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XI 152/4/2002/53



2010 December 30

Sir,

**Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 2002 September 30**

Forwarded herewith is a copy of my Second Report on the Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 2002 September 30.

2. In accordance with section 116(4) of the Constitution of the Republic of Trinidad and Tobago, the Report has been forwarded to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.
3. The Report has been forwarded also to the Chairman, Board of Trustees, College of Science, Technology and Applied Arts of Trinidad and Tobago.

Yours faithfully,

S: OTTLEY

**SHARMAN OTTLEY  
AUDITOR GENERAL**

The Minister of Science, Technology  
and Tertiary Education  
Ministry of Science, Technology  
and Tertiary Education  
Corner Agra and Patna Streets  
**ST. JAMES**





**SECOND REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED 2002 SEPTEMBER 30**

The First Report of the Auditor General of the Republic of Trinidad and Tobago on the non-receipt of Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 2002 September 30 was signed by the Auditor General on 2004 August 24 and submitted to the Speaker and the President of the Senate for presentation to the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 2002 September 30 have been audited. The Statements comprise a Balance Sheet as at 2002 September 30, an Income and Expenditure Account and a Cash Flow Statement for the year ended 2002 September 30, Accounting Policies referenced a to g, Notes to the Financial Statements numbered 1 to 8 and supporting Schedules numbered 1 and 2.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

3. The management of the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AUDITOR'S RESPONSIBILITY**

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 24 (4) and (5) of the College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 was conducted in accordance with generally accepted Auditing Standards. Those Standards 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





## NON-COMPLIANCE WITH THE ACT

11. There was not full compliance with sections 24 (1) and 24 (2) (b) of the Act in respect of the year ended 2002 September 30. The relevant sections are reproduced below.

*“24.(1) The Board shall keep proper books of accounts and records, in accordance with GAAP, of all moneys received and expended and shall record the matters in respect of which such sums were received and expended.*

*(2) Within three months after the end of each financial year the Board shall cause to be prepared, in respect of that year—*

*...*

*(b) financial statements prepared in accordance with GAAP and any other statement as required by the Minister of Finance.”*

## PENSION PLAN

12.1 Section 32 (1) of the Act states as follows:

*“The Board shall within two years of the date of assent of this Act, establish a pension fund plan.”*

12.2 The date of assent of the Act was 2000 November 06. Evidence was not seen that steps were taken to establish a pension fund plan as required by the Act.

## OPINION

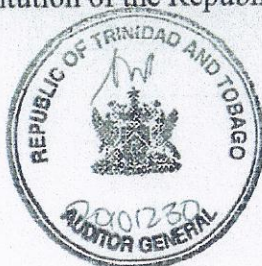
13. Because of the possible effect of the limitation of evidence available, I am unable to form an opinion as to whether the Financial Statements as outlined at paragraph two above present fairly, in all material respects, the financial position of the College of Science, Technology and Applied Arts of Trinidad and Tobago as at 2002 September 30 and its financial performance and its cash flows for the year ended 2002 September 30 in accordance with International Accounting Standards.

## SUBMISSION OF REPORT

14. 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.

2010 December 30

*Auditor General's Report  
COSTAATT 2002*



*Sharmar Otley*  
**SHARMAN OTLEY  
AUDITOR GENERAL**





**College of Science Technology & Applied Arts of Trinidad & Tobago**

**Financial Statements**

**For the Year Ended 30 September 2002**

# College of Science, Technology & Applied Arts of Trinidad & Tobago

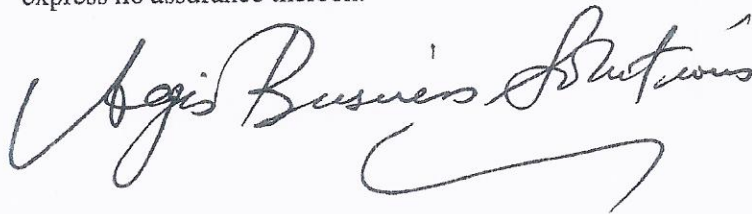
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## Compilation Report

To the Board of Trustees  
College of Science, Technology & Applied Arts of Trinidad and Tobago

On the basis of information provided by management, we have compiled, in accordance with the International Standard of Related Services applicable to compilation engagements, the balance sheet of the College of Science, Technology & Applied Arts of Trinidad & Tobago as at 30 September, 2002 and the statement of income, cash flows and related notes for the year then ended. Management is responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly, express no assurance thereon.



Chartered Accountants  
Port of Spain  
Trinidad, West Indies  
5 November 2004

# College of Science Technology & Applied Arts Of Trinidad & Tobago

## Balance Sheet

	Notes	30 September	
		2002 \$	2001 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	9,929,568	272,307
<b>Current Assets</b>			
Capital projects in progress		5,641,231	--
Cash and cash equivalents	3	8,506,983	2,660,803
		<u>14,148,214</u>	<u>2,660,803</u>
<b>Total Assets</b>		<u>24,077,782</u>	<u>2,933,110</u>
<b>EQUITY AND LIABILITIES</b>			
Opening Capital		2,882,603	2,844,351
Surplus for year		3,428,584	38,252
		<u>6,311,187</u>	<u>2,882,603</u>
<b>Non-Current Liabilities</b>			
Government capital grants deferred	4	17,216,116	--
<b>Current Liabilities</b>			
Creditors	5	550,479	50,507
<b>Total Liabilities</b>		<u>17,766,595</u>	<u>50,507</u>
<b>Total Equity And Liabilities</b>		<u>24,077,782</u>	<u>2,933,110</u>

The accounting policies on pages 5 to 6 and the notes set out on pages 7 to 9 form an integral part of these financial statements.

On 9.12.04, the Board of Trustees authorised these financial statements for issue.

Ruby S. Alby Trustee

Derek Th... Trustee

The College of Science,  
Technology and Applied Arts of  
Trinidad and Tobago  
(COSTAAT)

# College of Science Technology & Applied Arts of Trinidad & Tobago

## Income and Expenditure Account

		Year Ended 30 September 2002	Period Ended 30 September 2001
	Notes/Schedule	\$	\$
<b>Revenue</b>			
Enrollment fees		10,889,185	3,764,469
Cafeteria Sales		348,853	382,358
Sale of ECIAF Produce		177,079	167,952
Translation & Interpretation		116,100	--
Processing, Transcripts		294,100	--
Other operating income	6	1,927,185	5,099
Government subventions received		<u>22,562,584</u>	<u>--</u>
		<u>36,315,086</u>	<u>4,319,878</u>
<b>Expenditure</b>			
Operations	Schedule 1	(29,502,034)	(3,804,548)
Subventions from Government	Schedule 2	<u>(3,633,835)</u>	<u>(598,182)</u>
		( 33,135,869)	(4,402,730)
<b>Surplus/(Deficit) on Operations</b>			
		3,179,217	(82,852)
Net Interest Income	8	<u>249,367</u>	<u>121,104</u>
<b>Net Surplus</b>			
		<u>3,428,584</u>	<u>38,252</u>

The accounting policies on pages 5 to 6 and the notes set out on pages 7 to 9 form an integral part of these financial statements.



# College of Science Technology & Applied Arts of Trinidad & Tobago

## Cash Flow Statement

	Year Ended 30 September	Period Ended 30 September
Notes	2002 \$	2001 \$
<b>Cash Flows From Operating Activities</b>		
Surplus/(deficit) on operation	3,179,217	(82,852)
Adjustments for items not requiring an outlay of funds:		
Depreciation	3,146,831	28,409
Capital grants amortised	<u>(1,534,337)</u>	<u>--</u>
Surplus before changes in working capital	4,791,711	(54,443)
Increase in trade and other payables	<u>499,972</u>	<u>50,507</u>
<b>Cash Generated by/(Used in) Operations</b>	5,291,683	(3,936)
Interest received - net	<u>249,367</u>	<u>121,104</u>
<b>Net Cash Used in Operating Activities</b>	<u>5,541,050</u>	<u>117,168</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	<u>(7,047,170)</u>	<u>(300,716)</u>
<b>Net Cash Used In Investing Activities</b>	<u>(7,047,170)</u>	<u>(300,716)</u>
<b>Financing Activities</b>		
Transfers from Tertiary Level Institutions	--	2,844,351
Receipts from government capital grants	<u>7,352,300</u>	<u>--</u>
<b>Net Cash From Financing Activities</b>	<u>7,352,300</u>	<u>2,844,351</u>
<b>Increase in Cash and Cash Equivalent</b>	5,846,180	2,660,803
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2,660,803</u>	<u>--</u>
<b>Cash and Cash Equivalents at End of Year</b>	3 <u>8,506,983</u>	<u>2,660,803</u>

The accounting policies on pages 5 to 6 and the notes set out in pages 7 to 9 form an integral part of these financial statements.

# College of Science Technology & Applied Arts of Trinidad & Tobago

## Accounting Policies 30 September 2002

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The principal accounting policies adopted in the preparation of these financial statements are set out below:

**a Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

**b Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, and accounts payable and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

**c Property, plant and equipment**

Property, plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Furniture, fittings and equipment	-	20%
Computers	-	33 1/3%
Motor vehicles	-	25 %

Profits or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

**d Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, and cash at bank.



# College of Science Technology & Applied Arts of Trinidad & Tobago

## Accounting Policies (Continued)

30 September 2002

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**e Revenue recognition**

Enrollment fees income is recognized on a cash received basis.

Other revenue earned by the company are recognized on the following bases:

Sponsorship funding and donations – on a cash received basis

Interest income – on an effective yield basis

**f Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the organization will comply with all attached conditions.

Grants relating to costs are credited directly to the income statement. This is not in accordance with IAS 20 which requires that grants should be recognized as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis.

Grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight line basis over the expected lives of the assets.

**g Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. All exchange differences are taken to the income statement as incurred.

# College of Science Technology & Applied Arts of Trinidad & Tobago

## Notes to the Financial Statements 30 September 2002

### 1 Incorporation and Principal Business Activity

The Act of Parliament in the year 2000 incorporated COSTATT in the Republic of Trinidad and Tobago. COSTAATT commenced operations in November 2002. The principal activity of the organisation is to provide tertiary level education.

### 2 Property, Plant and Equipment

	Equipment \$	Computer Equipment \$	Furniture & Fixtures \$	Motor Vehicles \$	Total \$
<b>Year ended 30 September 2002</b>					
Opening net book amount	105,400	57,341	109,567		272,307
Additions	3,279,447	7,331,258	2,152,762	40,625	12,804,092
Disposals	--	--	--	--	--
Depreciation charge	(506,292)	(2,281,032)	(349,352)	(10,156)	(3,146,831)
Closing net book amount	<u>2,878,555</u>	<u>5,107,567</u>	<u>1,912,977</u>	<u>30,469</u>	<u>9,929,568</u>
<b>At 30 September 2002</b>					
Cost	5,374,273	11,702,164	2,875,588	78,000	20,030,025
Accumulated depreciation	(2,495,718)	(6,594,597)	(962,611)	(47,531)	(10,100,457)
Net book amount	<u>2,878,555</u>	<u>5,107,567</u>	<u>1,912,977</u>	<u>30,469</u>	<u>9,929,568</u>
<b>Year ended 30 September 2001</b>					
Opening net book amount	--	--	--	-	--
Additions	114,784	61,132	124,800	-	300,716
Disposals	--	--	--	-	--
Depreciation charge	(9,384)	(3,791)	(15,234)	-	(28,409)
Closing net book amount	<u>105,400</u>	<u>57,341</u>	<u>109,566</u>		<u>272,307</u>
<b>At 30 September 2001</b>					
Cost	114,784	61,132	124,800	--	300,716
Accumulated depreciation	(9,384)	(3,791)	(15,234)	--	(28,209)
Net book amount	<u>105,400</u>	<u>57,341</u>	<u>109,566</u>	--	<u>272,307</u>



# College of Science Technology & Applied Arts of Trinidad & Tobago

## Notes to the Financial Statements 30 September 2002

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	2002 \$	2001 \$
<b>3 Cash and Cash Equivalents</b>		
Cash at bank	<u>8,506,983</u>	<u>2,660,803</u>
<b>4 Capital Grants deferred</b>		
Capital grants received during the year	7,352,300	--
Assets transferred from NIHERST	11,398,153	--
Amortisation for the year (note 7)	<u>(1,534,337)</u>	<u>--</u>
Capital grants deferred at the end of the year	<u>17,216,116</u>	<u>--</u>
<b>5 Creditors</b>		
Other payables	472,646	--
Stale Dated Cheques	<u>77,833</u>	<u>50,507</u>
	<u>550,479</u>	<u>50,507</u>
<b>6 Other Operating Income</b>		
Amortisation of Government capital grants (note 5)	1,534,337	
Sundry income	392,848	5,099
	<u>1,927,185</u>	<u>5,099</u>

# College of Science Technology & Applied Arts of Trinidad & Tobago

## Notes to the Financial Statements For the Year Ended 30 September 2002

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7	<b>Net Interest Income</b>	<b>2002</b>	<b>2001</b>
		\$	\$
	Interest expense:		
	- bank borrowings	--	(8,280)
	Interest income earned	<u>249,367</u>	<u>129,384</u>
		<u>249,367</u>	<u>121,104</u>
8	<b>Staff Costs</b>		
	Wages and salaries	3,551,667	--
	Contract Employment	11,631,781	2,030,314
		<u>15,183,448</u>	<u>2,030,314</u>



# College of Science Technology & Applied Arts of Trinidad & Tobago

## Schedules to the Financial Statements For the Year Ended 30 September 2002

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1	<b>Direct costs of operations</b>	<b>2002</b>	<b>2001</b>
		\$	\$
	Staff costs	15,183,448	2,030,314
	Rent	4,711,287	3,657
	Depreciation	3,146,831	28,409
	Utilities and telephone	2,036,802	43,866
	Materials and inventories consumed	1,465,115	972,659
	Repairs and maintenance	1,175,627	402,646
	Advertising and promotion	821,915	114,861
	Travelling	286,226	20,264
	Security	218,606	--
	Motor vehicle costs	151,912	35,785
	Insurance	123,318	9,431
	Training	95,506	12,760
	Other contracted service	50,585	88,696
	Uniforms	27,056	--
	Transportation	6,240	29,781
	Janitorial services	<u>1,560</u>	<u>11,419</u>
		<u>29,502,034</u>	<u>3,804,548</u>
2	<b>Administrative expenses</b>		
	Conference & seminars	211,654	53,909
	Legal and professional fees	1,836,955	--
	Office supplies & stationery	631,099	212,063
	Entertaining	4,127	5,405
	Books & periodicals	523,393	17,739
	Miscellaneous fees	285,894	304,439
	Subscriptions	78,558	1,180
	Postage	21,751	3,447
	Overseas travel	<u>40,404</u>	<u>--</u>
		<u>3,633,835</u>	<u>598,182</u>