



Chartered Accountants  
& Business Advisors

**MINISTRY OF EDUCATION**

**SEAMLESS EDUCATION  
SYSTEM PROGRAMME**

**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**

**LOAN NO. 2138/OC-TT**

**30 SEPTEMBER 2012**

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**TABLE OF CONTENTS**

<b>INDEPENDENT AUDITORS' OPINION.....</b>	<b>1</b>
<b>STATEMENT OF CASH FLOWS.....</b>	<b>3</b>
<b>STATEMENT OF CUMULATIVE INVESTMENTS .....</b>	<b>4</b>
<b>NOTES TO THE STATEMENTS OF CASH FLOWS AND CUMULATIVE INVESTMENTS .....</b>	<b>5</b>
<b>RECONCILIATION OF STATEMENT OF CUMULATIVE INVESTMENTS WITH THE STATEMENT OF CASH FLOWS -IDB .....</b>	<b>14</b>
<b>RECONCILIATION OF STATEMENT OF CUMULATIVE INVESTMENTS WITH THE STATEMENT OF CASH FLOWS -GORTT .....</b>	<b>15</b>
<b>RECONCILIATION BY CATEGORY OF INVESTMENT OF THE PROGRAMME'S RECORDS WITH THE IDB'S RECORDS.....</b>	<b>16</b>
<b>INDEPENDENT AUDITORS' REPORT ON SYSTEM OF INTERNAL CONTROL STRUCTURE .....</b>	<b>17</b>
<b>INDEPENDENT AUDITORS' REVIEW OF PAYMENTS IN DISBURSEMENT REQUESTS ....</b>	<b>19</b>
<b>LIST OF DISBURSEMENT REQUESTS ISSUED TO THE IDB .....</b>	<b>21</b>
<b>LETTER OF REPRESENTATION .....</b>	<b>22</b>



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## **INDEPENDENT AUDITORS' OPINION**

**To: Seamless Education System Programme and Projects Planning and Management Unit  
(PPPMU)  
Ministry of Education**

**Ministry of Education  
Seamless Education System Programme  
Inter-American Development Bank (IDB) Loan No. 2138/OC-TT**

We have audited the accompanying financial statements, which comprise the Statement of Cash Flow, the Statement of Cumulative Investments and a summary of significant accounting policies and other explanatory information for the Ministry of Education, Seamless Education System Programme – IDB Loan No. 2138/OC-TT executed by the PPPMU - Ministry of Education and financed with funds from the IDB Loan #2138/OC-TT, and local counterpart funds from the Government of the Republic of Trinidad and Tobago (GORTT) as at and for the year ended 30 September 2012.

### **Management's Responsibility for the financial statements**

The project's management 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 for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the accounting statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing, and specific requirements of the Inter-American Development Bank. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements.

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**INDEPENDENT AUDITORS' OPINION (CONTINUED)**

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 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 internal control. An audit also includes assessing the accounting principles used and significant estimates made by program's management as well as evaluating the overall financial statement presentation. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

As described in **Note 2(a)**, the Statement of Cash Flows and the Statement of Cumulative Investments were prepared using the cash basis of accounting in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS): Financial Reporting under the Cash Basis of Accounting. The cash basis accounting recognizes transactions and acts only when the cash is received or disbursed, and not when they give rise to, accrue or originate rights or obligations.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash flow and the cumulative investments of the Ministry of Education Seamless Education System Programme IDB Loan No. 2138/OC-TT executed by the Ministry of Education as of and for the year ended 30 September 2012, in accordance with the basis of accounting described in the paragraphs above and the accounting policies described in **Note 2(a)**.

As described in **Note 2(a)**, no provision has been made for depreciation. This is not in conformity with IPSAS #17 – Property, Plant and Equipment.

**Report on other legal and/or regulatory requirements**

We did not observe any situations suggesting non-compliance with the financial clauses in the Inter-American Development Bank Loan Contract No. 2138/OC-TT or in the Project Operating Regulations during the period reviewed.



**24 January 2013**  
**Port of Spain**  
**Trinidad and Tobago**




**MINISTRY OF EDUCATION  
SEAMLESS EDUCATION SYSTEM PROGRAMME  
PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT  
LOAN NO. 2138/OC-TT**

**Statement of Cash Flows  
For the year ended 30 September 2012  
(Expressed in United States Dollars)**

	<u>Year ended 30 September 2012</u>			<u>Year ended 30 September 2011</u>		
	<u>IDB</u>	<u>GORTT</u>	<u>Total</u>	<u>IDB</u>	<u>GORTT</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<b>Cash Received</b>						
Cumulative balance as at beginning of the period	35,892	-	35,892	410,309	-	410,309
<u>Activity for the year:</u>						
Advance	-	-	-	632,703	-	632,703
Revolving fund disbursements	34,773	-	34,773	-	-	-
Reimbursement of payments	2,399,711	-	2,399,711	-	-	-
Funds received from PSIP	-	602,442	602,442	-	402,971	402,971
 Total Cash Received as at 30 September 2012	<u>2,470,376</u>	<u>602,442</u>	<u>3,072,818</u>	<u>1,043,012</u>	<u>402,971</u>	<u>1,445,983</u>
<b>Disbursements Made</b>						
<u>Activity for the year:</u>						
Disbursement Request #6				23,786	-	23,786
Disbursement Request #7				144,163	-	144,163
Disbursement Request #8				54,723	-	54,723
Return of Funds				720,340		720,340
Pending Disbursement Request #9				64,108	-	-
Disbursement Request #10	349,745	-	349,745		-	64,108
Disbursement Request #11	34,773	-	34,773	-	-	-
Disbursement Request #12	806,267	-	806,267	-	-	-
Disbursement Request #13	58,632	-	58,632	-	-	-
Disbursement Request #14	873,375	-	873,375	-	-	-
Disbursement Request #15	311,692	-	311,692	-	-	-
Other PSIP	-	602,442	602,442	-	402,971	402,971
 Total Cash Disbursements as at 30 September 2012	<u>2,434,484</u>	<u>602,442</u>	<u>3,036,926</u>	<u>1,007,120</u>	<u>402,971</u>	<u>1,410,091</u>
 Available Cash Balance as at 30 September 2012	<u>35,892</u>	<u>-</u>	<u>35,892</u>	<u>35,892</u>	<u>-</u>	<u>35,892</u>

  
Project Accountant

  
Project Manager  
Education System and Development

  
Permanent Secretary (Ag.)

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

**MINISTRY OF EDUCATION  
SEAMLESS EDUCATION SYSTEM PROGRAMME  
PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT  
LOAN NO. 2138/OC-TT**

**Statement of Cumulative Investments**

**For the year ended 30 September 2012  
(Expressed in United States Dollars)**

	Accumulated as at 30 September 2011			Adjustments (Note 8)			Adjusted Accumulated as at 30 September 2011			For the year ended 30 September 2012			Accumulated as at 30 September 2012		
	IDB	GORIT	Total	IDB	GORIT	Total	IDB	GORIT	Total	IDB	GORIT	Total	IDB	GORIT	Total
<b>1.0 Increased Access and Equity</b>															
1.1 Early Childhood Care and Education	1,487,173	246,967	1,734,140	(239,128)	239,128	-	1,248,045	486,095	1,734,140	2,534,842	388,355	2,923,197	3,782,887	874,450	4,657,337
1.2 Promoting Inclusiveness and Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,487,173	246,967	1,734,140	(239,128)	239,128	-	1,248,045	486,095	1,734,140	2,534,842	388,355	2,923,197	3,782,887	874,450	4,657,337
<b>2.0 Improved Quality and Relevance</b>															
2.1 Primary Education (Curriculum)	114,186	53,495	167,681	-	-	-	114,186	53,495	167,681	108,995	18,024	127,019	223,181	71,519	294,700
2.2 Testing and Assessment	141,896	15,776	157,672	-	-	-	141,896	15,776	157,672	34,773	24	34,797	176,669	15,800	192,469
2.3 Spanish as the First Foreign Language	30,200	-	30,200	-	-	-	30,200	-	30,200	-	-	-	30,200	-	30,200
	286,282	69,271	355,553	-	-	-	286,282	69,271	355,553	143,768	18,048	161,816	430,050	87,319	517,369
<b>3.0 Sector Management and Project Administration</b>															
3.1 MOE Strengthening	111,230	-	111,230	-	-	-	111,230	-	111,230	130,161	57,850	188,011	241,391	57,850	299,241
3.2 Professional Development Baseline	-	-	-	-	-	-	-	-	-	136,808	-	136,808	136,808	-	136,808
3.3 Project Administration	275,722	288,733	564,455	-	-	-	275,722	288,733	564,455	168,385	138,189	306,574	444,107	426,922	871,029
	386,952	288,733	675,685	-	-	-	386,952	288,733	675,685	435,354	196,039	631,393	822,306	484,772	1,307,078
<b>4.0 Sensitization and Social Communication</b>															
4.1 Sensitization and Social Communication (Components 1 & 2)	130,244	4,181	134,425	-	-	-	130,244	4,181	134,425	-	-	-	130,244	4,181	134,425
	130,244	4,181	134,425	-	-	-	130,244	4,181	134,425	-	-	-	130,244	4,181	134,425
<b>5.0 Monitoring and Evaluation</b>															
5.1 Component monitoring and evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Mid-term and Final Evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.3 Audit	25,520	-	25,520	-	-	-	25,520	-	25,520	27,231	-	27,231	52,751	-	52,751
	25,520	-	25,520	-	-	-	25,520	-	25,520	27,231	-	27,231	52,751	-	52,751
<b>6.0 Contingency</b>															
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,316,171</b>	<b>609,152</b>	<b>2,925,323</b>	<b>(239,128)</b>	<b>239,128</b>	<b>-</b>	<b>2,077,043</b>	<b>848,280</b>	<b>2,925,323</b>	<b>3,141,195</b>	<b>602,442</b>	<b>3,743,637</b>	<b>5,218,238</b>	<b>1,450,722</b>	<b>6,668,960</b>
<b>Percentage</b>	<b>79%</b>	<b>21%</b>	<b>100%</b>				<b>71%</b>	<b>29%</b>	<b>100%</b>	<b>84%</b>	<b>16%</b>	<b>100%</b>	<b>78%</b>	<b>22%</b>	<b>100%</b>

*Linda Sakato Maray*  
Project Accountant

*James Dail*  
Project Manager  
Education System and Development

*Thomas*  
Permanent Secretary (Ag.)

(The accompanying notes form an integral part of these financial statements)

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

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**1. PRINCIPAL ACTIVITY**

On 17 August 2009, the Inter-American Development Bank (IDB) and the Government of the Republic of Trinidad and Tobago (GORTT) signed Loan Agreement No. 2138/OC-TT for **US\$48.75 million** to assist in the financing of the support for a Seamless Education System (SES). The estimated total cost of this programme is **US\$62.5 million** with the GORTT's contribution to SES being an estimated **US\$13.75 million**. The Programme and Projects Planning and Management Unit which managed the Seamless Education System Programme during the previous financial period was officially changed to the Programme & Projects Planning & Management Unit by Cabinet Minute No. 2358 dated September 15, 2011. The proposed new structure of the unit is to allow for a more streamlined approach for implementation of the different programmes and projects of the Ministry of Education and will also maintain the core staff required to successfully implement the Support for a Seamless Education System Programme.

**(a) Project Objectives**

The proposed operation is a multi-phase operation with three phases. The GORTT identified Early Childhood Care and Education (ECCE) and primary education as priority areas for this programme. Therefore, the programme aims to improve:

- (i) equity, quality and relevance of educational services provided to all children in ECCE and primary education; and
- (ii) sector management, including programme management and evaluation and monitoring. This programme will be implemented in a representative group of primary schools and a select group of ECCE centres; it will be accompanied by efforts to strengthen institutional capacity of the Ministry of Education (MOE).



**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

---

**(b) Project Components**

The SES comprises four well articulated components:

Component 1 – Increase equity and quality of educational services to all children

The objective of this component is to increase access to quality ECCE services for three and four year old children from disadvantaged families through government, government assisted and private initiatives/partnerships and to strengthen the capacity of the primary schools to accommodate and successfully deliver quality education to students with a wide range of learning needs, including the gifted and talented.

Component 2 – Improve quality and relevance of primary education

This component aims at the articulation of the primary curriculum with curricula at both the secondary and ECCE levels accompanied by new assessment methods, integration of Inclusive Education (IE) in the primary curriculum, and the introduction of Spanish as the first foreign language.

Component 3 – Sector management

The overall objective of this component is to strengthen MOE and to help it carry out existing and new mandates in a seamless and efficient manner. To this end, the programme will support among other initiatives:

- (i) the expansion of MOE's Information Technology (IT) systems;
- (ii) institutional strengthening of key divisions as well as the SES oversight committee;
- (iii) professional development for managers to strengthen their capacity to direct and manage the ongoing and proposed organizational changes; and
- (iv) creation of a teaching career system and regulation of the teaching profession.



**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

---

Component 4 – Social marketing campaign

To increase the involvement of the stakeholders in the education sector, loan resources will be used for a social marketing campaign that speaks to MOE's efforts in:

- (i) ECCE, particularly to promote public-private partnerships and the ways they support children, families, teachers and communities;
- (ii) Inclusive education;
- (iii) Curriculum and assessment;
- (iv) The introduction of Spanish;
- (v) MOE's reform efforts and internal communication to inform staff about the pending organizational changes; and
- (vi) Strengthen the capacity of MOE's communication unit.

**(c) Inter-Institutional Agreements**

The Education Facilities Company Limited, a special purposes company under the Ministry of Education is responsible for the overall project management, upgrade and construction of fifty (50) Early Childhood Care and Education Centres and sixteen (16) Inclusive Education Demonstration Institutions under the Support for Seamless Education System Programme.

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The Statement of Cash Flows has been prepared on the cash basis of accounting, recognising revenue when cash is received and recognising expenses when the cash has been disbursed. The accounting policy is another comprehensive basis of accounting other than generally accepted accounting principles, under which transactions should be recorded when they occur and not when they are paid. No account has been taken for depreciation on fixed assets. This basis of accounting is not in conformity with IPSAS No. 17 - Property, Plant and Equipment.

**(b) Currency**

The programme's accounting records are maintained in US dollars, in accordance with the IDB's requirements. In order to calculate the equivalent in US dollars, the cash received in local currency in a specific commercial bank account, uses the rate of exchange in effect at the time of receipt of these funds. The exchange rate gain or loss that results from a difference of the exchange rate when the funds are received versus when the funds are converted to local currency to make payments for eligible expenses is accounted for as an exchange rate differential, which is charged to the local counterpart funds.

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

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**3. AVAILABLE CASH BALANCE**

The available cash balance as of 30 September 2012 in the Programme's bank accounts, which includes earned interest income and exchange rate earnings was:

<b>BANK ACCOUNT DETAILS</b>	<b>Balance as at 30 September 2012 US\$</b>
Support for a Seamless Education System Programme (LO 2138/OC-TT) - (Central Bank of Trinidad and Tobago Account #01-20720-018-00-00-00)	\$ 2,376,851
Less: Amount to be reimbursed to GORTT	<u>(2,340,959)</u>
Available Cash Balance as at 30 September 2012	<u>\$ 35,892</u>

During the fiscal year 2012, available earned interest income equated to **US\$ 0.00** and exchange rate earnings amounted to **\$US 0.00**.



**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

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**4. ADVANCES PENDING JUSTIFICATION**

At 30 September 2012, the amount pending justification to the IDB amounted to **US\$2,199,047.74**, which represented the following disbursement requests still to be processed.

- Pending Direct Payment to Supplier – Disbursement Request No. 16 – **US\$108,994.50**
- Pending Direct Payment to Supplier – Disbursement Request No. 17 – **US\$78,176.00**
- Pending Reimbursement of Payment – Disbursement Request No. 18 – **US\$842,752.50**
- Pending Reimbursement of Payments – Disbursement Request No. 19 – **US\$953,432.95**
- Pending Reimbursement of Payments – Disbursement Request No. 20 – **US\$215,691.79**

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

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**5. REVOLVING FUND**

In accordance with loan contract No. **LO 2138/OC-TT**, a revolving fund equivalent to 5% of the loan was established, up to an amount of **US\$430,000**. The balance stood at **US\$ 35,892** as of 30 September 2012. An amount of **US\$ 2,340,959** which is still to be debited from the Revolving Fund as of 30 September 2012 represents a repayment to the Government of the Republic of Trinidad and Tobago (GORTT) for expenses incurred on behalf of the Inter-American Development Bank (IDB). The use of the Revolving Fund was substantially reduced during this accounting period due to the readily available funds under the consolidated fund and the fact that the majority of payments processed was to the Education Facilities Company Limited. Disbursement Requests were prepared almost monthly to ensure that funds expended were reimbursed to the GORTT by the IDB in a timely manner.

**6. LOCAL COUNTERPART FUNDS**

In the 2012 Public Sector Investment Programme (PSIP), the Government of the Republic of Trinidad and Tobago (GORTT) allocated a total of approximately **US\$3,743,637**, to the SES Programme. The IDB's expenditure amounted to **US\$3,141,195** and the Local Counterpart Contribution was **US\$602,442**. To date the cumulative amount is **US\$5,218,238** IDB (78%) and **US\$1,450,722** GORTT (22%) as at 30 September 2012.

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**

**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

---

**7. PROCUREMENT OF GOODS AND SERVICES**

During the period 1 October 2011 to 30 September 2012, the Programme & Projects Planning & Management Unit (PPPMU) commenced in earnest the construction of the twenty-four ECCE centres under the Phase 1 SES Construction Component. This programme was delayed by several sites having issues with respect to encumbrances. The Ministry of Education has made tremendous strides to solve these problems and as at 30 September 2012, nineteen (19) of these sites had commenced construction and several will be opened in the first quarter of 2013. The PPPMU made no purchases on any equipment and furniture during this past fiscal year.

**8. ADJUSTMENT**

The net adjustment of **US\$239,128** pertains to expenditure included as funded by the IDB in the Accumulated Balance as at 30 September 2011 but which was subsequently disallowed and reallocated under counterpart funding.

The prior year figure of **US\$1,381,719**, paid to Education Facilities Company Limited (EFCL), was initially treated as an IDB contribution since it pertained to mobilisation fees to contractors to commence work on the approved twenty-four (24) sites under the Phase 1 Early Childhood Care and Education Centre (ECCE) construction. Since the contractual arrangement for constructing the ECCE centres lies between the EFCL and the contractors, the Ministry of Education (MOE) requires all cheques to be paid to EFCL. It was expected that these funds would be paid utilizing GORTT funding from the Consolidated Fund and subsequently reimbursed by the IDB, based on presentation of proof of payment such as a receipt from the contractor to EFCL.

Subsequently, it was discovered that some of the initial twenty-four (24) sites which had received mobilization payments were still encumbered and the contractors could not commence construction. Thus EFCL was instructed to utilize these 'excess' payments towards other construction activities and sites related to the IDB Phase 1 ECCE projects. EFCL presented receipts to the PPPMU to support just **US\$1,142,591**. This was the amount requested from the IDB as their contribution. The balance of **US\$239,128** was therefore allocated under counterpart funding.



**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Notes to the Statements of Cash Flows and Cumulative Investments**

**30 September 2012**

**9. INVESTMENT CATEGORIES**

<b>Categories</b>	<b>IDB US\$</b>	<b>GORTT US\$</b>	<b>Total US\$</b>
1. Increased access and equity	3,782,887	874,450	4,657,337
2. Improved quality and relevance	430,050	87,319	517,369
3. Sector management and project administration	822,306	484,772	1,307,078
4. Sensitization and social communication	130,244	4,181	134,425
5. Monitoring and evaluation	52,751	-	52,751
6. Contingency	-	-	-
<b>Total</b>	<b>5,218,238</b>	<b>1,450,722</b>	<b>6,668,960</b>
<b>Percentage</b>	<b>78.25%</b>	<b>21.75%</b>	<b>100.00%</b>

**10. DISBURSEMENTS MADE**

Disbursement Request No. 10	US\$ 349,745
Disbursement Request No. 11	US\$ 34,773
Disbursement Request No. 12	US\$ 806,267
Disbursement Request No. 13	US\$ 58,632
Disbursement Request No. 14	US\$ 873,375
Disbursement Request No. 15	<u>US\$ 311,692</u>

Total **US\$2,434,484**

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Reconciliation of Statement of Cumulative Investments with the Statement of Cash Flows -IDB**

**(Expressed in United States Dollars)**

**30 September 2012**

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	<u><b>US\$</b></u>
Disbursements made as per Statement of Cash Flows	2,434,484
Add/(Less) Reconciling items:	
Disbursement Request #10 - Prior Year Period Expenses	(349,745)
Disbursement Request #12 - Prior Year Period Expenses	(605,681)
Disbursement Request #14 - Prior Year Period Expenses	(59,938)
Pending Disbursement #16	108,995
Pending Disbursement #17	78,176
Pending Disbursement #18	842,753
Pending Disbursement #18 – Prior Year Period Expenses	(476,972)
Pending Disbursement #19	953,432
Pending Disbursement #20	<u>215,691</u>
Disbursements as per Statement of Cumulative Investments	<u><b>3,141,195</b></u>

**MINISTRY OF EDUCATION**  
**SEAMLESS EDUCATION SYSTEM PROGRAMME**  
**PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT**  
**LOAN NO. 2138/OC-TT**

**Reconciliation of Statement of Cumulative Investments with the Statement of Cash Flows - GORTT**

**(Expressed in United States Dollars)**

**30 September 2012**

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	<u><b>US\$</b></u>
Payments per Statement of Cash Flows	<u>602,442</u>
Amount as per Statement of Cumulative Investments	<u><u><b>602,442</b></u></u>



MINISTRY OF EDUCATION  
SEAMLESS EDUCATION SYSTEM PROGRAMME  
PROGRAMME AND PROJECTS PLANNING AND MANAGEMENT UNIT  
LOAN NO. 2138/OC-TT

Reconciliation by Category of Investment of the Programme's Records with the IDB's Records

For the year ended 30 September 2012  
(Expressed in US Dollars)

Category	Cumulative Balance as per:		Variance	Explanation for Variances	US\$	Total
	Programme's Records (Statement of Cumulative Investments)	IDB's Records (LMSI Executive Financial Summary)				
<b>1. Increased Access and Equity</b>						
1.1 Early Childhood Care Education	3,782,887	1,896,203	1,886,684	Disbursement Request #18 Disbursement Request #19 Disbursement Request #20 - De Leon Construction Company Limited - Valuation Claim #3 - Mt. Hope ECCE Centre Vr #100 and VIKAB Engineering Consultants - Supervision Services on Bamboo, Barataria, Mt. Hope and Maracas ECCE Centres re: Vr #176	842,752 953,433 79,610 10,889	
1.2 Promoting inclusiveness and equity	-	-	-			
	3,782,887	1,896,203	1,886,684			1,886,684
<b>2. Improved Quality and Relevance</b>						
2.1 Primary education (Curriculum)	223,181	114,186	108,995	Disbursement Request #16 - Direct Payment to Edunova for the Revision of the Primary School Curriculum	108,995	
2.2 Testing and assessment	176,669	176,669	-			
2.3 Spanish as the first foreign language	30,200	30,200	-			
	430,050	321,055	108,995			108,995
<b>3. Sector Management and Project Administration</b>						
3.1 MOE strengthening	241,391	207,230	34,161	Disbursement Request #20 - Payment of Jewan Ramcharitar, Technical Advisor to MOE for 2 month extension of contract	5,124 10,247 18,790	
3.2 Professional development	136,808	62,394	74,414	Disbursement Request #17 Difference - This figure was picked up by the IDB and is to be transferred to Project Administration	78,176 (3,762)	34,161
3.3 Project administration	444,107	368,383	75,724	Disbursement Request #20 - Salaries for PPPMU Staff Difference - This figure was picked up by the IDB and is to be transferred from Professional Development Component. The \$2 difference is due to rounding.	71,964 3,760	74,414
	822,306	638,007	184,299			75,724
						184,299
<b>4. Sensitization and Social Communication</b>						
4.1 Sensitization and social communication (Components 1 and 2)	130,244	125,583	4,661	Disbursement Request #20 VAT on AMPLE in the value of \$4,660.39 which was not reimbursed in error	4,661	
	130,244	125,583	4,661			4,661
<b>5. Monitoring and Evaluation</b>						
5.1 Component monitoring and evaluation	-	8,164	(8,164)	Disbursement Request #20 - Two (2) payments for PKF with respect to audit services for the year ended 30 September 2011	8,173 10,894	8,173
5.2 Mid term and final evaluation	-	-	-			
5.3 Audit	52,751	25,520	27,231			
	52,751	33,684	19,067			19,067
<b>6. Contingency</b>						
<b>Totals</b>	<b>5,218,238</b>	<b>3,014,532</b>	<b>2,203,706</b>		<b>2,203,706</b>	<b>2,203,706</b>

## **INDEPENDENT AUDITORS' REPORT ON SYSTEM OF INTERNAL CONTROL STRUCTURE**

**To: Programme and Projects Planning and Management Unit (PPPMU)  
Ministry of Education**

**Ministry of Education  
Seamless Education System Programme  
Inter-American Development Bank (IDB) Loan No. 2138/OC-TT**

We have audited the Statement of Cash Flows for the year ended 30 September 2012 and Statement of Cumulative Investments as of 30 September 2012 for the Ministry of Education, Seamless Education System Programme financed by the IDB under Loan Agreement No. 2138/CO-TT, by local contributions from the Government of the Republic of Trinidad and Tobago, executed by the Programme Coordination and Implementation Unit - Ministry of Education, and we have issued our report thereon dated 24 January 2013.

This report complements our opinion on the referenced financial statements.

The PPPMU of the Ministry of Education, Seamless Education System Programme – IDB Loan No. 2138/OC-TT is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguarding the assets of the project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by the PPPMU are required to assess the expected benefits and related costs of internal control system policies and procedures. The objectives of a system of internal control are to provide PPPMU with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with appropriate authorization and in accordance with the terms of the contract; and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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Email [pkf-trinidad@trinidad.net](mailto:pkf-trinidad@trinidad.net)

PKF | 245 Belmont Circular Road | PO Bag 250 | Belmont | Port-of-Spain | Trinidad | WI

Partners Ainsley A. Mark | Michael G. Toney | Renéé-Lisa Philip | Mark K. Superville





Chartered Accountants  
& Business Advisors

**INDEPENDENT AUDITORS' REPORT ON SYSTEM OF INTERNAL CONTROL STRUCTURE  
(CONTINUED)**

In planning and performing our audit of the program's financial statements for the year ended 30 September 2012, we obtained an understanding of the system of internal control, and we assessed control risk in order to determine the auditing procedures for the purpose of expressing an opinion on the project's financial statements and not to express an opinion on the effectiveness of the system of internal control. Accordingly, we do not express such an opinion.

We have not noted significant matters involving the internal control structure and its operation that we consider a reportable condition under the International Standards of Auditing. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability of the program to record, process, summarise and report financial data consistent with the assertions of the PPPMU in the Statement of Cash Flows and the Statement of Cumulative Investments.

We have not noted material weaknesses involving the internal control structure and its operation that we consider reportable conditions under the International Standards on Auditing. A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the Programme's financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

PKF

24 January 2013  
Port of Spain  
Trinidad and Tobago



## INDEPENDENT AUDITORS' REVIEW OF PAYMENTS IN DISBURSEMENT REQUESTS

**To: Inter-American Development Bank (IDB)**

**Ministry of Education**

**Seamless Education System Programme**

**Inter-American Development Bank (IDB) Loan No. 2138/OC-TT**

We have performed the procedures agreed that are enumerated below, concerning two disbursement requests submitted by the Executing Agency of the Ministry of Education, Seamless Education System Programme-IDB Loan No. 2138/OC-TT and set forth in the accompanying annex. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the disbursement requests and are summarised as follows:

1. We obtained and checked the date, use and amount of the disbursements against the Executing Agency's records.
2. We verified for each payment in the request, the existence of appropriate supporting documentation including contracts where applicable, in accordance with the procurement and internal control policies and procedures.
3. We verified receipt of payments directly with the intended recipients, and evidence of such outlays in the Executing Agency's accounting records.
4. We conducted physical inspections in relation to payments for the procurement of goods other than works, to verify compliance with internal control policies and their use in project operations.

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Chartered Accountants  
& Business Advisors

## **INDEPENDENT AUDITORS' REVIEW OF PAYMENTS IN DISBURSEMENT REQUESTS (CONTINUED)**

Below, we report our findings with respect to payments/disbursements, resulting from applying the above procedures:

1. With respect to procedure 1, we found that the disbursements were properly recorded in the accounting records.
2. With respect to procedure 2, we found that the supporting documentation including contracts existed and were valid, sufficient and reliable in accordance with the procurement and internal control policies and procedures.
3. With respect to procedure 3, we found that all payments were received by beneficiaries and there was evidence of such outlays in the Executing Agency's accounting records.
4. With respect to procedure 4, we found that the receipt of goods and services was in compliance with internal control policies.

Because the above procedures do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the payments in the disbursement requests, or on the disbursement requests taken individually or as a whole.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the payments included in the disbursements requests specified in the accompanying annex and does not extend to the financial statements of the Ministry of Education, Seamless Education System Programme-IDB Loan No. 2138/OC-TT taken as a whole.

**24 January 2013  
Port of Spain  
Trinidad and Tobago**

ANNEX

**LIST OF DISBURSEMENT REQUESTS ISSUED TO THE IDB**

**For the year ended 30 September 2012**

<b>DISBURSEMENT REQUEST #</b>	<b>AMOUNT</b>	<b>DISBURSEMENT REQUEST DATE</b>	<b>IDB EFFECTIVE DATE</b>
10	\$ 349,745	25 November 2011	19 December 2011
11	\$ 34,773	23 April 2012	4 June 2012
12	\$ 806,267	20 July 2012	2 August 2012
13	\$ 58,632	20 July 2012	3 August 2012
14	\$ 873,375	27 August 2012	31 August 2012
15	\$ 311,692	28 August 2012	31 August 2012





**MINISTRY OF EDUCATION**  
**GOVERNMENT OF THE REPUBLIC OF TRINIDAD & TOBAGO**  
**Support for a Seamless Education System (SES)**  
**Programme and Projects Planning & Management Unit (PPPMU)**  
18 ALEXANDRA STREET, ST. CLAIR  
PORT-OF-SPAIN

Phone: (868)-628-5262

Fax: (868)-628-5461

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**Attention: Mrs. Renee-Lisa Philip, Engagement Partner**

PKF Chartered Accountants and Business Advisors

245 Belmont Circular Road

Belmont,

Port of Spain

January 24, 2013

**LETTER OF REPRESENTATION**

Dear Madam,

This representation letter is provided in connection with your audit of the financial statements of Seamless Education System Programme and Projects Planning and Management Unit - IDB Loan No. 2138/OC-TT for the year ended 30 September 2012 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, the financial position of the Seamless Education System Programme and Projects Planning & Management Unit - IDB Loan No. 2138/OC-TT for the year ended 30 September 2012 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

We confirm to the best of our knowledge and belief, having made enquiries as we considered necessary for the purpose of appropriately informing ourselves, that:

*Financial Statements*

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 24 October 2012 for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented (or give a true and fair view) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. (ISA 540).
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standard (ISA 550).
- All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustments or disclosure have been adjusted or disclosed (ISA 560).
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is



attached to the representation letter (ISA 450).

- Any other matters that the auditor may consider appropriate (see paragraph A1 of this ISA).

#### *Information Provided*

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment for the risk that the financial statements may be materially misstated as a result of fraud (ISA 240).
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - ✓ Management;
  - ✓ Employees who have significant roles in internal control; or
  - ✓ Others where the fraud could have a material effect on the financial statements (ISA 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others (ISA 240).
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements (ISA 250).
- We have disclosed to you the identity of the entity's related parties and all related party relationships and transactions of which we are aware (ISA 550).
- Any other matters that the auditor may consider necessary (see paragraph A11 of this ISA).

Respectfully yours,



Bhadase Seetahal-Maraj

Project Manager – Education Systems & Development

Programme and Projects Planning & Management Unit (PPPMU)

Ministry of Education