



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE SAN FERNANDO CITY CORPORATION MAYOR'S PROJECT FUND FOR THE YEAR ENDED 30 SEPTEMBER, 2018

ADVERSE OPINION

The financial statements of the San Fernando City Corporation Mayor's Project Fund (the Fund) for the year ended 30 September, 2018 have been audited. The Statements as set out on pages 1 to 3 comprise a Balance Sheet as at 30 September, 2018, and the Receipts and Payments Statement for the year ended 30 September, 2018 and Notes to the Accounts numbered 1 and 2.

2. In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of this report, the accompanying financial statements do not present fairly, the financial position of the Fund as at 30 September, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards.

BASIS FOR ADVERSE OPINION

CASH/BANK BALANCES \$275,586.00

3. The total unpresented cheques as at 30th September, 2018 included stale dated cheques amounting to \$66,241.18 which were not written back to account. The above balance is therefore understated by the sum of \$66,241.18.

CURRENT LIABILITIES

DEPOSITS \$224,286.00

4.1 The opening balance on this account was understated by the sum of \$58,078.16. This resulted in the balance on this account being materially understated by \$58,078.16.

4.2 The above figure represents the accumulation of surpluses and deficits over the years and is therefore inappropriately described as "Deposits" in the Balance Sheet. This balance of \$224,286.00 should be reflected as "Fund/Reserves" in the Balance Sheet.

ACCOUNTS PAYABLE \$51,300.00

5.1 A Schedule listing the composition of the Accounts Payable balance of \$51,300.00 was not provided for audit. In the absence of this information this figure could not be verified.

5.2 The Accounts Payable balance is materially understated. This understatement is due to stale dated cheques amounting to \$66,241.18. The liabilities related to these stale dated cheques must be re-established and will increase the Accounts Payable balance by said amount.

Accounting Policies

6. Note 2 (a) to the Accounts states that the accounts are prepared in accordance with International Accounting Standards (IAS). However, these financial statements do not comply with International Accounting Standards/International Financial Reporting Standards (IFRS) since the financial statements do not include a Statement of Changes in Equity and Statement of Cash Flows.

7. The audit was conducted in accordance with generally accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the San Fernando City Corporation (the Corporation) in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above adverse opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

8. Management of the Corporation is responsible for the preparation and fair presentation of these financial statements in accordance with the International Accounting 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.

9. In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

10. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago.

12. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

CASH/BANK BALANCES

15.1 Section 111 of the Municipal Corporations Act, Chapter 25:04 states:

“All moneys belonging to, or received for, or on behalf of the Corporation shall as soon as practicable be paid into an account of the Corporation at such bank as the Council shall, by resolution, appoint; but the Council may, by resolution, authorise the Treasurer to retain in his hands a sum sufficient for the daily expenses of Council.”

15.2 Moneys received in 2014 and 2015 were not promptly deposited in the Fund’s bank account and became stale dated. As at 30th September, 2018 cheques totalling \$23,100.00 have not been revalidated and was shown as a reconciling item in the Bank Reconciliation Statement.

PAYMENTS

16.1 Paragraph 113 (1), Part VI of the Financial Instructions 1965 states:

“Vouchers for local purchase of goods or materials shall be supported by original bills from the suppliers, signed where possible, by authorised employees of the firms.”

16.2 A payment voucher for the sum of \$15,000.00 was supported by a quotation from a supplier for services to the Fund.

16.3 Section 110 (3) of the Municipal Corporations Act, Chapter 25:04 states:

“All moneys to be expended out of the Mayor’s Fund shall be authorised by resolution of the Council.”

16.4 Finance, Planning and Allocation of Resources Committee Minutes were not presented to ascertain whether moneys expended out of the fund totalling \$194,351.88 were authorised by resolution of the Council.

MINUTES OF COUNCIL MEETINGS

17.1 Section 71(1) of the Municipal Corporations Act, Chapter 25:04 states:

“Minutes of the meetings of a Council or of a Committee thereof shall be signed by the Chairman of the meeting.”

17.2 Minutes of the Committee meetings presented for audit were not signed by the Chairman of the meeting.

SUBMISSION OF REPORT

18. 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.

**8th November, 2023
PORT OF SPAIN**



Jaiwantie Ramdass
**JAIWANTIE RAMDASS
AUDITOR GENERAL (Ag.)**

San Fernando City Corporation
Financial Statements for the Mayor's Project Fund Account 2017/ 2018

TABLE OF CONTENTS	PAGE NO.
Balance Sheet	1
Receipts & Payments	2
Notes to the Accounts	3

**San Fernando City Corporation
Financial Statements For the Mayor's Fund Account 2017/2018**

Balance Sheet as at September 30, 2017/2018 (Mayors Project Fund)	2018	2017
Current Assets		
Cash/Bank Balances	275,586	220,940
Accounts Receivable		70,000
Total Assets	275,586	290,940
Liabilities and Other Balances		
Current Liabilities		
Deposits	224,286	227,718
Accounts Payable	51,300	63,222
Total Current Liabilities	275,586	290,940
Other Balances		
General Fund	0	0
Total Liabilities and Other Balances	275,586	290,940

.....
Alodewich
 City Treasurer/ Accountant (Ag)
 Date: 18/02/2020

.....

 Chief Executive Officer
 Date: 18/02/2020



San Fernando City Corporation
Financial Statements For the Mayor's Fund Account 2017/2018

Receipts & Payments Statement Year Ended September 30, 2009
(Mayor's Project Fund)

	2018	2017
Receipts	776,854	374,175
Payments	722,209	(1129,622)
Net balance	54,646	(755,447)

Mayor's Project Fund

Notes to the Accounts for the year ended 30th September, 2018

1 Provision

The Mayor's Project Fund Account was established in 1981 by Council Meeting. Under the Municipal Corporations Act #21 of 1990, paragraph 110, it is still active.

2 Accounting Policies

(a) **Accounting Convention**

The accounts are prepared in accordance with the historical cost convention and International Accounting Standards.

The Mayor's Fund is reported as a deposit account in the financial statement since monies collected for the various charities/ donations are used for charitable purposes.

(b) **Receipts & Payments**

Generally Receipts and Payments are accounted for on a cash basis using the receipts and payments methods.

