

**SECOND REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE STRATEGIC SERVICES AGENCY FOR THE YEAR ENDED SEPTEMBER 30, 2007**

The First Report of the Auditor General on the Non-receipt of Financial Statements of the Strategic Services Agency for the year ended September 30, 2007 was signed by the Auditor General on 4<sup>th</sup> November, 2009 and submitted to the Speaker of the House of Representatives and the President of the Senate for laying in the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the Strategic Services Agency for the year ended September 30, 2007 have been audited. The Statements comprise a Balance Sheet as at September 30, 2007, an Income and Expenditure Statement and a Cash Flow Statement for the year ended September 30, 2007 and Notes to the Financial Statements numbered 1 to 11.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

3. The management of the Strategic Services Agency 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 carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 10 (3) of the Strategic Services Agency Act, Chapter 15:06. 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 comments made at paragraphs seven to eleven of this Report.

**BASIS FOR QUALIFIED OPINON**

**FIXED ASSETS \$631,138.15**

7. The figure of \$631,138.15 representing Fixed Assets was understated by \$279,574.01 as a result of prior year errors.

**CASH IN BANK \$12,308,571.96**

8. There was an un-reconciled difference of \$2,517,543.27 between the Bank Reconciliation Statement and the General Ledger figure of \$10,658,286.37. There was also a difference of \$1,650,285.59 between the figure in the General Ledger and figure of \$12,308,571.96 shown in the Balance Sheet.

**CASH FLOW STATEMENT**

9. Several errors were noted in the Cash Flow Statement.

**QUALIFIED OPINION**

10. Except for the comments at paragraphs seven to nine above, the Financial Statements as outlined at paragraph one above present fairly, in all material respects, the financial position of the Strategic Services Agency as at September 30, 2007 and its financial performance and its cash flows for the year ended September 30, 2007 in accordance with International Financial Reporting Standards and Ministry of Finance directives.

**OTHER MATTER**

**INTERNAL CONTROLS**

11. Weaknesses continue to exist in the internal control system. These were drawn to the attention of the Agency.

**SUBMISSION OF REPORT**

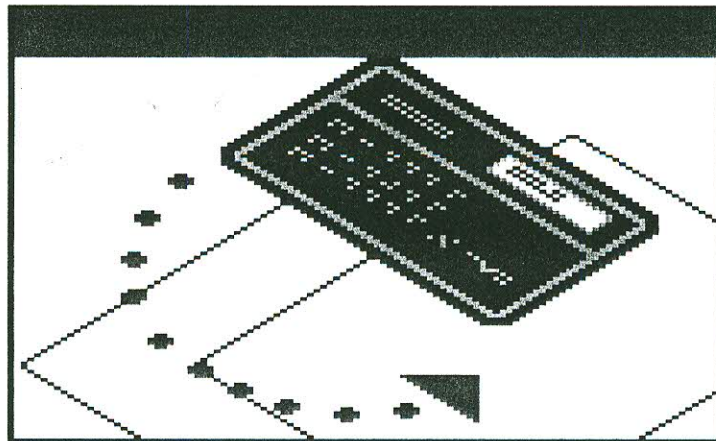
12. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance and the Economy in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

16<sup>th</sup> March, 2015



*M Ali*  
MAJEED ALI  
ACTING AUDITOR GENERAL

# STRATEGIC SERVICES AGENCY



## FINANCIAL STATEMENTS

For the year ended  
September 30, 2007

# STRATEGIC SERVICES AGENCY


Balance Sheet  
as at September 30 2007

	Notes	2007 Year ended 30/09/2007	2006 Year ended 30/09/2006
<b>Fixed Assets:</b>			
(i) Office Equipment	7 (a)	2,872,030.52	2,694,220.52
Accumulated Depreciation (Office Equipment)	7 (b)	(2,399,668.85)	(2,039,986.43)
(ii) Furniture & Furnishings	7 (a)	541,027.88	541,027.88
Accumulated Depreciation (Furniture & Furnishings)	7 (b)	(426,969.64)	(385,593.20)
(iii) Other Minor Equipment	7 (a)	631,138.15	596,371.09
Accumulated Depreciation (Other Minor Equipment)	7 (b)	(585,734.10)	(567,750.77)
		<b>631,823.96</b>	<b>838,289.09</b>
<b>Current Assets:</b>			
Cash in Hand		51,500.00	50,800.00
Cash in Bank - Rep Bank C/A		12,308,571.96	12,521,879.03
Accounts Receivable	8	1,073,934.00	6,526.20
Prepaid Expenses	9	33,299.53	138,168.89
		<b>13,467,305.49</b>	<b>12,717,374.12</b>
<b>Total Assets</b>		<b>14,099,129.45</b>	<b>13,555,663.21</b>
<b>Equity &amp; Liabilities</b>			
<b>Capital &amp; Reserves</b>			
Accumulated Fund		14,208,660.03	13,475,822.92
Net Deficit		(1,680,852.97)	(852,045.08)
		<b>12,527,807.06</b>	<b>12,623,777.84</b>
<b>Current Liabilities:</b>			
Accruals	10	1,385,415.53	765,099.97
Creditors	11	185,906.86	166,785.40
Suspense			
<b>Total Equity &amp; Liabilities</b>		<b>14,099,129.45</b>	<b>13,555,663.21</b>

The Notes on Pages 4, 5, 6 and 7 form an integral part of the Financial Statements.

  
 .....  
 Assistant Director



  
 .....  
 Director

# STRATEGIC SERVICES AGENCY

## Income Expenditure Statement for the year ended September 30 2007

	Notes	2007 Year ended 30/09/07	2006 Year ended 30/09/06
<b>INCOME:</b>			
(i) Income - Government Subvention	3	18,500,000.00	10,050,233.00
(ii) Depreciation:			
Accumulated Fund	3	53,151.77	390,095.44
(iii) Penalties/Fines-Contract Employment		7,225.82	1,451.61
Interest	4	267,168.50	210,173.43
		<b>18,827,546.09</b>	<b>10,651,953.48</b>
<b>EXPENDITURE:</b>			
<b>Contract Employment</b>			
Salaries & Emoluments		2,742,043.65	2,772,460.07
Employer's Contribution to NIS		82,854.94	82,394.96
Travelling		145,200.84	160,933.69
Gratuities		385,512.75	413,470.19
		<b>3,355,612.18</b>	<b>3,429,258.91</b>
<b>GOODS &amp; SERVICES:</b>			
Electricity		333,649.43	272,314.96
Telephone & Fax		249,503.52	321,034.72
WASA Rates		7,798.00	23,420.00
House Rates		29,633.45	37,043.05
Rent/Lease Office Accomodation & Storage		1,519,855.00	1,273,410.00
Rent/Lease Vehicles & Equipment		659,594.64	478,860.00
Office Stationery & Supplies		170,341.25	143,250.52
Books & Periodicals		85,570.83	150,109.12
Materials & Supplies		71,711.52	53,397.38
Computer & Related Accessories		4,185,283.73	24,766.87
Maintenance of Vehicles		43,424.76	17,401.17
Repairs & Maint.- Equipment		28,389.95	8,811.00
Training		6,882,404.50	139,481.00
Repairs & Maintenance-Buildings & Other		46,719.93	17,108.19
Auditor's Fees		55,625.70	10,660.00
Bank Charges		115.00	200.00
CFATF		103,853.45	1,585,775.93
Fees (Other)		38,540.63	46,332.20
Official Overseas Travel		330,550.83	331,612.19
Other Contracted Services		869,170.41	606,589.67
Janitorial Services		106,066.40	92,318.02
Security Expenses		597,087.91	1,197,413.85
Special Short Term Projects		222,705.79	70,233.72
Postage		6,702.31	1,174.45
Promotions Publicity & Printing		102,350.00	
Hosting of Conf. Sem. & Other Functions		140,379.11	154,702.53
Depreciation		53,151.77	390,095.44
Extraordinary Exp.-Fixed assets		212,607.06	627,223.67
		<b>20,508,399.06</b>	<b>11,503,998.56</b>
<b>Excess Income over Expenditure</b>		<b>(1,680,852.97)</b>	<b>(852,045.08)</b>

# STRATEGIC SERVICES AGENCY

## Cash Flow Statement for the year ended September 30 2007

	Notes	2007 Year ended 30/09/07	2006 Year ended 30/09/06
<b><u>Cash Flow from Operating Activities</u></b>			
Cash paid to Suppliers & Employees		(21,844,715.70)	(10,305,669.58)
<b><u>Cash Flow from Investing Activities</u></b>			
Purchase of Fixed Assets		(212,607.06)	(627,223.87)
		<b>(22,057,322.76)</b>	<b>(10,932,893.45)</b>
<b><u>Cash Flow from Financing Activities</u></b>			
Government Subvention		18,500,000.00	10,050,233.00
Interest		267,168.50	210,173.43
Penalties/Fines-Contract Employment		7,225.82	1,451.61
Adjustments- amts written off to Accumulated Fund	6	-	123,659.49
<b>Net Increase in Cash &amp; Cash Equivalents</b>		<b>(212,607.06)</b>	<b>(547,375.92)</b>
Cash & Cash Equivalents at the beginning of period		12,572,679.02	13,120,054.94
Cash & Cash Equivalents at end of period		<b>12,360,071.96</b>	<b>12,572,679.02</b>
<b><u>Represented by</u></b>			
Cash in Hand		51,500.00	50,800.00
Cash in Bank-Rep Bank C/A		12,308,571.96	12,521,879.03
		<b>12,360,071.96</b>	<b>12,572,679.03</b>
<b>Note 1</b>			
<b><u>Cash Flows from Operating Activities</u></b>			
Income & Expenditure Statement- Expenditure		20,508,399.06	11,503,998.56
<i>less</i>			
- Depreciation		(53,151.77)	(390,095.44)
-Financing Activities ( <i>Purchase of Fixed Assets</i> )		(212,607.06)	(627,223.67)
		20,242,640.23	10,486,679.45
<i>(Increase) / Decrease</i> Prepayments		(104,769.36)	55,491.64
<i>(Increase) / Decrease</i> Receivables		1,067,407.80	(5,756.88)
<i>Increase / (Decrease)</i> Accruals		620,315.56	(276,484.46)
<i>Increase / (Decrease)</i> Creditors		19,121.47	45,551.63
<i>Increase / (Decrease)</i> Suspense Liability		-	188.40
		<b>21,844,715.70</b>	<b>10,305,669.78</b>

**STRATEGIC SERVICES AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2007**

**1 THE ORGANISATION**

The Strategic Services Agency was established by **Act No. 24** of 1995. Its main functions are to act as an office for centralising information, preparing and developing strategies, providing and assisting in identifying criminal activity, as well as giving assistance to other services, in training and technical assistance and related matters.

**2 ACCOUNTING POLICIES**

The Financial Statements in all material respects have been prepared in accordance with International Accounting Standards and Government Circular **F: 22/8/43** dated 23.07.69 issued by the Ministry of Finance. The accounting policies used in the preparation of the Financial Statements are the same as those followed in the preparation of the Financial Statements for the year ended 30/09/2005.

- (i) The accounts are prepared under the Historical Cost Convention
- (ii) Depreciation has been charged/provided for a full year in the year of purchase
- (iii) Depreciation is provided on a straight line basis at the following rates:

(a)Furniture and Furnishings	10% per annum on Cost
(b)Office Equipment	25% per annum on Cost
(c)Other Minor Equipment	25% per annum on Cost

- 3**
- (i) Government Subventions are recorded in a designated General Ledger Account.
  - (ii) An amount equivalent to the Depreciation charge for the year is appropriated from the Government Accumulated Fund. (Circular **F:22/8/43** dated 23.07.69 issued by the Ministry of Finance)

**STRATEGIC SERVICES AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended September 30, 2006**

**Note 4            INTEREST**

Interest recorded in the Income & Expenditure Statement is the amount due for the period.

**Note 5            PRIOR YEAR ADJUSTMENTS**

Prior Year adjustments were made to correct entries posted in error during the previous Financial Year



**STRATEGIC SERVICES AGENCY**

**Notes to the Financial Statements for the year ended 30 September, 2007.**

	2007			2006	
<b>7 Fixed Asset Schedule</b>					
<b>(a) Cost</b>					
	<b>Office Equipment</b>	<b>Furniture &amp; Furnishings</b>	<b>Minor Equipment</b>	<b>TOTAL</b>	<b>TOTAL</b>
	\$	\$	\$	\$	\$
<i>Balance b/f 01.10.06</i>	<i>2,694,220.52</i>	<i>541,027.88</i>	<i>596,371.09</i>	<i>3,831,619.49</i>	<i>3,204,395.62</i>
Additions	177,810.00	0.00	34,767.06	<b>212,577.06</b>	<b>627,223.87</b>
Disposals	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
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<b>30.09.07</b>	<b><u>2,872,030.52</u></b>	<b><u>541,027.88</u></b>	<b><u>631,138.15</u></b>	<b><u>4,044,196.55</u></b>	<b><u>3,831,619.49</u></b>
<b>(b) Depreciation</b>					
<i>Balance b/f 01.10.05</i>	<i>2,039,986.43</i>	<i>385,593.20</i>	<i>567,750.77</i>	<i>2,993,330.40</i>	<i>2,603,234.96</i>
Provision for the year	359,682.42	41,376.44	17,983.33	419,042.19	390,095.44
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>30.9.07</b>	<b><u>2,399,668.85</u></b>	<b><u>426,969.64</u></b>	<b><u>585,734.10</u></b>	<b><u>3,412,372.59</u></b>	<b><u>2,993,330.40</u></b>
Net Book Value (NBV)	<b><u>472,361.67</u></b>	<b><u>114,058.24</u></b>	<b><u>45,404.05</u></b>	<b><u>631,823.96</u></b>	
Net Book Value (NBV) 30.09.06	<b><u>654,234.09</u></b>	<b><u>155,434.68</u></b>	<b><u>28,620.32</u></b>	<b><u>838,289.09</u></b>	
<b>8 Accounts Receivable</b>		<b>2007</b>			<b>2006</b>
		\$			\$
T & T Police Service		1,068,120.00	Anna Roberts		23.06
			SherryAnn Carrington		689.14
Susan Hunte		5,814.00	Susan Hunte		5,814.00
		<hr/>			<hr/>
		<b><u>1,073,934.00</u></b>			<b><u>6,526.20</u></b>
<b>9 Prepayments</b>		<b>2007</b>			<b>2006</b>
		\$			\$
House Rates <i>(Premier Properties Ltd)</i>		7,409.60	Rental Accomodation <i>(Premier Properties Ltd)</i>		104,477.50
Books & Periodicals <i>(Subscription)</i>		25,869.53	Books & Periodicals <i>(Subscription)</i>		29,760.60
Janitorial Services <i>(Magic Mist, )</i>		20.40	Other Contracted Costs <i>(Ben Holdings, Magic Mist, Rentokil)</i>		3,930.79
		<hr/>			<hr/>
		<b><u>33,299.53</u></b>			<b><u>138,168.89</u></b>

## STRATEGIC SERVICES AGENCY

### 10 Accruals:

	2007		2006
	\$		\$
<i>Auditor General</i>	10,660.00	<i>Auditor General</i>	10,660.00
<i>Inland Overseas Shipping and Packing</i>	5,700.00	<i>Inland Overseas Shipping and Packing</i>	950.00
<i>Office are Us</i>	1,035.00	<i>Premier Properties-House Rates</i>	22,233.75
<i>Staff Gratuities (2004-2005)</i>	149,294.19	<i>Staff Gratuities (2004-2005)</i>	268,881.28
<i>Staff Gratuities (2005-2006)</i>	176,008.17	<i>Staff Gratuities (2005-2006)</i>	404,660.86
<i>Staff Gratuities (2006-2007))</i>	253,282.42		
<i>T &amp; T E C</i>	52,149.40	<i>T &amp; T E C</i>	34,263.54
<i>T S T T</i>	18,104.64	<i>T S T T</i>	30.54
<i>W A S A</i>	7,798.00	<i>W A S A</i>	23,420.00
<i>T&amp;T News Centre</i>	2,508.02		
<i>Pigalle's</i>	575.00		
<i>Illuminat</i>	460.00		
<i>Health Net</i>	1,200.00		
<i>Rodney Anderson &amp; Assoc</i>	29,400.00		
<i>CRA Inc</i>	673,450.86		
<i>Dawne Spicer</i>	3,000.00		
<i>Magic Mist</i>	345.00		
<i>Federal Express</i>	444.83		
	<b>1,385,415.53</b>		<b>765,099.97</b>

### 11 Creditors:

	2007		2006
	\$		\$
<i>Auditor General</i>	76,980.00	<i>Auditor General</i>	66,320.00
<i>Inland Overseas Shipping and packing</i>	-	<i>Inland Overseas Shipping and packing</i>	(100.00)
<i>Osmosys Technologies Limited</i>	7,460.00	<i>Osmosys Technologies Limited</i>	7,460.00
<i>Ralph Musgrave</i>	-	<i>Ralph Musgrave</i>	16,200.00
<i>Trinidad Express Newspapers</i>		<i>Trinidad Express Newspapers</i>	260.00
<i>John Samuel(Salary Jan 2003, Arrears 2004)</i>	2,586.86	<i>John Samuel(Salary Jan 2003, Arrears :</i>	2,586.86
<i>T S T T</i>		<i>T S T T</i>	(1,401.47)
<i>W A S A</i>	98,880.00	<i>W A S A</i>	75,460.00
	<b>185,906.86</b>		<b>166,785.39</b>