REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE STUDENTS' REVOLVING LOAN FUND FOR THE YEAR ENDED DECEMBER 31, 2007

The accompanying financial statements of the Students' Revolving Loan Fund for the year ended December 31, 2007 have been audited. The Statements comprise a Receipts and Payments Account, an Income and Expenditure Account for the year ended December 31, 2007, a Balance Sheet as at December 31, 2007 and Notes to the Accounts numbered 1 to 12.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Students' Revolving Loan Fund 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 was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 16 (2) of the Students' Revolving Loan Fund Act, Chapter 39:05. The audit was conducted in accordance with accepted auditing standards which 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 the qualified audit opinion.

BASIS FOR QUALIFIED OPINION

BALANCE SHEET
CURRENT ASSETS

CASH AT BANK - $638,660.00

6.1 The above Cash at Bank balance was misstated due to the non-inclusion of four business chequing accounts held at a financial institution. The total confirmed bank balance for these accounts amounted to $1,082,154.46 as at December 31, 2007.

INCOME RECEIVABLE FROM BENEFICIARIES IN ARREARS SIX MONTHS AND OVER -21,720,314.00

6.2 The above figure was not verified due to the non-maintenance of a General Ledger and a Subsidiary Ledger to show details of each loan account.

LONG TERM ASSETS - $14,574,843.00

6.3 The above figure was not verified due to the non-maintenance of a General Ledger, a Subsidiary Ledger to show details of individual loan accounts and other accounting records.

INCOME AND EXPENDITURE ACCOUNT

INCOME

INTEREST ON STUDENTS' LOAN -$686,162.00

6.4 The above figure was not verified due to the non-maintenance of a General Ledger, a Subsidiary Ledger to show details of individual loan accounts, Loans Register/Schedule of loans granted and repayment terms and other accounting records.

QUALIFIED OPINION

7. In my opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion at paragraphs 6.1 to 6.4 above, the Financial Statements present fairly the financial position of the Students' Revolving Loan Fund for the year ended December 31, 2007 and its financial performance for the year ended December 31, 2007 in accordance with generally accepted accounting principles.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

BASIS OF ACCOUNTING

8. The approval of the Minister was not seen for the basis of accounting adopted by the Fund as required by section 16(1) of the Students' Revolving Loan Fund Act, Chapter 39:05 which states:

> *"The Board, through the Bank, shall keep proper accounts and other records relative to its duties and functions and shall prepare annually a statement of accounts in a form to be approved by the Minister."*

SUBMISSION OF REPORT

9. 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.

19TH JANUARY, 2018
PORT-OF-SPAIN

MAJEED ALI
AUDITOR GENERAL

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20180119

STUDENTS' REVOLVING LOAN FUND

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DEC 31, 2007

RECEIPTS	$	PAYMENTS	$
BALANCE B/F AS AT JANUARY 1, 2007	680,325.00	LOANS TO STUDENTS (1)	235,419.00
REPAYMENT BY STUDENTS (2)	3,252,759.00	INVESTMENTS (3)	213,833,044.00
REALIZATION OF INVESTMENTS	207,178,223.00	SERVICE FEE (FCB)	213,228.00
GAIN ON MATURITY OF INVESTMENTS	4,421,777.00	MANAGEMENT FEE (FCB)	135,000.00
		STORAGE FEE	3,020.00
		MANAGEMENT FEE (CB)	474,713.00
		BALANCE C/F	638,660.00
TOTAL	**215,533,084.00**	**TOTAL**	**215,533,084.00**

STUDENTS' REVOLVING LOAN FUND
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED DECEMBER 2007

2006	EXPENDITURE	2007	2006	INCOME	2007
$		$	$		$
95,916.00	Administrative Services (4)	_	95,916.00	Government Grant (9)	_
213,229.00	Service Fee (FCB) (5)	201,699.00	724,730.00	Interest on Students' Loan	686,162.00
135,000.00	Management Fee (FCB) (6)	135,000.00	3,033,068.00	Gain on Redemption	4,478,088.00
225,417.00	Management Fee (CB) (7)	315,943.00			
3,020.00	Storage Fee (8)	3,020.00			
3,181,132.00	Excess of Income Over Expenditure	4,508,588.00			
3,853,714.00	**Total**	**5,164,250.00**	**3,853,714.00**	**Total**	**5,164,250.00**

Surplus Account As at January 1, 2007	63,035,416.00
ADD:	
Excess of Income Over Expenditure	4,508,588.00
	67,544,004.00

STUDENTS' REVOLVING LOAN FUND
BALANCE SHEET AS AT DECEMBER 31, 2007

	2007		2006	
CURRENT ASSETS	$	$	$	$
Cash in Bank	638,660.00		680,325.00	
Gain Receivable on Redemption of Treasury Bills	483,381.00		427,070.00	
Income Receivable From Beneficiaries in Arrears (Six months) and over (10)	21,720,314.00	22,842,355.00	21,349,306.00	22,456,701.00
SHORT TERM INVESTMENTS				
Treasury Bills (11)	69,219,335.00	92,061,690.00	62,564,514.00	85,021,215.00
LESS CURRENT LIABILITIES				
Service Fee	201,699.00		213,229.00	
Management Fee (FCB)	135,000.00		135,000.00	
Management Fee (CB)	_		55,440.00	
Insurance	30,777.00		47,215.00	
Storage Fee	503.00		503.00	
Allowances	_	367,979.00	4,639.00	456,026.00
Net Current Assets C/F		91,693,711.00		84,565,189.00

	2007		2006	
NET CURRENT ASSETS	$	$	$	$
BROUGHT FORWARD		91,693,711.00		84,565,189.00
LONG TERM ASSETS				
STUDENTS' LOAN ACCOUNT (12)		14,574,843.00		17,337,867.00
		106,268,554.00		
Adjustment		143,090.00		
		106,411,644.00		101,903,056.00
FINANCED BY:				
CAPITAL ACCOUNT NO. 1	3,579,685.00		3,579,685.00	
CAPITAL ACCOUNT NO. 2	35,287,955.00	38,867,640.00	35,287,955.00	38,867,640.00
SURPLUS ACCOUNT	67,544,004.00	67,544,004.00	63,035,416.00	63,035,416.00
		106,411,644.00		101,903,056.00

REPUBLIC OF TRINIDAD AND TOBAGO
SS
20180119
AUDITOR GENERAL

MARGARET RICHARDSON
CHAIRPERSON
BOARD OF MANAGEMENT
STUDENTS' REVOLVING LOAN FUND

ELIZABETH MILLS
SECRETARY
STUDENTS' REVOLVONG LOAN FUND

STUDENTS' REVOLVING LOAN FUND

NOTES TO THE ACCOUNT

The following notes form an integral part of the accounts:-

a) All figures in respect of the year 2007 have been calculated to the nearest dollar.

b) The **Receipts and Payments Account** summarizes the amount actually received and paid during the period.

   No adjustments are made for accruals in this account.

c) The **Income and Expenditure Account** reflects all the items relating to Income and Expenditure on an accrual basis.

1) Represents the amount disbursed by the Fund to the First Citizens Bank Limited to finance students during the period January 1, 2007 to December 31, 2007.

2) Repayment by students represents the payment of the Principal and Interest during the period January 1, 2007 to December 31, 2007
   (Principal - $2,627,792.00) Interest - ($624,967.00)

3) The figure under this item represents the placing of nineteen (19) Treasury Bills, during the period January 1, 2007 to December 31, 2007.

4) Administrative Expenses and Operational Expenses (Service Fee and Management Fee) should represent the Central Government's annual contribution in the form of a grant to the Fund.

   Administrative Expenses, that is, salaries for officers attached to the Fund were paid by the Central Government of Trinidad and Tobago.

   The Operational Expenses however were charged against the resources of the Fund, in the absence of the Government's contribution.

5) Represents 9/16 of the 1% of the sum of balances on Students' loan accounts and the sum of loans to students interviewed by the Financial Agent.

6) Management Fee is a fixed fee charged by the Bank for acting as our financial agent.

7) This represents 0.5% of the average funds managed for each quarter by the Central Bank of Trinidad and Tobago.

8) This represents the cost of Rental of Storage Space by the First Citizens Bank Limited for the records of the Students' Revolving Loan Fund (130 sq. ft. @ $1.75 per sq. ft)

9) Government Grant represents salaries of officers attached to the Office of the Fund.

10) **Beneficiaries in arrears of repayment of six (6) months and over:**

This amount is refundable to the Students' Revolving Loan Fund by the Government. In accordance with the Students' Revolving Loan Fund Act, Chapter 39:05, Clause 19, the Government of Trinidad and Tobago shall, within thirty (30) days following the end of the financial year of the Fund, reimburse the sum due and payable by a student who has failed or refused to pay his/her loan within one hundred and eighty (180) days from the date on which it became due.

The figure under this item $21,720,314.00 represents the **Principal** only.

11) The Short – Term Investments comprises Treasury Bills held with the Central Bank of Trinidad and Tobago. Treasury Bills are held for varying periods from seven (7) days to one hundred and eighty – two (182) days (6 months.)

The figure under this item, $ 69,219,335.00 represents the capital value of the Fund's Investment, as at December 31, 2007.

12) This figure represents the principal due on loans granted.