



SECOND 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, 2004

The First Report 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, 2004 was signed by the Auditor General on 4th November, 2009 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, 2004 have been audited. The Statements comprise a Balance Sheet as at 30 September, 2004, an Income and Expenditure Statement and a Cash Flow Statement for the year ended 30 September, 2004, 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

Assets	\$
Non-Current Assets	488,394,620
Current Assets	179,866,164

EQUITY AND LIABILITIES

	\$
Capital	450,609,988
Non-Current Liabilities	4,996,327
Current Liabilities	212,654,469

Income and Expenditure

Income	29,222,057
Expenses	718,748,433

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.

**3RD MAY, 2016
PORT-OF-SPAIN**



M. Ali
**MAJEED ALI
AUDITOR GENERAL**

*SS
20160503*

THE NORTH WEST REGIONAL HEALTH AUTHORITY

Financial Statements

For the Year Ended 30 September 2004

NWRHA FINANCIAL STATEMENT FOR PERIOD ENDED 2004

THE NORTH WEST REGIONAL HEALTH AUTHORITY

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THE NORTH WEST REGIONAL HEALTH AUTHORITY


Balance Sheet

	Notes	30 September 2004 \$	30 September 2003 \$
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	<u>488,394,620</u>	<u>496,804,692</u>
Current Assets			
Inventories	3	32,507,543	19,444,533
Receivables and prepayments	4	8,402,266	1,916,665
Receivable from the Ministry of Health		106,937,835	33,793,129
Government revenue grants receivable	5	17,578,374	5,273,372
Cash and cash equivalents	6	<u>14,440,145</u>	<u>7,321,926</u>
		<u>179,866,164</u>	<u>67,749,625</u>
Total Assets		<u>668,260,783</u>	<u>564,554,317</u>
EQUITY AND LIABILITIES			
Capital			
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>
Non-Current Liabilities			
Capital grants deferred	7	<u>4,996,327</u>	<u>4,996,327</u>
Current Liabilities			
Bank overdraft	8	16	723,444
Other liabilities	9	7,468,095	62,969,772
Due to the Ministry of Health		106,937,835	33,793,129
Trade and other payables	10	<u>98,248,523</u>	<u>11,461,657</u>
		<u>212,654,469</u>	<u>108,948,002</u>
Total liabilities		<u>217,650,796</u>	<u>113,944,329</u>
Total Equity and Liabilities		<u>668,260,783</u>	<u>564,554,317</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 2004 \$	Year ended 30 September 2003 \$
Income			
Other Income		<u>29,222,057</u>	<u>25,084,097</u>
		<u>29,222,057</u>	<u>25,084,097</u>
Expenses			
Staff costs		554,190,183	460,953,035
Pharmaceutical supplies		81,717,039	73,570,260
Properties maintenance		12,678,836	15,463,000
Administrative	1	25,488,927	17,891,169
Kitchen		8,799,851	8,253,278
Depreciation		11,037,596	11,373,188
Utilities		24,836,001	18,530,572
Other		<u> --</u>	<u> --</u>
Total operating expenditure		<u>718,748,433</u>	<u>606,034,503</u>
Excess of Expenditure over Income		(689,526,376)	(580,950,405)
Finance costs		<u>156,602</u>	<u>142,490</u>
Deficit for the Year		<u>(689,369,774)</u>	<u>(580,807,915)</u>
Government Grants Utilized		<u>689,369,774</u>	<u>580,807,915</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.

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Cash Flow Statement

	Year Ended 30 September 2004 \$	Year Ended 30 September 2003 \$
Cash Flows From Operating Activities		
Deficit for the year	(700,407,370)	(592,181,104)
Adjustments for items not requiring an outlay of funds:		
Depreciation	<u>11,037,596</u>	<u>11,373,188</u>
Operating deficit before changes in working capital	(689,369,774)	(580,807,915)
Decrease\.(Increase) in inventories	(13,063,010)	(3,091,084)
Decrease\.(Increase) in receivables and prepayments	(79,630,306)	(19,302,077)
Increase in other liabilities	17,643,028	(41,320,506)
(Decrease)\.Increase in trade and other payables	<u>86,786,866</u>	<u>1,950,466</u>
Net Cash Used In Operating Activities	<u>(677,633,195)</u>	<u>(642,571,117)</u>
Financing Activities		
Receipts from Government grants	<u>685,474,842</u>	<u>609,125,458</u>
Net Cash From Financing Activities	<u>685,474,842</u>	<u>609,125,458</u>
Increase in Cash and Cash Equivalents	7,841,647	(33,445,659)
Cash and Cash Equivalents at Beginning of Year	<u>6,598,482</u>	<u>40,044,141</u>
Cash and Cash Equivalents at End of Year	<u><u>14,440,129</u></u>	<u><u>6,598,482</u></u>
Represented by		
Cash at bank	14,419,045	7,300,826
Cash in hand	21,100	21,100
Bank overdraft	<u>(16)</u>	<u>(723,444)</u>
	<u><u>14,440,129</u></u>	<u><u>6,598,482</u></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 2004

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.

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Accounting Policies (Continued)

30 September 2004

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 1994.

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 2004

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.

2 Property, Plant and Equipment

	Land \$	Buildings \$	Plant Furniture, Fittings & Equipment \$	Motor Vehicles \$	Total \$
Year ended 30 September 2003					
Opening net book amount	42,927,000	444,774,663	11,245,283	351,262	499,298,208
Additions	-	-	8,866,227	13,445	8,879,672
Depreciation charge	-	(8,916,014)	(2,295,546)	(161,628)	(11,373,188)
Closing net book amount	<u>42,927,000</u>	<u>435,858,649</u>	<u>17,815,964</u>	<u>203,079</u>	<u>496,804,692</u>
At 30 September 2003					
Cost	42,927,000	467,007,411	24,973,028	1,090,428	535,997,867
Accumulated depreciation	-	(31,148,762)	(7,157,064)	(887,349)	(39,193,175)
Net book amount	<u>42,927,000</u>	<u>435,858,649</u>	<u>17,815,964</u>	<u>203,079</u>	<u>496,804,692</u>
Year ended 30 September 2004					
Opening net book amount	42,927,000	435,858,649	17,815,964	203,079	496,804,692
Additions	-	-	2,627,524	--	2,627,524
Depreciation charge	-	(8,737,694)	(2,178,681)	(121,221)	(11,037,596)
Closing net book amount	<u>42,927,000</u>	<u>427,120,955</u>	<u>18,264,807</u>	<u>81,858</u>	<u>488,394,620</u>
At 30 September 2004					
Cost	42,927,000	467,007,411	27,600,552	1,090,428	538,625,391
Accumulated depreciation	-	(39,886,456)	(9,335,745)	(1,008,570)	(50,230,771)
Net book amount	<u>42,927,000</u>	<u>427,120,955</u>	<u>18,264,807</u>	<u>81,858</u>	<u>488,394,620</u>

THE NORTH WEST REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements (Continued)

30 September 2004

3	Inventories	2004	2003
		\$	\$
	Consumables	<u>32,507,5430.</u>	<u>19,444,533</u>
4	Receivables and Prepayments		
	Trade receivables	8,175,643	1,897,057
	Income receivable	--	--
	VAT refundable	<u>226,623</u>	<u>19,608</u>
		<u>8,402,266</u>	<u>1,916,665</u>
5	Government Revenue Grants Receivable		
	Balance at 1 October	5,273,372	31,097,398
	Grants received during the year	(677,064,771)	(606,631,941)
	Funds used to finance deficit for the year	689,369,774	580,807,915
	Transfer from deferred grants – inventory	--	--
	At 30 September	<u>17,578,374</u>	<u>5,273,372</u>
	The above grants are received from the Government of Trinidad and Tobago to fund the Authority's recurrent expenditure.		
6	Cash and Cash Equivalents		
	Cash at bank	14,419,045	7,300,826
	Cash in hand	<u>21,100</u>	<u>21,100</u>
		<u>14,440,145</u>	<u>7,321,926</u>

THE NORTH WEST REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements (Continued)

30 September 2004

7	Capital Grants Deferred	2004	2003
		\$	\$
	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	Bank Overdraft		
	Bank overdraft	<u>16</u>	<u>723,444</u>
9	Other Liabilities		
	Net Suspense credits	<u>7,468,095</u>	<u>62,969,772</u>
10	Trade and Other Payables		
	Other creditors	97,948,523	11,161,657
	Accrued liabilities	<u>300,000</u>	<u>300,000</u>
		<u>98,248,523</u>	<u>11,461,657</u>

THE NORTH WEST REGIONAL HEALTH AUTHORITY

Schedules to the Financial Statements

30 September 2004

Schedule 1

Administrative expenses	2004	2003
	\$	\$
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	<u>300,000</u>	<u>--</u>
	<u>11,441,030</u>	<u>5,619,942</u>