



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENT OF THE CHAGUANAS BOROUGH CORPORATION MAYOR'S FUND FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

QUALIFIED OPINION

The accompanying Financial Statement of the Chaguanas Borough Corporation Mayor's Fund (the Fund) for the year ended 30th September, 2020 has been audited. The Statement comprise an Income and Expenditure Statement for the year ended 30th September, 2020 and Notes to the Financial Statement numbered 1 to 5 including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of this report, the accompanying financial statement presents fairly, in all material respects, the financial performance of the Chaguanas Borough Corporation Mayor's Fund for the year ended 30th September, 2020 in accordance with the cash basis of accounting.

BASIS FOR QUALIFIED OPINION

BANK BALANCE MAYOR'S FUND ACCOUNT \$52,285.66

3.1 There were stale dated cheques amounting to \$30,875.00 at the financial year ended 30th September, 2016. These stale dated cheques were not written back to account as at 30th September, 2020. The above figure of \$52,285.66 shown in the Income and Expenditure Statement is therefore understated by at least the sum of the stale dated cheques amounting to \$30,875.00. The cash book and bank reconciliation statements were not maintained by the Corporation from 1st April, 2017.

DONATIONS \$20,000.00

3.2 Income of \$20,000.00 described as 'Donations' in the Income and Expenditure Statement and as 'Contribution to the Mayor's Fund' at Note 3 to the financial statement was receipts from a company for the rental of an advertising billboard. This is governmental revenue which should not have been used to support the Mayor's Fund. Note number 1 is relevant. Accounting for the receipts in the Mayor's Fund without the proper authority is an overstatement of both income and the bank balance. Paragraphs 12.1 and 12.2 below also refer.

BANK CHARGES

3.3 Bank service fees on the Mayor's Fund business bank account was not reported in the Income and Expenditure Statement. Note 5 to the financial statement is also relevant.

4. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). 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 Chaguanas Borough Corporation (the Corporation) 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 the qualified audit opinion.

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

5. Management of the Corporation 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 the financial statement that is free from material misstatement, whether due to fraud or error.

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

7. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT

8. 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 the Republic of Trinidad.

9. 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 audit 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 the principles and concepts of ISSAIs 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 the financial statement.

10. As part of an audit in accordance with the principles and concepts of ISSAIs, 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 Fund's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Fund'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 Fund to cease to continue as a going concern.
- 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.

11. 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

DEPOSIT INTO THE MAYOR'S FUND

12.1 Section 110 (2A) of the Municipal Corporations Act, Chapter 25:04 (revised) states:

"A Council may deposit into and withdraw from the Mayor's Fund such moneys, fees and charges collected by the Corporation as the Minister with responsibility for finance may authorise."

12.2 The sum of \$20,000.00 was received by the Corporation from rental and advertising and deposited into the Mayor's Fund. The approval of the Minister of Finance was not produced for the deposit into the Mayor's Fund.

SUBMISSION OF REPORT

13. 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.

**17th February, 2022
PORT OF SPAIN**



Lorelly Pujadas
**LORELLY PUJADAS
AUDITOR GENERAL**



**MAYOR'S FUND
FINANCIAL STATEMENT**

FINANCIAL YEAR ENDING 30TH SEPTEMBER, 2020

CHAGUANAS BOROUGH CORPORATION
MAYOR'S FUND
FINANCIAL STATEMENT FOR YEAR ENDED 30TH SEPTEMBER, 2020

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**CHAGUANAS BOROUGH CORPORATION
MAYOR'S FUND**

**INCOME & EXPENDITURE STATEMENT FOR THE
FINANCIAL YEAR ENDED 30TH SEPTEMBER, 2020**

	NOTE #	2020 \$	2019 \$
INCOME			
Donations	3	20,000.00	10,000.00
		20,000.00	10,000.00
EXPENDITURE			
Expenditure: (Fund Activities)	4	800.00	-
Bank Charges	5	-	-
TOTAL EXPENDITURE		800.00	-
Surplus /(Deficit) on Activities		19,200.00	10,000.00
Less:			
Deposits omitted in Vote Book		-	-
Payment made from Recurrent A/c		-	-
Adjusted Surplus/(Deficit)		19,200.00	10,000.00
Surplus b/f on 1/10/19		33,085.66	23,085.66
Surplus c/f on 30/09/20		52,285.66	33,085.66
Bank Balance Mayor's Fund Account		52,285.66	33,085.66



The notes at pages 2-5 form an integral part of the financial statement.

Sharda 19/3/21
 Ms. Sharda Mohammed,
 Ag. Accountant II.

Ann Hosein 17/3/21
 Ms. Ann Hosein,
 Chief Executive Officer.

ACCOUNTANT II

**CHIEF EXECUTIVE OFFICER
CHAGUANAS BOROUGH CORPORATION**

CHAGUANAS BOROUGH CORPORATION

MAYOR'S FUND ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30TH SEPTEMBER, 2020

Note #1 - General Information

In accordance with Section 110 of the Municipal Corporations Act 21 of 1990, the Council of the Chaguanas Borough Corporation passed a resolution to establish a Mayor's Fund at its Third Finance, Planning and Allocation of Resource Committee Meeting held on 13th October, 2003. Approval was granted for the establishment of Mayor's Fund by Cabinet Minute No. 2177.

On 10th February, 2004 the Mayor's Fund Account was opened at the First Citizens Bank Limited. The purpose of the account is for the deposit of donations and contributions from corporate citizens and other stakeholders of the Borough, and the disbursement of such funds to charitable and sporting organization, religious groups, and needy citizens.

Fund comes primarily from public donations and internally generated funds from the Mayor's Ball.

Note #2 - Summary of Significant Accounting Policies

I. Basis of Preparation

The Financial Statement of the Mayor's Fund had been prepared on a cash basis in accordance with Generally Accepted Accounting Principles.

Income is recorded when contributions are received by cash or cheque.

Expenditure is recorded when payments are made by cheque.

Bank charges are deducted at source and reflected on the bank statement.

A Cash Book and Vote Book are maintained by the Corporation, and the Council's approval is required for expenditure.

II. Presentation Currency

The Financial Statement of the Mayor's Fund is prepared in Trinidad and Tobago dollars (TT\$).

CHAGUANAS BOROUGH CORPORATION

MAYOR'S FUND ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

NOTE # 3 – INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED

30TH SEPTEMBER, 2020

Date	Receipt #	Payee	Particulars	Amount \$
9/5/18	4603	Pearl and Dean (Caribbean) Ltd	Reinstated Amount	10,000.00
14/01/20	4605	Pearl and Dean (Caribbean) Ltd	Contribution to the Mayor's Fund	10,000.00
			Total	20,000.00

CHAGUANAS BOROUGH CORPORATION

MAYOR'S FUND ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

NOTE #4 – EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED

30TH SEPTEMBER, 2020

Date	Cheque #	Payee	Particulars	Amount \$
16/7/20	363	Spectacle World Optical	Supply Spectacle for Saif Ali	800.00
			TOTAL	800.00

CHAGUANAS BOROUGH CORPORATION

MAYOR'S FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

Note #5 - Detailed Bank Charges Expenditure Schedule

Date of Expenditure	Description of Services	Amount \$	Total
-	-	-	-
	Total Bank Charges	-	-