an expense in the Income Statement in respect of Operating Leases.

THE ACCREDITATION COUNCIL OF TRINIDAD AND TOBAGO
SCHEDULE TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2009
(with comparative figures for the year ended September 30, 2008)

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|-------------------|
| | \$ | \$ |
| 1 Advertising and Promotions | 746,451 | 1,042,904 |
| 2 Audit Fees | 38,346 | 24,654 |
| 3 Hosting of Conferences, Seminars, Functions, etc. | 196,779 | 1,067,309 |
| 4 Insurance | 74,177 | 62,350 |
| 5 Office Expenses | 534,883 | 458,575 |
| 6 Other Contracted Services | 337,321 | 545,711 |
| 7 Rent | 1,340,204 | 1,283,634 |
| 8 Repairs and Maintenance | 405,599 | 791,612 |
| 9 Salaries and Wages | 10,311,564 | 7,418,647 |
| 10 Security and Janitorial | 251,863 | 152,546 |
| 11 Training | 468,047 | 820,283 |
| 12 Travel | 85,317 | 200,746 |
| 13 Utilities | 330,120 | 337,739 |
| | <u>15,120,671</u> | <u>14,206,710</u> |

