



**REPUBLIC OF TRINIDAD AND TOBAGO  
AUDITOR GENERAL'S DEPARTMENT**

**SECOND REPORT  
OF THE  
AUDITOR GENERAL**

**ON THE FINANCIAL STATEMENTS  
OF THE  
COLLEGE OF SCIENCE, TECHNOLOGY AND  
APPLIED ARTS OF TRINIDAD AND TOBAGO**

**FOR THE YEAR ENDED**

**2003 September 30**



**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 2003 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 2003 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 2003 September 30 have been audited. The Statements comprise a Balance Sheet as at 2003 September 30, an Income and Expenditure Account and a Cash Flow Statement for the year ended 2003 September 30, Accounting Policies referenced a to g, Notes to the Financial Statements numbered 1 to 9 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 Financial Reporting 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



5. Cont'd

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. 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 13 of this Report.

### **BALANCE SHEET**

6. Items reflected on the Balance Sheet were not verified as supporting documents were not produced for audit.

### **INCOME AND EXPENDITURE ACCOUNT**

#### **REVENUE**

7. Revenue totalling \$16,526,830.00 was not verified as relevant supporting documents were not produced for audit.

#### **EXPENDITURE**

8. Expenditure totalling \$21,241,289.00 was not verified satisfactorily as supporting documents were not produced for audit.

### **ERRORS IN / OMISSIONS FROM THE FINANCIAL STATEMENTS**

9. Errors in and omissions from the Financial Statements have been drawn to the attention of the Management of the COSTAATT.

### **PRIOR YEAR BALANCES**

10. Brought forward balances in respect of Assets and Liabilities were not verified, as these were not verified in the previous period. The Report of the Auditor General on the Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the period ended 2002 September 30 dated 2010 December 30 refers.



## 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 2003 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

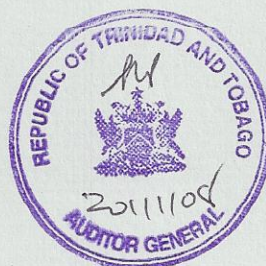
13. Because of the possible effect of the limitation of evidence available, I am unable to form an opinion as to whether the Financial Statements as outlined at paragraph two above present fairly, in all material respects, the financial position of the College of Science, Technology and Applied Arts of Trinidad and Tobago as at 2003 September 30 and its financial performance and its cash flows for the year ended 2003 September 30 in accordance with International Financial Reporting 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.

2011 November 08

Auditor General's Report  
COSTAATT 2003



MAJEED ALI  
ACTING AUDITOR GENERAL



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

**Financial Statements**

**For the Year Ended 30 September 2003**

# 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, 2003 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

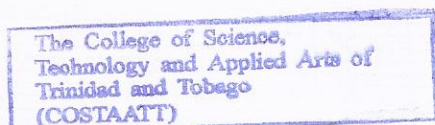
	Notes	30 September	
		2003 \$	2002 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	<u>12,554,876</u>	<u>9,929,568</u>
<b>Current Assets</b>			
Capital Projects In Progress		8,139,432	5,641,231
Receivables and Prepayments	3	4,682,514	--
Cash and Cash Equivalents	4	<u>7,974,106</u>	<u>8,506,983</u>
		<u>20,796,052</u>	<u>14,148,214</u>
<b>Total Assets</b>		<u>33,350,928</u>	<u>24,077,782</u>
<b>EQUITY AND LIABILITIES</b>			
Opening Capital		6,311,187	2,882,603
Surplus for year		<u>3,116,540</u>	<u>3,428,584</u>
		<u>9,427,727</u>	<u>6,311,187</u>
<b>Non-Current Liabilities</b>			
Government Capital Grants Deferred	5	<u>22,632,925</u>	<u>17,216,116</u>
<b>Current Liabilities</b>			
Creditors	6	<u>1,290,276</u>	<u>550,479</u>
<b>Total Liabilities</b>		<u>23,923,201</u>	<u>17,766,595</u>
<b>Total Equity And Liabilities</b>		<u>33,350,928</u>	<u>24,077,782</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 Trustee authorised these financial statements for issue.

Ruby S Alley Trustee

Derek Th Trustee





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

## Income and Expenditure Account

	Notes/Schedules	Year Ended 30 September	
		2003	2002
		\$	\$
<b>Revenue</b>			
Enrollment fees		14,247,408	10,889,185
Cafeteria Sales		199,798	348,853
Sale of Eciap Produce		124,309	177,079
Translation & Interpretation		313,262	116,100
Processing, Transcripts		183,783	294,100
Other operating income	Note 7	1,458,270	1,927,185
Subvention from Government		<u>25,895,216</u>	<u>22,562,584</u>
		<u>42,422,046</u>	<u>36,315,086</u>
<b>Expenditure</b>			
Operations	Schedule 1	(35,447,511)	(29,502,034)
Administrative	Schedule 2	<u>(4,077,681)</u>	<u>(3,633,835)</u>
		<u>(39,525,192)</u>	<u>(33,135,869)</u>
<b>Surplus from operations</b>		2,896,854	3,179,217
Net Interest Income	Note 8	<u>219,686</u>	<u>249,367</u>
<b>Net surplus</b>		<u>3,116,540</u>	<u>3,428,584</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

	Notes	Year Ended 30 September	
		2003 \$	2002 \$
<b>Cash Flows From Operating Activities</b>			
Surplus from operations		2,896,854	3,179,217
Adjustments for items not requiring an outlay of funds:			
Depreciation		2,969,136	3,146,831
Amortisation of Capital grants deferred		<u>(1,219,605)</u>	<u>(1,534,337)</u>
Surplus before changes in working capital		4,646,384	4,791,711
Increase in receivables		(4,682,514)	--
Increase in trade and other payables		<u>739,797</u>	<u>499,972</u>
<b>Cash Generated From Operations</b>		703,667	5,291,683
Interest received - net		<u>219,686</u>	<u>249,367</u>
<b>Net Cash Generated From Operations</b>		<u>923,353</u>	<u>5,541,050</u>
<b>Investing Activities</b>			
Purchase of property, plant and equipment		<u>(8,092,644)</u>	<u>(7,047,170)</u>
<b>Net Cash Used In Investing Activities</b>		<u>(8,092,644)</u>	<u>(7,047,170)</u>
<b>Financing Activities</b>			
Receipts from government capital grants		<u>6,636,414</u>	<u>7,352,300</u>
<b>Net Cash From Financing Activities</b>		<u>6,636,414</u>	<u>7,352,300</u>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>		(532,877)	5,846,180
<b>Cash and Cash Equivalents at Beginning of Year</b>		<u>8,506,983</u>	<u>2,660,803</u>
<b>Cash and Cash Equivalents at End of Year</b>	4	<u>7,974,106</u>	<u>8,506,983</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 T&T

## 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, accounts receivable 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 2003

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e **Revenue recognition**

Enrollment fees are recognized on a cash basis.

Other revenues earned by the organization are recognized on the following bases:

Sponsorship funding and donations – cash received basis

Interest income – 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 government grants 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 2003

### 1 Incorporation and Principal Business Activity

The Act of Parliament # 77 in the year 2000 incorporated the College of Science, Technology & Applied Arts of Trinidad and Tobago (COSTAATT). The principal activity of the organization is to provide tertiary level education.

### 2 Property, Plant and Equipment

	Equipment \$	Computer Equipment \$	Furniture & Fixtures \$	Motor Vehicles \$	Total \$
<b>Year ended 30 September 2003</b>					
Opening net book amount	2,878,555	5,107,567	1,912,978	30,469	9,929,568
Additions	2,056,150	3,440,869	97,425	--	5,594,444
Disposals	--	--	--	--	--
Depreciation charge	(656,827)	(1,936,720)	(367,971)	(7,617)	(2,969,136)
Closing net book amount	<u>4,277,878</u>	<u>6,611,715</u>	<u>1,642,431</u>	<u>22,852</u>	<u>12,554,876</u>
<b>At 30 September 2003</b>					
Cost	7,430,423	15,143,033	2,973,013	78,000	25,624,469
Accumulated depreciation	(3,152,545)	(8,531,317)	(1,330,582)	(55,148)	(13,069,593)
Net book amount	<u>4,277,878</u>	<u>6,611,715</u>	<u>1,642,431</u>	<u>22,852</u>	<u>12,554,876</u>
<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	20,030,024
Accumulated depreciation	(2,495,717)	(6,594,597)	(962,611)	(47,531)	(10,100,456)
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>

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

## Notes to the Financial Statements 30 September 2003

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3	<b>Receivables and Prepayments</b>	<b>2003</b>	<b>2002</b>
		\$	\$
	Vat Receivable	978,529	--
	Staff Advances	9,300	--
	Other	14,385	--
	Subvention for September 2003-Deposited in October 2003	3,343,000	--
	Rents Prepaid	<u>337,300</u>	<u>--</u>
		<u>4,682,514</u>	<u>--</u>
4	<b>Cash and Cash Equivalents</b>		
	Cash at bank	7,968,599	8,506,983
	Cash in hand	<u>5,507</u>	<u>--</u>
		<u>7,974,106</u>	<u>8,506,983</u>
5	<b>Capital Grants Deferred</b>		
	Opening balance	17,216,116	--
	Capital grants received during the year	6,636,414	7,352,300
	Assets transferred from NIHERST	--	11,398,153
	Amortisation for the year	<u>(1,219,605)</u>	<u>(1,534,337)</u>
	Closing balance	<u>22,632,925</u>	<u>17,216,116</u>

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

## Notes to the Financial Statements (Continued) 30 September 2003

6	<b>Creditors</b>	<b>2003</b>	<b>2002</b>
		\$	\$
	Other payables	462,741	472,647
	Stale Dated Cheques	129,440	77,833
	Accrued Expenses	<u>698,095</u>	<u>--</u>
		<u>1,290,276</u>	<u>550,479</u>
7	<b>Other Operating Income</b>	<b>2003</b>	<b>2002</b>
	Amortisation of Government capital grants (note 5)	1,219,605	1,534,337
	Sundry income	<u>238,665</u>	<u>392,848</u>
		<u>1,458,270</u>	<u>1,927,185</u>
8	<b>Net Interest Income</b>		
	Interest expense:		
	- bank borrowings	--	--
	Interest income earned	<u>219,686</u>	<u>249,367</u>
		<u>219,686</u>	<u>249,637</u>
9	<b>Staff Costs</b>		
	Wages and salaries	3,594,834	3,551,667
	Contract Employment	<u>14,689,069</u>	<u>11,631,781</u>
		<u>18,283,903</u>	<u>15,183,448</u>

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

## Schedules to the Financial Statements For the Year Ended 30 September 2003

1	<b>Direct costs of operations</b>	<b>2003</b>	<b>2002</b>
		\$	\$
	Staff Cost	18,283,903	15,183,448
	Rent	4,913,904	4,711,287
	Depreciation	2,969,135	3,146,831
	Security	2,737,643	218,606
	Utilities and telephone	2,467,498	2,036,802
	Materials and inventories consumed	1,450,561	1,465,115
	Repairs and maintenance	996,427	1,175,627
	Advertising and promotion	582,304	821,915
	Janitorial Services	278,081	1,560
	Other Contracted Service	162,949	50,585
	Insurance	140,126	123,317
	Motor vehicle costs	133,394	151,912
	Translation & Interpretation	88,710	--
	Traveling	84,597	286,226
	Training	70,874	95,506
	Uniforms	44,200	27,057
	Transportation	43,205	6,240
		<u>35,447,511</u>	<u>29,502,034</u>
2	<b>Administrative expenses</b>		
	Office Supplies & Stationery	687,848	631,099
	Legal and professional fees	640,336	1,836,955
	Books & Periodicals	621,276	523,394
	Miscellaneous fees	585,223	285,894
	Professional Counseling	420,826	--
	Programme Fee	363,975	--
	Overseas Travel	246,810	40,403
	Directors' fees and expenses	238,200	--
	Conference & Seminars	138,952	211,654
	Subscriptions	68,007	78,558
	Postage	36,474	21,751
	Entertaining	15,032	4,127
	Licence Fee	14,722	--
		<u>4,077,681</u>	<u>3,633,835</u>





