



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, 2017

OPINION

The financial statement of the Fair Trading Commission (the Commission) for the year ended September 30, 2017 has been audited. The statement as set out on pages 1 to 5 comprise a Statement of Income and Expenditure and Notes to the Financial Statement numbered 1 to 7, including the accounting policy.

2. In my opinion the accompanying financial statement presents fairly, in all material respects, the financial performance of the Fair Trading Commission for the year ended September 30, 2017 in accordance with the cash basis of accounting at Note 2 to the Financial Statement.

BASIS FOR OPINION

3. The audit was conducted in accordance with accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of this report. The Auditor General is independent of the Commission in accordance with the ethical requirements that are relevant to the audit of the financial statement, and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENT

4. Management of the Commission is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

5. In preparing the financial statement, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the Commission's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT

7. The Auditor General's responsibility is to express an opinion on the financial statement based on the audit and to report thereon in accordance with section 116 of the Constitution of Trinidad and Tobago and section 43 (2) of the Fair Trading Act, Chapter 81:13.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statement, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 internal control of the Commission.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluates the appropriateness of accounting policy used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluates the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

10. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Constitution of the Commission

11. Three (3) commissioners were appointed to the Commission on 16th June, 2014. During the prior year the term of office of one (1) commissioner expired on 7th February, 2016 while the term of office of the remaining two (2) expired on 15th June, 2017. As a result, there was not a duly constituted Commission from 8th February, 2016 and no commissioners for the period 16th June, 2017 to 30th September, 2017. Section 26 (1) and (5) of the Fair Trading Act, Chapter 81:13 states inter alia:

“(1) The Commission shall consist of not less than three nor more than five Commissioners appointed by the President...”

“(5) The quorum for meetings of the Commission shall be three members.”

**27TH JULY, 2018
PORT OF SPAIN**



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**MAJEED ALI
AUDITOR GENERAL**

FAIR TRADING COMMISSION

**STATEMENT OF INCOME AND
EXPENDITURE**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

FAIR TRADING COMMISSION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Notes	Year Ended 30/09/2017 TT\$	Year Ended 30/09/2016 TT\$
INCOME			
Government Subvention	3	<u>893,000.00</u>	<u>805,000.00</u>
TOTAL INCOME RECEIVED		<u>893,000.00</u>	<u>805,000.00</u>
EXPENSES			
Salaries (including NIS contributions)	4	550,162.40	543,341.60
Commissioners' Fees and Travelling Allowance	5	123,750.00	198,000.00
Travel and Study Visits	6	89,679.41	26,808.65
Website	7	41,300.00	-
Catering Services		<u>2,902.00</u>	<u>5,570.00</u>
TOTAL EXPENSES		<u>807,793.81</u>	<u>773,720.25</u>
UNSPENT BALANCE		<u>85,206.19</u>	<u>31,279.75</u>

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

Executive Director - Bevan Narinesingh

Bevan Narinesingh

Signature

11/7/2018

Date

**Chairman of the
 Fair Trading
 Commission**

- Dr. Ronald Ramkissoon

Dr. Ronald Ramkissoon

Signature

11/7/18

Date



FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 June 15, 2017. The Commissioners’ three year appointments ended on June 15, 2017. No new appointments were made.

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 POLICY

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, 2017 is TT\$893,000.00. 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. A person not employed with the Commission was paid \$4200.00 in error under the Vote – 48/04/009/16. The person worked for the Single Electronic Window and should have been paid arrears under Vote – 48/04/009/19.

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 TTS	Travelling TTS
Chairman	8,000.00	1,000.00
Deputy Chairman	6,000.00	750.00
Member	4,000.00	500.00

The Commissioners were appointed from June 16, 2014 but did not receive payment for the period June 16 - 30, 2014. The payment of fees for the period June 16 – 30, 2014 formed part of the actual payments made for the period October 01, 2016 to June 15, 2017.

Details are:

Position	Fee TTS	Travelling Allowance TTS	Total TTS
Chairman	8,000.00 x 9 mths = 72,000.00	1,000.00 x 9 mths = 9,000.00	81,000.00
Member 1	4,000.00 x 9 mths = 36,000.00	500.00 x 9 mths = 4,500.00	40,500.00
Member 2	4,000.00 x ½ mth = 2,000.00	500.00 x ½ mth = 250.00	2,250.00
TOTAL	110,000.00	13,750.00	123,750.00

FAIR TRADING COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

6. TRAVEL AND STUDY VISITS

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

Meeting	Date	Cost \$
International Competition Network Cartel Workshop	October 3 – 5, 2016	30,723.25
Peer Exchange Program in Competition Law & Policy	March 23 – 24, 2017	7,380.16
Latin American and Caribbean Competition Forum	April 4 – 5, 2017	23,822.16
International Competition Network Annual Meeting	May 10 – 12, 2017	27,754.00
TOTAL		89,679.41

The attendance at the Peer Exchange Program in Competition Law & Policy was provided for by the European Commission through the Caribbean Community (CARICOM) Secretariat.

The cost of Airfare to facilitate the attendance at the International Competition Network Annual Meeting was provided by the event organizers.

7. WEBSITE

The Commission launched an interactive website in March 2017. The website developer was selected after a competitive and transparent procurement process.