



ACTT

**The Accreditation Council
of Trinidad and Tobago**

Established by Act No. 16 of 2004

Quality is the Key

Annual Report 2005



Our Vision:

A quality higher education sector in which ACTT, through collaboration with the diverse, dynamic, educational community and other stakeholders, provides assurance to the general public that all institutions meet local, regional and international standards.

Our Mission:

To assure the quality and integrity of higher education through the recognition, registration and accreditation of institutions and programmes for the improvement of the educational sector and the advancement of society.

Our Core Values:

- **Honesty** - straightforwardness of conduct, adherence to facts and the truth.
- **Excellence** - outstanding performance and achievement.
- **Integrity** - honesty and transparency in all that we do.
- **Fairness** - displaying consistency of equity and fair play.
- **Stakeholder value** - respecting the worth of all external and internal customers.
- **Continuous learning** - cultivating an environment that encourages and facilitates learning.
- **Innovation** - always looking for new approaches/ways of performing and doing things better.
- **Teamwork** - encouraging and facilitating dialogue, information and resource sharing, especially among internal staff.
- **Customer focus** - putting the customer at the centre of all business activities in order to inspire customer-responsive behaviour.
- **Results orientation** - striving for results that continually move the organization forward by maximising the use of resources in a timely manner.
- **Commitment to quality** - (work/products/services) - always striving to provide a high standard of excellence in all aspects of the business.
- **Ethical principles** - guidelines for actions that justify our moral judgements.
- **Professionalism** - functioning according to standards, ethics and a high level of expertise
- **Openness** - fostering an environment that invites communication, trust and objectivity.
- **Trust** - a firm belief in the reliability, truth, ability and strength of each other.

Table of Contents

Reports

Chairman's Report	4
Board of Directors	5
Report of the Executive Director	6
Report from the Corporate Secretary / Legal Officer	7
Report on the Accreditation & Quality Enhancement Department	8
Report on the Social and Economic Policy Framework	9
Report on the Qualifications and Recognition Department	10
Photos of the Management Team	12

Financials

Auditors' Report	13
Balance Sheet	14
Statement of Revenue and Expenditure	15
Statement of Changes in Accumulated Fund	16
Statement of Cash Flows	17
Notes to Financial Statements	18
Schedule of Administrative Expenses	26

Chairman's Report



Dr. Janet Stanley-Marcano

Preparation for the realization of our 20/20 vision requires an educated citizenry especially at the post-secondary and tertiary levels. In pursuance of this, Cabinet agreed in September 2003 to the establishment of an Accreditation Council of Trinidad and Tobago, which was duly constituted by Act of Parliament 16 of 2004.

Our mandate at the Council is to be "the principal body in Trinidad and Tobago for conducting and advising on the accreditation and recognition of post secondary and tertiary educational and training institutions, programmes and awards, whether local or foreign, and for the promotion of quality and standards of post secondary and tertiary education and training in Trinidad and Tobago". In brief, our remit is to provide assurances to employers, educators, practitioners, students and the general public that our educational institutions and programmes conform to universal standards.

Achievements for the period 2004 - 2005

While the members of the Accreditation Council of Trinidad and Tobago were only appointed in September 2004 and ACTT has been established for less than a full fiscal year, there have been number of important accomplishments to be noted, and summarized as follows:

- Development of governance structure and a policy framework.
- Recruitment of an Executive Director.
- Development of an appropriate organizational structure and key organizational processes linked to the functions of the Accreditation Council.
- Completion of major internal financial and administration systems and policies including: establishment of a bank account for ACTT; determination of HR needs; development of administrative and personnel policies; and development of a compensation plan.

- Development of an Operational Plan including specific objectives for the first year of operations and initiation of a Strategic Planning process.
- Near completion of the first three (3) phases of recruitment including: staffing of the office of the Executive Director; all Directors; key technical staff; and essential support staff.
- Offering services to the public through the issuing of statements on the accredited status of programmes and institutions (a service formerly offered by the Committee on the Recognition of Degrees (CORD)/NIHERST).

A full schedule of activity is planned for the fiscal year 2005-2006.

High on the priority listing are the formal launch of ACTT, and the communicating of our vision mission and role to the national and regional communities. Our in-house activities will continue apace with the streamlining of procedures for the implementation of our policies and systems.

Given our remarkable achievements over the short time of our existence as a corporate body, I am convinced that a report at the end of the next accounting period will reflect more progress. ■

Dr. Janet Stanley-Marcano

Board of Directors

1. Dr. Janet Stanley-Marcano
CHAIRMAN, ACTT
Consultant, Ministry of Education

2. Dr. Alvin Ashton
DEPUTY CHAIRMAN, ACTT
Higher Education Consultant

3. Dr. Ruby S. Alleyne
EX OFFICIO MEMBER
Executive Director, ACTT

4. Mrs. Deborah Maharaj-Newling
COUNCIL MEMBER, Representative
Association of Tertiary Institutions of Trinidad & Tobago

5. Mr. Eduardo Ali
COUNCIL MEMBER
Education Advisor, Ministry of Science, Technology & Tertiary Education

6. Professor Clement Imbert
COUNCIL MEMBER, Representative
Association of Professional Engineers of Trinidad and Tobago

7. Dr. Donald Peters
COUNCIL MEMBER
President, COSTAATT

8. Dr. Peter Baggan
COUNCIL MEMBER, Representative
Medical Board of Trinidad and Tobago

9. Mr. Cipriani Davis
COUNCIL MEMBER, Representative
CEO, Metal Industries Company

10. Mrs. Lennon Ballah- Lashley
COUNCIL MEMBER, Representative,
Employers' Consultative Association

11. Mr. Peter O'Neil
COUNCIL MEMBER, Representative
Tobago House of Assembly

12. Ms. Sally Siriram
COUNCIL MEMBER
Representative, TTUTA

Report of the Executive Director

History will record the establishment of the Accreditation Council of Trinidad and Tobago (ACTT) by Act no 16 of 2004 as one of the most significant developments ever in the tertiary education sector in Trinidad and Tobago. The Act, which was proclaimed on July 9th 2004 established the Council as the principal authority for the accreditation and recognition of post secondary and tertiary education and the promotion of quality in the sector.

ACTT emerged in the year 2005 as the foundation of an effective quality assurance and accreditation system for the twin island Republic. Its primary focus was to engage tertiary level institutions, as key stakeholders, in a cyclical process of monitoring, evaluating and improving quality.

During the period under review, I assumed duties as the Council's first Executive Director on February 14th 2005. This was the first step by the newly appointed Board towards the establishment of the Secretariat. A strategic planning approach was adopted for the establishment of the Council and this was informed by the Report of the Cabinet – appointed Implementation Team for the Establishment of the ACTT (2003). An Operational Plan with priorities for the first year was developed and implemented. Major developments that followed were:

- Acquisition and outfitting of ACTT's headquarters at leased premises in ALGICO Plaza, St. Vincent Street, Port of Spain. Spacious offices were functionally furnished to reflect a corporate image that is vibrant, modern and professional and equipped with high quality technology;
- Development of key organisational processes linked to the functions of the Council and an appropriate organisational structure;
- Recruitment of key managerial, technical and support staff;
- Development of financial and administrative management systems, policies and procedures;
- Implementation of a programme of professional development for staff to support skill enhancement and the acquisition of higher level competencies in specialised areas; and
- Initiation of the Strategic Planning process that would lead to the development of a 3 year Strategic Plan for the period 2006 – 2009;

ACTT also assumed responsibility in March 2005 for issuing statements on the recognition of qualifications – a service that was previously provided to the public by the Committee on the Recognition of degrees which served as the national accrediting agency under the National Institute of Higher Education, Research, Science and Technology (NIHERST).

During the first months of the operations of the Secretariat, staff were actively involved in establishing contact with key stakeholders not only in the tertiary education sector in Trinidad and Tobago but throughout the wider Caribbean region and internationally as well. Communication links were also established with employers in government and private sector agencies, professional and regulatory bodies, labour organisations, students, graduates and the public in order to create a greater awareness at the national level of the role that ACTT would play in ensuring greater access to quality education for all citizens.

This first year of ACTT's operations was a successful one. Not without its challenges, these were overcome through the collaborative efforts of the Board, Executive Director and a small core of staff who were present to open the doors to ACTT's first office in July 2005.

The team, though few in numbers, demonstrated the vision, foresight, innovative thinking, commitment and sheer human effort that was required to firmly establish ACTT on the national landscape.

I am extremely grateful to the staff for their pioneering spirit, professionalism and dedication to duty. I wish to express my sincere appreciation to the Chairman and Board of Directors for their support and sound guidance and for ensuring that the Secretariat was provided with the resources required to achieve our objectives. At this juncture, the Accreditation Council of Trinidad and Tobago is well-poised to fully assume its position as the focal point for quality in the tertiary education sector in the Republic of Trinidad and Tobago. ■

Report from the Corporate Secretary / Legal Officer

Prior to the Corporate Secretary/Legal Officer coming on board, the Directors of the Board of the Accreditation Council of Trinidad and Tobago (ACTT) were given their instruments of appointment by the President of the Republic of Trinidad and Tobago and had already held eight (8) meetings. The ninth meeting was thus the first for which the Board had the presence of a Corporate Secretary to prepare the Minutes as provided in Section 4 of the Schedule to Act No. 16 of 2004 (hereinafter referred to as “the Act”), the Act which established ACTT.

There are thirteen members of the Board of Directors of the Council and the Board appointed five (5) Sub-Committees, namely:

- The Finance and Property Committee
- The Governance and Policy Committee
- The Human Resource Committee
- The Operations Committee
- The Tenders Committee

These Sub-Committees met as the need arose during this period. A Tenders Policy was approved by the Board and the guidelines contained therein were used for the tendering process which included tendering for the provision of furniture and for interior design of the new offices.

The areas of focus for the Corporate Secretary/Legal Officer had a direct relationship to the fact that ACTT had only in June occupied its new offices at ALGICO Plaza. This therefore meant that certain legal matters such as the lease agreement between ACTT and its landlord, ALGICO and contracts for example for janitorial services had to be finalised almost immediately.

Members of management and staff were given interim emolument packages pending the receipt of guidelines from the Public Sector Negotiating Committee (PSNC). These guidelines, which would also address the terms and conditions of employment, would be

incorporated in the draft contracts for the employees at ACTT which were prepared at this time.

The need for Board Members to be *au courant* with corporate governance and to better understand their roles as Members of the Board of Directors of a statutory body were identified and as such terms of engagement with a consultant to provide this advice had to be finalised. The production of a Corporate Governance Manual by the consultant was part of this agreement.

In addition, legal opinions were being sought on the interpretation of various sections of the Act. Discussions were held with the Chief Parliamentary Council and sections of the Act were identified as being incongruent. It was agreed that the Act needed to be amended to address the anomalies and other issues identified as by doing so, a more efficient and effective tertiary education system would result.

The Act states at Section 27 that “the Council may, with the approval of the Minister, make regulations for the better carrying out of the provisions” of the Act. Regulations were not yet drafted and work needed to be begun on this. As such, the technical officers were asked to prepare the policies, processes and procedures which would inform these rules and regulations.

Section 11(2) of the Act allows a person who is directly affected by the decision of the Council to appeal the decision to the Appeals Committee on specified grounds. The Act however does not expressly detail the appeals process and initial work on this process had to begin.

The matters handled by the Corporate Secretary/Legal Officer truly represent the diverse range of issues handled by the Accreditation Council of Trinidad and Tobago and all in the interest of providing quality education in Trinidad and Tobago. ■

Report on the Accreditation & Quality Enhancement Department

Achievements

During the period under review, the Accreditation & Quality Enhancement Department (A&QE) was staffed only with the Director A&QE and the Operations Assistant. Further, like most of the other departments, the A&QE department was undertaking set-up work. In order to chart the future operations of the department, informed by the legislation set out in the Act which refers to ACTT's core functions, the department was involved with identifying, defining and describing the responsibilities of the department as they pertain to accreditation and re-accreditation of institutions and programmes in Trinidad & Tobago. Further, a departmental plan was formulated. These activities were expected to inform the development of a Strategic Plan to guide ACTT's operations as well as to lay the foundations for the development of the policies and procedures for accrediting institutions and programmes.

In this regard, the department undertook and completed the Draft Criteria necessary for the accreditation and re-accreditation of institutions and programmes. The development of these criteria resulted from extensive

research done on similar accrediting bodies from the United States, United Kingdom, Europe, New Zealand, Australia and Asia. The model was developed using the Higher Learning Commission - North Central Association (HLC-NCA), USA as an international benchmark. A working relationship was also established with the HLC-NCA and a team from ACTT is expected to visit their office and learn about its operations. The five criteria developed will inform the development of the standards and examples of evidence that will be used as guidelines to assess institutions and programmes in the accreditation process.

To enhance the capacity of the department, a needs analysis was also conducted to determine the number of staff members that would be necessary to effectively carry out the start-up activities and to sustain the department's undertakings for the first year. As a result, interviews for Accreditation and Quality Enhancement Officers were held and prospective candidates for the positions were short-listed. ■

Report on the Social and Economic Policy Framework

for the period ending June 21, 2005

Background

The Accreditation Council of Trinidad and Tobago (ACTT) is a statutory body established by an Act of Parliament - Act no. 16 of 2004. As the principal authority on the accreditation and quality of tertiary level education and training in Trinidad and Tobago, the Accreditation Council conducts evaluations and advises on the accreditation and recognition status of post secondary and tertiary educational and training institutions, programmes and awards, whether local or foreign. The Accreditation Council has been established to promote and encourage the implementation of internationally recognised quality standards for post secondary and tertiary education and training in Trinidad and Tobago.

The Accreditation Council will also establish the criteria, process and procedures for registration of existing tertiary level institutions by the Ministry of Science, Technology and Tertiary Education (MSTTE), as a precondition for accreditation by ACTT. By July 2006, all tertiary level institutions will be required to first be registered prior to seeking institutional and/or programmatic accreditation.

The core responsibilities of the Accreditation Council include:

1. To maintain a list of accredited post secondary and tertiary institutions operating and programmes offered in Trinidad and Tobago.
2. To register and accredit post secondary and tertiary institutions operating in Trinidad and Tobago and the programmes and awards of such institutions.
3. To advise on the recognition of foreign programmes and awards and the recognition of post secondary and tertiary institutions operating in Trinidad and Tobago.
4. To determine the equivalency of programmes and awards.
5. To develop and advise on a unified credit-based system for the post secondary and tertiary education sector.

6. To raise the quality of post secondary and tertiary education delivered in Trinidad and Tobago by ensuring the maintenance of the standards set by the Council.

Achievements for the Period 2004 - 2005

While the members of the Accreditation Council of Trinidad and Tobago were only appointed in November 2004 and the Council has been established for less than a full fiscal year, there have been a number of important accomplishments to be noted, and summarized as follows:

- Development of governance structure and a policy framework.
- Recruitment of an Executive Director.
- Development of an appropriate organizational structure and key organizational processes linked to the functions of the Accreditation Council.
- Completion of major internal financial and administration systems and policies including: establishment of a bank account for ACTT; determination of HR needs; development of administrative and personnel policies; and development of a compensation plan.
- Development of an Operational Plan including specific objectives for the first year of operations and initiation of a Strategic Planning process.
- Near completion of the first three (3) phases of recruitment including: staffing of the office of the Executive Director; all Directors; key technical staff; and essential support staff.
- Offering services to the public through the issuing of statements on the accredited status of programmes and institutions (a service formerly offered by the Committee on the Recognition of Degrees (CORD) / NIHERST). ■

Report on the Qualifications and Recognition Department

Functions

Statements on Recognition

One of the main functions of the Qualifications and Recognition Department is that of issuing statements on the accreditation/recognition status of post-secondary and tertiary level institutions and the qualifications they are authorized to confer, both locally and internationally. This responsibility fell previously to the Committee on the Recognition of Degrees (CORD) of the National Institute for Higher Education Research, Science and Technology (NIHERST). During the first few months of the establishment of ACTT one of the first activities included the issue of statements on recognition to prior applicants at CORD as well as members of the public who had heard of our services. During this period, January 2005 to the end of September 2005, ACTT issues almost five hundred (500) statements on recognition to members of the public. To accomplish this, significant work was undertaken to develop appropriate administrative procedure, policies and criteria for recognition.

Recognition Information System

To ensure the consistency and accuracy of statements on recognition ACTT began the development of a Recognition Information System (RIS) that would allow for the storage and retrieval of previously issued statements on recognition. Primarily for internal use, the RIS is essentially a database of institutions and programmes recognized by ACTT. Over the next two to three years, ACTT plans to create, manage and maintain appropriate databases of accredited institutions and programmes for internal use. These databases, it is planned, will be continuously expanded, updated and maintained by the staff of ACTT.

Trinidad and Tobago National Qualification Framework

Through the engagement of an international consultant with considerable experience, the Qualifications and Recognition department will work collaboratively with all stakeholders towards the establishment of a Trinidad and Tobago National Qualifications Framework (TTNQF). This foundation project will involve the development of criteria and standards that provide for:

- the award of qualifications
- recognition of qualifications
- increased horizontal and vertical articulation
- transferability of credits; increased intra- and extra- regional mobility of skills

As part of the qualifications framework all existing tertiary/higher education qualifications awarded by local institutions will be positioned relative to each other. The qualifications framework will also highlight progression routes and pathways to professional, vocational and other kinds of qualifications. With the development of the qualifications framework, ACTT will eventually introduce mechanisms to accommodate new qualifications as they are developed.

Further plans related to the qualifications framework include the development of processes and criteria that will facilitate determination of equivalence of foreign qualifications to local qualifications; and the comparison of local qualifications with qualifications within the Caribbean region and internationally.

Conferment of Institutional Titles

Among other functions, ACTT has the responsibility to “provide authoritative advice on accreditation and related matters, including the conferment on institutions of such titles as ‘university’, ‘tertiary college’, ‘technical institute’, ‘polytechnic’, ‘community college’, ‘technical college’ and ‘technical university’”. Alongside the development of criteria for accreditation, registration and recognition, significant developmental work was completed on the definitions and criteria for institutional titles. While not completed during the 2004-2005 financial year, significant work was undertaken towards ensuring that institutional titles are an appropriate reflection of respective institutions.

Public Outreach and Information Campaign

Given the growing concern for quality post-secondary and tertiary level education, ACTT aims to increase public awareness among students,

Report on the Qualifications and Recognition Department (continued)

employers and all other stakeholders of the importance of pursuing post secondary and tertiary level study at recognized institutions. In 2005, ACTT initiated research and made a commitment to continuously disseminate information on 'Diploma Mills' and 'fraudulent' tertiary level institutions operating in Trinidad and Tobago.

Other Long-Term Initiatives

Further international and regional initiatives include working with international accrediting bodies so as to ensure international recognition of local qualifications. Along similar lines ACTT is aware of the long term importance of greater regional collaboration towards development of regional standards for accreditation and a Regional Qualifications Framework endorsed by CARICOM.

ACE Workshop

In August of 2005, the Director of Qualifications and Recognition and the Director of Accreditation and Quality Enhancement traveled to Washington D.C. to attend a workshop hosted by the American Council on Education (ACE). The workshop, titled "Evaluating Distance Education Courses for Credit Recommendations" examined the issues and process required for evaluating quality and assigning credit values for qualifications awarded through distance learning arrangements. The workshop examined the major forces and challenges of distance learning in a rapidly changing global environment. Specifically, the workshop focused on the criteria and processes used in assigning credit value for postsecondary and tertiary level programmes, especially those delivered through various distance education modes.

Participation in the ACE workshop is expected to bring great value to ACTT in terms of informing the policies, process, and standards for regulating the quality of the distance learning education sector. The knowledge and experience gained from the workshop will serve to inform the criteria for evaluating distance learning qualifications awarded by completely foreign institutions as well as those in partnership with local tertiary level colleges and universities. Further,

salient issues related to the team review process and the development of relevant committees and professional networks are expected to inform the processes currently being developed for accreditation, registration and recognition.

NARIC Training

Towards building greater capacity within ACTT, the Director of Qualifications and Recognition participated in a training workshop delivered by the National Recognition Information Centre (NARIC) of the United Kingdom, in September of 2005. NARIC is the only official source within the United Kingdom of information and advice on international education and training systems as well as overseas skills and qualifications. NARIC provides recognition service and comparability information of all international qualifications from 183 countries worldwide. In this regard, NARIC provides ACTT with a good model for the development of criteria for recognition and equivalence of international qualifications.

As an important component of ACTT's developmental initiative, the training programme provides great value in the process of developing policies, process, and criteria for recognition of academic and vocational qualifications internationally, and their equivalent local qualifications. As ACTT prepares to engage in the development of a National Qualification Framework we will need to consider how students will transition within the Trinidad and Tobago education system, as well as the equivalence of local qualifications with other countries and international standards.

To deal with the growing problem of fraudulent documents and 'bogus' degrees, the workshop also assisted in developing the skills of ACTT staff in examining original documents for fraud. Detection of fraudulent documents will become more critical as greater numbers of requests for statements on recognition are projected and assessment of individual qualifications for equivalence with local qualifications is to be introduced in early 2006. ■

Management Team



Dr. Ruby S. Alleyne
Executive Director



Mr. Michael Bradshaw – Director,
Accreditation and Quality Enhancement



Mr. Ronald Brunton – Director,
Qualifications and Recognition



Mr. Anthony Webster – Director,
Finance and Administration



Mrs. Jane Murray
Corporate Secretary



Ms. Heather S. M. John –
Corporate Communications Specialist

Auditors' Report

To the members of The Accreditation Council of Trinidad and Tobago

We have audited the balance sheet of the Accreditation Council of Trinidad and Tobago (the Council) at September 30, 2005 and the statements of revenue and expenditure, changes in accumulated fund and cash flows for the fifteen months then ended as set out on pages 2 to 14. These financial statements are the responsibility of the organisation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Council as at September 30, 2005 and the results of its operations and its cash flows for the fifteen months then ended in accordance with International Financial Reporting Standards.

Chartered Accountants

Port of Spain
Trinidad and Tobago, W.I.
November 16, 2006

Balance Sheet

	Notes	30 September 2005
Assets		
Non-current assets		
Net fixed assets	1	\$ 1,389,775
Current assets		
Prepayments		133,860
Cash on hand and at bank	2	1,153,960
Total current assets		<u>1,287,820</u>
Total assets		\$ <u><u>2,677,595</u></u>
 Accumulated Fund and Liabilities		
Accumulated fund		
		\$ 2,060,962
Non-current liabilities		
Deferred income	3	310,206
Current liabilities		
Accounts payable and accrued liabilities		306,427
Total accumulated fund and liabilities		\$ <u><u>2,677,595</u></u>

See accompanying notes to financial statements.

Director _____

Director _____

Statement of Revenue and Expenditure

For the fifteen months ended September 30, 2005

	Notes		2005
Revenue	4	\$	5,031,194
Other (expenses) income			
Administrative expenses – (Schedule 1)			(3,000,383)
Interest income			4,491
Other income			<u>25,660</u>
Total other (expenses) income			<u>(2,970,232)</u>
Surplus of revenue over expenditure for the period		\$	<u><u>2,060,962</u></u>

See accompanying notes to financial statements.

Statement of Changes in Accumulated Fund

For the fifteen months ended September 30, 2005

		Accumulated Fund
Balance at July 1, 2004	\$	-
Surplus of revenue over expenditure for the period		<u>2,060,962</u>
Balance as at September 30, 2005	\$	<u><u>2,060,962</u></u>

See accompanying notes to financial statements.

Statement of Cash Flows

For the fifteen months ended September 30, 2005

2005

Cash Flows from Operating Activities

Surplus of revenue over expenditure for the period	\$	2,060,962
Adjustments to reconcile the surplus of revenue over expenditure for the period to net cash from operating activities		
Depreciation		99,027
Amortisation of deferred income		(89,794)
Prepayments		(133,860)
Accounts payable and accrued liabilities		306,427
Net cash from operating activities		<u>2,242,762</u>

Cash Flows from Investing Activities

Purchase of fixed assets		(1,488,802)
Net cash used in investing activities		<u>(1,488,802)</u>

Cash Flows from Financing Activities

Proceeds from government grants		400,000
Net cash used in financing activities		<u>400,000</u>

Net increase and cash and cash equivalents

at the end of the period	\$	<u>1,153,960</u>
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Analysis of cash and cash equivalents

Cash on hand and at bank	\$	<u>1,153,960</u>
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See accompanying notes to financial statements.

Notes to Financial Statements

September 30, 2005

Limitation of liability and principal activity

The Accreditation Council of Trinidad and Tobago (the Council) was established in the Republic of Trinidad and Tobago in June 2004, by an Act of Parliament #16. The Council commenced commercial operations on June 14, 2004.

The principal activity of the organisation is to ensure quality in higher education in T&T through the following four major activities:

- a) registration of Tertiary Level Institutions.
- b) accreditation of Tertiary Level Institutions.
- c) accreditation of specialised programmes.
- d) recognition of foreign Tertiary Level Institutions and their programmes and awards.
- e) conferment of title on Tertiary Level Institutions

These financial statements were approved for issue by the directors on November 16, 2006.

Significant accounting policies

- (a) **Statement of compliance**
These financial statements have been prepared in accordance with the International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board.
- (b) **Basis of preparation**
These financial statements have been prepared on the historical cost basis.
- (c) **Reporting currency**
These financial statements have been prepared in Trinidad and Tobago dollars.
- (d) **Foreign currency transactions**
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction.

Notes to Financial Statements

September 30, 2005

Significant accounting policies (continued)

(e) **Use of estimates**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these 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.

(f) **Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses. The Council recognizes in the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Council and the cost of the item can be measured reliably.

All other costs are recognised in the income statement as an expense as incurred.

When parts of an item of fixed assets have different useful lives, those components are accounted for as separate items of fixed assets.

Depreciation is charged using the reducing balance basis at the following rates which are designed to write off the cost of the assets over their estimated useful lives:

Motor vehicle	25%
Computer equipment	33.3%
Furniture and fittings	25%
Equipment	25%

Notes to Financial Statements

September 30, 2005

Significant accounting policies (continued)

(g) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at hand and in bank.

(h) **Trade and other payables**

Trade and other payables are stated at cost.

(i) **Provisions**

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and, where appropriate, the risks specific to the liability.

(j) **Impairment**

The carrying amounts of the Council's assets, other than fixed assets and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to Financial Statements

September 30, 2005

Significant accounting policies (continued)

(k) **Revenue recognition**

Unconditional grants related to the ongoing operations of the Council are recognised in the statement of revenue and expenditure as revenue when the grant becomes receivable.

Grants that compensate the Council for the cost of an asset are recognised in the statement of revenue and expenditure as revenue on a systematic basis over the life of the asset.

Other revenue related to the Council includes revenue earned from the issuance of statements of recognition and equivalencies. This revenue is recorded on an accruals basis.

(l) **Operating leases**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(m) **Taxation**

Section 20 of the Act indicates that the Council should be exempt from the stamp duties, corporation taxes, custom duties, value added taxes, motor vehicle taxes and all other taxes.

Notes to Financial Statements

September 30, 2005

1. Net Fixed assets

		Motor Vehicles	Computer Equipment	Furniture and fittings	Equipment	Total
Cost						
Additions for the period	\$	425,540	221,448	755,200	86,614	1,488,802
Balance at September 30, 2005	\$	<u>425,540</u>	<u>221,448</u>	<u>755,200</u>	<u>86,614</u>	<u>1,488,802</u>
Accumulated depreciation						
Charge for the period	\$	28,473	14,765	51,907	3,882	99,027
Balance at September 30, 2005	\$	<u>28,473</u>	<u>14,765</u>	<u>51,907</u>	<u>3,882</u>	<u>99,027</u>
Net book value						
Balance at September 30, 2005	\$	<u>397,067</u>	<u>206,683</u>	<u>703,293</u>	<u>82,732</u>	<u>1,389,775</u>

2. Cash on hand and at bank

		2005
Chequing account	\$	1,139,273
Cash on hand		13,687
Petty cash		<u>1,000</u>
Balance at September 30, 2005	\$	<u>1,153,960</u>

3. Deferred Income

Grant received	\$	400,000
Amortisation of deferred income		<u>(89,794)</u>
Balance at September 30, 2005	\$	<u>310,206</u>

The deferred income relates to a grant to purchase fixed assets under the Public Sector Investment Programme from the Ministry of Science, Technology and Tertiary Education.

Notes to Financial Statements

September 30, 2005

4. Revenue

2005

Government of the Republic of Trinidad and Tobago

- Recurrent expenditure subvention

\$ 4,912,000

Amortisation of deferred income

89,794

Issuance of recognition statements

29,400\$ 5,031,194

5. Related parties

Key management personnel

Key management personnel receive compensation in the form of short-term, employee benefits and post-employment benefits.

Key management personnel received compensation of \$669,608 for the period. Total remuneration is included in salaries and wages.

6. Operating leases

2005

Leases as lessee

Non cancellable operating lease rentals are payable as follows:

Less than one year

\$ 803,160

Between one and five years

2,248,848\$ 3,052,008

During the period, \$717,025 was recognised as an expense in the income statement in respect of operating leases.

Notes to Financial Statements

September 30, 2005

7. Outstanding purchase orders

At the balance sheet date, the Council issued purchase orders to suppliers for the acquisition of materials, supplies and services which had not yet been fulfilled. The cost of these outstanding purchase orders has not been included in these financial statements and they do not constitute contingent liabilities. The value of these outstanding purchase orders was \$746,262.

8. Financial instruments

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Market risk

Market risk arises in the normal course of business and encompasses the risk to earnings that arises from changes in equity prices.

Credit risk

Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. At the balance sheet date, there is a significant concentration of credit risk in the trade receivables portfolio. The maximum exposure to credit risk is represented by the carrying amount of the financial asset in the balance sheet.

Foreign currency risk

The Council does not incur significant foreign currency risk on purchases that are denominated in a currency other than the Trinidad and Tobago dollar.

Accounts and other payables

For payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other payables are discounted to determine the fair value.

Notes to Financial Statements

September 30, 2005

9. **Accounting Estimates and Judgements**

Management has considered the development, selection and disclosure of the Council's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is shown below:

- Impairment of assets

Accounting policy (j) contains information about the assumptions and their risk factors relating to the impairment of assets.

Schedule of Administrative Expenses

	Schedule 1	
	2005	
For the fifteen months ended September 30, 2005		
Advertising and promotions	\$	132,026
Office expenses		311,399
Insurance		16,232
Other expenses		25,865
Repairs and maintenance		152,370
Salaries and wages		1,175,351
Depreciation		99,026
Rent		513,323
Travel		209,757
Training		260,307
Utilities		<u>104,727</u>
	\$	<u><u>3,000,383</u></u>

Notes

Notes