

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, 2008

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, 2008 was signed by the Auditor General on 4th 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, 2008 have been audited. The Statements comprise a Balance Sheet as at September 30, 2008, an Income and Expenditure Statement and a Cash Flow Statement for the year ended September 30, 2008 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 twelve of this Report.

BASIS FOR QUALIFIED OPINION

FIXED ASSETS \$667,631.44

7. The figure of \$667,631.44 representing Fixed Assets was understated by \$279,223.04 as a result of prior year errors.

CASH IN BANK \$11,704,959.62

8. There was an un-reconciled difference of \$494,906.47 between the Bank Reconciliation Statement and the General Ledger figure of \$9,723,481.76. There was also a difference of \$1,981,477.86 between the figure in the General Ledger and the figure of \$11,704,959.62 shown in the Balance Sheet.

ACCRUALS \$581,778.08

9. There was an unexplained difference of \$381,389.48 between the General Ledger figure of \$963,167.56 and the figure of \$581,778.08 shown in the Balance Sheet.

CASH FLOW STATEMENT

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

QUALIFIED OPINION

11. Except for the comments at paragraphs seven to ten 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, 2008 and its financial performance and its cash flows for the year ended September 30, 2008 in accordance with International Financial Standards and Ministry of Finance directives.

OTHER MATTER

INTERNAL CONTROLS

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

SUBMISSION OF REPORT

13. 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.

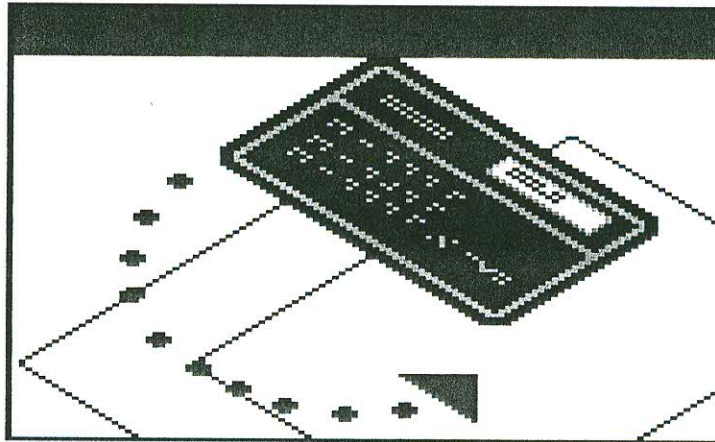
16th March, 2015



M. Ali

**MAJEED ALI
ACTING AUDITOR GENERAL**

STRATEGIC SERVICES AGENCY



FINANCIAL STATEMENTS

For the year ended
September 30, 2008

STRATEGIC SERVICES AGENCY

Balance Sheet
as at September 30 2008

	Notes	2008 Year ended 30/09/2008	2007 Year ended 30/09/2007
<u>Fixed Assets:</u>			
(i) Office Equipment	7 (a)	3,469,967.39	2,872,030.52
Accumulated Depreciation (Office Equipment)	7 (b)	(2,908,517.99)	(2,399,668.85)
(ii) Furniture & Furnishings	7 (a)	541,067.88	541,027.88
Accumulated Depreciation (Furniture & Furnishings)	7 (b)	(465,881.65)	(426,969.64)
(iii) Other Minor Equipment	7 (a)	636,813.62	631,138.15
Accumulated Depreciation (Other Minor Equipment)	7 (b)	(605,817.81)	(585,734.10)
		667,631.44	631,823.96
 <u>Current Assets:</u>			
Cash in Hand		51,500.00	51,500.00
Cash in Bank - Rep Bank C/A		11,704,959.62	12,308,571.96
Accounts Receivable	8	5,814.00	1,073,934.00
Prepaid Expenses	9	45,628.21	33,299.53
		11,807,901.83	13,467,305.49
Total Assets		12,475,533.27	14,099,129.45
 <u>Equity & Liabilities</u>			
<u>Capital & Reserves</u>			
Accumulated Fund		12,703,962.42	14,208,660.03
Net Deficit		(1,376,489.23)	(1,680,852.97)
		11,327,473.19	12,527,807.06
 <u>Current Liabilities:</u>			
Accruals	10	581,778.08	1,385,415.53
Creditors	11	566,282.00	185,906.86
Suspense			
Total Equity & Liabilities		12,475,533.27	14,099,129.45

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 2008

	Notes	2008 Year ended 30/09/08	2007 Year ended 30/09/07
INCOME:			
(i) Income - Government Subvention	3	19,501,419.00	18,500,000.00
(ii) Depreciation:			
Accumulated Fund	3	567,845.76	53,151.77
(iii) Penalties/Fines-Contract Employment			7,225.82
(iv) Reimbursements/ Recoveries		171,933.45	
Interest	4	166,646.88	267,168.50
		20,407,845.09	18,827,546.09
EXPENDITURE:			
<i>Contract Employment</i>			
Salaries & Emoluments		5,949,668.60	2,742,043.65
Employer's Contribution to NIS		86,709.49	82,854.94
Travelling		388,857.41	145,200.84
Gratuities		452,676.82	385,512.75
		6,877,912.32	3,355,612.18
GOODS & SERVICES:			
Electricity		337,798.37	333,649.43
Telephone & Fax		256,632.70	249,503.52
WASA Rates		14,977.50	7,798.00
House Rates		29,638.40	29,633.45
Rent/Lease Office Accomodation & Storage		1,570,800.00	1,519,855.00
Rent/Lease Vehicles & Equipment		580,668.50	659,594.64
Office Stationery & Supplies		42,550.62	170,341.25
Books & Periodicals		116,165.04	85,570.83
Materials & Supplies		41,922.71	71,711.52
Computer & Related Accessories		15,676.50	4,185,283.73
Maintenance of Vehicles		21,840.43	43,424.76
Repairs & Maint.- Equipment		28,353.25	28,389.95
Training		1,522,184.21	6,882,404.50
Repairs & Maintenance-Buildings & Other		9,449.90	46,719.93
Auditor's Fees		10,660.00	55,625.70
Bank Charges		115.00	115.00
CFATF		109,394.28	103,853.45
Fees (Other)		38,538.71	38,540.63
Official Overseas Travel		434,642.92	330,550.83
Other Contracted Services		1,010,615.08	869,170.41
Extraordinary Expenditure		14,933.10	
Janitorial Services		134,611.16	106,066.40
Security Expenses		645,838.85	597,087.91
Special Short Term Projects		6,647,076.62	222,705.79
Postage		1,106.19	6,702.31
Promotions Publicity & Printing		65,550.00	102,350.00
Hosting of Conf. Sem. & Other Functions		33,223.86	140,379.11
Depreciation		567,845.76	53,151.77
Extraordinary Exp.-Fixed assets		603,612.34	212,607.06
		21,784,334.32	20,508,399.06
Excess Income over Expenditure		(1,376,489.23)	(1,680,852.97)

STRATEGIC SERVICES AGENCY

Cash Flow Statement for the year ended September 30 2008

	Notes	2008 Year ended 30/09/08	2007 Year ended 30/09/07
<u>Cash Flow from Operating Activities</u>			
Cash paid to Suppliers & Employees		(19,133,822.57)	(21,844,715.70)
<u>Cash Flow from Investing Activities</u>			
Purchase of Fixed Assets		(603,612.34)	(212,607.06)
		(19,737,434.91)	(22,057,322.76)
<u>Cash Flow from Financing Activities</u>			
Government Subvention		19,501,419.00	18,500,000.00
Interest		166,646.88	267,168.50
Penalties/Fines-Contract Employment		-	7,225.82
Reimbursements/Recoveries		171,993.45	-
Adjustments- amts written off to Accumulated Fund	6	-	-
Net Increase in Cash & Cash Equivalents		(603,612.34)	(212,607.06)
Cash & Cash Equivalents at the beginning of period		12,360,071.96	12,572,679.02
Cash & Cash Equivalents at end of period		11,756,459.62	12,360,071.96
<u>Represented by</u>			
Cash in Hand		51,500.00	51,500.00
Cash in Bank-Rep Bank C/A		11,704,959.62	12,308,571.96
		11,756,459.62	12,360,071.96
Note 1			
<u>Cash Flows from Operating Activities</u>			
Income & Expenditure Statement- Expenditure		21,784,334.32	20,508,399.06
less			
- Depreciation		(567,845.76)	(53,151.77)
-Financing Activities (<i>Purchase of Fixed Assets</i>)		(603,612.34)	(212,607.06)
		20,612,876.22	20,242,640.23
<i>(Increase) / Decrease</i> Prepayments		12,328.68	(104,769.36)
<i>(Increase) / Decrease</i> Receivables		(1,068,120.00)	1,067,407.80
<i>Increase / (Decrease)</i> Accruals		(803,637.47)	620,315.56
<i>Increase / (Decrease)</i> Creditors		380,375.14	19,121.47
<i>Increase / (Decrease)</i> Suspense Liability		-	-
		19,133,822.57	21,844,715.70

STRATEGIC SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2008

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, 2008.

	2008			2007	
7 Fixed Asset Schedule					
(a) Cost					
	Office Equipment \$	Furniture & Furnishings \$	Minor Equipment \$	TOTAL \$	TOTAL \$
<i>Balance b/f</i> 01.10.07	2,872,030.52	541,027.88	631,138.15	4,044,196.55	3,831,619.46
Additions	597,936.87	0.00	5,675.47	603,612.34	212,577.06
Disposals	0.00	0.00	0.00	0.00	0.00
<i>Balance c/f</i> 30.09.08	<u>3,469,967.39</u>	<u>541,027.88</u>	<u>636,813.62</u>	<u>4,647,808.89</u>	<u>4,044,196.52</u>
(b) Depreciation					
<i>Balance b/f</i> 01.10.07	2,399,668.85	426,969.64	585,734.10	3,412,372.59	2,993,330.40
Provision for the year	508,849.14	38,912.01	20,084.61	567,845.76	419,042.19
<i>Balance c/f</i> 30.9.08	<u>2,908,517.99</u>	<u>465,881.65</u>	<u>605,818.71</u>	<u>3,980,218.35</u>	<u>3,412,372.59</u>
Net Book Value (NBV)	<u>561,449.40</u>	<u>75,146.23</u>	<u>30,994.91</u>	<u>667,590.54</u>	
Net Book Value (NBV) 30.09.07	<u>654,234.09</u>	<u>155,434.68</u>	<u>28,620.32</u>	<u>838,289.09</u>	
8 Accounts Receivable		2008 \$			2007 \$
			T & T Police Service		1,068,120.00
Susan Hunte		5,814.00	Susan Hunte		5,814.00
		<u>5,814.00</u>			<u>1,073,934.00</u> (1,068,120.00)
9 Prepayments		2008 \$			2007 \$
House Rates (Premier Properties Ltd)		0.00	House Rates (Premier Properties Ltd)		7,409.60
Books & Periodicals (Subscription)		45,628.21	Books & Periodicals (Subscription)		25,869.53
Janitorial Services (Magic Mist,)		0.00	Janitorial Services (Magic Mist,)		20.40
		<u>45,628.21</u>			<u>33,299.53</u> 12,328.68

STRATEGIC SERVICES AGENCY

10 Accruals:	2008		2007	
	\$		\$	
<i>Auditor General</i>	10,660.00	<i>Auditor General</i>	10,660.00	
<i>Inland Overseas Shipping and Packing</i>	2,850.00	<i>Inland Overseas Shipping and Packing</i>	5,700.00	
<i>Staff Gratuities (2007-2008)</i>	274,834.31	<i>Office are Us</i>	1,035.00	
<i>Staff Gratuities (2004-2005)</i>	14,654.19	<i>Staff Gratuities (2004-2005)</i>	149,294.19	
<i>Staff Gratuities (2005-2006)</i>	29,173.33	<i>Staff Gratuities (2005-2006)</i>	176,008.17	
<i>Staff Gratuities (2006-2007))</i>	57,630.11	<i>Staff Gratuities (2006-2007))</i>	253,282.42	
<i>T & T E C</i>	41,914.56	<i>T & T E C</i>	52,149.40	
<i>T S T T</i>	7,388.48	<i>T S T T</i>	18,104.64	
<i>House Rates</i>	22,228.80	<i>W A S A</i>	7,798.00	
<i>CFATF</i>	109,394.28	<i>T&T News Centre</i>	2,508.02	
<i>Southern Sales</i>	8,050.00	<i>Pigalle's</i>	575.00	
		<i>Illuminat</i>	460.00	
		<i>Health Net</i>	1,200.00	
		<i>Rodney Anderson & Assoc</i>	29,400.00	
<i>CRA Inc</i>		<i>CRA Inc</i>	673,450.86	
<i>Dawne Spicer</i>	3,000.00	<i>Dawne Spicer</i>	3,000.00	
		<i>Magic Mist</i>	345.00	
		<i>Federal Express</i>	444.83	
	<u><u>581,778.06</u></u>		<u><u>1,385,415.53</u></u>	(803,637.47)

11 Creditors:	2008		2007	
	\$		\$	
<i>Auditor General</i>	87,640.00	<i>Auditor General</i>	76,980.00	87,640.00
<i>C R A Inc</i>	369,715.14	<i>Inland Overseas Shipping and packing</i>	-	
<i>Osmosys Technologies Limited</i>	7,460.00	<i>Osmosys Technologies Limited</i>	7,460.00	
			-	
<i>John Samuel(Salary Jan 2003, Arrears 2004)</i>	2,586.86	<i>John Samuel(Salary Jan 2003, Arrears :</i>	2,586.86	
<i>W A S A</i>	98,880.00	<i>W A S A</i>	98,880.00	
	<u><u>566,282.00</u></u>		<u><u>185,906.86</u></u>	380,375.14