



### **THIRD REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE NORTH WEST REGIONAL HEALTH AUTHORITY FOR THE YEAR ENDED 30 SEPTEMBER, 2002**

The First and Second Reports of the Auditor General of the Republic of Trinidad and Tobago on the non-receipt of the Financial Statements of the North West Regional Health Authority for the year ended 30 September, 2002 were signed by the Auditor General on 24<sup>th</sup> August 2004 and 19<sup>th</sup> September 2005 respectively and forwarded to the Speaker and the President of the Senate to be laid before the House of Representatives and the Senate respectively and to the Minister of Finance.

2. The accompanying Financial Statements of the North West Regional Health Authority for the year ended 30 September, 2002 have been audited. The Statements comprise a Balance Sheet as at 30 September, 2002, an Income and Expenditure Statement and a Cash Flow Statement for the year ended 30 September, 2002, Accounting Policies labelled a to j and Notes to the Financial Statements numbered 1 to 10.

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

3. The management of the North West Regional Health Authority (the Authority) 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 25 (2) of the Regional Health Authority Act, Chapter 29:05 was conducted in accordance with generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, sufficient appropriate audit evidence was not obtained to provide a basis for an audit opinion.

#### **BASIS FOR DISCLAIMER OF OPINION**

5. The Authority's underlying accounts in many instances were not properly maintained and preserved for audit examination. As a result, I was unable to verify the account balances listed below:

**BALANCE SHEET**

<b>Assets</b>	<b>\$</b>
Non-Current Assets	499,298,208
Current Assets	106,263,175

**EQUITY AND LIABILITIES**

	<b>\$</b>
<b>Capital</b>	450,609,988
Non-Current Liabilities	4,996,327
Current Liabilities	149,955,068

**Income and Expenditure**

Income	70,380,545
Expenses	249,635,439

**DISCLAIMER OF OPINION**

6. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph 5, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on 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 requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

**3<sup>RD</sup> MAY, 2016  
PORT-OF-SPAIN**



*MAJ*  
**MAJEED ALI  
AUDITOR GENERAL**

*SS  
20160503*

**THE NORTH WEST REGIONAL HEALTH AUTHORITY**

**Financial Statements**

**For the Year Ended 30 September 2002**

**NWRHA FINANCIAL STATEMENT FOR PERIOD ENDED 2002**

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

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# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Balance Sheet

	Notes	30 September 2002 \$	30 September 2001 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	<u>499,298,208</u>	<u>501,028,268</u>
<b>Current Assets</b>			
Inventories	3	16,353,449	20,770,825
Receivables and prepayments	4	16,407,717	107,521,324
Government revenue grants receivable	5	31,097,398	61,937,783
Cash and cash equivalents	6	<u>42,404,611</u>	<u>40,790,626</u>
		<u>106,263,175</u>	<u>231,020,558</u>
<b>Total Assets</b>		<u>606,561,383</u>	<u>732,048,826</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital</b>			
Ministry of Health originating debt		461,507,086	461,507,086
Accumulated deficit		<u>(10,897,098)</u>	<u>(10,897,098)</u>
		<u>450,609,988</u>	<u>450,609,988</u>
<b>Non-Current Liabilities</b>			
Capital grants deferred	7	<u>4,996,327</u>	<u>4,996,327</u>
<b>Current Liabilities</b>			
Bank overdraft	8	2,360,470	14,539,630
Other liabilities	9	138,083,407	110,366,144
Trade and other payables	10	<u>9,511,190</u>	<u>151,536,737</u>
		<u>149,955,068</u>	<u>276,442,510</u>
<b>Total liabilities</b>		<u>154,951,395</u>	<u>281,438,837</u>
<b>Total Equity and Liabilities</b>		<u>606,561,383</u>	<u>732,048,826</u>

The accounting policies on pages 4 and 5 and the notes set out on pages 6 to 8 form an integral part of these financial statements.

On November 2005, the Board of Directors of The North West Regional Health Authority authorised these financial statements for issue.

  
Chairman



  
Chief Executive Officer

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Income and Expenditure Statement

	Schedules	Year Ended 30 September 2002 \$	Year ended 30 September 2001 \$
<b>Income</b>			
Other Income		<u>70,380,545</u>	<u>90,945,446</u>
		<u>70,380,545</u>	<u>90,945,446</u>
<b>Expenses</b>			
Staff costs		189,864,990	192,967,730
Pharmaceutical supplies		9,879,881	16,962,241
Properties maintenance		12,346,065	24,897,696
Administrative	1	8,863,136	83,268,688
Kitchen		7,966,027	16,159,747
Depreciation		3,778,246	3,923,803
Utilities		16,937,094	28,483,237
Other		<u>--</u>	<u>10,615,690</u>
Total operating expenditure		<u>249,635,439</u>	<u>377,278,831</u>
<b>Excess of Expenditure over Income</b>		(179,254,894)	(286,333,385)
Finance costs		<u>(267,081)</u>	<u>(376,498)</u>
<b>Deficit for the Year</b>		<u>(179,521,975)</u>	<u>(286,709,883)</u>
Government Grants Utilized		<u>179,521,975</u>	<u>286,709,883</u>
		<u><u>--</u></u>	<u><u>--</u></u>

The accounting policies on pages 4 and 5 and the notes set out on pages 6 to 8 form an integral part of these financial statements.

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Cash Flow Statement

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	Year Ended 30 September 2002 \$	Year Ended 30 September 2001 \$
<b>Cash Flows From Operating Activities</b>		
Deficit for the year	(183,300,221)	(290,633,687)
Adjustments for items not requiring an outlay of funds:		
Depreciation	<u>3,778,246</u>	<u>3,923,803</u>
Operating deficit before changes in working capital	(179,521,975)	(286,709,883)
Decrease \ (Increase) in inventories	4,417,376	(5,126,853)
Decrease \ (Increase) in receivables and prepayments	91,113,607	(58,486,779)
Increase in other liabilities	27,717,263	134,643,550
(Decrease) \ Increase in trade and other payables	<u>(142,025,547)</u>	<u>42,938,537</u>
<b>Net Cash Used In Operating Activities</b>	<u>(198,299,274)</u>	<u>(172,741,429)</u>
<b>Financing Activities</b>		
Receipts from Government grants	<u>212,092,419</u>	<u>196,037,640</u>
<b>Net Cash From Financing Activities</b>	<u>212,092,419</u>	<u>196,037,640</u>
<b>Increase in Cash and Cash Equivalents</b>	13,793,145	23,296,211
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>26,250,996</u>	<u>2,954,785</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>40,044,141</u>	<u>26,250,996</u>
<b>Represented by</b>		
Cash at bank	42,383,511	40,769,526
Cash in hand	21,100	21,100
Bank overdraft	<u>(2,360,470)</u>	<u>(14,539,630)</u>
	<u>40,044,141</u>	<u>26,250,996</u>

The accounting policies on pages 4 to 5 and the notes set out on pages 6 to 8 form an integral part of these financial statements.

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## 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:

Freehold Land	-
Freehold Buildings	2%
Leasehold Improvements	10%
Plant and Equipment	20%
Office Furniture	10%
Office Equipment	10%
Computer Equipment	25%
Fixtures and Fittings	10%
Medical Equipment	10%
Motor Vehicles	25%

Land is not depreciated.

Profits or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in income.

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.



# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Accounting Policies (Continued)

30 September 2002

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**d Inventories**

Inventories are stated at cost determined using the average basis.

**e 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. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include the bank overdrafts.

**f Trade receivables**

Trade receivables are carried at the original invoiced amounts. No provision was made for the impairment of these receivables.

**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 and expenditure statement as incurred.

**h 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 Authority will comply with all attached conditions.

Government grants relating to recurrent expenditure are deferred and are included in non-current liabilities. They are recognized in the income and expenditure statement over the period necessary to match them with the net expenditure for the year which they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income and expenditure statement on a straight line basis over the expected lives of the related assets.

**i Taxation**

The Authority is not subject to corporation tax, by Act Number 5 of 1995.

**j Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements

30 September 2002

### 1 Incorporation and Principal Business Activity

The North West Regional Health Authority, incorporated in the Republic of Trinidad and Tobago, is a state controlled institution, which became a statutory body in 1994, and was merged with the then autonomous units, the Eric Williams Medical Sciences Complex and the Central Regional Health Authority. The principal activities of the Authority according to the Regional Health Authorities Act of 1994, are:

- To provide efficient systems for the provision of health care to the citizens of Trinidad and Tobago, on behalf of the Ministry of Health.
- To provide the use of health care facilities for service, training and research.
- To facilitate the education of persons, and research in medical and related fields.
- To collaborate with and advise municipalities on matters of public health.

At 30 September 2000 the company had \*\* employees (1999 - \*\*).

### 2 Property, Plant and Equipment

	Land \$	Buildings \$	Plant Furniture, Fittings & Equipment \$	Motor Vehicles \$	Total \$
<b>Year ended 30 September 2001</b>					
Opening net book amount	42,927,000	449,825,326	8,733,460	493,133	501,978,918
Additions	-	-	2,815,153	158,000	2,973,153
Depreciation charge	-	(2,550,840)	(1,210,181)	(162,783)	(3,923,803)
Closing net book amount	42,927,000	447,274,486	10,338,433	488,349	501,028,268
<b>At 30 September 2001</b>					
Cost	42,927,000	467,007,411	14,058,615	1,076,983	525,070,009
Accumulated depreciation	-	(19,732,925)	(3,720,182)	(588,634)	(24,041,741)
Net book amount	42,927,000	447,274,486	10,338,433	488,349	501,028,268
<b>Year ended 30 September 2002</b>					
Opening net book amount	42,927,000	447,274,486	10,338,433	488,349	501,028,268
Additions	-	-	2,048,186	-	2,048,186
Depreciation charge	-	(2,499,823)	(1,141,336)	(137,087)	(3,778,246)
Closing net book amount	42,927,000	444,774,663	11,245,283	351,262	499,298,208
<b>At 30 September 2002</b>					
Cost	42,927,000	467,007,411	16,106,801	1,076,983	527,118,195
Accumulated depreciation	-	(22,232,748)	(4,861,518)	(725,721)	(27,819,987)
Net book amount	42,927,000	444,774,663	11,245,283	351,262	499,298,208

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements (Continued), 30 September 2002

3	<b>Inventories</b>	<b>2002</b>	<b>2001</b>
		\$	\$
	Consumables	<u>16,353,449</u>	<u>20,770,825</u>
4	<b>Receivables and Prepayments</b>		
	Trade receivables	8,861,654	100,153,182
	Income receivable	--	2,710,865
	VAT refundable	<u>7,546,063</u>	<u>4,657,277</u>
		<u>16,407,717</u>	<u>107,521,324</u>
5	<b>Government Revenue Grants Receivable</b>		
	Balance at 1 October	61,937,783	27,113,279
	Grants received during the year	(210,362,359)	(251,885,380)
	Funds used to finance deficit for the year	179,521,975	286,709,883
	Transfer from deferred grants – inventory	<u>          --</u>	<u>          --</u>
	At 30 September	<u>31,097,398</u>	<u>61,937,783</u>
	The above grants are received from the Government of Trinidad and Tobago to fund the Authority's recurrent expenditure.		
6	<b>Cash and Cash Equivalents</b>		
	Cash at bank	42,383,511	40,769,526
	Cash in hand	<u>21,100</u>	<u>21,100</u>
		<u>42,404,611</u>	<u>40,790,626</u>

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Notes to the Financial Statements (Continued)

30 September 2002

7	<b>Capital Grants Deferred</b>	<b>2002</b>	<b>2001</b>
		\$	\$
	Balance at 1 October	4,996,327	4,996,327
	Grants received during the year	--	--
	Transfer to income and expenditure - inventory	--	--
	Transfer to income and expenditure - amortization	--	--
		<u>4,996,327</u>	<u>4,996,327</u>
8	<b>Bank Overdraft</b>		
	Bank overdraft	<u>2,360,470</u>	<u>14,539,630</u>
9	<b>Other Liabilities</b>		
	Net Suspense credits	<u>138,083,407</u>	<u>110,366,144</u>
10	<b>Trade and Other Payables</b>		
	Other creditors	9,211,190	151,236,737
	Accrued liabilities	<u>300,000</u>	<u>300,000</u>
		<u>9,511,190</u>	<u>151,536,737</u>

# THE NORTH WEST REGIONAL HEALTH AUTHORITY

## Schedules to the Financial Statements 30 September 2002

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### Schedule 1

<b>Administrative expenses</b>	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
Professional services	2,634,696	447,289
Stationery and office supplies	1,587,708	404,757
Books and periodicals	59,422	15,773
Training	79,712	80,150
Entertainment allowances	54,023	13,802
Office meetings	218,417	62,518
Photography supplies	28,980	43,347
Grants to needy patients	140,014	62,258
Freight and transport	121,793	50,760
Security services	4,058,357	873,809
Foreign travel	33,599	2,266
Advertisements	405,559	158,750
Legal matters	85,492	16,520
Motor vehicles	895,868	477,471
Functions and events	238,654	8,979
Maintenance	--	114,132
Physical infrastructure	152,200	2,403,381
Accommodation	346,537	383,980
Audit and accountancy fees	300,000	--
	<u>11,441,030</u>	<u>5,619,942</u>