



## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENT OF THE FAIR TRADING COMMISSION FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Section 43 (2) of the Fair Trading Act, Chapter 81:13 requires the Auditor General to audit the accounts of the Fair Trading Commission. The accompanying financial statement of the Fair Trading Commission comprised of a Statement of Income and Expenditure and Notes to the financial statement numbered 1 to 7.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT**

2. The management of the Fair Trading Commission is responsible for the preparation and fair presentation of these financial statement in accordance with cash basis of accounting, and for such internal control as management determines is necessary to enable the preparation of financial statement that is 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 statement based on the audit. 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 statement is free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statement 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 controls. 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 statement.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion.

**OPINION**

6. In my opinion the financial statement present fairly, in all material respects, the financial performance of the Fair Trading Commission for the year ended September 30<sup>th</sup> 2015 and is in accordance with the basis of accounting at Note 2 to the financial statements.

**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 in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

**14<sup>TH</sup> JULY, 2017  
PORT OF SPAIN**



*MA*  
**MAJEED ALI  
AUDITOR GENERAL**

SS  
20170714

**FAIR TRADING COMMISSION**

**STATEMENT OF INCOME AND  
EXPENDITURE**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

**FAIR TRADING COMMISSION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Note	For the Year Ended 30/09/2015 TT\$	For the Three Months Ended 30/09/2014 TT\$
<b>INCOME</b>			
Government Subvention	3	<u>1,500,000.00</u>	<u>262,000.00</u>
<b>TOTAL INCOME RECEIVED</b>		<b><u>1,500,000.00</u></b>	<b><u>262,000.00</u></b>
<b>EXPENSES</b>			
Salaries (including NIS contributions)	4	494,983.47	-
Commissioners' Fees and Travelling Allowances	5	216,000.00	36,000.00
Advertisements for vacant positions	6	17,505.59	35,750.63
Training of Commissioners		-	7,316.52
Training		7,000.52	-
Psychometric Testing for shortlisted Executive Director Candidates		-	5,750.00
Travel and Study Visits	7	419,801.00	-
Promotional Material		19,423.00	-
Computer and IT Equipment		18,726.43	-
Books		3,980.79	-
Trade and Investment Convention		4,887.50	-
Catering Services		5,798.47	-
<b>TOTAL EXPENSES</b>		<b><u>1,208,106.25</u></b>	<b><u>84,817.15</u></b>
<b>UNSPENT BALANCE</b>		<b><u>291,893.75</u></b>	<b><u>177,182.85</u></b>



The Notes attached on pages 2 - 5 form an integral part of the financial statement.

**Executive Director - Bevan Narinesingh**

*Bevan Narinesingh*  
 Signature

20/1/2017  
 Date

**Chair of the  
 Fair Trading  
 Commission**

**- Justice Amrika Tiwary-Reddy**

*JA Tiwary*  
 Signature

20.1.17  
 Date

**FAIR TRADING COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**1. BUSINESS ACTIVITY**

- (a) The Trinidad and Tobago Fair Trading Commission is an independent statutory body established pursuant to the Fair Trading Act, Chapter 81:13 (“the Act”). The Commission is responsible for implementing and administering the Act.

Its main purpose is to promote and maintain effective competition throughout the economy and to ensure that competition is not distorted, restricted or prevented.

The functions of the Commission are inter alia to—

- (a) carry out subject to Section 9, on its own initiative or at the request of any interested person such -

(i) investigations in relation to the conduct of business, as will enable it to determine whether any enterprise is engaging in business practices in contravention of this Act and the extent of such practices; and

(ii) other investigations as may be requested by any interested person or as it may consider necessary or desirable in connection with matters falling within the provisions of this Act;

- (b) advise the Minister on such matters relating to the operation of this Act, as it thinks fit or as may be requested by the Minister; and

- (c) investigate on its own initiative or at the request of any person adversely affected and take such action as it considers necessary with respect to the abuse of a monopoly power by any enterprise.

- (b) The President appoints the Fair Trading Commission's Commissioners pursuant to Section 26 (3) of the Act. Commissioners are selected from among persons of proven competence and experience in the fields of law, economics, accountancy, business, management or other relevant professions. Three Commissioners were appointed by the President on June 16, 2014 for a period of three years. Under Section 31 of the Act, a Commissioner shall, in respect to his office be paid a remuneration and allowances as the President may determine.

- (c) The Commission was established under Section 4 of the Act for the purpose of performing such duties and functions as are conferred upon it by the Act and by any other written law and is a body corporate constituted in accordance with Part IV. The Commission commenced operations on July 1, 2014 and held the first Commissioners’ meeting on July 31, 2014.

**FAIR TRADING COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**1. BUSINESS ACTIVITY (Continued)**

- (d) In the financial year the Commission had no accounting staff. The Accounting functions were performed by the line Ministry (the Ministry of Trade and Industry).

The Commission under Section 35 (1) of the Act shall appoint for a term not exceeding five years on such terms and conditions as may be approved by the Minister, an Executive Director who shall be the Chief Executive Officer of the Commission. The Executive Director was appointed on November 3, 2014.

**2. ACCOUNTING POLICIES**

The Financial Statement has been prepared using a Cash Basis of Accounting.

**3. GOVERNMENT SUBVENTION**

The Government Subvention for the Fair Trading Commission for the financial year ended September 30, 2015 is TT\$1,500,000.00. The Ministry of Trade and Industry received the said sum under Current Transfers and Subsidies, Other Transfers, Fair Trading Commission Vote – 48/04/009/16. The Commission sought approval from the Permanent Secretary of the Ministry of Trade and Industry for releases from the Vote to meet the expenses of the Commission. This arrangement was necessary given that the Commission was not operational at the start of the financial year and no bank account was set up when the Commission commenced operation in July, 2014.

**4. SALARIES (INCLUDING NIS CONTRIBUTIONS)**

The Executive Director was the only staff member hired for the financial year 2015.

**5. COMMISSIONERS' FEES AND TRAVELLING ALLOWANCES**

The Fair Trading Commission is classified in Group B of the Board Fees and Allowance as determined by the Ministry of Finance and the Economy circular, with monthly fees and travelling allowance payable as follows:

**FAIR TRADING COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**5. COMMISSIONERS' FEES AND TRAVELLING ALLOWANCES (Continued)**

<b>Position</b>	<b>Fee \$</b>	<b>Travelling \$</b>
Chairman	8,000.00	1,000.00
Deputy Chairman	6,000.00	750.00
Member	4,000.00	500.00

Actual payments made were for the period September, 2014 to August, 2015. Details are:

<b>Position</b>	<b>Fee\$</b>	<b>Travelling Allowance\$</b>	<b>Total\$</b>
Chairman	8,000.00 x 12 mths = 96,000.00	1,000.00 x 12 mths = 12,000.00	108,000.00
Members	4,000.00 x 12 mths x 2 Members = 96,000.00	500.00 x 12 mths x 2 Members = 12,000.00	108,000.00
<b>TOTAL</b>	<b>192,000.00</b>	<b>24,000.00</b>	<b>216,000.00</b>

**6. ADVERTISEMENTS FOR VACANT POSITIONS**

The following positions were advertised in the daily newspapers:

- Senior Legal Counsel
- Secretary (Corporate)
- Accounting/Clerical Assistant
- Investigator
- Information Systems Administrator
- Administrative Secretary
- Driver/Messenger

Applicants were shortlisted for all the positions and interviews were held for the Senior Legal Counsel, Secretary (Corporate) and Investigator. No positions were filled in 2015 due to lack of accommodation and budgetary allocation.

**7. TRAVEL AND STUDY VISITS**

The Commission attended the following study visits for the financial year:

Canadian Competition Bureau - March 9 – 10, 2015  
 United States Federal Trade Commission - March 12, 2015  
 Department of Justice- Anti-Trust Division - March 13, 2015  
 Jamaica Fair Trading Commission - Sept 28-29, 2015

**FAIR TRADING COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**7. TRAVEL AND STUDY VISITS (Continued)**

The purpose of the study visits were to generate an exchange of experiences and a sharing of best practices between the senior officials of the relevant Host Competition Agency and the officials from the Fair Trading Commission. The meetings organized during the study visits were of a high level nature and were specifically focused on issues relating to the following:

- How to address and deal with the challenges of setting up and establishing a new Competition Commission including the handling of interactions with the relevant stakeholders;
- Advice concerning how to be effective advocates of competition policy;
- New developments in competition law and policy;
- The developing of proper performance management standards for staff; and
- How to prepare and develop proper industry studies and conduct proper investigations.