

**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, 2004**

The accompanying Financial Statements of the Strategic Services Agency for the year ended September 30, 2004 have been audited. The Statements comprise a Balance Sheet as at September 30, 2004, an Income and Expenditure Statement and a Cash Flow Statement for the year ended September 30, 2004 and Notes to the Financial Statements numbered 1 to 10.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. 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

3. 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.

4. 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraphs 6 to 8 of this Report.

BASIS FOR QUALIFIED OPINION

FIXED ASSETS - \$771,904.49

6. The figure of \$771,904.49 representing Fixed Assets was understated by \$284,051.52 as a result of two items of capital expenditure being incorrectly expensed.

QUALIFIED OPINION

7. Except for the comment at paragraph six 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, 2004 and its financial performance and its cash flows for the year ended September 30, 2004 in accordance with International Financial Reporting Standards and Ministry of Finance directives.

OTHER MATTER

INTERNAL CONTROLS

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

SUBMISSION OF REPORT

9. 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.

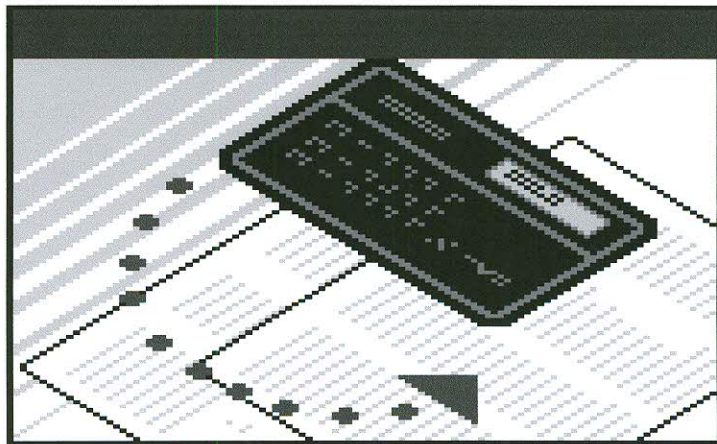
16th March, 2015



M Ali

MAJEED ALI
ACTING AUDITOR GENERAL

STRATEGIC SERVICES AGENCY



DRAFT
FINANCIAL STATEMENTS
for the year ended
September 30 2004

Strategic Services Agency


Balance Sheet
as at September 30 2004

| | Notes | 2004 Year ended 30/09/04 | 2003 Year ended 30/09/03 |
|---|-------|--------------------------------|--------------------------------|
| Fixed Assets: | | | |
| (i) Vehicles | 6 (a) | 2.00 | 2.00 |
| (ii) Office Equipment | 6 (a) | 1,937,839.44 | 1,433,300.83 |
| Accumulated Dprcn (Off Equip] | 6 (b) | (1,475,434.24) | (1,251,051.61) |
| (iii) Furniture & Furnishings | 6 (a) | 512,806.30 | 509,810.55 |
| Accumulated Dprcn (F & F) | 6 (b) | (263,622.96) | (211,843.75) |
| (iv) Other Minor Equipment | 6 (a) | 559,235.25 | 540,987.35 |
| Accumulated Dprcn (Oth Mnr Eq) | 6 (b) | (498,921.30) | (433,744.07) |
| | | 771,904.49 | 587,461.30 |
| Current Assets: | | | |
| Cash in Hand | | 50,800.00 | 50,757.00 |
| Petty Cashier-1 | | - | 43.00 |
| Cash in Bank - Rep Bank C/A | | 14,495,489.78 | 15,410,013.95 |
| Accounts Receivable (General) | 7 | 12,709.43 | 13,652.11 |
| Prepaid Expenses (General) | 8 | 36,860.79 | 37,047.07 |
| | | 14,595,860.00 | 15,511,513.13 |
| Total Assets | | 15,367,764.49 | 16,098,974.43 |
| Equity & Liabilities | | | |
| Capital & Reserves | | | |
| Accumulated Fund | | 16,145,929.69 | 13,591,515.50 |
| Net Income | | (965,863.73) | 2,369,971.00 |
| Current Liabilities: | | | |
| Accruals | 9 | 89,737.80 | 74,162.92 |
| Creditors | 10 | 97,772.33 | 63,136.61 |
| Suspense | | 188.40 | 188.40 |
| Total Equity & Liabilities | | 15,367,764.49 | 16,098,974.43 |

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


 Accounting & Finance Officer




 Director

STRATEGIC SERVICES AGENCY
Income Expenditure Statement
for the year ended September 30 2004

| | Notes | 2003 Year ended 30/09/04 | 2003 Year ended 30/09/03 |
|---------------------------------------|-------|--------------------------------|--------------------------------|
| INCOME: | | | |
| (i) Income - Government Subvention | 3 | 8,417,870.00 | 8,255,167.00 |
| (ii) Depreciation: | 2 | | |
| Accumulated Fund | | 341,339.07 | 216,577.02 |
| Interest | 4 | 157,388.95 | 216,418.89 |
| | | 8,916,598.02 | 8,688,162.91 |
| EXPENDITURE: | | | |
| <i>Personnel Emoluments</i> | | | |
| Personnel Costs | | 4,207,068.90 | 2,673,276.99 |
| Gov't contribution to NIS | | 81,236.92 | 87,682.96 |
| Gratuities | | 541,874.78 | 411,297.35 |
| | | 4,830,180.60 | 3,172,257.30 |
| GOODS & SERVICES: | | | |
| Prior Year Adjustments | | 67.24 | 5,220.37 |
| Travelling | | 201,303.96 | 200,101.60 |
| Electricity | | 237,423.86 | 294,809.85 |
| Telephone & Fax | | 174,279.79 | 203,269.41 |
| Rental Accomodation | | 1,226,475.00 | 1,090,200.00 |
| Office Stationery & Supplies | | 91,239.23 | 70,035.26 |
| Books & Periodicals | | 63,296.55 | 61,227.20 |
| Materials & Supplies | | 39,226.64 | 35,984.50 |
| Upkeep of Vehicles | | 38,716.37 | 32,880.41 |
| Repairs to Vehicles | | 9,080.65 | 28,299.18 |
| Repairs & Maint.- Bldg & Eqpt | | 211,573.63 | 38,399.87 |
| Other Contracted Costs | | 1,185,808.87 | 387,382.29 |
| Training, Conferences & Seminars | | 331,257.90 | 213,581.56 |
| Miscellaneous | | 257,874.05 | 115,324.06 |
| Miscellaneous - Staff Functions | | 6,248.50 | 6,467.52 |
| Security Expenses | | 17,294.43 | 24,000.00 |
| Auditor's Fees | | 21,320.15 | 10,066.00 |
| Special Short Term Projects | | (20.00) | 11,078.00 |
| Bank Charges | | (20.00) | 240.00 |
| Depreciation | 6 (b) | 341,339.07 | 216,577.02 |
| CFATF | | 72,713.00 | 60,146.06 |
| Extraordinary Exp- Fixed Asset | 6 (a) | 525,782.26 | 40,644.45 |
| | | 9,882,461.75 | 6,318,191.91 |
| Excess Income over Expenditure | | (965,863.73) | 2,369,971.00 |

STRATEGIC SERVICES AGENCY

Cash Flow Statement

For the year ended September 30 2004

| | Notes | 2004 | 2003 |
|---|-------|--------------------------------|--------------------------------|
| | | <i>Year ended 30/09/04</i> | <i>Year ended 30/09/03</i> |
| <u>Cash Flow from Operating Activities</u> | | | |
| Cash paid to Suppliers & Employees | | (8,964,000.86) | (6,007,254.66) |
| <u>Cash Flow from Investing Activities</u> | | | |
| Purchase of Fixed Assets | | (525,782.26) | (40,644.45) |
| | | <u>(9,489,783.12)</u> | <u>(6,047,899.11)</u> |
| <u>Cash Flow from Financing Activities</u> | | | |
| Government Subvention | | 8,417,870.00 | 8,255,167.00 |
| Interest | | 157,388.95 | 216,418.89 |
| Adjustments to Cash in Hand - Security Imprest & P/Cash | | - | 24,449.85 |
| Net Increase in Cash & Cash Equivalent | | (914,524.17) | 2,448,136.63 |
| Cash & Cash Equivalent at the beginning of period | | 15,460,813.94 | 13,012,677.31 |
| Cash & Cash Equivalent at end of period | | <u><u>14,546,289.77</u></u> | <u><u>15,460,813.94</u></u> |
| | | | |
| Note 1 | | | |
| <u>Cash Flows from Operating Activities</u> | | | |
| Income & Expenditure Statement | | 9,882,461.75 | 6,318,191.91 |
| <i>excluding</i> | | | |
| - Depreciation | | (341,339.07) | (216,577.02) |
| - Financing Activities | | (525,782.26) | (40,644.45) |
| | | <u>9,015,340.42</u> | <u>6,060,970.44</u> |
| <i>Increase / (Decrease)</i> Prepayments | | (186.28) | 21,912.69 |
| <i>Increase / (Decrease)</i> Receivables | | (942.68) | 886.19 |
| <i>(Increase) / Decrease</i> Accruals | | (15,574.88) | (48,520.28) |
| <i>(Increase) / Decrease</i> Creditors | | (34,635.72) | (27,994.38) |
| <i>Increase / Decrease</i> Suspense Liability | | - | - |
| | | <u><u>8,964,000.86</u></u> | <u><u>6,007,254.66</u></u> |

STRATEGIC SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30 2004

Note 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.

Note 2 **ACCOUNTING POLICIES**

The Financial Statements in all material aspects have been prepared in accordance with International Accounting Standards and Government Circular **F: 22/8/43** dated 23.07.69 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 30/09/2001.

- (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 as follows:
 - (a) Furniture and Furnishings 10% on Cost
 - (b) Office Equipment 25% on Cost
 - (c) Other Minor Equipment 25% on Cost

Note 3

- (i) Government Subventions are recorded against Government Accumulated Fund
- (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 Ministry of Finance)

**STRATEGIC SERVICES AGENCY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30 2004**

Note 4 Interest recorded in the Income & Expenditure Statement is the amount due for the period.

Note 5 **PRIOR YEAR ADJUSTMENT**

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

STRATEGIC SERVICES AGENCY

| 6(a) <u>Fixed Asset Schedule (Cost)</u> | Motor Vehicles \$ | Office Equipment \$ | Furniture & Furnishings \$ | Minor Equipment \$ | 2004 Year ended 30/9/04 TOTAL \$ | 2003 Year ended 30/09/2003 TOTAL \$ |
|--|-------------------------|---------------------------|----------------------------------|--------------------------|--|---|
| <i>Balance b/f</i> 01.10.03 | 2.00 | 1,433,300.83 | 509,810.55 | 540,987.35 | 2,484,100.73 | 2,443,456.28 |
| Addition | | 504,538.61 | 2,995.75 | 18,247.90 | 525,782.26 | 40,644.45 |
| 30.9.04 | <u>2.00</u> | <u>1,937,839.44</u> | <u>512,806.30</u> | <u>559,235.25</u> | <u>3,009,882.99</u> | <u>2,484,100.73</u> |
| | | | | | | |
| (b) <u>Depreciation</u> | | | | | | |
| Balance b/f 01.10.03 | - | 1,251,051.61 | 211,843.75 | 433,744.07 | 1,896,639.43 | 1,680,062.41 |
| Provision for the year | - | 224,382.63 | 51,779.21 | 65,177.23 | 341,339.07 | 216,577.02 |
| 30.9.04 | <u>-</u> | <u>1,475,434.24</u> | <u>263,622.96</u> | <u>498,921.30</u> | <u>2,237,978.50</u> | <u>1,896,639.43</u> |
| Net Book Value (NBV) | <u>2.00</u> | <u>462,405.20</u> | <u>249,183.34</u> | <u>60,313.95</u> | <u>771,904.49</u> | <u>587,461.30</u> |
| | | | | | | |
| 7 <u>Accounts Receivable</u> | | | | | | |
| Interest | | | 5,989.23 | | | 6,571.85 |
| Ann Marie Alleyne | | | - | | | 292.56 |
| Dexter Joseph | | | 906.20 | | | 906.20 |
| Premier Properties Limited | | | - | | | 67.50 |
| Susan Hunte | | | 5,814.00 | | | 5,814.00 |
| | | | <u>12,709.43</u> | | | <u>13,652.11</u> |
| | | | | | | |
| 8 <u>Prepayment</u> | | | | | | |
| Telephone & Fax (TSTT - Cellular Phones) | | | 1,434.66 | | | - |
| Books & Periodicals (Subscriptions) | | | 25,812.56 | | | 21,046.07 |
| Upkeep of Vehicles (Kelvin A. Johnston & Co) | | | 4,000.00 | | | 4,000.00 |
| Other Contracted Costs (Ben Holdings, Magic Mist, Rentokil, TSTT) | | | 5,613.57 | | | 4,600.00 |
| Miscellaneous (House Rates) | | | - | | | 7,401.00 |
| | | | <u>36,860.79</u> | | | <u>37,047.07</u> |
| | | | | | | |
| 9 <u>Accruals:</u> | | | | | | |
| Auditor General | | | 10,660.00 | | | |
| Premier Properties - House Rates | | | 22,233.75 | | | |
| T & TEC | | | 32,191.59 | | | |
| TSTT | | | 1,232.46 | | | |
| WASA | | | 23,420.00 | | | |
| | | | <u>89,737.80</u> | | | |

STRATEGIC SERVICES AGENCY

10 Creditors:

| | |
|--|------------------|
| <i>Auditor General</i> | 45,000.00 |
| <i>Inland, Overseas Shipping & Packing</i> | (100.00) |
| <i>Osmosys Technologies Limited</i> | 14,460.00 |
| <i>Renwick Joseph</i> | 8,750.00 |
| <i>John Samuel</i> | 1,042.35 |
| <i>TSTT</i> | (0.02) |
| <i>WASA</i> | 28,620.00 |
| | <u>97,772.33</u> |