REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED SEPTEMBER 30TH, 2011

Section 24 of the College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 requires the Auditor General to audit the accounts of the College of Science, Technology and Applied Arts of Trinidad and Tobago. The accompanying Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended September 30th, 2011 have been audited. The Statements comprise a Balance Sheet as at September 30th, 2011, a Statement of Income and Expenditure, a Statement of Changes in Reserves and a Statement of Cash Flows for the year ended September 30th, 2011 and Notes to the Financial Statements numbered 1 to 16.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) is responsible for the preparation and fair presentation of these Financial Statements, in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of these 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 conducting the audit in accordance with the principles and concepts of International Standards of Supreme Audit Institutions. Because of the matters described in the Basis for Disclaimer of Opinion at paragraph 4, however, I am unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

4. Several balances on the prior year's Financial Statements could not be verified as sufficient appropriate supporting documents were not provided for audit. Since opening balances affect the determination of the results of operations, it could not be determined whether adjustments to the results of operations and opening retained earnings might be necessary for 2011. The audit opinion on these Financial Statements was modified accordingly. My audit opinion on the current period's Financial Statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures, in addition to the matters outlined below.

Non-Verification Of Balances

4.1 The following items in the Financial Statements could not be verified as supporting documents and journals were not provided for audit examination, nor did they agree with underlying records:

BALANCE SHEET

	$
Assets	
Cash and cash equivalents	53,271,972
Accounts receivable and prepayments	65,806,810
Property, plant and equipment	19,056,007
Liabilities	
Trade and other payables	8,864,106
Deferred capital grants	84,539,955

Statement Of Income And Expenditure

	$
Income	
Capital grants released	10,581,816
Tuition and other related fees	65,612,812
Expenses	
Staff costs	95,678,418
General and administrative expenses	16,348,466
Other operating expenses	43,935,169

Disclaimer Of Opinion

5. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraph 4, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

Legal And Other Regulatory Requirements

BOARD MATTERS

6. The College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 Section 7, paragraphs 4 states:

> *"(4) A member may resign his appointment by giving one month's notice in writing to the President."*

6.1 Evidence that the Vice-Chairman tendered her resignation and gave one month's notice in writing to the President was not seen. However, the Vice-Chairman tendered her resignation to the Chairman on 1st June 2011 with immediate effect.

PENSION PLAN

7. Evidence was not seen that a pension fund plan was established as required by section 32 of Act No. 77 of 2000. However, Note 2 (k) of the Financial Statements describes the alternate arrangements made for permanent staff.

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.

22ND APRIL, 2025
PORT OF SPAIN

JAIWANTIE RAMDASS
AUDITOR GENERAL

COSTAATT

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

Financial Statements for the Year Ended September 30th, 2011

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

BALANCE SHEET
For year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

	Note	2011	2010
ASSETS			
Current assets			
Cash and cash equivalents	4	53,271,972	61,597,910
Accounts receivable and prepayments	5	65,806,810	25,829,726
		119,078,782	87,427,636
Non-current assets			
Property, plant and equipment	7	19,056,007	21,443,384
Civil works		0	0
Capital projects in progress		0	0
		19,056,007	21,443,384
Total Assets		138,134,789	108,871,020
LIABILITIES AND RESERVES			
Current liabilities			
Trade and other payables	6	8,864,106	16,001,538
Non-current liabilities			
Deferred capital grants	8	84,539,955	60,821,772
Reserves		44,730,728	32,047,710
Total Liabilities and Reserves		138,134,789	108,871,020

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

These financial statements were approved on **July 21st, 2022** and signed by:

Gillian Paul .... President, COSTAATT
Dr. Gillian Paul

Dookie .... Finance Director, COSTAATT
Ms. Dawn Dookie

REPUBLIC OF TRINIDAD AND TOBAGO
22.4.2025
AUDITOR GENERAL

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF INCOME AND EXPENDITURE
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

	Note	2011	2010
Income			
Government Contributions:			
Recurrent grants		98,983,500	91,203,650
Capital grants released	8	10,581,816	17,492,020
Tuition and other related fees		65,612,812	36,948,900
Interest income	9	876,059	975,170
Miscellaneous income		1,065,657	1,206,322
Other income	10	884,858	384,706
		178,004,702	148,210,768
Expenses			
Depreciation	7	8,668,570	9,105,399
Staff costs	11	95,678,418	89,037,672
General and administrative expenses	12	16,348,466	16,576,134
Other operating expenses	13	43,935,169	69,208,417
		164,630,623	183,927,622
Excess of income over expenditure for the year		13,374,079	-35,716,854

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

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF CHANGES IN RESERVES
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

Year ended 30th September, 2009	
Balance at 1st October 2008 as adjusted	40,314,517
Excess of income over expenditure net of adjustments for the year	-27,055,785
Balance at 30th September, 2009 as adjusted	13,258,732
Year ended 30th September, 2010	
Balance at 1st October 2009 as adjusted	13,258,732
Excess of income over expenditure net of adjustments for the year	18,788,978
Balance at 30th September, 2010 as adjusted	32,047,710
Year ended 30th September, 2011	
Balance at 1st October 2010 as adjusted	32,047,710
Excess of income over expenditure net of adjustments for the year	12,683,018
Closing balance at 30th September, 2011	44,730,728

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

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

STATEMENT OF CASH FLOWS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditure for the year	13,374,080	-35,716,855
Adjustments to reconcile excess of income over expenditure to net cash from operating activities:		
Depreciation	8,668,570	9,105,399
Capital grants released to the statement of income and expenditure	-10,581,816	-17,492,020
Operating income before working capital changes	11,460,834	-44,103,476
Change in accounts receivables and prepayments	-39,977,084	-9,667,950
Change in accounts payable and accruals	6,743,186	-2,904,617
Net cash (used in) from operating activities	-21,773,064	-56,676,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	-5,769,856	-10,972,932
Transfers from payments toward capital projects in progress	0	0
Net cash used in investing activities	-5,769,856	-10,972,932
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital grants and increase in remittances outstanding	19,216,982	70,913,306
Net cash from financing activities	19,216,982	70,913,306
Net (decrease) / increase in cash and cash equivalents	-8,325,938	3,264,330
Cash and cash equivalents at the beginning of year	61,597,910	58,333,579
Cash and cash equivalents at the end of year	53,271,972	61,597,909
Represented by:		
Cash at bank and in hand	53,271,972	61,597,909
	53,271,972	61,597,909

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

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

1 Incorporation and Principal Activity

The College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT/the College) was established by an Act of Parliament (Act No. 77 of 2000, assented to on 27th October 2000), as a teaching, research and examining body.

The College operates out of multi-campus facilities throughout Trinidad and Tobago. Its main campus is located at Pierre Road Connector, Chaguanas.

The management of the College is vested in a Board of Trustees appointed by the President of the Republic of Trinidad and Tobago.

The College is a higher education institution with a mandate to contribute to national and regional development, social equity and the development of civil society, by providing broad-based access to socially responsive and innovative educational programmes that meet international standards.

2 Significant Accounting Policies

a) Basis of Presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on a historical cost basis.

The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

b) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2011, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the College.

c) Financial Instruments

Financial instruments carried in the balance sheet include cash and bank balances, accounts receivables and prepayments and accounts payables, and are stated at fair values. The College's financial assets and liabilities are recognized in the balance sheet when it becomes party to the contractual obligations of the instrument. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

The College derecognizes its financial assets when the rights to receive cash flows from the assets have expired or where the College has transferred substantially all risks and rewards of ownership Financial liabilities are derecognized only when the obligation under the liability is discharged, cancelled or expires. All "regular way" purchases and sales are recognized on the trade date, which is the date that the College commits to purchase or sell the instrument.

d) Impairment of Financial Assets

Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Provision for impairment is assessed for all loans where there is objective evidence that the full amount due to the College would not be repaid. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset original effective interest rate.

e) Property and Equipment

Property, plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses. 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 College and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

With the exception of capital works in progress, depreciation is charged on all other assets on the reducing balance basis at rates estimated to write off these assets over their useful lives as follows:

Motor vehicles	25%
Furniture and equipment	20%
Computer equipment	33 1/3%

Section 39 of Act 77 of 2000 by which the College was established states that 'all property belonging to the scheduled tertiaty level institutions (TLIs) be respectively transferred to and vested in the College'. As such, property, plant and equipment transferred by the Government of the Republic of Trinidad and Tobago and/or donated by other sources to the College are recognized at their estimated fair values, with a corresponding credit to the deferred capital grant account.

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts and are taken into the Statement of Income and Expenditure.

f) Capital Projects in Progress

Capital projects in progress represent the cost of buildings under construction. When the assets are ready for their intended use, they are transferred to property, plant and equipment and depreciated.

g) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash at bank and in hand and short term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value. These amounts are carried at cost which approximates their fair value.

h) Capital Grants and Government Contributions

Capital Grants

Capital grants are received from the Government for the specific purpose of construction and/or purchase of property, plant and equipment. These grants are recognized where there is reasonable assurance that the grant funds will be received and utilized in accordance with all stipulated conditions. An amount equivalent to the depreciation charge on the relevant property, plant and equipment is released to income over the expected useful life of the asset.

Government Subventions

Subventions received from the Government to meet operating deficits are recognized in the respective year to which the Government's annual budget allocation applies.

The College adopts the deferral method of accounting for grants when they are restricted in use by the donor.

i) Trade and Other Payables

Accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the College.

j) Provisions

Provisions are recognized when the College has a present (legal or constructive) obligation as a result of past events from which, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

k) Employee Benefits

Pension Obligations

The College has no pension plan to date, as a formal establishment for most of its employees has not yet been submitted to and approved by the Government. However, as catered for in Act 77, employees transferred from NIHERST to COSTAATT continue to contribute to the NIHERST pension plan.

The College has three (3) categories of staff namely:

(i) Employees transferred from the National Institute of Higher Education, Research, Science and Technology (NIHERST).

(ii) Seconded officers. These are officers transferred from government ministries for specified periods.

(iii) Contract staff

The rate of contribution for former employees of NIHERST who were transferred to COSTAATT is 6% of their base salary, while the rate of contribution paid by COSTAATT for former NIHERST employees is 10.4% of their base salary plus 4% pension adjustment granted to members to assist them in meeting their pension payments.

COSTAATT's monthly pension contributions for former NIHERST employees transferred to the College approximates $32,000 per month.

Seconded officers' pensionable status is preserved by COSTAATT paying 25% of their substantive salary to the Comptroller of Accounts, while contracted officers receive a gratuity upon completion of their contract term.

The College's obligation for contributions to the defined-contribution scheme is recognized as an expense in the statement of income and expenditure as incurred.

l) Financial Liabilities

Financial liabilities are recognized initially at fair value net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

m) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the College and the revenue can be reliably measured. Revenue is measured at their fair value of the consideration received, excluding discounts and rebates.

The following specific recognition criteria apply to the relevant category of revenue:

(i) Grants Relating to Operating Activities

Grants relating to operating activities are recognized as income on a systematic basis over the periods in which the related expenses are incurred.

(ii) Tuition and Other Related Fees

Tuition fees are recognized on the accrual basis over the period of instruction.

(iii) Interest income

Interest income is accounted for on an accrual basis.

(iv) Other Income

Income is received from a range of sources including cafeteria sales and other services rendered. Income is recognized on the accrual basis.

3 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgments

The following are the critical judgments, apart from those involving estimations that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in financial statements.

a) Impairment of Financial Assets

Management makes judgments at each balance sheet date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the expected future cash flows.

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

4 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows include the

	2011	2010
Cash at bank and in hand	53,271,972	61,597,910
Money market mutual funds	0	0
	53,271,972	61,597,910

5 Accounts Receivable and Prepayments

Accounts receivable and prepayments

	2011	2010
Accounts receivable	29,077,106	11,215,959
Prepayments	991,755	1,055,928
VAT receivable	17,958,471	11,938,030
Other receivables	17,779,478	1,619,809
	65,806,810	25,829,726

6 Trade and Other Payables

Trade and other payables

	2011	2010
Salary Suspense	27,774	8,294,212
Accounts payable and accruals	5,082,715	4,109,517
Stale-dated cheques	0	0
Other payables	3,753,619	3,597,811
	8,864,108	16,001,540

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

7

Year ended September 30, 2011	Computer Equipment	Motor Vehicles	Furniture and Furnishings	Equipment	Total
Opening net book value	4,399,109	193,794	3,491,925	11,467,312	19,552,140
Additions	382,414	902,125	974,684	3,510,633	5,769,856
Depreciation charge	-2,672,680	-290,993	-1,458,277	-3,505,034	-7,926,984
Closing net book value	2,108,843	804,926	3,008,332	11,472,911	17,395,012
At September 30, 2011					
Cost	25,610,836	2,257,124	18,102,175	25,444,465	71,414,600
Accumulated depreciation	-23,501,993	-1,452,198	-15,093,843	-13,971,554	-54,019,588
Net book value	2,108,843	804,926	3,008,332	11,472,911	17,395,012
Year ended September 30, 2010					
Opening net book value	6,659,369	381,867	4,221,913	6,099,905	17,363,054
Additions	951,361	0	1,591,924	8,433,499	10,976,784
Depreciation charge	-3,211,622	-188,073	-2,318,060	-3,066,091	-8,783,846
Closing net book value	4,399,108	193,794	3,495,777	11,467,313	19,555,992
At September 30, 2010					
Cost	25,228,422	1,354,999	17,131,771	22,002,137	65,717,329
Accumulated depreciation	-20,829,313	-1,161,205	-13,635,994	-10,534,825	-46,161,337
Net book value	4,399,109	193,794	3,495,777	11,467,312	19,555,992

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

8 Deferred Capital Grants

The College receives monetary grants on an annual basis. Those related to the acquisition of property, plant and equipment are released to the Income and Expenditure Account over the life of the related asset in the same way that depreciation of assets is charged to the Income and Expenditure Account. Grants to be released in future years are held on the Balance Sheet as deferred capital grants.

	2011	2010
Grant balance as at 30 September	60,697,098	58,977,839
Grants received for prior year		-1,722,042
Grants received during the year	18,232,890	20,000,432
Grants due for the year, but not received	17,000,000	932,890
Grants received for 2010	-932,890	
Amounts released to the statement of of income and expenditure	-10,581,816	-17,492,021
	84,415,282	60,697,098

9 Interest Income

	2011	2010
Interest on bank accounts	876,059	975,170
Interest on money market accounts		
	876,059	975,170

10 Other Income

	2011	2010
Donations	400	2,871
Tender fees	105,300	47,100
Other Receipts	779,158	334,735
	884,858	384,706

11 Staff Costs

	2011	2010
Salaries, gratuities, allowances and other benefits	91,847,769	85,394,606
National insurance	3,422,046	3,194,204
Pension costs – defined contribution plan	408,603	448,862
	95,678,418	89,037,672

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

12 General and Administration Expenses

Included therein are the following items:	2011	2010
Board fees	550,000	418,159
Books and periodicals	1,983,714	4,031,370
Hosting of conferences, seminars and other functions	2,544,827	2,483,021
Overseas travel	265,673	1,121,660
Office stationery and supplies	3,087,406	2,943,292
Professional consulting and other fees	5,609,766	4,971,190
Other	2,307,080	607,442
	16,348,466	16,576,134

13 Other Operating Expenses

Included therein are the following items:		
Advertising and promotions	4,243,596	2,140,650
Local travel	483,961	335,461
Materials and supplies	1,517,060	1,103,196
Other contracted services	2,925,378	6,822,077
Utilities and telecommunications	4,115,140	4,534,924
Rent	20,116,481	22,610,258
Repairs and maintenance	2,685,688	798,758
Security	2,285,248	1,865,335
Insurance	1,272,190	438,901
Rent/Lease -Vehicles and Equipment	1,288,587	1,113,039
Purchases not capitalized /net off capital equity adjustment	1,137,592	26,862,216
Other	1,864,248	583,602
	43,935,169	69,208,417

14 Related Party Transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the College.

Key Management Compensation

		2011	2010
Board of Trustees' remuneration	$	550,000	418,159

COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO

NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2011
(Expressed in Trinidad and Tobago dollars)

15 Capital Management

The College's objectives when managing capital, which is a broader concept than equity on the face of the balance sheet, are:

* *To safeguard the College's ability to continue as a going concern so that it can continue to provide benefits for stakeholders; and*

* *To maintain a strong capital base to support the development of its business.*

The College reviews its capital adequacy annually at the level of the Finance Committee and the Board of Trustees. The College maintains healthy capital ratios in order to support its business and to maximize shareholder value.

16 Risk Management

The College's risk management policies are designed to identify and analyze these risks, set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems, together with robust corporate governance. The College regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice. The most important types of risk that the College is exposed to are credit risk, liquidity risk, market risk and other operational risks.

Risk Management Structure

The Board of Trustees is ultimately responsible for identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

Board of Trustees

The Board of Trustees is responsible for the College's overall risk management approach and for approving its risk management strategies, policies and procedures.

Internal Audit

Risk management processes throughout the College are audited periodically by the internal audit function, which examines both the adequacy of the procedures and the College's compliance with the procedures. In addition, internal audit is responsible for the independent review of risk management and the control environment. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee of the Board of Trustees.

Foreign Currency Risk

The College incurs foreign currency exposure on transactions that are denominated in a currency other than the Trinidad and Tobago dollar. The College ensures that the net exposure is kept to a minimum and is managed by monitoring and, where necessary adjusting the exposure.

Interest Rate Risk

Interest rate risk is further mitigated by the subsidies received from the Government in support of operational activities.

Liquidity Rrisk

Liquidity risk is financial risk due to uncertain liquidity. It is the risk that the College will encounter difficulty in raising funds to meet commitments. The College might lose liquidity if it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with the College. The consequence may be the failure to meet obligations. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed resources. The management of the College mitigates this risk by keeping a substantial portion of its financial assets in liquid form.

Liquidity Risk Management Process

The College's liquidity management process includes:

* *Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.*
* *Keeping a significant portion of its financial assets in liquid form.*
* *Monitoring balance sheet liquidity ratios against internal requirements.*

Fair Value of Financial Assets and Liabilities

The College computes the estimated fair value of all financial instruments held at the balance sheet date and separately discloses information where the fair values are different from the carrying values. At September 30, carrying values approximated their fair values for all classes of financial instruments as follows:

Financial instruments where the carrying values are assumed to approximate to their fair values, due to their short-term to maturity include: Cash and cash equivalents, accounts receivable and prepayments, and sundry creditors and accruals.

Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The College cannot expect to eliminate all operational risks, but through a controlled framework and by monitoring and responding to potential risks, the College is able to manage the risks. Controls include a periodically reviewed disaster recovery plan and business continuity plan, effective segregation of duties, access, authorization and reconciliation procedures, staff training and development and assessment processes.