



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, 2016

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 6.

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 misstatement.

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 30th 2016 and is in accordance with the basis of accounting at Note 2 to the Financial Statement.

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.

14TH 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, 2016**

FAIR TRADING COMMISSION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Note	For the Year Ended 30/09/2016 TT\$	For the Year Ended 30/09/2015 TT\$
INCOME			
Government Subvention	3	<u>805,000.00</u>	<u>1,500,000.00</u>
TOTAL INCOME RECEIVED		<u>805,000.00</u>	<u>1,500,000.00</u>
EXPENSES			
Salaries (including NIS contributions)	4	543,341.60	494,983.47
Commissioners' Fees and Travelling Allowance	5	198,000.00	216,000.00
Advertisements for vacant positions		-	17,505.59
Training		-	7,000.00
Travel and Study Visits	6	26,808.65	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		<u>5,570.00</u>	<u>5,798.47</u>
TOTAL EXPENSES		<u>773,720.25</u>	<u>1,208,106.25</u>
UNSPENT BALANCE		<u>31,279.75</u>	<u>291,893.75</u>



The Notes attached on pages 2 - 4 form an integral part of the financial statement.

Executive Director - Bevan Narinesingh

Bevan Narinesingh

 Signature

11/5/17

 Date

**Chair of the
 Fair Trading
 Commission**

- Justice Amrika Tiwary-Reddy

DA Tiwary

 Signature

1.5.17

 Date

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

1. BUSINESS ACTIVITY

- (a) The 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.

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.

Three Commissioners were appointed by the President on June 16, 2014 for a period of three years. By Gazette No. 59 Vol. 55 dated Thursday 5th May, 2016, the Regulated Industries Commission (“RIC”) gave notice of the revocation of the appointment of the Commissioner representing the RIC on the Fair Trading Commission. The Commissioner tenure ended with effect from February 8, 2016. The RIC was not represented on the Fair Trading Commission from February 8, 2016 to September 30, 2016.

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

1. BUSINESS ACTIVITY (Continued)

- (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.
- (d) Since the formation of the Commission there is 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, 2016 is TT\$805,000.00. 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 has not set up a bank account.

4. SALARIES (INCLUDING NIS CONTRIBUTIONS)

The Executive Director remains the only staff member as there was no hiring done in the financial year due to lack of accommodation and budgetary allocation.

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

5. COMMISSIONERS' FEES AND TRAVELLING ALLOWANCE

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:

Position	Fee TT\$	Travelling TT\$
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, 2015 to September, 2016. Details are:

Position	Fee TT\$	Travelling Allowance TT\$	Total TT\$
Chairman	8,000.00 x 13 mths = 104,000.00	1,000.00 x 13 mths = 13,000.00	117,000.00
Member 1	4,000.00 x 13 mths = 52,000.00	500.00 x 13 mths = 6,500.00	58,500.00
Member 2	4,000.00 x 5 mths = 20,000.00	500.00 x 5 mths = 2,500.00	22,500.00
TOTAL	176,000.00	22,000.00	198,000.00

6. TRAVEL AND STUDY VISITS

The Executive Director attended the following meetings in the financial year:

Meeting	Date	Cost \$
Meeting of Officials with Responsibility for Competition Policy	November 23 - 24, 2015	7,875.45
International Competition Network Meeting	April 27 - 29, 2016	18,933.20
TOTAL		26,808.65

The cost of Airfare to facilitate the Executive Director's attendance at both meetings were provided by the event organizers.