



**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, 2016



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, 2016

The accompanying Financial Statements of the Police Complaints Authority for the year ended September 30, 2016 have been audited. The Statements comprise a Statement of Financial Position as at September 30, 2016, a Statement of Comprehensive Income and Accumulated Fund and a Statement of Cash Flows for the year ended September 30, 2016 and Notes to the Financial Statements labeled A to L.

2. The audit was conducted by a firm of Accountants appointed by the Auditor General in accordance with section 18(2) of the Police Complaints Act, Chapter 15:05. Their Report dated 7th August, 2017, which is attached, refers.

27TH SEPTEMBER, 2017
PORT-OF-SPAIN




MAJEED ALI
AUDITOR GENERAL

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20170927



BAKER TILLY
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AUDITED FINANCIAL STATEMENTS

Police Complaints Authority

September 30, 2016

POLICE COMPLAINTS AUTHORITY

Audited Financial Statements (Expressed in Trinidad and Tobago Dollars)

September 30, 2016

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The Auditor General of the Republic of Trinidad and Tobago

Report on the Financial Statements of the
Police Complaints Authority

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Police Complaints Authority, which comprise the statement of financial position as at September 30, 2016 and statement of comprehensive income and accumulated fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Board of Management 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 controls 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. The audit was carried out in accordance with Section 18 (2) of the Police Complaints Authority Act Chapter 15:05. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Auditor General of the Republic of Trinidad and Tobago

Report on the Financial Statements of the
Police Complaints Authority

INDEPENDENT AUDITORS' REPORT – (Continued)

Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Police Complaints Authority as at September 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



August 7, 2017
PORT-OF-SPAIN

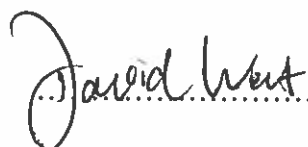
POLICE COMPLAINTS AUTHORITY

STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

		September 30	
		2016	2015
ASSETS	Notes		
CURRENT ASSETS			
Cash in hand and at bank		\$ 2,530,046	\$ 2,026,218
Receivables and prepayments	C	206,693	328,472
TOTAL CURRENT ASSETS		<u>2,736,739</u>	<u>2,354,690</u>
NON-CURRENT ASSETS			
Property, plant and equipment	D	1,109,762	1,811,515
TOTAL NON-CURRENT ASSETS		<u>1,109,762</u>	<u>1,811,515</u>
TOTAL ASSETS		<u>\$ 3,846,501</u>	<u>\$ 4,166,205</u>
LIABILITIES AND RESERVES			
CURRENT LIABILITIES			
Payables and accruals	E	\$ 239,760	\$ 418,709
TOTAL CURRENT LIABILITIES		<u>239,760</u>	<u>418,709</u>
RESERVES			
Accumulated fund		3,606,741	3,747,496
		<u>3,606,741</u>	<u>3,747,496</u>
TOTAL RESERVES AND LIABILITIES		<u>\$ 3,846,501</u>	<u>\$ 4,166,205</u>

These financial statements were authorised for issue by the Police Complaints Authority on August 7, 2017.

 Director

 Deputy Director

POLICE COMPLAINTS AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUND

(Expressed in Trinidad and Tobago Dollars)

		Year Ended September 30	
		2016	2015
	Notes		
Parliamentary funding	F	\$ 18,446,000	\$ 15,446,000
Other income	G	17,092	196,395
Operating expenses	H	(17,866,742)	(19,738,579)
Depreciation	D	(727,931)	(985,150)
Loss on disposal of property, plant and equipment		(6,304)	(109,930)
Finance cost		(2,870)	(2,475)
		<u>(140,755)</u>	<u>(5,193,739)</u>
DEFICIT FOR THE YEAR		<u>\$</u>	<u>\$</u>
 ACCUMULATED FUND			
Balance at beginning of year		\$ 3,747,496	\$ 8,941,235
Deficit for the year		(140,755)	(5,193,739)
		<u>3,606,741</u>	<u>3,747,496</u>
BALANCE AT END OF YEAR		<u>\$</u>	<u>\$</u>

See notes to financial statements

POLICE COMPLAINTS AUTHORITY

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

	Year Ended September 30	
	2016	2015
OPERATING ACTIVITIES		
Deficit for the year	\$ (140,755)	\$ (5,193,739)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	727,931	985,150
Transfer of property, plant and equipment	-	(195,695)
Loss on disposal of property, plant and equipment	6,304	109,730
Changes to operating assets and liabilities:		
Decrease in receivables and prepayments	121,779	30,895
Increase/(decrease) in accruals	(178,949)	107,026
	<hr/>	<hr/>
NET CASH PROVIDED BY /(USED IN) OPERATING ACTIVITIES	536,310	(4,156,633)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,414)	(877,498)
Proceeds from sale of property, plant and equipment	4,932	3,080
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(32,482)	(874,418)
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH	503,828	(5,031,051)
Cash and cash equivalents at beginning of year	2,026,218	7,057,269
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>2,530,046</u>	\$ <u>2,026,218</u>
Represented by:		
Cash in hand and at bank	\$ <u>2,530,046</u>	\$ <u>2,026,218</u>

See notes to financial statements

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 (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 International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with IFRSs 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.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued) (Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(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.

(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 the 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 straight-line method. 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.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued) (Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(iv) Property, Plant and Equipment – (Continued)

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.

(v) 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.

(vi) Cash and Cash Equivalents

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

(vii) 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.

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued) (Expressed in Trinidad and Tobago Dollars)

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)

(vii) Provisions – (Continued)

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.

(viii) 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 payable 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.

(ix) 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 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 – RECEIVABLES AND PREPAYMENTS

	<u>2016</u>	<u>2015</u>
Sundry receivables	\$ 13,625	\$ 13,229
Security deposits	23,189	49,800
Prepayments	169,879	265,443
	<u>\$ 206,693</u>	<u>\$ 328,472</u>

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE D – PROPERTY, PLANT AND EQUIPMENT

	Minor Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total 2016	Total 2015
Cost						
At beginning of year	\$ 633,886	\$ 431,500	\$ 1,506,332	\$ 2,261,453	\$ 4,833,171	\$ 4,024,750
Adjustments	(18,430)	-	-	-	(18,430)	100
Disposals	(19,725)	(19)	(47)	-	(19,791)	(264,872)
Additions	2,723	-	34,691	-	37,414	1,073,193
At end of year	\$ 598,454	\$ 431,481	\$ 1,540,976	\$ 2,261,453	\$ 4,832,364	\$ 4,833,171
Accumulated depreciation						
At beginning of year	\$ 293,017	\$ 159,867	\$ 898,725	\$ 1,670,047	\$ 3,021,656	\$ 2,188,468
Adjustments	(17,408)	-	-	-	(17,408)	368
Disposals	(9,577)	-	-	-	(9,577)	(152,330)
Current year charge	150,340	50,718	256,244	270,629	727,931	985,150
At end of year	\$ 416,372	\$ 210,585	\$ 1,154,969	\$ 1,940,676	\$ 3,722,602	\$ 3,021,656
Net book value	\$ 182,082	\$ 220,896	\$ 386,007	\$ 320,777	\$ 1,109,762	\$ 1,811,515

POLICE COMPLAINTS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE E – PAYABLES AND ACCRUALS

	<u>2016</u>	<u>2015</u>
Sundry payables	\$ 159,760	\$ 378,709
Accruals	80,000	40,000
	<u>\$ 239,760</u>	<u>\$ 418,709</u>

NOTE F – PARLIAMENTARY FUNDING

	<u>2016</u>	<u>2015</u>
Recurrent expenditure	\$ 17,000,000	\$ 14,000,000
Direct charges	1,446,000	1,446,000
	<u>\$ 18,446,000</u>	<u>\$ 15,446,000</u>

NOTE G – OTHER INCOME

	<u>2016</u>	<u>2015</u>
Miscellaneous	\$ 17,092	\$ 700
Donation of Equipment	-	195,695
	<u>\$ 17,092</u>	<u>\$ 196,395</u>

POLICE COMPLAINTS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued) (Expressed in Trinidad and Tobago Dollars)

NOTE H – OPERATING EXPENSES

Operating expenses include the following:

	<u>2016</u>	<u>2015</u>
Salaries	\$ 7,319,480	\$ 7,142,345
Directors' Emoluments	1,362,081	1,366,703
Gratuities	1,407,796	1,905,774
Consulting and contracting services	2,108,446	2,636,370
Rent	515,150	793,900
Number of employees	52	50

NOTE I – 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 2016 and 2015 are detailed hereunder:

	<u>2016</u>	<u>2015</u>
Salary and Allowances	\$ 1,362,081	\$ 1,366,703
Gratuity	747,068	-
	<u>\$ 2,109,149</u>	<u>\$ 1,366,703</u>

**POLICE COMPLAINTS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued)**
(Expressed in Trinidad and Tobago Dollars)

NOTE J – 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.

NOTE K – CONTINGENT LIABILITY

The Authority was formally advised by the Ministry of Labour of a dispute on August 14, 2012. The dispute is before the Industrial Court and the estimated liability is \$24,000.00.

NOTE L – COMMITMENTS UNDER OPERATING LEASES

The Police Complaints Authority occupies the ground floor of a building on a parcel of land located on Milford Road, Tobago. The agreement was made with Charles Elias and Sandra Elias of Young Street Scarborough, Tobago with a monthly rent of \$34,500 vat inclusive. The lease commenced on February 1, 2014 for a period of six (6) months with an option to renew the tenancy agreement for additional periods of six (6) months each up to a maximum term of three (3) years. The agreement was terminated by both parties with effect from February 01, 2016.

The Police Complaints Authority entered into agreement with Helen Drayton for the rental of property located at 37B Tobago Plantations, Lowlands, Tobago. The lease commenced on July 1st, 2015 for a term of two (2) years. The monthly rent is \$15,300.00. The lease was terminated with effect from the 29th February, 2016.

The 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 and will terminate on November 1st 2017. The monthly rent is \$8,000.00. The Authority is expected to renew the lease with Kathyne Armstrong-Hollingsworth upon the expiration date.

An agreement was made between The Authority and Cariben Limited of 31 Bagatelle Trace 1, Scarborough, Tobago for the rental of premises located at First Floor, Lot B, Bacolet Trace, Tobago. The lease commenced on February 1st, 2016 on a month to month basis, with rent being \$13,500 plus V.A.T. (\$15,188). The Government of the Republic of Trinidad and Tobago will be entering into an agreement with Cariben Limited for the rental of the office premises at Bacolet Trace with effect from the 1st August, 2017 and will therefore be responsible for the monthly rental with effect from said date.

POLICE COMPLAINTS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016 – (Continued)
(Expressed in Trinidad and Tobago Dollars)

NOTE L – COMMITMENTS UNDER OPERATING LEASES – (Continued)

	<u>2016</u>	<u>2015</u>
Minimum lease payments under operating lease recognised as an expense during the year	\$ 341,500	\$ 459,900

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

	<u>2016</u>	<u>2015</u>
Commitments due within one (1) year	\$ 247,875	\$ 321,600
Commitments due later than one (1) year but within five (5) years	112,000	137,700
	<u>\$ 359,875</u>	<u>\$ 459,300</u>