



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE TOBAGO HOUSE OF ASSEMBLY FOR THE YEAR ENDED 30th SEPTEMBER 2006.

REPORT ON THE FINANCIAL STATEMENTS

Section 116 of the Constitution of the Republic of Trinidad and Tobago and section 46 of the Tobago House of Assembly Act, Chapter 25:03, require the Auditor General to audit the accounts of the Tobago House of Assembly. The accompanying Financial Statements of the Tobago House of Assembly for the year ended 30th September 2006 comprise a Balance Sheet as at 30th September 2006, a Statement of Income and Expenditure and a Cash Flow Statement for the year ended 30th September 2006 and Notes to Accounts numbered 1 to 8.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Tobago House of Assembly is responsible for the preparation and presentation of these Financial Statements in accordance with best practice, 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 conducting the audit in accordance with generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

4.1 The Financial statements were not prepared on an accrual basis as stated in Note 1 of the Notes to Accounts.

4.2 Relevant documents and records necessary to verify amounts appearing in the Balance Sheet were not produced for audit examination. As a result, the following balances could not be verified:

	\$
Fixed Assets -	628,704,777.00
Bank -	225,850,915.87
Investments -	7,893,056.61
Loans Receivable -	1,964,147.39
THA Deposits -	23,742,623.10
Accounts Payable -	21,491,937.98

DISCLAIMER OF OPINION

5. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Tobago House of Assembly Act

6. Section 52 of the Tobago House of Assembly Act, which came into force on 10th December 1996 states:

“Within two months of the coming into force of this Act, the Assembly shall, subject to the approval of the President, make such Financial Rules as are necessary for the proper management of its finances and such Rules, shall, when made, be laid in Parliament.”

6.1.1 At the date of this Report, 18 years after the assent of the Tobago House of Assembly Act, it was not seen that Financial Rules made under section 52 of the Act, for the Tobago House of Assembly, were laid in Parliament.

6.1.2 The 1990 Tobago House of Assembly Financial Rules remain in force and apply to the Assembly in accordance with section 78 (1) of the Act.

Tobago House of Assembly Financial Rules 1990

6.2.1 Rule 12(o) states:

“12.The Clerk as Accounting Officer shall be responsible for-producing all books of accounts, records, paid cheques or vouchers in his charge when required by the Assembly or the Auditor General or their duly authorised officers, and replying promptly and fully to any queries addressed by them to him.”

6.2.2 Basis for Disclaimer of Opinion paragraph 4.2 refers.

6.3.1 Rule 34 (1) states:

“Subject to subrule (2), where the expenditure of the Assembly for any financial year is less than the amount shown in the final estimates, the Chairman may, with the approval of the Finance and General Purposes Committee, by warrant signed by him, authorise the transfer of all or any of the surplus to the Contingencies Account.”

6.3.2 Funds totalling \$10,533,203.00 were transferred from the Fund Account to the Contingencies Account during the course of the year prior to the determination of the surplus at the end of the financial year.

Contingency Expenditure - \$12,264,574.12

6.4.1 : Rule 34 (3) states:

“Subject to rule 35, monies shall not be withdrawn from the Contingencies Account other than for the purpose of meeting urgent or unforeseen expenditure and in accordance with a warrant signed by the Chairman issued with the approval of the Finance and General Purposes Committee, provided that, where the exigencies of the situation so demand, the approval of the Finance and General Purposes Committee may be obtained subsequent to the expenditure.”

6.4.2 Expenditure in excess of \$10,000,000.00 was made which did not meet the requirements of this rule.

Unemployment Relief Programme - \$26,507,669.57

Road Improvement Fund - \$1,001,573.12

6.5 Transactions relating to the Unemployment Relief Programme and the Road Improvement Fund were included on these statements contrary to Comptroller of Accounts Circular No. 16 dated 13th November 2006 which require that separate statements be prepared.

SUBMISSION OF REPORT

7. 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 provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

12th March 2015



**MAJEED ALI
ACTING AUDITOR GENERAL**



TOBAGO HOUSE OF ASSEMBLY

FINANCIAL STATEMENT

FOR THE

YEAR ENDING

30th SEPTEMBER, 2006

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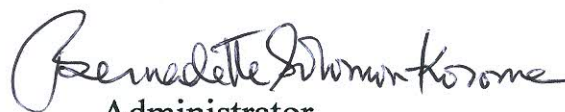
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OVERVIEW

The main operations of the Assembly are funded by appropriations from the Parliament. In the year ending 30th September, 2006, the unaudited Financial Statement of the Assembly indicates that the sum of \$1,129,598,536.00 was received directly from the Ministry of Finance, while the sum of \$123,076,868.00 was collected in Tobago on behalf of the Consolidated Fund and offset against the total appropriation, making for total parliamentary appropriation of \$1,252,675,404.00.

A total of \$29,292,723.00 was received from Other Agencies while the Assembly generated the sum of \$28,559,042.00. An amount of three per cent (3%) of the Allocations for Goods and Services and Minor Equipment Purchases was set-aside in a Contingency Fund to meet urgent and unforeseen expenditure in accordance with Executive Council Minute # 152 dated 23rd October 2001. The sum of \$24,930,000.00 was disbursed as Unspent balances. The total income for the period ending 30th September, 2006 was \$1,335,457,170.00. Total expenditure for the year was \$1,097,854,303.00.

In the 2006 financial year, the Divisions continue to manage their bank accounts for the Recurrent and Development Programme Expenditures. However, the Division of Finance continues to experience delays in the preparation of the Assembly's Financial Statement, owing to late receipt of the Financial Statements from all the Divisions. These Financial Statements are received well after the statutory deadline of 31st January and are, in some instances, unreconciled and incomplete. In the circumstances the Division of Finance will be undertaking further training of accounting staff in all Divisions of the Assembly in the next financial year, in order to improve the quality of the information submitted for presentation in the Assembly's Financial Statement.



Administrator

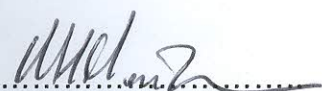
Division of Finance and Planning

**TOBAGO HOUSE OF ASSEMBLY
BALANCE SHEET
AS AT 30TH SEPTEMBER 2006**

INCOME

Particulars

<u>Fixed Assets</u>	Note	2005/2006	2004/2005
Land	(2)	226,178,153.00	190,178,153.00
Buildings		295,861,150.00	298,000,809.00
Plant & Machinery		33,544,072.00	33,074,258.00
Vehicles	(2)	28,743,040.00	18,852,371.00
Office Furniture & Equipment		40,141,210.00	9,486,793.00
Other Equipment	(2)	4,237,152.00	4,371,502.00
Total Fixed Assets		628,704,777.00	553,963,886.00
<u>Current Assets</u>			
Bank	(3)	225,850,915.87	132,745,480.73
Investments	(4)	7,893,056.61	7,886,227.21
Loans Receivable	(5)	1,964,147.39	1,858,557.25
Total Current Assets		235,708,119.87	142,490,265.19
<u>Current Liabilities</u>			
THA Deposits	(6)	23,742,623.10	19,091,791.62
Accounts Payable	(7)	21,491,937.98	12,357,678.67
Comptroller of Accounts	(8)	714,587.07	190,217.81
Total Current Liabilities		45,949,148.15	31,639,688.10
NET ASSETS		818,463,748.72	664,814,463.09


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Chief Administrator




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Administrator

**TOBAGO HOUSE OF ASSEMBLY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

<u>INCOME</u>	Note	2005/2006	2004/2005
Parliamentary Appropriations			
Recurrent Releases		883,323,459.00	638,215,494.00
Development Programme Releases		132,925,077.00	318,637,667.00
Consolidated Fund		123,076,868.00	166,371,180.00
Infrastructure Development Fund		113,350,000.00	0.00
Total Parliamentary Appropriations		1,252,675,404.00	1,123,224,341.00
Income From Other Agencies			
Unemployment Relief Programme		16,000,000.00	26,000,000.00
Road Improvement Fund		0.00	2,188,988.00
Solid Waste Management Company		7,792,723.20	9,092,180.40
Ministry of Housing		3,500,000.00	2,500,000.00
Home Improvement		2,000,000.00	1,000,000.00
Unspent Balances		24,930,000.00	
Total Other Agencies		54,222,723.20	40,781,168.40
Revenue			
Tobago House of Assembly - Revenue		2,459,765.08	1,521,214.49
Tobago House of Assembly - Deposits		23,644,438.04	7,801,535.70
Interest from Bank Accounts		2,454,839.33	1,482,439.13
Total Revenue		28,559,042.45	10,805,189.32
TOTAL INCOME		1,335,457,169.65	1,174,810,698.72

**TOBAGO HOUSE OF ASSEMBLY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

EXPENDITURE	Note	2005/2006	2004/2005
Recurrent Expenditure			
Assembly Legislature		4,800,137.88	4,256,695.89
*Office of the Chief Secretary		17,842,909.66	11,958,763.50
Finance and Planning		27,075,801.22	25,076,624.87
*Public Administration		29,587,621.16	32,156,011.69
Tourism, Transportation, Enterprise Development and Settlements		67,851,541.54	76,971,612.23
*Education, Youth Affairs and Sports		181,202,212.20	180,989,969.91
Community Development and Culture		28,182,387.96	26,002,869.10
Infrastructure and Public Utilities		218,902,667.84	203,793,478.40
Agriculture, Marine Affairs and the Environment		63,693,770.58	61,146,807.17
Health and Social Services		163,628,099.59	148,126,169.61
Total Recurrent Expenditure		802,767,149.63	770,479,002.37
Development Programme			
Expenditure		103,873,325.55	238,929,429.63
Infrastructure Development Fund		88,022,073.32	0.00
Expenditure from Fund Account			
Approved by Executive Council		0.00	71,698,529.12
Economic Development Task Force C.E.P.E.P.		0.00	360,159.97
Road Improvement Fund		8,955,729.40	9,625,076.53
Unemployment Relief Programme		1,001,573.12	1,597,257.31
Tobago House of Assembly Deposits		26,507,669.57	23,611,188.17
Unspent Balances		19,360,372.94	2,590,190.72
Overdraft Facility		6,445,577.49	30,882,359.68
Advances to Assemblymen & Contracted Officers		3,065,695.51	3,968,830.83
Petty Cash		319,086.18	447,889.17
Refund of Revenue		25,200.00	23,200.00
Miscellaneous Debits		6,790.95	6,259.30
Contingency Expenses		1,178,043.18	2,021,189.28
Depreciation Charge		12,264,574.12	7,180,301.00
Total Other Expenditure		103,191,754.46	168,183,856.08
TOTAL EXPENDITURE		1,097,854,302.96	1,177,592,288.08
SURPLUS/(DEFICIT)		237,602,866.69	(2,781,589.36)

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	2005/2006	2004/2005
<u>Operating Activities</u>		
Surplus/(Deficit) from Operating Activities	237,602,866.69	(2,781,589.36)
<u>Adjustments</u>		
Depreciation	24,061,442.00	15,183,474.00
Loss of disposal	-	-
Interest Income	(2,454,839.33)	(1,482,439.13)
Adjusted Surplus before Changes in Working Capital	259,209,469.36	10,919,445.51
Accounts Payable	(21,491,937.98)	(12,357,678.67)
Accounts Receivable	-	76,986.00
Net Cash Flow from Operations	237,717,531.38	(1,361,247.16)
<u>Investing Activities</u>		
Purchase of Plant, Minor Equipment	(62,794,333.00)	(20,601,439.00)
Purchase of land	(36,000,000.00)	-
Sale of plant, property, Minor Equipment etc.		234,431.00
Interest Received	2,454,839.33	1,482,439.13
Net Cash Used In Investing Activities	(96,339,493.67)	(18,884,568.87)
Cash Flow After Investing Activities	141,378,037.71	(20,245,816.03)
Opening Balance	10,958,637.90	31,204,453.93
Closing Balance	152,336,675.61	10,958,637.90

NOTES TO ACCOUNTS

1. Basis of Preparation:

- (1) These Accounts are prepared in accordance with Section 45 of the Tobago House of Assembly Act No. 40 of 1996 on an accrual basis.

2. Fixed Assets

- (a) These Assets were valued by Mervyn Thompson, Chartered Valuation Surveyor and Plant Engineers Ltd. Additions have since then been included at Cost.

- (b) Depreciation rates are calculated on a straight-line basis as follows:

Buildings	-	50 years
Plant & Machinery	-	30 years
Equipment and Heavy Vehicles	-	25 years
Equipment and Vehicles		
– Medium and Light	-	20 years
Office Equipment & furniture	-	5 years
Other Equipment	-	10 years

- (c) Land is not depreciated.

(d) Fixed Asset schedule is as follows:

ITEM	Opening	Addition	Total c/f	Depreciation	Acc. Dep	Net Book Value
Buildings	331,960,921.00	4,591,387.00	336,552,308.00	6,731,046.00	40,691,158.00	295,861,150.00
Plant and Machinery	39,647,413.00	1,851,736.00	41,499,149.00	1,381,922.00	7,955,077.00	33,544,072.00
Vehicles	20,722,496.00	11,501,888.00	32,224,384.00	1,611,219.00	3,481,344.00	28,743,040.00
Office Equipment and Furniture	24,507,228.00	44,447,328.00	68,954,556.00	13,790,911.00	28,813,346.00	40,141,210.00
Other	5,061,449.00	401,994.00	5,463,443.00	546,344.00	1,226,291.00	4,237,152.00
TOTAL	421,899,507.00	62,794,333.00	484,693,840.00	24,061,442.00	82,167,216.00	402,526,624.00

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(3) Bank

Divisions' Pay
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 Main Develop
 Contingency
 Fund Account
 Unemployment
 Road Improv
 Tourism Rollin
 Task Force
 Republic Bank
 Main Payroll
 Main Goods & S
 C.E.P.E.P
 Home Improv
 Republic Bank A
 Home Improv
 Enterprise Ass
 Tobago Heritag
 TOTAL BANK A

(4) Investment

First Citizens Ban
 Republic Bank
 *A.D.D.A.
 Decipher Caribbe
 W.W. Automotive
 TOTAL INVESTMENTS

* A.D.D.A - \$12,620,000.00

This investment is a contingent
 outcome of a court matter

(3) Bank Accounts

	2005/2006	2004/2005
Divisions' Payroll	27,928,541.70	2,620,245.60
Divisions' Goods & Services	41,500,031.59	1,578,139.38
Divisions' Development Programme Account	48,651,301.36	11,275,489.72
Main Development Programme Account	3,811.43	26,851,096.13
Contingency Fund	1,255,368.53	249,430.53
Fund Account	77,538,291.80	491,835.82
Unemployment Relief Programme	(4,613.61)	6,075,342.14
Road Improvement Fund	(304,932.73)	696,940.39
Tourism Rolling Plan	10,316,867.06	6,148,529.11
Task Force	0.00	13,399.72
Republic Bank Development Programme	0.00	453,482.73
Main Payroll	23,485.78	31,353.77
Main Goods & Services	11,934.42	200.25
C.E.P.E.P	884,357.93	991,137.06
Home Improvement Programme	1,067,478.96	1,549,030.38
Republic Bank Advances & Deposits	14,376,950.15	69,302,792.63
Home Improvement Grant	1,007,228.98	46,632.40
Enterprise Assistance Fund	1,594,812.52	1,444,731.10
Tobago Heritage Land Trust Account		2,925,671.87
TOTAL BANK ACCOUNTS	225,850,915.87	132,745,480.73

(4) Investment

First Citizens Bank	205,102.27	205,102.27
Republic Bank	187,954.34	181,124.94
*A.D.D.A.	0.00	0.00
Decipher Caribbean Systems Ltd.	2,500,000.00	2,500,000.00
W.W. Automotive Ltd	5,000,000.00	5,000,000.00
TOTAL INVESTMENTS	7,893,056.61	7,886,227.21

* A.D.D.A - \$12,620,000.00

This investment is a contingent asset since the realization of income is dependent on the outcome of a court matter.

(5) Loans Receivable - \$1,964,147.39

Advances for Motor Vehicle Loans

B/f 1/10/05	1,472,568.25	
Amount advanced to Assemblymen and Contracted Officers during the year	319,086.18	
Total amount repaid as at during the year	450,441.32	
Total amount outstanding as at 30/09/05		1,603,923.39

Advances for Training

B/f 1/10/05	72,061.00	
Amount advanced to during the year	0.00	
Amount repaid during the year	20,840.00	
Total amount outstanding as at 30/09/06		51,221.00

Other Advances

B/f 1/10/05	309,003.00	
Amount advanced to Double B Enterprises	0.00	
Amount repaid during the year	0.00	
Amount outstanding as at 30/09/06		309,003.00

Total Loans Receivable **1,964,147.39**

(6) Tobago House of Assembly Deposits- \$23,742,623.10

Tobago House of Assembly Deposits represent monies collected on behalf of various individuals, Organizations and Divisions of the Assembly on which claims can be made.

Balance b/f 1/10/05	19,458,560.00
Receipts during the year	23,644,436.04
Payments during the year	19,360,372.94
Balance as at 30/09/06	23,742,623.10

(7) ACCOUNTS PAYABLE - \$21,491,937.98

	2005/2006	2004/2005
Assembly Legislature	52,725.09	58,570.33
Office of the Chief Secretary		167,471.53
Public Administration	461,954.03	1,895,697.09
Finance & Planning	247,801.37	158,508.47
Tourism, Transportation	550,238.58	583,285.90
Community Development	99,901.84	133,916.23
Education, Youth Affairs & Sports	840,207.74	414,556.94
Agriculture, Marine Affairs & the Environment	435,493.78	7,858,372.74
Infrastructure & Public Utilities	16,921,134.70	241,233.93
Health & Social Services	1,882,480.85	846,065.51
Total	21,491,937.98	12,357,678.67

(8) Comptroller of Accounts - \$714,587.07

Balance b/f 1/10/05	190,217.81
Add amount collected during the year	1,022,209.22
Total Receipts	1,212,427.03
Less amount transferred re 2004/2005	190,217.81
Less amount transferred re 2005/2006	307,622.15
Balance outstanding	714,587.07

Note: The amount of \$714,587.07 collected for July to September 2006 was transferred to the Comptroller of Accounts in October, 2006.