



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**R E P O R T
O F T H E
A U D I T O R G E N E R A L**

**ON THE FINANCIAL STATEMENTS OF THE
POLICE COMPLAINTS AUTHORITY
FOR THE YEAR ENDED**

SEPTEMBER 30, 2020



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE POLICE COMPLAINTS AUTHORITY FOR THE YEAR ENDED SEPTEMBER 30, 2020

OPINION

The financial statements of the Police Complaints Authority for the year ended September 30, 2020 have been audited. The statements as set out on pages 1 to 13 comprise a Statement of Financial Position as at September 30, 2020, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended September 30, 2020 and Notes to the Financial Statements referenced A to M, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Police Complaints Authority as at September 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with general accounting principles and practices.

BASIS FOR OPINION

3. The audit was conducted in accordance with generally 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 Statements section of this report. The Auditor General is independent of the Police Complaints Authority in accordance with the ethical requirements that are relevant to the audit of the financial statements 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 above audit opinion.

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

4. Management of the Police Complaints Authority is responsible for the preparation and fair presentation of these financial statements in accordance with general accounting principles and practices and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

5. In preparing the financial statements, management is responsible for assessing the ability of the Police Complaints Authority 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 Police Complaints Authority or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the financial reporting process of the Police Complaints Authority.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. The Auditor General's responsibility is to express an opinion on these financial statements based on the audit and to report thereon in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 18 (2) of the Police Complaints Authority Act, Chapter 15:05.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 or users taken on the basis of these financial statements.

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 statements, 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 Police Complaints Authority.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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.



12TH JULY, 2021
PORT OF SPAIN

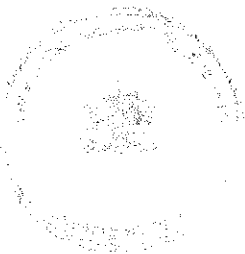
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LORELLY PUJADAS
AUDITOR GENERAL

POLICE COMPLAINTS AUTHORITY

Financial Statements
(Expressed in Trinidad and Tobago Dollars)

September 30, 2020

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POLICE COMPLAINTS AUTHORITY

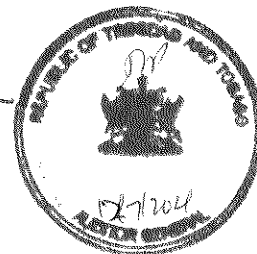
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020
(Expressed in Trinidad and Tobago Dollars)

		<u>2020</u>	<u>2019</u>
ASSETS	Notes	\$	\$
CURRENT ASSETS			
Cash in hand and at bank	C	3,968,307	3,458,927
Receivables and prepayments	D	165,366	1,097,199
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		4,133,673	4,556,126
NON-CURRENT ASSETS			
Property, plant and equipment	E	1,517,460	1,004,811
Intangible assets	F	164,769	168,320
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		1,682,229	1,173,131
		<hr/>	<hr/>
TOTAL ASSETS		<u>5,815,903</u>	<u>5,729,257</u>
LIABILITIES AND RESERVES			
CURRENT LIABILITIES			
Payables and accruals	G	1,483,178	266,885
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,483,178	266,885
RESERVES			
Accumulated fund		4,332,725	5,462,372
		<hr/>	<hr/>
		4,332,725	5,462,372
		<hr/>	<hr/>
TOTAL RESERVES AND LIABILITIES		<u>5,815,903</u>	<u>5,729,257</u>

These financial statements were authorised for issue by the Police Complaints Authority on January 25, 2021.

David West Director

Michelle John-Jel Deputy Director



The accompanying notes form an integral part of these financial statements.

POLICE COMPLAINTS AUTHORITY

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER
30, 2020**

(Expressed in Trinidad and Tobago Dollars)

		<u>2020</u>	<u>2019</u>
	Notes	\$	\$
Parliamentary funding	H	18,513,000	18,811,500
Other income	I	7,363	423
Operating expenses	J	(19,058,120)	(16,676,973)
Depreciation	E	(540,910)	(245,435)
Amortisation	F	(53,046)	(45,580)
Loss on disposal of asset		(2,115)	(46)
Finance cost		(3,319)	(3,374)
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(1,137,147)</u>	<u>1,840,515</u>

The accompanying notes form an integral part of these financial statements.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

(Expressed in Trinidad and Tobago Dollars)

NOTE A – ESTABLISHMENT AND OBJECTIVES

The Police Complaints Authority Act No.8 of 2006, Chap. 15:05 (“the Act”) came into operation on January 1, 2007 and repealed the Police Complaints Authority Act, 1993 (“the former Act”) which had provided for complaints against police officers to be sent by the then Police Complaints Authority (“the former Authority”) to the Trinidad and Tobago Police Service for investigation.

The Act distinctively established the Police Complaints Authority (PCA/the Authority) as an independent corporate body mandated, among other things, to investigate complaints within its remit without the involvement of the police.

Section 6. (1) of the Act provides for the Authority to be comprised of a Director and Deputy Director to be appointed by the President of Trinidad and Tobago on the joint advice of the Prime Minister and the Leader of the Opposition. The Authority was duly constituted on December 29, 2010 on the appointment of the first Director and Deputy Director.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

- (i) The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of Preparation – The financial statements of the Authority have been prepared in accordance with Section 18. (1) of the Act which states that the Authority shall keep an account of all its financial transactions in accordance with General Accounting Principles and Practices (GAPP). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with GAPP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

- (ii) **Changes in Accounting Policy and Disclosures**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning January 2016, however, none of these amendments has any material impact on these financial statements.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)

(Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(iii) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars which is the Authority's presentation currency.

(iv) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight-line method. Depreciation is calculated in year of purchase from the date of acquisition. The following annual rates are used for the depreciation of property, plant and equipment.

Minor Equipment	- 25%
Furniture and fixtures	- 10 % & 20%
Office equipment	- 25%
Motor vehicles	- 25%

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount. The amount recoverable is the higher of the asset's fair value less cost to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued) (Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(v) Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation. Historical cost includes expenditure that is directly attributable to preparing the assets for their intended use.

Subsequent costs are included in an asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the asset can be measured reliably. All other costs are associated with the maintenance of the software programmes are charged to the statement of comprehensive income during the financial period in which they are incurred.

Amortisation is charged so as to allocate the cost of an asset less the residual value over its estimated useful life using the straight-line method from the date on which the asset is ready for use. The intangible assets have been estimated to have finite useful lives of five-years.

(vi) Financial Assets

The Authority classifies its financial assets into receivables and available-for-sale. The classification is determined by management at the initial recognition and depends on the purpose for which the assets were acquired.

Classification

(a) Receivables and Available-for-sale

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets and are carried at amortised cost using the effective interest method.

(vii) Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand and amounts held at bank.

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(viii) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where there are a number of similar obligations as a whole, a provision is recognised even if the likelihood of an outflow with respect to any one item included in the service class of obligations may be small.

(ix) Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of operations from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(x) Revenue Recognition

Parliamentary Funding

Funds are appropriated by Parliament to cover recurrent and capital expenditure of the Authority. These Funds are credited to the statement of comprehensive income in the accounting period for which the provision was made by Parliament.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts appropriated by Parliament. The Authority recognises revenue in the accounting period for which the provision was made by Parliament when the amount of revenue can be reliably measured.

NOTE C – CASH IN HAND AND AT BANK

	<u>2020</u>	<u>2019</u>
	\$	\$
Bank	3,964,807	3,455,427
Petty cash – Trinidad	2,500	2,500
Petty Cash – Tobago	1,000	1,000
	<u>3,968,307</u>	<u>3,458,927</u>

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)

(Expressed in Trinidad and Tobago Dollars)

NOTE D – RECEIVABLES AND PREPAYMENTS

	<u>2020</u>	<u>2019</u>
	\$	\$
Sundry receivables	-	13,229
Security deposits	8,000	8,000
Prepayments	157,366	241,044
	<u>165,366</u>	<u>262,273</u>

NOTE E – PROPERTY, PLANT AND EQUIPMENT

	<u>Minor Equipment</u>	<u>Furniture & Fixtures</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total 2020</u>	<u>Total 2019</u>
Cost	\$	\$	\$	\$	\$	\$
At beginning of year	643,034	449,156	2,524,042	2,261,453	5,877,685	5,128,341
Adjustments	-	-	-	-	-	-
Disposals	(15,098)	-	(15,240)	-	(30,338)	(8,880)
Additions	38,640	-	227,646	794,000	1,060,286	758,224
At end of year	<u>666,576</u>	<u>449,156</u>	<u>2,736,448</u>	<u>3,055,453</u>	<u>6,907,633</u>	<u>5,877,685</u>
Accumulated depreciation						
At beginning of year	615,073	334,126	1,662,231	2,261,444	4,872,874	4,635,385
Adjustments	-	-	-	-	-	-
Disposals	(8,370)	-	(15,240)	-	(23,610)	(7,946)
Current year charge	17,326	35,723	289,361	198,500	540,910	245,435
At end of year	<u>624,029</u>	<u>369,849</u>	<u>1,936,352</u>	<u>2,459,944</u>	<u>5,390,174</u>	<u>4,872,874</u>
Net book value	<u>42,547</u>	<u>79,307</u>	<u>800,096</u>	<u>595,509</u>	<u>1,517,459</u>	<u>1,004,811</u>

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE F – INTANGIBLE ASSETS (Computer Software)

	<u>2020</u>	<u>2019</u>
Cost	\$	\$
At beginning of year	245,195	220,585
Adjustments	-	-
Disposals	-	-
Additions	49,496	24,610
At end of year	<u>294,691</u>	<u>245,195</u>
Accumulated amortisation		
At beginning of year	76,875	31,295
Adjustments	-	-
Disposals	-	-
Current year charge	53,046	45,580
At end of year	<u>129,921</u>	<u>76,875</u>
Net book value	<u>164,769</u>	<u>168,320</u>

NOTE G – PAYABLES AND ACCRUALS

	<u>2020</u>	<u>2019</u>
	\$	\$
Sundry payables	1,443,178	221,885
Accruals	40,000	45,000
	<u>1,483,178</u>	<u>266,885</u>

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE H – PARLIAMENTARY FUNDING

	<u>2020</u>	<u>2019</u>
	\$	\$
Recurrent expenditure	17,000,000	17,100,000
Direct charges	1,513,000	1,711,500
	<u>18,513,000</u>	<u>18,811,500</u>

NOTE I – OTHER INCOME

	<u>2020</u>	<u>2019</u>
	\$	\$
Miscellaneous	7,363	423
	<u>7,363</u>	<u>423</u>

NOTE J – OPERATING EXPENSES

Operating expenses include the following:

	<u>2020</u>	<u>2019</u>
	\$	\$
Salaries	8,872,949	8,428,525
Directors' Emoluments	1,939,970	1,443,840
Gratuities	2,084,355	520,997
Consulting and contracting services	1,299,172	1,241,852
Rent	419,425	425,795
Other Expenses	4,442,249	4,615,964
	<u>19,058,120</u>	<u>16,676,973</u>
Number of employees	63	63

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE K – RELATED PARTY TRANSACTIONS

A related party is a person or entity that is related to the entity that is preparing the financial statements, that is, the reporting entity. A person is related to a reporting entity if that person is a member of the key management personnel of the reporting entity or has significant influence over the entity.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Authority and means the Director and Deputy Director.

Any transaction entered into with a related party in the normal course of operations is considered a related party transaction.

The related party transaction herein refers to the remuneration paid to the Director and Deputy Director in accordance with the terms and conditions of service recommended by the Salaries Review Commission and approved by Cabinet. The amounts paid for the years ended 30 September 2020 and 2019 are detailed hereunder:

	<u>2020</u>	<u>2019</u>
	\$	\$
Salary and Allowances	1,467,353	1,443,840
Gratuity	472,616	-
	<u>1,939,969</u>	<u>1,443,840</u>

NOTE L – FINANCIAL INSTRUMENTS

- (i) Fair Values – The carrying amounts of short-term financial assets and liabilities comprising cash in hand and at bank, receivables and prepayments and payables and accruals are a reasonable estimate of their fair values because of the short maturity of these instruments.
- (ii) Credit Risk – The Authority has no significant concentration of credit risk.

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE M – COMMITMENTS UNDER OPERATING LEASES

The Police Complaints Authority entered into a lease agreement with Kathyne Armstrong-Hollingsworth for the occupation of premises at 5B Kilgwyn Bon Accord, Tobago. The lease commenced on May 1st, 2016 at a monthly rental of \$8,000.00. The lease was renewed for a period of one year with effect from November 1st, 2019 to October 31st, 2020 and upon expiration, the Authority is expected to renew same with the landlord.

An agreement was executed between the Government of Trinidad and Tobago and Cariben Limited for the rental of office space on the First Floor of premises located at Lot B Bacolet Trace, Tobago for the Police Complaints Authority for a period of three years with effect from August 1st, 2020 to July 31st, 2023 at a monthly rental \$10,833.75 V.A.T. inclusive.

	<u>2020</u>	<u>2019</u>
Minimum lease payments under operating lease recognised as an expense during the year	\$ 226,005	\$ 226,005

At the year's end the Authority has outstanding commitments under non-cancellable operating leases that fall due as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Commitments due within one (1) year	226,005	204,338
Commitments due later than one (1) year but within five (5) years	<u>116,338</u>	<u>8,000</u>
	<u>342,343</u>	<u>212,338</u>