



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE SOUTH-WEST REGIONAL HEALTH AUTHORITY FOR THE YEAR ENDED SEPTEMBER 30, 2008

The accompanying Financial Statements of the South-West Regional Health Authority for the year ended September 30, 2008 have been audited. The Statements comprise a Balance Sheet as at September 30, 2008, a Statement of Revenue and Expenses, a Statement of Changes in Equity and a Cash Flow Statement for the year ended September 30, 2008 and Notes to the Financial Statements numbered 1 to 23.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the South-West Regional Health Authority is responsible for the preparation and fair presentation of these Financial Statements in accordance with generally accepted accounting principles, 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.

AUDITOR'S RESPONSIBILITY

3. 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 Authorities Act, Chapter 29:05 was conducted in accordance with generally accepted auditing standards. Those Standards require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

BASIS FOR QUALIFIED OPINION

PENSION

6. The Authority has reported the pension cost as the cash contributions paid only. Accordingly, there has not been full compliance with International Accounting Standard 19 (IAS 19) with respect to Pension. Note 23 to the Financial Statements is relevant.

QUALIFIED OPINION

7. In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion at paragraph 6 above, the Financial Statements present fairly, in all material respects, the financial position of the South-West Regional Health Authority as at September 30, 2008 and its financial performance and its cash flows for the year then ended September 30, 2008 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

8. 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.

**24th July, 2017
PORT OF SPAIN**



A handwritten signature in black ink, appearing to read "MAJEED ALI".

**MAJEED ALI
AUDITOR GENERAL**

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SOUTH-WEST REGIONAL HEALTH AUTHORITY

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Fax: PBX ext 2301
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"Your Partners in Health"

April 24, 2017

Auditor General
Auditor General's Department
11A Independence Avenue
San Fernando



6 copies received
1 sent in mail

Dear Sir/Madam

SWRHA's Re-Stated Financial Statements for Year Ended September 30, 2008

Please find enclosed seven (7) original prints of the South-West Regional Health Authority's Re-Stated Financial Statements for the year ended September 30, 2008.

If you have any questions please refer to the undersigned at 653-4259 or 653-8058, Extension 2440.

Yours sincerely
Your Partners in Health

Gail Miller-Meade (Mrs)
General Manager, Finance

attach:

c: Chief Executive Officer

7 COPIES REC'D
1 FOR FILE
6 SENT TO H/O.

South-West Regional Health Authority

Financial Statements

30 September, 2008

SWRHA

SOUTH-WEST REGIONAL HEALTH AUTHORITY

**BALANCE SHEET
AS AT SEPTEMBER 30, 2008**

ASSETS	Notes	2008	2007
		\$'000	\$'000
Non-Current Assets			
Property, Plant and Equipment	3	410,240	385,719
Capital Work in Progress	4	34,503	18,369
		<u>444,744</u>	<u>404,088</u>
Current Assets			
Inventories	5	24,237	17,863
Receivables & Prepayment	6	65,172	63,332
Cash and Cash Equivalent	7	14,701	16,033
		<u>104,110</u>	<u>97,227</u>
Total Assets		548,854	501,315
LIABILITIES			
Non -Current Liabilities			
Medium Term Loan	8	19,547	29,958
Deferred Income	12	75,045	51,210
		<u>94,592</u>	<u>81,168</u>
Current Liabilities			
Current Portion of Long Term Debt	8	10,412	10,412
Accounts Payable	9	3,790	3,192
Other Payables and Accruals	10	108,162	38,343
		<u>122,364</u>	<u>51,947</u>
Total Liabilities		216,956	133,115
Net Assets		<u>331,897</u>	<u>368,200</u>
EQUITY			
Vested Property	11	317,451	288,692
Revaluation Reserve	13	99,451	100,103
Accumulated (Deficit)/Surplus	14	(85,005)	(20,595)
		<u>331,897</u>	<u>368,200</u>

The attached notes set out in pages 5 to 17 form an integral part of these financial statements




General Manager Finance


Chief Executive Officer

SOUTH-WEST REGIONAL HEALTH AUTHORITY
STATEMENT OF REVENUE AND EXPENSES
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2008

	Notes	2008 \$'000	2007 \$'000
Revenue			
Interest earned and Other Reimbursables		28,552	15,075
Government Subvention Recurrent Expenditure	15	511,484	505,727
Government Subvention Develop. Programme (MOH)	16	12,881	5,455
Subvention re Loan Repayment		4,766	4,986
NIPDEC Purchases	17	62,360	47,461
		620,043	578,704
Expenses			
Personnel Costs	18	487,312	411,775
Medical and Pharmaceutical Costs	19	96,792	67,031
Other Operating Expenses	20	14,515	13,372
Property and Plant Expenses	21	38,716	36,038
Administrative Expenses	22	46,725	26,699
		684,060	554,916
(Shortfall)/Excess of Revenue over Expenses	14	(64,017)	23,788
Prior Period Adjustment	13	(1045)	554
Accumulated Deficit Brought Forward	13	(20,595)	(45,590)
		(85,657)	(21,246)
Transfers from Revaluation Reserve		652	652
Accumulated Deficit Carried Forward		(85,005)	(20,595)

The attached notes set out in pages 5 to 17 form an integral part of these financial statements

SOUTH-WEST REGIONAL HEALTH AUTHORITY

**STATEMENT OF CHANGES IN EQUITY
AS AT SEPTEMBER 30, 2008**

	Vested Property	Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 01 October, 2007	288,692	100,103	(20,595)	368,200
MOH HSRP Payments-Current	28,759	0	0	28,759
Transfers from Revaluation Reserve	0	(652)	652	0
(Shortfall) of Revenue over Expenses	0	0	(64,017)	(64,017)
Prior Period Adjustment			(1,045)	(1,045)
Balance at 30 September, 2008	317,451	99,451	(85,005)	331,897
Balance at 01 October, 2006	283,694	100,756	(45,590)	338,860
MOH HSRP Payments-Current	4,997	0	0	4,997
Transfers from Revaluation Reserve	0	(652)	652	0
Excess of Revenue over Expenses	0	0	23,788	23,788
Prior Period Adjustment			554	554
Balance at 30 September 2007	288,692	100,103	(20,595)	368,200

SOUTH-WEST REGIONAL HEALTH AUTHORITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30TH 2008**

	2008	2007
	\$'000	\$'000
Cash Flows From Operating Activities		
(Shortfall)/Excess of Revenue over Expenses	(64,017)	23,788
Adjustments for:		
Prior Period Adjustment	(1,045)	554
Depreciation	30,402	17,290
Prior Period Adjustment-Depreciation	1,657	
Prior Period Adjustment-Deferred Income Write-offs	(16)	
Deferred Income Write-offs	(12,881)	(5,455)
Interest Paid	646	867
Interest Received	(860)	(1,265)
	(46,113)	35,780
Increase in Inventories	(6,374)	(2,956)
(Increase)/Decrease in Receivables	(1,841)	19,260
Increase/(Decrease) in Trade Payables	599	(5,907)
Increase/(Decrease) in sundry creditors & accruals	69,819	(4,351)
	62,203	6,046
<i>Net Cash Inflow From Operating Activities</i>	16,090	41,826
 Investing Activities		
Purchase of Fixed Assets	(72,714)	(49,234)
Interest Paid	(646)	(867)
Interest Received	860	1,265
<i>Net Cash used in Investing Activities</i>	(72,500)	(48,837)
 Financing Activities		
Loan Repayment	(10,412)	(10,412)
Health Sector Reform Projects	28,759	4,997
Development Programme Funding	36,731	15,412
<i>Net Cash Inflow From Financing Activities</i>	55,078	9,997
Net Cash (Outflow)/Inflow	(1,332)	2,987
 Cash and Cash Equivalents		
At beginning of year	16,033	13,047
(Decrease)/Increase In Cash and Cash Equivalents	(1,332)	2,987
At end of year	14,701	16,033
 Represented By		
Cash and Cash Equivalent	14,701	16,033
	14,701	16,033

South-West Regional Health Authority

Notes To The Financial Statements

30 September 2008

1. Incorporation and Primary Activity

The South-West Regional Health Authority was established by Parliament under the Regional Health Authority Act No. 29:05 of 1994.

The Authority is exempted from all taxes, duties, fees, charges, assessments, levies and imposts on its profits or on assets, which it acquires for its use.

The Authority's powers and functions are as follows:

- (a) To provide efficient systems for the delivery of health care.
- (b) To collaborate with the University of the West Indies and any other recognized training institution, in the education and training of persons, in research medicine, nursing, dentistry, pharmacy and biomedical and health service fields, veterinary medicine as well as related ancillary and supportive fields.
- (c) To collaborate with and advise municipalities on public health matters.
- (d) To operate, construct, equip, furnish, maintain, manage, secure and repair all its property.
- (e) To facilitate new systems of health care.
- (f) To provide the use of health care facilities for service, teaching and research.
- (g) To establish and develop relationships with national, regional and international agencies engaged in similar or ancillary services.
- (h) To do all things to achieve the objectives of the Authority.

2. Significant Accounting Policies and Practices

- (a) The Accounting Policies and Practices followed by the South-West Regional Health Authority are based on International Financial Reporting Standards and /or Generally Accepted Accounting Principles.
- (b) The South-West Regional Health Authority is responsible for processing all payments related to employees contracted by the Authority and all payments for Goods and Services purchased by the institutions within the South-West Region.
- (c) The National Insurance Property Development Company Limited (NIPDEC) through a contractual arrangement with the Ministry of Health is responsible for the procurement of medical supplies, surgical supplies and pharmaceuticals for all Regional Health Authorities. However, where there is a shortfall in supplies from NIPDEC, the South-West Regional Health Authority supplements this shortfall through direct purchases. The Ministry of Health reimburses the Authority upon submission of request.

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

2. Significant Accounting Policies and Practices (Continued)

(d) These financial statements have been prepared using historical cost accounting, except as stated in Note 2 g.

(e) Consolidation

These accounts include the amounts paid by the Ministry of Health for personnel assigned to the institutions under the South-West Regional Health Authority.

(f) Current Assets – Inventory

Inventories non-pharmaceuticals are valued at the weighted average cost. As of 2007/2008 the Authority is no longer using the valuation method of the last purchase price. The weighted average method calculates the average cost of each item in stock based on the purchase prices of the item when bought.

Inventories pharmaceuticals are valued at the last purchase price or the NIPDEC item price.

(g) Fixed Assets

At year-end September 2004, Terra Caribbean Ltd did a revaluation of all Property, Plant and Equipment belonging to the South-West Regional Health Authority. These assets were valued at current market values in accordance with IAS 16 Property Plant and Equipment and recorded in the Financial Statements.

(h) Depreciation

Assets are depreciated on the straight-line method at the following rates per annum:

	Per Annum
Building	2.0%
Medical Equipment	15.0%
Plant & Equipment	20.0%
Computer Equipment	25.0%
Office Furniture & Equipment	12.5%
Motor Vehicle	25.0%
Security systems	12.5%
Other Minor Equipment	12.5%
Communication Equipment	12.5%
Patient Furnishings	12.5%

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

2. Significant Accounting Policies and Practices (Continued)

(i) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

j) Comparatives

Where necessary, comparative figures have been adjusted to align with the changes in the way the information is presented in the current financial year.

3. Property, Plant and Equipment

Assets	Total cost B/f	Additions/Disposals	Accum. Dep. Bfwd	Cost/Revaluations	Current Depn. Charge	Accum. Dep. Cfwd	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	75,952	-	-	75,952	-	-	75,952	75,952
Building	238,199	13,203	(13,482)	251,402	(4,698)	(18,180)	233,222	224,597
Plant&Equip.	2,925	2,909	(1,157)	5,834	(1,358)	(2,515)	3,319	2,135
Vehicles	4,385	125	(1,539)	4,510	(1,271)	(2,810)	1,699	2,846
Comp. Equip.	3,350	759	(1,423)	4,109	(968)	(2,391)	1,718	1,943
Off. Furn.	6,839	671	(2,128)	7,509	(814)	(2,942)	4,567	4,713
Med. Equip.	79,311	37,208	(18,111)	116,518	(19,375)	(37,486)	79,032	62,550
Commun.	669	201	(109)	870	(115)	(224)	647	579
Pat. Furnish.	11,113	901	(2,766)	12,014	(1,479)	(4,244)	7,769	8,363
Oth. Min. Equip.	2,346	698	(479)	3,043	(340)	(820)	2,224	1,873
Security	216	(92)	(48)	124	17	(31)	93	168
Cap. W.I.P.	18,369	16,134	-	34,503	-	-	34,503	18,369
TOTAL	443,674	72,714	(41,240)	516,388	(30,402)	(71,643)	444,744	404,088

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

4. Capital Work in Progress

Capital Works in Progress are the sums paid to suppliers for projects undertaken through the Health Sector Reform Program and South-West Regional Health Authority/Ministry of Health funded projects. The Health Sector Reform Programme is funded under an IDB Loan managed by the Project Administration Unit. These works will be transferred to the respective asset accounts upon completion and / or commissioning.

	2008	2007
	\$ '000	\$ '000
San Fernando General Hospital	10,669	4,573
Health Facility - Couva District Health Facility	0	2,754
Health Centers - CMOH Victoria	4,463	3,477
Health Centers - CMOH St. Patrick	19,370	7,565
TOTAL	34,503	18,369

5. Inventories

	2008	2007
	\$ '000	\$ '000
Medical Supplies	7,310	5,447
Food Supplies	365	195
Engineering Supplies	1,511	1,080
Stationery Supplies	614	459
Hardware Supplies	772	608
Linen	220	477
Laboratory Supplies	1,359	512
Pharmacy Supplies	12,400	9,400
Less:Provision for Stock Obsolescence	(314)	(314)
TOTAL	24,237	17,863

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

6. Receivables and Prepayments

	2008	2007
	\$ '000	\$ '000
VAT Recoverable	9,510	7,317
Ministry of Health	22,911	22,259
Ministry of Science & Technology (STTE)	0	1,273
PAU Projects	7,741	5,298
Other RHAs' (Diagnostic Equipment)	19,704	26,274
Other Debtors	2,079	2,843
Prepayments	3,227	551
Less: Provision for Bad Debts	0	(2,483)
TOTAL	65,172	63,332

During the Financial Year 2003/2004 the Government decided to equip each Region with Diagnostic Equipment. The South-West Regional Health Authority was commissioned to procure the items and make payments on them. As such a loan was granted in the name of the South-West Regional Health Authority for the full cost of the equipment. The assets relating to the other Regional Health Authorities amounted to forty-four million eight hundred and seven thousand two hundred and fifty four dollars (\$44,807,254). The total amount outstanding as at September 30, 2008 is Nineteen Million, seven hundred and four thousand, one hundred and twenty-eight dollars and twenty-two cents (\$19,704,128.22). This includes principal of Nineteen Million, two hundred and three thousand, one hundred and nineteen dollars and forty-five cents (\$19,203,119.45) and accrued interest of five hundred and one thousand, eight dollars and seventy-seven cents (\$501,008.77). The total is shown in SWRHA's books as a receivable. This receivable is drawn down with each repayment of the loan.

7. Cash and Cash Equivalents

The Figure for Cash & Cash Equivalents comprises of the following:

	2008	2007
	\$ '000	\$ '000
Cash in Hand	25	25
Cash at Bank	9,530	12,888
Short Term Deposits	5,146	3,120
TOTAL	14,701	16,033

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

8. Medium Term Loan

- (i) In October 2003 the Ministry of Health sourced a loan through Scotia Trust and Merchant Bank Trinidad & Tobago Limited to fund the settlement of liabilities due to an increase in salaries with effect from January 2002. The South-West Regional Health Authority's liability is \$17,883,671.50, which is repayable over seven (7) years and due semi-annually in the months of April and October. The interest is calculated at a fixed rate of 5.50%.
- (ii) In December 2003 the South-West Regional Health Authority under approval from the Ministry of Health and the Ministry of Finance issued notes for \$54,642,500 pursuant to a loan note instrument for the purpose of financing the purchase of diagnostic equipment for all the regions (note 6 refers).

In April 2004, the loan note instrument was converted to \$55,000,000 5.35% Fixed Rate Bonds repayable semi-annually in the months of April and October from 2004 to 2011. Citibank Trinidad Ltd carried out both these transactions and the appointed trustee is the First Caribbean International Banking and Financial Corporation Limited.

The liability relating to the other Regional Health Authorities principal balance outstanding as at September 30, 2008 is **Nineteen million, two hundred and three thousand, one hundred and nineteen dollars and forty-five cents (\$19,203,119.45)**.

The liability relating to the South-West Regional Health Authority principal balance outstanding as at September 30, 2008 is **Four Million three hundred and sixty eight thousand, three hundred and nine dollars and eleven cents (\$4,368,309.11)**.

The total balance outstanding is shown in SWRHA's books.

	Principal \$ '000	Amount Repaid \$ '000	Balance 2008 \$ '000	Balance 2007 \$ '000
CITIBANK-Diagnostic Equipment	55,000	31,429	23,571	31,429
Scotia Trust & Merchant Bank Ltd	17,884	11,497	6,387	8,942
	72,884	42,926	29,958	40,370
Less: Current Portion			(10,412)	(10,412)
	72,884	42,926	19,547	29,958

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

9. Accounts Payable

	2008	2007
	\$ '000	\$ '000
Trade Creditors	3,790	3,192

10. Other Payables and Accruals

	2008	2007
	\$ '000	\$ '000
Performance Deposit	1,997	1,166
MOH Prepayment (Funding for Loan Payment)	0	4,769
Outstanding Medical Fees	125	77
Private Medical Institutions	5,695	1,225
Accrued Expenses	17,306	10,568
Staledated Cheques	1,136	1,014
Payroll Liabilities	81,902	19,522
	108,162	38,343
Loans -Current Portion	10,412	10,412
TOTAL	118,574	48,755

11. Vested Property

Vested Property includes the value of the assets transferred from the Ministry of Health, and the Cost of Equipment/Construction made under the Health Sector Reform Project.

	2008	2007
	\$ '000	\$ '000
Balance Brought Forward	288,692	283,694
HSRP Payments - Current	28,759	4,997
TOTAL	317,451	288,692

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

12. Deferred Income

The Authority has changed its accounting treatment for Development Projects Subvention in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

In Accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors 'a change in accounting policy can be applied if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.' Prior to September 30th, 2005 funding for Development Projects was treated as income wholly in the year of receipt. These development projects create capital assets that have useful lives of more than one year. The previous accounting treatment did not match income received against the useful lives of these capital assets.

In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance 'Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.'

The Authority will present the funding received specifically for capital projects and equipment as a Liability through a Deferred Income account and will release the grant to the income statement over the life of the asset.

	2008	2007
	\$	\$
Balance B/F	51,210,675	41,253,769
Development Income	36,730,866	15,411,628
Deferred Income Write offs	(12,896,733)	(5,454,722)
Bal C/f	75,044,808	51,210,675

13. Revaluation Reserve

	2008	2007
	\$ '000	\$ '000
Balance Brought Forward	100,103	100,756
Transfer of Surplus	(652)	(652)
Balance C/Fwd	99,451	100,103

In accordance with IAS 16 Property, Plant and Equipment:

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

IAS 16.41

' The amount of surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or losses.

The following is the schedule of the period of adjustment of the Revaluation Surplus to be transferred

Asset Class	Excess Depreciation on Revaluation Surplus	Period of Transfer	Annual Adjustments
Buildings	25,459,288	50 years	509,186
Office Furniture	522,776	8 years	65,347
Patient Furnishings	456,249	8 years	57,031
Vehicles	82,930	4 years	20,733
			652,296

14. Retained Earnings

	2008 \$ '000	2007 \$ '000
Balance Brought Forward	(20,595)	(45,590)
Transfers from Revaluation Reserve	652	652
Current (Shortfall)/Excess	(64,017)	23,788
Prior Period Adjustment	(1,045)	554
Accumulated (Deficit)/Surplus	(85,005)	(20,595)

15. Government Subvention Recurrent Expenditure

These accounts include the amounts allocated under recurrent expenditure to the South-West Regional Health Authority for the payment of personnel emoluments to the public servants working within the Region. The Ministry of Health managed these funds exclusively.

The South-West Regional Health Authority managed the funds for other transfers and subsidies (RHA personnel emoluments, goods & services).

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

	2008	2007
	\$ '000	\$ '000
Personnel Emoluments (SWRHA)	420,104	265,801
Goods and Services (SWRHA)	27,976	109,686
	<u>448,080</u>	<u>375,486</u>
Personnel Emoluments (MOH)	63,404	130,241
TOTAL	<u>511,484</u>	<u>505,727</u>

16. Government Subvention Development Programme (MOH)

These amounts include funds allocated for Special Projects, Capital Expenditure and other non-recurrent payments that fall outside of the South-West Regional Health Authority recurrent expenditure.

	2008	2007
	\$ '000	\$ '000
Development Funding	12,881,068	5,454,722
TOTAL	<u>12,881,068</u>	<u>5,454,722</u>

17. National Insurance Property Development Company (NIPDEC) Limited

These accounts include the amounts allocated under recurrent expenditure to the South-West Regional Health Authority for the purchase of pharmaceuticals and other non – pharmaceutical goods (C40). The National Insurance Property Development Company Limited (NIPDEC) managed these funds exclusively on behalf of the Ministry of Health.

	2008	2007
	\$ '000	\$ '000
NIPDEC Purchases	62,360	47,461
TOTAL	<u>62,360</u>	<u>47,461</u>

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

18. Personnel Costs

	2008	2007
	\$ '000	\$'000
Salaries - RHA Staff	291,242	185,316
Salaries - MOH Staff	47,877	100,162
NIS - RHA Staff	14,627	7,336
NIS - MOH Staff	2,818	4,415
Pension Contributions - RHA	10,348	10,911
Salaries & NIS - Patient Care Assistants	3,804	4,560
Other Allowances - RHA	103,371	72,983
Other Allowances - MOH	12,710	25,663
Directors' Fees	513	430
TOTAL	487,312	411,775

19. Medical and Pharmaceutical Costs

	2008	2007
	\$ '000	\$ '000
Pharmaceutical Supplies	40,361	32,142
Medical Supplies	43,920	21,656
Laboratory Supplies	4,197	7,908
Purchased Patient Services	8,313	5,327
TOTAL	96,792	67,031

20. Other Operating Expenses

	2008	2007
	\$ '000	\$ '000
Food Supplies	6,207	4,702
Medical Gases/Medical Equipment Rental	3,622	3,371
Hardware Supplies	3,289	4,119
Linen	1,397	1,180
TOTAL	14,515	13,372

South-West Regional Health Authority

Notes To The Financial Statements (Continued) 30 September 2008

21. Property and Plant Expenses

In keeping with IAS 1 'Presentation of Financial Statements Section 1.27 Consistency of Presentation, the classification of expenses previously under 'Other' was reviewed in Financial Year 2007/2008 and expenses allocated to Vehicle Cost. As such, the comparatives for 2006/2007 have been restated in these accounts. (This pertains to Note nos. 20 and 21).

	2008	2007
	\$ '000	\$ '000
Electrical Services	4,865	5,190
Water Services	1,044	848
Repair & Maintenance	6,766	7,023
Security	13,528	9,295
Cleaning	2,961	2,117
Special Projects and Other Property and Plant Expenses	3,493	5,939
Depreciation	6,059	5,627
TOTAL	38,716	36,038

22. Administrative Expenses

	2008	2007
	\$ '000	\$ '000
Telephone	3,545	3,058
Office Supplies	2,521	1,675
Depreciation	24,913	11,660
Bank Charges & Interest	868	917
Vehicle Cost	2,011	1,774
Rent	1,630	1,522
Professional. Dev. & Legal Fees	2,686	1,645
Other	8,551	4,447
TOTAL	46,725	26,699

South-West Regional Health Authority

Notes To The Financial Statements (Continued)

30 September 2008

23. Pension

The South-West Regional Health Authority's (SWRHA) permanent, full-time and monthly-paid employees are members of the Regional Health Authorities Pension Plan. The SWRHA has its own section of the Pension Plan. This enables the SWRHA to meet the cost of benefits for its own employees in isolation and without cross subsidy to or from the other sections of the Pension Plan. The RHA Pension Plan is a defined benefit pension plan, and provides pensions related to employees' lengths of service and basic earnings at retirement. For this purpose, service includes service with the SWRHA prior to the establishment of the Plan on April 01, 2000 and pensionable service with the Government of Trinidad and Tobago or a statutory authority prior to transfer to employment with the SWRHA. Any superannuation benefits payable from the Consolidated Fund in respect of service that is also pensionable under the Plan are offset against benefits from the Pension Plan.

The Pension Plan is established under irrevocable trust and its assets are held in a separate fund administered by independent Trustees, Republic Finance & Merchant Bank Ltd. The Plan is funded by contributions from the employers and the members in accordance with the recommendations of the Plan's Actuary, Bacon Woodrow & de Souza. The actuarial valuation is performed on a three (3) year cycle with the most recent reporting date, September 30, 2006. Bacon Woodrow & de Souza had recommended an increase in the contributions rate of 13.3% to 14% for contributory members and 18.3% to 19% for non-contributory members which was paid by the SWRHA retroactively with effect from October 1, 2007.

The following disclosures are made in respect of the Pension Valuation Report as at September 30, 2006.

1) Actuarial Assumptions:

<i>Financial Assumptions-Long Term rates of:</i>	<i>% p.a</i>
Investment returns	8.75%
Earnings increases (inflation, age merit & promotion)	7.00%
Pension Increases	Nil

2) Funding Position:

<i>RHA</i>	<i>Value of Sub-Fund (\$M)</i>	<i>Past Service Liabilities (\$M)</i>	<i>Surplus (\$M)</i>	<i>Funding Level %</i>
SWRHA	47.0	39.0	8.0	120%

3) Risks

- a) **Investment**-The Plan has significant concentration of investments in the equity of three local companies. There is some scope for increasing exposure to overseas assets as 88% of the Plan's assets are invested in the local economy
- b) **Inflation**-There is a material risk of higher prices and pay inflation in the local economy
- c) **Longevity**- There is a risk that improving life expectancy could result in an unsustainable increase in costs for pension plans. It is also difficult to set mortality assumption due to the lack of reliable mortality data. Longevity assumptions will be kept under review for future valuations.