

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, 2006

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, 2006 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 the Minister of Finance.

2. The accompanying Financial Statements of the Strategic Services Agency for the year ended September 30, 2006 have been audited. The Statements comprise a Balance Sheet as at September 30, 2006, an Income and Expenditure Statement and a Cash Flow Statement for the year ended September 30, 2006 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 nine of this Report.

BASIS FOR QUALIFIED OPINION

FIXED ASSETS - \$838,289.09

7. The figure of \$838,289.09 representing Fixed Assets was understated by \$279,574.01 as a result of prior year errors.

QUALIFIED OPINION

8. Except for the comment at paragraph seven 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, 2006 and its financial performance and its cash flows for the year ended September 30, 2006 in accordance with International Financial Reporting Standards and Ministry of Finance directives.

OTHER MATTER

INTERNAL CONTROLS

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

SUBMISSION OF REPORT

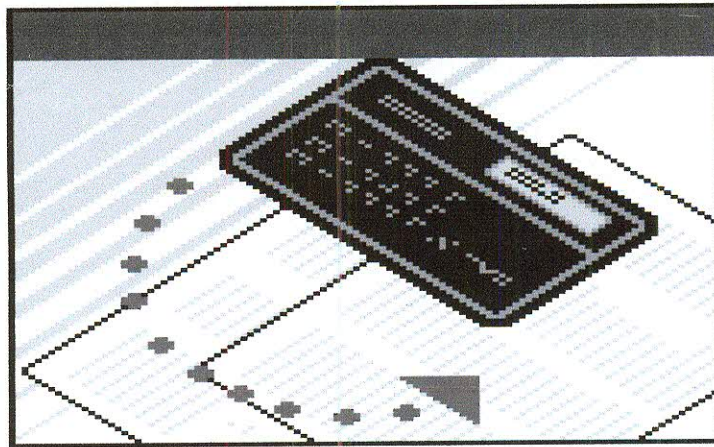
10. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance and the Economy in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

16th March, 2015



**MAJEED ALI
ACTING AUDITOR GENERAL**

STRATEGIC SERVICES AGENCY



FINANCIAL STATEMENTS

For the year ended
September 30, 2006



Strategic Services Agency
Balance Sheet
as at 30 September, 2006

	<i>Notes</i>	<i>2006</i> <i>as at</i> <i>30/09/2006</i>	<i>2005</i> <i>as at</i> <i>30/09/2005</i>
Fixed Assets:			
(i) Office Equipment	7 (a)	2,694,220.52	2,094,590.44
Accumulated Depreciation (Office Equipment)	7 (b)	(2,039,986.43)	(1,717,370.01)
(ii) Furniture & Furnishings	7 (a)	541,027.88	535,320.55
Accumulated Depreciation (Furniture & Furnishings)	7 (b)	(385,593.20)	(334,332.23)
(iii) Other Minor Equipment	7 (a)	596,371.09	574,484.63
Accumulated Depreciation (Other Minor Equipment)	7 (b)	(567,750.77)	(551,532.72)
		838,289.09	601,160.66
Current Assets:			
Cash in Hand		50,800.00	50,800.00
Cash in Bank - Rep Bank C/A		12,521,879.03	13,069,254.95
Accounts Receivable	8	6,526.20	12,283.08
Prepaid Expenses	9	138,168.89	82,677.25
		12,717,374.12	13,215,015.28
Total Assets		13,555,663.21	13,816,175.94
Equity & Liabilities			
Capital & Reserves			
Accumulated Fund		13,475,822.92	15,009,322.13
Net Deficit		(852,045.08)	(1,894,287.13)
		12,623,777.84	13,115,035.00
Current Liabilities:			
Accruals	10	765,099.97	488,615.51
Creditors	11	166,785.40	212,337.03
Suspense		-	188.40
Total Equity & Liabilities		13,555,663.21	13,816,175.94

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


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Assistant Director




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Director

Strategic Services Agency
Income and Expenditure Statement
for the year ended 30 September, 2006

	<i>Notes</i>	2006 <i>Year ended</i> <i>30/09/2006</i>	2005 <i>Year ended</i> <i>30/09/2005</i>
		\$	\$
INCOME:			
(i) Income - Government Subvention	3	10,050,233.00	5,945,938.00
(ii) Depreciation:	2		
Accumulated Fund		390,095.44	274,379.48
(iii) Penalties/Fines - Contract Employment		1,451.61	
Interest	4	<u>210,173.43</u>	<u>139,611.74</u>
		10,651,953.48	6,359,929.22
EXPENDITURE:			
Contract Employment			
Salaries & Emoluments		2,772,460.07	2,277,070.15
Employer's contribution to NIS		82,394.96	67,298.48
Travelling		160,933.69	139,551.78
Gratuities		<u>413,470.19</u>	<u>398,493.38</u>
		3,429,258.91	2,882,413.79
GOODS & SERVICES:			
Electricity		272,314.96	268,158.54
Telephone & Fax		321,034.72	185,115.39
WASA Rates		23,420.00	-
House Rates		37,043.05	-
Rent/Lease Office Accom & Storage		1,273,410.00	1,253,730.00
Rent/Lease Vehicles & Equipment		478,860.00	-
Office Stationery & Supplies		143,250.32	219,201.84
Books & Periodicals		150,109.12	78,783.40
Materials & Supplies		53,397.38	38,681.16
Computer & Related Accessories		24,766.87	-
Maintenance of Vehicles		17,401.17	43,822.78
Repairs & Maint.- Equipment		8,811.00	-
Training		139,481.00	-
Miscellaneous		-	479,961.03
Miscellaneous - Staff Functions		-	2,878.91
Buildings Repairs & Maintenance		17,108.19	55,514.44
Auditor's Fees		10,660.00	10,660.00
Bank Charges		200.00	200.00
CFATF		1,585,775.93	83,318.26
Fees		46,332.20	-
Official Overseas Travel		331,612.19	633,489.60
Other Contracted Services		606,589.67	1,256,295.58
Janitorial Services		92,318.02	-
Security Expenses		1,197,413.85	280,261.44
Special Short Term Projects		70,233.72	12,836.08
Postage		1,174.45	-
Hosting of Conf, Sem. & Other Functions		154,702.53	-
Depreciation		390,095.44	274,379.48
Extraordinary Exp- Fixed Asset		<u>627,223.87</u>	<u>194,514.63</u>
		11,503,998.56	8,254,216.35
Excess income over Expenditure		<u>(852,045.08)</u>	<u>(1,894,287.13)</u>

Strategic Services Agency
Cash Flow Statement
for the year ended 30 September, 2006

Notes	2006 Year ended 30/09/06 \$	2005 Year ended 30/09/05 \$
<u>Cash Flow from Operating Activities</u>		
Cash paid to Suppliers & Employees	(10,305,669.58)	(7,317,269.94)
<u>Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	(627,223.87)	(194,514.63)
	(10,932,893.45)	(7,511,784.57)
Government Subvention	10,050,233.00	5,945,938.00
Interest	210,173.43	139,611.74
Penalties/Fines - Contract Employment	1,451.61	-
Adjustments - amts written off to Accumulated Fund	6 123,659.49	-
Net Increase in Cash & Cash Equivalents	(547,375.92)	(1,426,234.83)
Cash & Cash Equivalents at the beginning of period	13,120,054.94	14,546,289.77
Cash & Cash Equivalents at end of period:	12,572,679.02	13,120,054.94
<u>Represented by:</u>		
Cash in Hand	50,800.00	50,800.00
Cash in Bank - Rep Bank C/A	12,521,879.03	13,069,254.95
	12,572,679.03	13,120,054.95
Note 1 <u>Cash Flows from Operating Activities</u>		
Income & Expenditure Statement - Expenditure	11,503,048.56	8,254,216.35
less		
- Depreciation	(390,095.44)	(274,379.48)
- Financing Activities (<i>Purchase of Fixed Assets</i>)	(627,223.87)	(194,514.63)
	10,485,729.25	7,785,322.24
<i>(Increase) / Decrease</i> Prepayments	55,491.64	45,816.46
<i>Increase / (Decrease)</i> Receivables	(5,756.88)	(426.35)
<i>(Increase) / Decrease</i> Accruals	(275,534.46)	(398,877.71)
<i>(Increase) / Decrease</i> Creditors	45,551.63	(114,564.70)
<i>Increase / Decrease</i> Suspense Liability	188.40	-
	10,305,669.58	7,317,269.94

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

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 RE-CLASSIFICATION OF EXPENDITURE

In accordance with memoranda issued by the Ministry of National Security dated *December 7 2005* several changes have been made with respect to the Chart of Accounts in terms of the classification of expenditure.

Note 6 AMOUNTS WRITTEN OFF TO THE ACCUMULATED FUND

The following amounts were written off to the Accumulated Fund: -

Particulars	DR \$	CR \$
<u>Accrued Liabilities:</u>		
Overstated accrued gratuity figure S. Carrington for the period 01 Nov 2004 to 30 Sept 2005		481.87
Transfer of accrued gratuity payments for staff not completing contractual agreements 2004/2005		58,006.45
<u>Accounts Payable:</u>		
Adjustment for invoice for Texprint Ltd entered twice in error for 2004/2005 and reflected as a creditor.		64,975.00
Adjustments for outstanding balances on creditor accounts:		
TSTT		7.71
T&TEC	0.10	
Trevi Tours & Travel Service		0.20
<u>Suspense Account:</u>		
To write off un-reconciled balance being brought forward on account since 2000/2001.		188.40
<u>Cash in Hand:</u>		
Adjustment for excess funds over established limit for Imprest A/c as at 30 Sept 2006.	0.04	
TOTALS	0.14	129,659.63
Net Effect		129,659.49

STRATEGIC SERVICES AGENCY

Notes to the Financial Statements for the year ended 30 September, 2006

10 Accruals:

	2006		2005
	\$		\$
<i>Auditor General</i>	10,660.00	<i>Auditor General</i>	10,660.00
<i>Inland Overseas Shipping & Packing</i>	950.00	<i>Premier Properties - House Rates</i>	22,233.75
<i>Premier Properties - House Rates</i>	22,233.75	<i>Staff Gratuities (2004 - 2005)</i>	394,997.76
<i>Staff Gratuities (2004 - 2005)</i>	268,881.28	<i>T & TEC</i>	33,702.43
<i>Staff Gratuities (2005 - 2006)</i>	404,660.86	<i>TSTT</i>	3,601.57
<i>T & TEC</i>	34,263.54	<i>WASA</i>	23,420.00
<i>TSTT</i>	30.54		
<i>WASA</i>	23,420.00		
	<u>765,099.97</u>		<u>488,615.51</u>

11 Creditors:

	2006		2005
	\$		\$
<i>Auditor General</i>	66,320.00	<i>Auditor General</i>	55,660.00
<i>Inland Overseas Shipping & Packing</i>	(100.00)	<i>Inland Overseas Shipping & Packing</i>	(100.00)
<i>Osmosys Technologies Limited</i>	7,460.00	<i>Osmosys Technologies Limited</i>	14,460.00
<i>Ralph Musgrave</i>	16,200.00	<i>Premier Properties Limited</i>	22,233.75
<i>Trinidad Express Newspapers</i>	260.00	<i>Texprint Limited</i>	64,975.00
<i>John Samuel (Salary Jan 2003, Arrears 2004)</i>	2,586.86	<i>John Samuel (Salary Jan 2003, Arrears 2004)</i>	2,586.86
<i>TSTT</i>	(1,401.47)	<i>TSTT</i>	481.52
<i>WASA</i>	75,460.00	<i>T & TEC</i>	(0.10)
		<i>WASA</i>	52,040.00
	<u>166,785.39</u>		<u>212,337.03</u>