



## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENT OF THE TOBAGO HOUSE OF ASSEMBLY FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Section 46 of the Tobago House of Assembly Act, Chapter 25:03 requires the Auditor General to audit the accounts of the Tobago House of Assembly. The accompanying Financial Statement of the Tobago House of Assembly for the year ended September 30, 2016 has been audited. The statement as set out on pages 1 to 19 comprise a Statement of Consolidated Receipts and Payments for the year ended September 30, 2016, and Notes to the Financial Statement numbered 1 to 14 including a summary of accounting policies. The financial statement has been prepared by management using the International Public Sector Accounting Standard (IPSAS) Financial Reporting under the Cash Basis of Accounting described at note 2 to the financial statement.

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

2. The management of Tobago House of Assembly (the Assembly) is responsible for the preparation and fair presentation of this financial statement in accordance with the International Public Sector Accounting Standard (IPSAS) Financial Reporting under the Cash Basis of Accounting and for such internal control as management determines is necessary to enable the preparation of the financial statement that is 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 the financial statement based on conducting the audit in accordance with accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs however, sufficient appropriate audit evidence was not obtained to provide a basis for an audit opinion.

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

#### **PRESENTATION OF THE FINANCIAL STATEMENT**

4. The International Public Sector Accounting Standard (IPSAS) Financial Reporting under the Cash Basis of Accounting states that the statement of cash receipts and payments should present for the reporting period the "Beginning and closing cash balances of the entity." The Consolidated Statement of Receipts and Payments does not fully comply with the Cash Basis IPSAS in that the cash balance at the beginning of the year was not added to the 'Increase in cash for the year' to arrive at the 'Cash at the end of the year.'



**CASH AT THE END OF THE YEAR \$142,622,375.00**

5.1 The Consolidated Statement of Receipts and Payments shows that the 'Increase in cash' for the financial year amounted to \$142,622,375.00. The "Cash at the end of the year" was also shown as \$142,622,375.00.

5.2 An amount of \$100,975,230.00 shown as "Unspent Balances b/f" under 'Receipts from Other Sources' in the Consolidated Statement of Receipts and Payments was used in computing the 'Cash at the end of the year' balance of \$142,622,375.00 described at paragraph 5.1 above. The 'Cash at the end of the year' amounting to \$142,622,375.00 and the figure of \$100,975,230.00 shown as "Unspent Balances b/f" in the Statement of Receipts and Payments could not be reconciled with the sum of \$492,713,198.00 presented at note 7 to the financial statement as Cash and Cash Equivalents held by the Assembly.

5.3 International Public Sector Accounting Standard (IPSAS) Financial Reporting under the Cash Basis of Accounting states that the notes to the financial statements of an entity should:

*"Provide additional information which is not presented on the face of the financial statement but is necessary for a fair presentation of the entity's cash receipts, cash payments and cash balances."*

The bank account balances represented at note 7 to the financial statement were the balances on the bank statements and not the reconciled balances in the cash books of the Assembly. In some instances, significant differences ranging from \$157,468,114.64 to negative \$1,905,205.38 were seen.

5.4 There were large differences in the unrepresented cheque listings totals and the sums used in the reconciliation statements for three bank accounts. For two of the bank accounts, the sums on the cheque listings were in excess by \$7,721,186.99 and in the other bank account the total of the cheque listing was less by \$6,507,653.87. These differences could impact the reconciled balances in the cash books.

5.5 Net adjustments totalling \$3,556,067.15 on the bank reconciliation statements for three bank accounts at three Divisions of the Assembly were not verified due to the non-presentation of supporting documents.

5.6 Cash Basis IPSAS encourages and states inter alia that "... the cash receipts, cash transfers and cash balances arising from the collection activity will be included in the entity's statement of cash receipts and payments." *The amounts collected during the year* and the *'balance outstanding as at 30<sup>th</sup> September, 2016'* on behalf of the Comptroller of Accounts totalling \$2,883,871.00 and \$928,105.00 respectively, were omitted from the Statement of Consolidated Receipts and Payments. In addition the closing balance of \$275,690.00 at 30<sup>th</sup> September, 2015 was not included in the "cash at the beginning of the year". Note 12 to the financial statement is relevant.

5.7 Bank balances totalling \$45,220,272.00, (9.18%) of the total Cash and Cash Equivalents balance as disclosed at note 7 to the financial statement were not verified as documents presented by one Division were not in a condition to be examined at the time of audit.



**PAYMENTS - GOODS AND SERVICES      \$623,757,240.00**

6. Expenditure vouchers with supporting source documents for the verification of expenditure totalling \$56,797,520.51 at three divisions of the Assembly were not produced or were not in a state to be examined at the time of the audit. Included in these expenditure vouchers were payments totalling \$51,011,112.79 at a division which were not examined due to the unsatisfactory condition of the documents.

**CAPITAL EXPENDITURE - DEVELOPMENT PROGRAMME      \$515,615,257.00**

7. Payment vouchers and supporting documents were not produced to verify expenditure totalling \$36,911,160.50 which was incurred by two divisions of the Assembly.

**RECEIPTS FROM OTHER SOURCES - UNSPENT BALANCE      \$100,975,000.00**

8.1 Section 48 of the THA Act, Chapter 25:03 states: *“Notwithstanding section 42 of the Exchequer and Audit Act, monies appropriated by Parliament to the Fund for the service of a financial year which remain unexpended at the end of that financial year shall be retained in the Fund and utilised for the purposes of capital investment.”*

8.2 The sum \$100,975,000.00 is shown as ‘Unspent Balance b/f’ under ‘Receipts from Other Sources’ in the Statement of Consolidated Receipts and Payments. It was not ascertained whether the unexpended balance of \$100,975,000.00 was computed in accordance with the requirements of the above section of the Act and the rationale for the methodology used in the computation was also not determined.

**OPERATING PAYMENTS      \$78,257,276.00**

**URP AND ‘OTHER’ CONTINGENCIES ACCOUNT EXPENDITURE**

9.1 Section 34 (3) of the THA Financial Rules, 1990 states: *“ ... monies shall not be withdrawn from the Contingencies Account other than for the purpose of meeting urgent or unforeseen expenditure ... ”*

9.2 It was not ascertained whether the figures of \$31,761,569.00 and \$11,834,798.00 recorded as ‘Unemployment Relief Programme (URP) - Contingencies Account Expenditure’ and ‘Other Contingencies Account Expenditure’ respectively under ‘Operating Payments’ in the Statement of Receipts and Payments satisfied the criteria of ‘urgent and unforeseen in accordance with the above section of the THA Financial Rules, 1990.

9.3 Payment vouchers were not produced for the verification of contingencies expenditure totalling \$9,447,699.50 under Unemployment Relief Programme and Other Contingencies Account Expenditure.



## NOTES TO THE FINANCIAL STATEMENT

### External Assistance

10. The value of external assistance received during the financial year in the form of a Disaster Relief Warehouse built by an international department of government at a cost of US\$1,131,235.98 was not disclosed in the notes to the financial statement as required by the Cash Basis IPSAS.

### Investments - Milshirv

11.1 A lease arrangement between the THA and the lessee under which the sum of \$323,538,734.70 VAT inclusive is payable over a period of 20 years was not disclosed in the notes to the financial statement.

11.2 The sum of \$21,569,248.00 was held in Escrow at a commercial bank by way of an agreement dated 14<sup>th</sup> July, 2012. This sum represented 18 months' rent in advance for the Milshirv Office facility in the event of default. The sum of \$21,569,248.00 with added interest of \$101,592.24 were withdrawn from the bank account during the financial year. Documentation to support the withdrawal and recipient of the amounts held in the Escrow Account was not produced for audit.

### THA Deposits      \$17,758,475.00

12.1 Note 10 to the financial statement states that the above balance represents monies collected on behalf of various individuals, organizations and divisions of the Assembly on which claims for refunds can be made. The balance includes 25 overdrawn accounts totalling \$20,292,260.36. Based on the nature and composition of the individual balances, the above figure of \$17,758,475.00 does not appear to represent the description of the balance stated at note 10 to the financial statement.

12.2 A Deposit Register was not maintained by the Assembly in accordance with paragraph 204, Part XIII of the Financial Instructions 1965.

### DISCLAIMER OF OPINION

13. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraphs 4 to 12.2 above, 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 statement.



## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **TOBAGO HOUSE OF ASSEMBLY ACT**

14.1 Section 52 of the Act states:

*“Within two months of the coming into force of this Act, the Assembly shall, subject to the approval of the President, make such Financial Rules as are necessary for the proper management of its finances and such Rules shall, when made, be laid in Parliament.”*

14.2 At the date of this report, it was not seen that Financial Rules made under Section 52 of the Act, for the Tobago House of Assembly, were laid in Parliament.

14.3 Section 26 (1) of the Act states:

*“The Assembly shall not have responsibility for the matters set out in the Sixth Schedule.”*

14.4 The sum of \$204,000.00 was paid for the lease of two vehicles to be used by the Trinidad and Tobago Police Service which is an arm of national security. National security is in the Sixth Schedule of the Act as a matter for which the Assembly is not responsible.

### **TOBAGO HOUSE OF ASSEMBLY FINANCIAL RULES, 1990**

15.1 Section 34 (3) of the THA Financial Rules, 1990 states:

*“Monies shall not be withdrawn from the Contingencies Account other than for the purpose of meeting urgent or unforeseen expenditure.”*

15.2 Monies were withdrawn from the Contingencies Fund and in some instances were not used for the purpose of meeting urgent and unforeseen expenditure. Monies withdrawn were used to fund the Unemployment Relief Programme and construction of a mall.

### **FINANCIAL REGULATIONS AND INSTRUCTIONS**

16. There were breaches in the Income Tax Act, Chapter 75:01, Financial Regulations, Chapter 69:01, Financial Instructions 1965 and Treasury directives in the areas of executive compensation, maintenance of a register of contracts, maintenance of a deposit register, the unavailability of source documents for audit and the voiding of cheques.




**SUBMISSION OF REPORT**

17. 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.



10<sup>th</sup> December, 2020  
PORT OF SPAIN

  
LORELLY PUJADAS  
AUDITOR GENERAL





# TOBAGO HOUSE OF ASSEMBLY FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR ENDED  
SEPTEMBER 30, 2016







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## OVERVIEW

The Tobago House of Assembly is a body corporate established by Act No. 37 of 1980, which was repealed by Act No. 40 of 1996. This body corporate consists of:

- (i) One Presiding Officer
- (ii) Twelve (12) elected Assemblymen
- (iii) Four (4) appointed Councillors

The Chief Secretary is head of the Executive Arm, and the Chief Administrator is the head of the Public Service in the Tobago House of Assembly.

The main operations of the Assembly are funded by Appropriations from Parliament. In the year ended September 30, 2016 the sum of **\$2,302,717,132** was received directly from the Ministry of Finance and the Economy, while the sum of **\$236,056,041** was collected in Tobago on behalf of the Consolidated Fund, resulting in total Parliamentary Appropriation of **\$2,538,773,173**.

The total expended under Recurrent Expenditure for the year amounted to **\$1,952,253,861- representing 3.4% less than the previous financial year.** Development Programme expenditure incurred amounted to **\$515,615,257- this has decreased by 21.8% from the previous financial year.** The sum of **\$11,834,798** was spent on Other Contingencies Expenditure whilst **\$31,761,569** and **\$15,430,967** was expended on **Unemployment Relief Programme (URP) and the Community-Based Environmental Protection and Enhancement Programme (CEPEP)** respectively.

A total of **\$178,150,158** was generated from receipts from other sources which included the receipts generated by the Assembly totaling **\$45,973,426**. Total operating and other payments amounted to **\$81,200,382, 47.1% less than the previous year.**

The Tobago House of Assembly recorded an overall surplus of **\$142,622,375** at the end of the financial year.


  
Administrator

Division of Finance and Enterprise Development

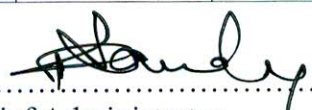


**TOBAGO HOUSE OF ASSEMBLY**  
**STATEMENT OF CONSOLIDATED RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<b>RECEIPTS</b>	<b>Note</b>	<b>2016</b>			<b>2015</b>
		<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>PARLIAMENTARY APPROPRIATIONS</b>					
Recurrent Releases	(13)(i)	2,100,206,668	1,898,917,132	(201,289,536)	2,010,560,222
Development Programme Releases	(13)(i)	403,800,000	403,800,000	-	384,427,000
<b>Parliamentary Appropriations</b>		<b>2,504,006,668</b>	<b>2,302,717,132</b>	<b>(201,289,536)</b>	<b>2,394,987,222</b>
<b>TAX AND NON TAX REVENUES</b>					
	(13)(ii)			-	
Taxes on Income and Profits		159,240,000	164,103,523	4,863,523	201,463,177
Taxes on Property		450,000	401,573	(48,427)	467,659
Taxes on Goods and Services		66,345,425	61,555,480	(4,789,945)	66,408,143
Taxes on International Trade		3,701,620	3,870,363	168,743	3,516,409
Other Taxes		7,000,000	4,750,810	(2,249,190)	5,097,676
Property Income		185,487	134,303	(51,184)	128,559
Other non tax Revenue		7,870,800	1,239,989	(6,630,811)	987,384
<b>Total Tax and Non Tax Revenues</b>		<b>244,793,332</b>	<b>236,056,041</b>	<b>(8,737,291)</b>	<b>278,069,007</b>
<b>Total Parliamentary Appropriations</b>		<b>2,748,800,000</b>	<b>2,538,773,173</b>	<b>(210,026,827)</b>	<b>2,673,056,229</b>
<b>PAYMENTS</b>					
<b>RECURRENT EXPENDITURE</b>					
Personnel Expenditure	(14)	786,153,200	644,421,468	141,731,732	760,325,506
Goods and Services		637,717,200	623,754,240	13,962,960	640,948,956
Minor Equipment Purchases		17,655,600	7,564,362	10,091,238	9,303,358
Current Transfers and Subsidies		903,474,000	676,513,791	226,960,209	609,611,133
<b>Total Recurrent Expenditure</b>		<b>2,345,000,000</b>	<b>1,952,253,861</b>	<b>392,746,139</b>	<b>2,020,188,953</b>
<b>CAPITAL EXPENDITURE</b>					
Development Programme Expenditure	(14)	403,800,000	515,615,257	(111,815,257)	659,057,095
<b>Total Recurrent and Development Programme Expenditure</b>		<b>2,748,800,000</b>	<b>2,467,869,118</b>	<b>280,930,882</b>	<b>2,679,246,048</b>
<b>Net Surplus/(Deficit) from Parliamentary Appropriations</b>		<b>-</b>	<b>70,904,055</b>	<b>70,904,055</b>	<b>(6,189,819)</b>

  
 Administrator  
 Finance and Enterprise Development



  
 Chief Administrator  
 Tobago House of Assembly



**TOBAGO HOUSE OF ASSEMBLY**  
**STATEMENT OF CONSOLIDATED RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Note	2016	2015
		Actual	Actual
		\$	\$
<b>Receipts From Other Sources</b>	(13)(iii)		
Ministry of Public Utilities-CEPEP		8,000,000	8,000,000
Ministry of Works and Transport -URP		23,000,000	23,000,000
Unspent Balances b/f		100,975,230	131,497,220
<b>Total Receipts from Other Sources</b>		<b>131,975,230</b>	<b>162,497,220</b>
<b>THA Generated Receipts</b>	(13) (iv)		
Tobago House of Assembly - Revenue		5,658,290	4,774,756
Tobago House of Assembly - Deposits		15,491,292	12,662,810
Division of Settlements Revolving Housing Fund		18,652,082	3,752,639
Interest from Bank Accounts		6,017,161	6,266,694
Interest Income - Enterprise Assistance Fund		154,601	146,460
<b>Total THA Generated Receipts</b>		<b>45,973,426</b>	<b>27,603,359</b>
<b>Loan Repayments</b>	(9)		
Advances to Assemblymen and Contracted officers		201,502	352,774
<b>Total Loan Repayments</b>		<b>201,502</b>	<b>352,774</b>
<b>TOTAL RECEIPTS</b>		<b>178,150,158</b>	<b>190,453,353</b>
<b>Operating Payments</b>			
CEPEP	(5)	8,000,000	7,996,414
CEPEP-Contingencies Account Expenditure	(5)	15,430,967	16,232,926
Unemployment Relief Programme- Contingencies Account Expenditure	(5)	31,761,569	41,079,555
Other Contingencies Account Expenditure	(5)	11,834,798	80,782,594
Revolving Housing Fund Expenditure		7,401,649	-
Payments from THA Deposit Accounts	(10)	3,828,293	5,118,164
<b>Total Operating Payments</b>		<b>78,257,276</b>	<b>151,209,653</b>
<b>Loan Disbursements</b>			
Advances to Assemblymen and Contracted Officers	(9)	250,000	-
Advances for Enterprise Development			13,664
<b>Other Payments</b>	(14)(ii)		
Service and Bank Charges		2,630,581	2,168,079
Refund of Revenue		62,525	-
<b>Total Other Payments</b>		<b>2,943,106</b>	<b>2,181,743</b>
<b>TOTAL PAYMENTS</b>		<b>81,200,382</b>	<b>153,391,396</b>
<b>Net cash surplus from other sources</b>		<b>96,949,776</b>	<b>37,061,957</b>
<b>Cash surplus before transfers</b>		<b>167,853,831</b>	<b>30,872,138</b>
<b>less: Transfers</b>	(14)(iii)		
Unemployment Relief Programme		23,000,000	23,000,000
Treasury Deposit payments		2,231,456	1,684,683
<b>Total Transfers</b>		<b>25,231,456</b>	<b>24,684,683</b>
<b>Increase in Cash after transfers</b>		<b>142,622,375</b>	<b>6,187,455</b>
<b>Cash at the beginning of the year</b>		-	-
<b>Increase in cash</b>		<b>142,622,375</b>	<b>6,187,455</b>
<b>Cash at the end of the year</b>		<b>142,622,375</b>	<b>6,187,455</b>

\* Cash at the beginning of the year is transferred to Unspent Balances b/f



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(1) BASIS OF PREPARATION:***

These accounts are prepared in accordance with Section 45 of the Tobago House of Assembly Act No. 40 of 1996.

***(2) ACCOUNTING POLICIES***

This Financial Statement is prepared on the cash basis guided by accounting principles for Government operations set out by the International Public Sector Accounting Standards (IPSAS). The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Tobago House of Assembly. The measurement base is historical cost. The adoption of cash basis encourages the effective transitioning process to the accruals basis of accounting. The International Public Sector Accounting Standards Board (IPSASB) considers that the IPSAS are an integral element in the efficient functioning of the international economy and of reforms directed at promoting social and economic development.

The Notes to the Financial Statement include additional information about the Tobago House of Assembly's assets, liabilities and the financial analysis of the receipts and payments.

***(3) REPORTING AND BUDGET PERIOD***

The reporting period for this Financial Statement is the year October 1 2015 to September 30 2016.

***(4) REPORTING CURRENCY***

The reporting currency is the currency of Trinidad and Tobago (TT\$), rounded to the nearest dollar value.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(5) RECURRENT, DEVELOPMENT PROGRAMME AND CONTINGENCIES  
EXPENDITURE BY DIVISION***

The Financial Statement comprises of Recurrent, Development Programme and Contingencies Expenditure, the payments incurred for the year ended September 30, 2016 by Division are shown below:

Division	Recurrent Expenditure	Development Programme Expenditure	Contingencies Expenditure	Total Expenditure
	TTS	TTS	TTS	TTS
Assembly Legislature	12,759,268	600,850		13,360,118
Office of the Chief Secretary and Planning	104,937,567	4,440,343	4,532,822	113,910,732
Finance and Enterprise Development	97,525,084	17,134,736		114,659,820
Tourism and Transportation	163,934,504	14,325,126		178,259,630
Education, Youth Affairs and Sport	401,913,841	50,856,219	1,080,500	453,850,560
Community Development and Culture	86,878,884	11,775,217		98,654,101
Infrastructure and Public Utilities	334,147,173	202,625,356	6,221,476	542,994,005
Agriculture, Marine Affairs, Marketing and the Environment	128,305,891	139,287,600		267,593,491
Settlements and Labour	19,325,884	52,751,194		72,077,078
Health and Social Services	602,525,765	21,818,616		624,344,381
<b>Total Expenditure</b>	<b>1,952,253,861</b>	<b>515,615,257</b>	<b>11,834,798</b>	<b>2,479,703,916</b>

Other programmes funded by the Contingencies Account include the Unemployment Relief Programme (URP) which expended a total of **\$31,761,569**, and the Community-Based Environmental Protection and Enhancement Programme (CEPEP) which expended a total of **\$15,430,967**. The total expenditure incurred under Contingencies Account Expenditure amounted to **\$11,834,798**.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**(6) NON-CURRENT ASSETS**

The total value of assets recorded at cost as at September 30, 2016 amounted to **\$1,192,020,029**.

Cost	Land	Buildings	Plant & Machinery	Boats	Vehicles	Office Equipment & Office Furniture	Other Equipment	Totals
	TTS	TTS	TTS	TTS	TTS	TTS	TTS	TTS
Opening Balance as at 01.10.2015	448,243,503	385,937,865	54,491,893	3,502,431	48,598,903	125,142,706	37,254,310	1,103,171,611
Prior year adjustment	81,244,800							81,244,800
Additions for the year	-	-	39,256	-	559,273	5,066,132	1,938,957	7,603,618
	529,488,303	385,937,865	54,531,149	3,502,431	49,158,176	130,208,838	39,193,267	1,192,020,029
Closing balance as at 30.09.2016	529,488,303	385,937,865	54,531,149	3,502,431	49,158,176	130,208,838	39,193,267	1,192,020,029

The prior year adjustment for land represents lands acquired by the Tobago House of Assembly for the financial years 2006-2011 for which deeds of ownership are available. The schedule below details the prior year adjustment to Land:

Financial year 2006:	\$ 9,650,000
Financial year 2007:	\$ 4,930,000
Financial year 2008:	\$48,164,800
Financial year 2009:	\$1,500,000
Financial year 2010:	\$ 5,000,000
Financial year 2011:	<u>\$12,000,000</u>
<b>Total</b>	<b><u>: \$81,244,800</u></b>

Additions to non current assets funded by:	Minor Equipment	Development Programme	Total
Plant and Machinery		\$ 39,256	\$ 39,256
Vehicles	\$ 559,273		\$ 559,273
Office equipment and Office Furniture	\$ 5,066,132		\$ 5,066,132
Other Equipment	\$ 1,938,957		\$ 1,938,957
<b>Total</b>	<b>\$ 7,564,362</b>	<b>\$ 39,256</b>	<b>\$ 7,603,618</b>

Tobago House of Assembly Financial Statement for the financial year ended September 30 2016

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**(7) CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents comprise of total bank account balances \$492,202,924 and short term highly liquid investments (Certificate of Deposit Accounts) \$510,274 that are readily convertible into cash. The total cash and cash equivalents amounted to \$492,713,198.

	2016	2015
	TTS	TTS
THA Fund Account	44,521,519	37,561,800
THA Main Payroll Account	3,615	4,113
THA Main Goods & Services Account	3,536	1,256
THA Main Development Programme Account	10,495	10,854
Contingencies Account	16,783,006	18,449,753
Tourism Rolling Plan Account	9,432	9,791
Tobago Heritage Land Trust Account	145,733	146,092
Cove Eco-Industrial and Business Park Account	255,357	255,716
THA Pensions Account	1,846,493	1,474,898
THA Paymaster Imprest Account	192,106	120,457
THA CEPEP and URP Control Account	679	1,040
<b>Other Accounts</b>		
Agriculture Marine Affairs Hyberbaric Account	22,341	22,701
THA Carifesta IX Account	79,436	79,796
DIPU-Studley Park Quarry Account	1,976,292	2,698,191
Emergency Assistance Card Programme Account	600,415	735,463
Settlements and Labour Revolving Fund Account	16,348,129	6,028,210
Settlements and Labour IADB Account	719,897	-
Division of Agriculture, Marine Affairs, Marketing and the Environment-YAPA Account	1,359,697	1,429,020
Enterprise Assistance Fund	8,986,623	8,081,258
THA Community Enhancement Programme Account CEPEP	11,143,119	2,355,082
Unemployment Relief Programme Account	597,157	643,061
Marketing Department Account	13,231	344,897
	105,618,308	80,453,449
<b><i>Divisions' Payroll Bank Account Balances</i></b>		
Assembly Legislature	227,962	214,591
Public Administration	1,960,036	4,817,445
Finance and Enterprise Development	927,486	3,122,261
Infrastructure and Public Utilities	2,629,630	653,449
Community Development and Culture	595,864	849,424
Education, Youth Affairs and Sport	13,327,299	20,923,994
Health and Social Services	5,934,062	(273,145)
Agriculture, Marine Affairs, Marketing and the Environment	9,057,086	2,634,488
Tourism and Transportation	2,112,435	1,529,251
Settlements and Labour	131,666	119,135
	36,903,526	34,590,893

**Tobago House of Assembly Financial Statement for the financial year ended September 30 2016**



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
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	2016 TTS	2015 TTS
<i>Divisions' Goods and Services Bank Account Balances</i>		
Assembly Legislature	965,808	808,282
Public Administration	8,732,738	8,566,415
Finance and Enterprise Development	3,580,164	6,486,837
Infrastructure and Public Utilities	14,738,222	16,056,606
Community Development and Culture	4,875,135	3,899,465
Education, Youth Affairs and Sport	4,888,535	17,452,525
Health and Social Services	52,074,990	16,460,065
Agriculture, Marine Affairs, Marketing and the Environment	8,297,767	15,156,022
Tourism and Transportation	25,336,413	12,667,873
Settlements and Labour	<u>1,600,053</u>	<u>1,198,694</u>
	125,089,825	98,752,784
<i>Divisions' Development Programme Bank Account Balances</i>		
Assembly Legislature	341,506	196,635
Public Administration	3,506,475	2,479,249
Finance and Enterprise Development	10,661,553	1,433,082
Infrastructure and Public Utilities	78,327,162	19,798,475
Community Development and Culture	6,844,665	2,295,727
Education, Youth Affairs and Sport	11,651,015	9,625,519
Health and Social Services	16,866,853	8,354,584
Agriculture, Marine Affairs, Marketing and the Environment	23,963,097	1,184,244
Tourism and Transportation	7,256,031	250,599
Settlements and Labour	<u>25,180,831</u>	<u>14,388,237</u>
	184,599,188	60,006,351
<i>Divisions' Special Purpose Bank Account Balances</i>		
Assembly Legislature	74,174	74,533
Public Administration	1,652,316	9,540,412
Finance and Enterprise Development (Capital)	10,156	1,465,596
Finance and Enterprise Development	204,640	2,450,405
Infrastructure and Public Utilities	20,233,146	26,200,470
Community Development and Culture	82,063	82,423
Education, Youth Affairs and Sport	1,468	1,827
Health and Social Services	174,269	174,628
Agriculture, Marine Affairs, Marketing and the Environment	2,507,053	21,080,998
Tourism and Transportation	580	240
Settlements and Labour	<u>507</u>	<u>67</u>
	24,940,372	61,071,599

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	2016	2015
	TTS	TTS
<b>Tobago House of Assembly US Deposits</b>		
THA Finance and Enterprise Development US Savings Account		
<b>\$50,448.47USD @ \$6.7415</b>	<b>340,098</b>	<b>317,503</b>
 <b>REPUBLIC BANK ACCOUNT</b>	 <b>TTS</b>	 <b>TTS</b>
Republic Bank Advance and Deposits Account	14,711,607	12,085,589

**The Tobago House of Assembly held liquid investments as at September 30, 2016. These are outlined below:**

	2016	2015
	TTS	TTS
<i>Liquid Investments</i>		
First Citizens Bank Limited Certificate of Deposit Account	286,428	284,717
Republic Bank Limited Certificate of Deposit Account	<u>223,846</u>	<u>223,177</u>
	<b>510,274</b>	<b>507,894</b>
 <b>TOTAL CASH AND CASH EQUIVALENTS</b>	 <b><u>492,713,198</u></b>	 <b><u>347,786,062</u></b>

**OVERDRAFT FACILITY/ LETTER OF CREDIT**

The Tobago House of Assembly was granted an Overdraft facility provided by First Citizens Bank Limited of TT\$243,600,000 and Letter of Credit amounting to TT\$6,400,000/ US\$1,000,000 for a period of 12 months with an interest rate of 8% per annum.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(8) INVESTMENTS***

***Investments in Subsidiaries***

The THA has invested in several Special Purpose entities. These include investments in;

- Eco-Industrial Development Company of Tobago Limited (EIDCOT)
- Tobago House of Assembly Venture Capital Equity Fund Company Limited
- Tobago Cassava Products Limited
- Fish Processing Company of Tobago Limited (FIPCOT)
- Milford Road Esplanade Limited
- Tobago Information Technology Limited (TITL)
- Tobago Cold Storage and Warehouse Facility Limited (TCOSWAF)
- Tobago Hospitality and Tourism Institute (THTI)
- Pigeon Point Heritage Park Company Limited
- Tobago Project Development Authority Limited

***Escrow Accounts***

- |  |                     |
|--|---------------------|
| - <b>First Citizens Bank Limited for Milshirv Properties Limited and Tobago House of Assembly Account closed on July 12<sup>th</sup>, 2016</b> | -                   |
| - <b>Tobago House of Assembly Culloden Land Purchase</b>   | <b>2,021,640.25</b> |

***Other Investments***

The investments in Decipher Caribbean Systems Limited (\$2,500,000) and W.W. Automotives (\$5,000,000) are yet to realize financial returns. The Executive Council has not yet given the approval to write off these investments.

ADDA Investment (\$12,620,000) is the subject of a pending court matter.

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(9) LOAN ADVANCES AND DISBURSEMENTS***

*Loans to Assemblymen and Contracted Officers*

A Loan amounting to \$250,000 was advanced in fiscal 2016. During the year ended September 30<sup>th</sup> 2016, seven (7) loan recipients made repayments which totalled **\$201,502**, this represented 43% less than repayments made in the previous financial year.

	TT\$
<i>Other Advances- Double B Enterprises</i>	
Balance October 1, 2015	29,003
Amount advanced during the year	-
Amount repaid during the year	-
<b>Amount outstanding as at September 30, 2016</b>	<b><u>29,003</u></b>

The outstanding balance for Double B Enterprises represents the amount owing from a loan of \$500,000 which was granted in the financial year ended September 30, 2003.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**(10) TOBAGO HOUSE OF ASSEMBLY DEPOSITS**

Deposits represent monies collected on behalf of various individuals, organizations and divisions of the Assembly on which claims for refund can be made.

	TT\$
Opening balance October 1, 2015	6,095,476
Receipts during the year	15,491,292
Payments during the year	<u>(3,828,293)</u>
<b>Balance as at September 30, 2016</b>	<b><u>17,758,475</u></b>

**(11) COMMITMENTS**

Commitments represent the total of invoice orders issued for goods and services which were not received as at September 30, 2016:

Divisions	2015	2016
	TTS	TTS
Assembly Legislature	19,729	268,355
Office of The Chief Secretary and Planning	1,382,785	1,396,642
Division of Finance and Enterprise Development	496,312	2,653,463
Division of Infrastructure and Public Utilities	15,947,600	21,927,184
Division of Community Development and Culture	1,899,614	1,073,143
Division of Education Youth Affairs and Sports	2,203,869	4,528,207
Division of Health & Social Services	3,047,261	2,153,482
Division of Agriculture, Marine Affairs, Marketing and the Environment	2,974,006	1,791,967
Division of Tourism and Transportation	5,598,427	2,697,777
Division of Settlements and Labour	49,230	35,537
<b>Total Commitments as at September 30, 2016</b>	<b><u>33,618,833</u></b>	<b><u>38,525,757</u></b>

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(12) COMPTROLLER OF ACCOUNTS***

The balance outstanding for the Comptroller of Accounts represent the amounts collected in Tobago on behalf of the Comptroller of Accounts for Treasury Deposits and Green Fund Levy during the year ended September 30, 2016.

	TT\$
Opening balance October 1, 2015	275,690
Add: amount collected during the year	<u>2,883,871</u>
Total Receipts	3,159,561
Less: Amount transferred re: Financial Year 2015	(275,690)
Amount transferred re: Financial Year 2016	<u>(1,955,766)</u>
<b>Balance outstanding September 30, 2016</b>	<b><u>928,105</u></b>

***The outstanding amount of \$928,104.71 was collected in September 2016 and transferred to the Comptroller of Accounts on October 17, 2016.***



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**(13) RECEIPTS**

**(13) (i) Parliamentary Appropriations**

The budgetary allocation for the Tobago House of Assembly for fiscal 2016 amounted to **\$2,748,800,000**; **\$2,345,000,000** was allocated for recurrent expenditure and **\$403,800,000** for development programme expenditure.

For the year ended September 30, 2016, the Tobago House of Assembly received **\$2,538,773,173** to fund its operations; recurrent expenditure releases amounted to \$2,134,973,173 and development programme releases of \$403,800,000. This represented a **7.6%** less than total sums budgeted and **5% less than** the total parliamentary appropriations in 2015.

**(13)(ii) Tax and Non-tax Revenues**

Total tax and non-tax revenues collected for the year amounted to **\$236,056,041**, which saw an overall decrease of \$42,012,966 or 15.1% from 2015. The major contributor to the decrease was the taxes collected on income and profits; declining from \$201,463,177 in 2015 to \$164,103,523 in 2016, an 18.5% decrease. The decrease was mainly due to the collection of income taxes on the arrears paid to public officers in fiscal 2015.

**Tax Revenues**

*Taxes on Income and Profits*

Taxes on Income and Profits for the year amounted to **\$164,103,523** and accounts for 69.5% of the tax and non-tax revenues collected. There was a decrease of \$37,359,654 which represents a fall of about 18.5% from 2015. Taxes on Income and Profits include collections from income taxes, corporation taxes, health surcharge and withholding taxes.

*Taxes on Property*

Taxes on Property amounted to **\$401,573**, which accounts for .2% of total tax and non-tax revenues. Taxes on property comprises mainly of Land and Building taxes collected in Tobago.

*Taxes on Goods and Services*

Taxes on Goods and Services was the second largest contributor to the tax and non-tax revenues. It forms **\$61,555,480**. or 26.1% of the total tax and non-tax revenues collected. There was a decrease of \$4,852,663 or 7.3% from 2015. Major contributors to taxes on goods and services include value added taxes (VAT) and motor vehicle taxes and duties.

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

*Taxes on International Trade*

Taxes on International Trade represents 1.6% of the total tax and non-tax revenues. The taxes collected amounted to **\$3,870,363** which was \$353,954 or 10.1% more than the previous year. This was mainly due to an increase in import duties.

*Other Taxes*

Other Taxes include collections for stamp duties. It contributed **\$4,750,810** or 2% to the tax and non-tax revenues in fiscal 2016. Other taxes fell by 6.8% from 2015.

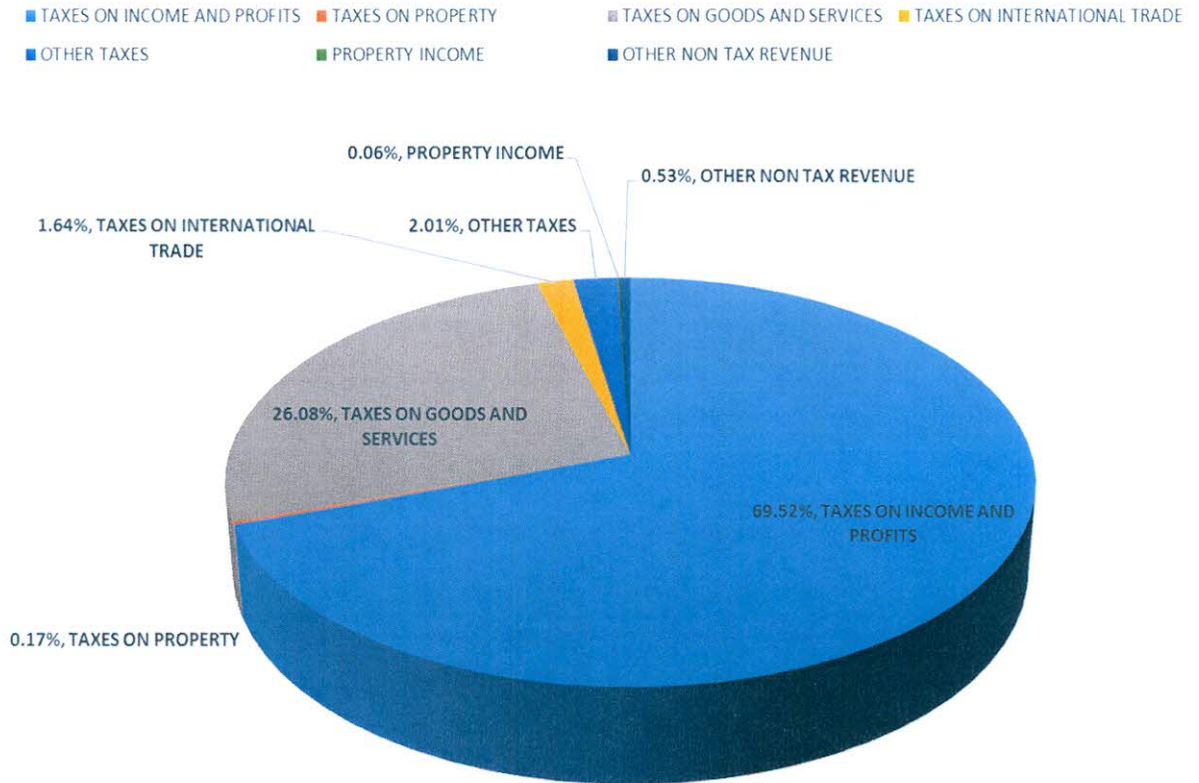
**Non-Tax Revenues**

Non-tax revenues accounts for .58% of the tax and non-tax revenues collected. This category of revenue increased by \$258,349 or 23.1%; from \$1,115,943 in 2015 to **\$1,374,292** in 2016. This was mainly due to the increase in property income and other non tax revenue which increased by 4.5% and 25.6% respectively. Property income includes fees from rental of housing lots and rental of Government buildings whilst other non-tax revenues are collected from fees, penalties and fines.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
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**TAX AND NON TAX REVENUES 2015-2016**



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**(13)(iii) Receipts from other sources**

The Tobago House of Assembly received a total of **\$23,000,000** from the Ministry of Works and Transport to fund part of the Unemployment Relief Programme (URP) in Tobago.

The Ministry of Public Utilities funded the Community-Based Environmental Protection and Enhancement Programme (CEPEP) by a distribution of **\$8,000,000**.

The Unspent Balances represent unexpended funds from the previous year, reserved for capital and contingencies expenditure. Unspent balances amounted to \$100,975,230 which decreased by \$30,521,990 or 23.2% from fiscal 2015 to fiscal 2016.

**(13)(iv) THA generated receipts**

In fiscal 2016, the Tobago House of Assembly generated receipts from operations amounting to **\$45,973,426**. The major contributors include The Division of Settlements and Labour Revolving Housing Fund revenues and receipts from THA Deposits. Revenues generated from fees and sales receipts amounted to **\$5,658,290** which saw an increase of 18.5% from the previous year.

The Division of Settlements and Labour Revolving Housing Fund revenues from the sale of housing units amounted to **\$18,652,082** whereas \$3,752,639 was collected in 2015. The revenues from sale of housing units was represented by the fifty two (52) mortgages that were closed in fiscal 2016.



**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(14) PAYMENTS***

Payments consist of expenditure incurred for Recurrent Expenditure, Development Programme Expenditure, Contingencies Account Expenditure, Operating Payments, Loan Disbursements and Other Payments.

Recurrent and Development Programme Expenditure were the two largest components of payments in 2015-2016, representing **76.6%** and **20.2%** of payments respectively.

Recurrent Expenditure consists of Personnel Expenditure **33%**, Goods and Services **32%**, Current Transfers and Subsidies **34.7%** and Minor Equipment Purchases **.4 %**.

Total Recurrent Expenditure recorded a **3.4% decrease** from 2015 whilst Development Programme Expenditure also recorded a **decrease of 21.8%** from 2015.

Personnel Expenditure decreased by **15.2%** mainly due to the payment of arrears to Public Officers in 2015.

Goods and Services also saw a decrease by **2.7%** from 2015. Minor equipment decreased by **\$1,738,996** or **18.7%**, mainly due to the cost cutting measures as a result of the global and local economic conditions.

Current Transfers and Subsidies increased by **\$66,902,658** or **11%** reflecting increases in transfers to persons, organisation and other government bodies/agencies. Major contributors to the increase was the payment of arrears to Tobago Regional Health Authority (TRHA).

***(14)(i) Operating Payments***

In 2016, the total expended on the Community-Based Environmental Protection and Enhancement Programmes (CEPEP) amounted to **\$23,430,967** whilst in 2015 the expenditure amounted to **\$24,229,340**, a decrease of **\$798,373** or **3.3%**.

The Unemployment Relief Programme expenditure for 2016 recorded a reduction of **22.7%** from 2015, this was also due to the ongoing cost cutting strategies implemented in 2015.

Other Contingencies Account Expenditure totalled **\$11,834,798**. Some of the major projects and programmes expended under the Contingencies Expenditure Account include;

Major Projects/ Programmes	Amounts allocated
<b>Advanced Training and Advisory Services</b>	<b>\$ 5,000,000</b>
<b>La Londe Gordon Sport Development Fund</b>	<b>\$ 1,080,500</b>
<b>Adventure Micro Enterprise Project</b>	<b>\$ 7,000,000</b>

**TOBAGO HOUSE OF ASSEMBLY  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

***(14)(ii) Other Payments***

Other payments include refund of revenue and service and bank charges incurred for overdraft interest fees as well as fees for other services conducted by the bank for and on behalf of the Tobago House of Assembly.

***(14)(iii) Transfers***

*Unemployment Relief Programme advances*

The Ministry of Works and Transport allocated **\$23,000,000** to fund part of the Unemployment Relief Programme in Tobago. The Tobago House of Assembly advanced \$23,000,000 from the Assembly Fund Account and cheques were subsequently redeposited to the Fund, when received from the Ministry of Works and Transport.

*Treasury Deposit Payments*

The treasury deposit payments to the Comptroller of Accounts represent the amounts collected in Tobago on behalf of the Comptroller of Accounts for Treasury Deposits and Green Fund Levy during the year ended September 30, 2016.

In fiscal 2016, the Assembly collected \$7,500 and \$2,876,370.74 for treasury deposits and green fund levy respectively. Total payments made for the year ended September 30, 2016 amounted to \$2,231,455.91.



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