



Tel: +1 (868) 625 8662
Fax: +1 (868) 627 6515
www.bdo.tt

2nd Floor CIC Building
122-124 Frederick Street
Port of Spain 100825
Trinidad and Tobago

Independent Auditor's Report

To the Inter-American Development Bank
Public Financial Management Modernization Project

Opinion

We have audited the special purpose financial statements of the Support to Strengthen Trinidad and Tobago's Public Financial Management System (the "Project"), which comprise the statement of cash received and disbursements as at September 30, 2021, and the statement of cumulative investments, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Project as at September 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Public-Sector Accounting Standards ("IPSAS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.



Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature of 'BDO' in blue ink, written in a cursive style.

January 6, 2022

Port of Spain
Trinidad

BDO
2nd Floor, CIC Building
122-124 Frederick Street
Port of Spain 100825
Trinidad and Tobago

Ladies and gentlemen:

We are providing this letter in connection with your audit of the special purpose financial statements of the Public Financial Management Modernization Project (the "Project") as of September 30, 2021 and for the year then ended for the purpose of expressing an opinion as to whether the special purpose financial statements present fairly, in all material respects, the financial position, cumulative investments, and cash flows of the Project in accordance with International Public-Sector Accounting Standards ("IPSAS"). We confirm that we are responsible for the preparation and fair presentation in the special purpose financial statements of financial position, cumulative investments and cash flows in accordance with IPSAS.

We approve and authorise the special purpose financial statements for issuance as of the date of this letter.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it likely that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. Additionally, omissions and misstatements are considered to be material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements.

We confirm, as of the date of this letter, having made appropriate enquiries of other relevant third parties, the following representations made to you during your audit:

- (1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 14, 2021, for the preparation of the special purpose financial statements in accordance with IPSAS; in particular, the special purpose financial statements are fairly presented in accordance therewith.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit service contract, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.
- (3) We have made available to you:
 - (a) All financial records and related data, as agreed upon in the terms of the aforementioned audit service contract.
 - (b) Minutes of the meetings of members, directors, and committees of directors that were held from October 1, 2020, to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - (c) The most recently amended memorandum and articles of association statutory records and material contracts.
 - (d) Regulatory or examination reports, supervisory correspondence, and similar materials from applicable regulatory agencies, including communications about supervisory actions or noncompliance with, or deficiencies in financial reporting practices, rules, and regulations or supervisory actions and there are no regulatory examinations currently in progress for which we have not received examination reports.
- (4) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.

- (5) There are no material transactions that have not been properly recorded in the accounting records underlying the special purpose financial statements.
- (6) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the special purpose financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the special purpose financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Project received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, analysts, or other professionals,
- (7) We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- (8) We are not aware of any matters that would impact our assessment that the Project is able to continue as a going concern for the twelve months following the date of this letter.
- (9) The following, where applicable and material, have been properly recorded or disclosed in the special purpose financial statements:
 - (a) The identity of related parties and all related party relationships and transactions of which we are aware, in accordance with IPSAS 20, *Related Party Disclosures*. Financial liabilities with related parties are recorded at fair value.
 - (b) All derivative instruments and any embedded derivative instruments that require separation, in accordance with IPSAS 29.

For contracts that qualify as regular way purchase or sales of a financial asset, as specified in paragraph 10 of IPSAS 29, we believe that the contract will result in delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.
 - (c) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (d) Guarantees, whether written or oral, under which the Project is contingently liable.
 - (e) Critical accounting estimates and judgments known to management that are required to be disclosed in accordance with IPSAS 1, *Presentation of Financial Statements*. In that regard, all accounting estimate uncertainties that could be material to the financial statements, including key factors and significant assumptions underlying those estimate uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, have been identified, and we believe the assumptions and estimate uncertainties, including those estimates made at fair value, are reasonable in the circumstances.
 - (f) The effects of all known actual or possible litigation claims, and other provisions, liabilities, or gain or loss contingencies that are required to be accrued or disclosed by IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*, including:
 - Pending or anticipated tax assessments or refunds, price renegotiation, other potential or pending claims, or lawsuits by or against any branch of government or others;
 - Written or oral guarantees, endorsements, or unused letters of credit;

- Unusual product or service warranties or guarantees;
- Labour claims or negotiations

IPSAS 19 requires provisions to be accrued if (1) an entity has a possible/present obligation as a result of a past event, (2) it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and (3) the amount of obligation can be measured with sufficient reliability. Such contingencies must be disclosed, but will not be provided for, where it is more likely than not that no present obligation exists, or it is more likely than not that there will be a loss but the amount of loss cannot be reliably measured.

- (g) Commitments, such as:
- Major fixed asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions, or severance pay;
 - Pending sale or merger of all or a portion of the organization or of an interest therein or acquisition of all or a portion of the business, assets, or securities of another entity; or
 - Purchase or sale of securities, including commitments to purchase additional security interests, or sell securities sold short, sell securities under forward placement, financial futures contracts, and standby commitments.
- (h) Joint ventures, the detailed transactions of which are not carried on our books, except where we have chosen to account for such joint ventures using the proportionate consolidation model as specified in IPSAS 8, *Interests in Joint Ventures*.
- (i) Sales of loans or other transfers of financial assets;
- (j) Agreements to repurchase assets previously sold;
- (k) Foreign currency transaction gains or losses, as well as translation of foreign currency financial statements.
- (l) New standards, interpretations, and amendments in IFRS effective in (or adopted early in) the current year, in accordance with IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*.
- (10) There are no:
- (a) Violations, suspected violations, or possible violations of laws or regulations (including the failure to file reports required by regulatory bodies when the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- (11) No legal advisors were engaged during the period from October 1, 2019 to the date of this letter.
- (12) The Project has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (13) We have complied with all aspects of contractual agreements, including debt covenants that would have a material effect on the special purpose financial statements in the event of noncompliance.
- (14) No discussions have taken place with your firm's personnel regarding employment with the Project, or its affiliates.
- (15) In connection with any electronic presentation of the special purpose financial statements and your audit report thereon on a web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the special purpose financial statements in the electronic format.

- If your audit report is presented on any web site, the full special purpose financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on the web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with the web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
 - We have assessed the security over financial statement information and the audit report presented on the web site and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on a web site through internal failure or external manipulation.
 - Our web site, which contains the electronic special purpose financial statements, will advise the reader that such special purpose financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed special purpose financial statements will be provided on request.
- (16) The methods and significant assumptions used to determine fair values of financial (and non-financial) instruments are as disclosed in the special purpose financial statements. The methods and significant assumptions used to determine fair values are in accordance with IPSAS 30, *Financial Instruments: Disclosures*.
- (17) The following information about financial instruments has been properly disclosed in the financial statements, in accordance with IPSAS 30, as follows:
- (a) The significance of financial instruments for our financial position and performance.
 - (b) Qualitative and quantitative information about exposure to risks arising from financial instruments, including the following specified disclosures about credit risk, liquidity risk, and market risk:
 - i. The qualitative disclosures that describe our objectives, policies, and processes for managing those risks, specifically:
 - a. the exposures to risk and how they arise;
 - b. our objectives, policies, and processes for managing the risk, and the methods used to measure the risk; and
 - c. any changes in a. or b. above from the previous period.
 - ii. The quantitative disclosures that provide information about the extent to which we are exposed to risk, based on information provided internally to our key management personnel, notably:
 - a. quantitative disclosures around credit risk, as identified in IPSAS 30;
 - b. quantitative disclosures around financial assets that are either past due or impaired, as identified in IPSAS 30;
 - c. quantitative disclosures around collateral and other credit enhancements obtained, as identified in IPSAS 30;
 - d. quantitative disclosures around liquidity risk, as identified in IPSAS 30;
 - e. quantitative disclosures around market risk, as identified in IPSAS 40;
 - f. quantitative disclosures around other market risk disclosures, as identified in IPSAS 30, if applicable.

- (18) We agree with the findings of the actuary in evaluating the accuracy of the pension liability and have adequately considered the qualifications of the actuary in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the actuary.
- (19) No impact from the COVID-19 outbreak is necessary to be reflected in the financial statements.

We consider that the Project's policies and procedures are, and have been, adequate to ensure compliance with the laws of Trinidad and Tobago. We are not aware of any events during the reporting period, which indicates that management's responsibility in this respect has not been carried out effectively.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the statement of financial position and through the date of this representation letter, that would require adjustment to or disclosure in the aforementioned special purpose financial statements.

Very truly yours,

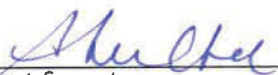
Public Financial Management Modernization Project




Permanent Secretary



Date



Permanent Secretary



Date



Government of Trinidad and Tobago
MINISTRY OF FINANCE

Public Financial Management Modernization Project:

**TT-L1042: Support to Strengthen
Trinidad and Tobago's Public Financial
Management System**

Loan No: 3473/OC-TT

Financial Report

**Period October 1, 2020 to
September 30, 2021**

Table of Contents

	Page(s)
Statement Of Cash Received And Disbursements (USD)	2
Statement Of Cumulative Investments (USD & TTD)	3-4
Statement of cash flows	5
Notes to the financial statements	6-12

LOAN: 3473/OC-TT

TT-L1042: Support to Strengthen Trinidad and Tobago's Public Financial Management System

STATEMENT OF CASH RECEIVED AND DISBURSEMENTS (USD)
For the Period October 1 to September 30 2021

	Oct 1, 2020 to Sept 30, 2021		
	IDB	Local	Total
Cash Received			
Beginning Balance	\$ 8,778,537		\$ 8,778,537
<i>Activity during the Period</i>			
- Disbursements (advances, reimbursements, direct payments and reimbursements guaranteed by letter of credit)	\$ 5,092,273	\$ 266,413	\$ 5,358,686
Total Cash Received	\$ 13,870,810	\$ 266,413	\$ 14,137,223
Disbursements			
Beginning Balance Oct 1.2020	\$ 6,689,087		\$ 6,689,087
<i>Activity during the Period</i>			
- Direct Costs (Support and Implementation of IFMIS)	\$ 2,075,233	\$ 266,413	\$ 2,341,646
- Project Administration	\$ 284,400		\$ 284,400
- Evaluation	\$ 5,990		\$ 5,990
- Contingency			
Total Cash Disbursed	\$ 9,054,710	\$ 266,413	\$ 9,321,123
Available Cash at the end of the Period	\$ 4,816,100	\$ -	\$ 4,816,100

Table 1

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


Financial Specialist


Permanent Secretary

Ministry of Finance

LOAN: 3473/OC-TT

TT-L1042: Support to Strengthen Trinidad and Tobago's Public Financial Management System

STATEMENT OF CUMULATIVE INVESTMENTS (USD)
For the Period October 1, 2020 to Sept 30, 2021

ITEM	Opening Cumulative: October 1, 2020		Movement in the Period			Closing Cumulative: Sept 30, 2021		
	IDB	Total	IDB	GORTT	Total	IDB	GORTT	Total
	₤	₤	₤	-	₤	₤	-	₤
DIRECT COSTS:	5,619,015	5,619,015	2,075,233	266,413	2,341,646	7,694,248	266,413	7,960,661
- Component I. Support for Public Financial Management Modernization	381,114	381,114	229,523		229,523	610,638		610,638
- Component II - Support for the implementation of a Integrated Financial Management Information System Implementation	5,237,901	5,237,901	1,845,710	266,413	2,112,123	7,083,611	266,413	7,350,024
- Project Administration	1,064,067	1,064,067	284,400		284,400	1,348,467		1,348,467
- Evaluation	6,005	6,005	5,990		5,990	11,995		11,995
- Contingency	-	-	-		-	-		-
	-	-				-		-
Grand Total	6,689,087	6,689,087	2,365,623	266,413	2,632,036	9,054,710	266,413	9,321,123

Table 2

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



Financial Specialist



Permanent Secretary

Ministry of Finance

LOAN: 3473/OC-TT

TT-L1042: Support to Strengthen Trinidad and Tobago's Public Financial Management System

STATEMENT OF CUMULATIVE INVESTMENTS (TTD)
For the Period October 1, 2020 to Sept 30, 2021

ITEM	Opening Cumulative: October 1, 2020		Movement in the Period			Closing Cumulative: Sept 30, 2021		
	IDB	Total	IDB	GORTT	Total	IDB	GORTT	Total
DIRECT COSTS:	37,750,790	37,750,790	3,452,743	1,792,275	15,732,118	51,693,038	1,792,275	53,485,313
- Component I. Support for Public Financial Management Modernization	2,560,479	2,560,479	1,542,030	-	1,542,030	4,102,508		4,102,508
- Component II - Support for the implementation	35,190,311	35,190,311	1,910,713	1,792,275	14,190,088	47,590,529	1,792,275	49,382,804
- Project Administration	7,148,828	7,148,828	1,910,713	-	1,910,713	9,059,540		9,059,540
- Evaluation	40,344	40,344	40,240	-	40,240	80,584		80,584
- Contingency	-	-	-	-	-	-	-	-
Grand Total	44,939,961	44,939,961	5,403,696	1,792,275	17,683,071	60,833,162	1,792,275	62,625,437

Table 3

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



Financial Specialist



Permanent Secretary

Statement of Cashflows
For the Quarter Ending Sept 30, 2021

	<i>Year ending 30.9.21</i>	
	<i>US\$</i>	<i>TT\$</i>
Beginning Cash Balance (a)	2,089,451	14,037,767
<u>Cash received</u>		
Activity during the year		
Disbursements		
IDB Advances	5,092,273	34,211,927
GORTT Funding	266,413	1,792,275
Reimbursements		
Total cash received (b)	7,448,137	50,041,969
	7,448,137	50,041,969
<u>Disbursements made</u>		
Activity during the year		
Payments for goods and services		
From IDB Advances	(2,632,036)	(17,683,071)
From GORTT	-	-
Total disbursements made (c)	(2,632,036)	(17,683,071)
Available cash at end of quarter (a)+(b)+(c)	4,816,101	32,358,898

Table 4

Balance as per Bank Statement **4,816,101**

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



 Financial Specialist



 Permanent Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Project description

The general objective of the project is to improve the efficiency and effectiveness of the Government of Trinidad and Tobago to allocate public resources. Its specific objectives are to improve:

- the Allocation of public resources, by improving the efficiency in the preparation, execution, monitoring and reporting on the budgetary operations of the Central Government
- the control and stewardship of public resources, by improvement in the Internal Audit Function and centralized monitoring of financial aggregates; and
- information management for decision making.

In order to achieve the above objectives, the project will implement the following two components:

Component I. Support for Public Financial Management Modernisation

This component seeks to modernise the Public Financial Management (PFM) procedural and legal framework for budget preparation and execution and includes the following activities:

- development and implementation of a new budget classification based on a Government Finance Statistics (GFS)-compliant Chart of Accounts and a treasury accounting framework that complies with International Public-Sector Accounting Standards
- development and implementation of a change management strategy
- development and implementation of institutional instruments to sustain PFM modernization efforts
- design and implementation of an Internal Audit framework to improve PFM control, transparency and reporting
- review of the PFM legal framework and preparation of recommendations to strengthen the framework.
- business process reengineering for budget preparation and execution processes.

Component II. Support for Implementation of an Integrated Financial Management Information System (IFMIS)

This component seeks to improve information management for PFM through implementation of the IFMIS and includes the following activities:

- Establishment of a centralized information technology (IT) governance framework within the Ministry of Finance
- Implementation of a Commercial off-the-shelf integrated financial management solution with government-wide coverage, including customization, data migration and integration services.

In addition to the above implementation activities, the project financing provides for project management support and project evaluation activities.

The estimated cost of the project is US \$40M to be fully financed by loan resources secured from the Inter-American Development Bank and is distributed in the project cost categories as follows:

Investment Category/Sub Category	Approved Loan Amount	
	Original	Current
1. Direct Costs	36,757,803	21,996,161
2. Project Administration	1,060,000	1,888,500
3. Evaluation	170,000	170,000
4. Contingency	2,205,137	845,339
Total Expenditure	40,000,000	24,900,000

Table 5

The Executing Agency for the Project is the Ministry of Finance which is implementing the Project through the Public Financial Management Modernization Unit (PFMMU), a special purpose unit established within the Ministry. The PFMMU also serves as the Project Implementation Unit for the Project.

2. Significant accounting policies

· Cash Basis of Accounting

The financial statements have been prepared using the cash basis of accounting, recognizing revenue when the cash is received and recognizing expenses when the cash has been disbursed. This accounting policy differs from the IPSAS under which transactions should be recorded when they occur and not when they are paid. However, the IPSAS have been applied to circumstances such as those discussed in chapter “Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounting”.

· Currency

The project’s accounting records are maintained in project currency. For both cash receipts and payments, the exchange rate used for conversion is the rate prevailing rate on the date of the transaction.

3. Reporting period

Project activity commenced in October 2016. The current reporting period is October 1, 2020 to September 30, 2021. Accordingly, these financial statements cover the fiscal period beginning October 1, 2020 and ending September 30, 2021. The exchange rate used for conversion to TTD as at September 30th, 2021 is \$ 6.7184 TTD to \$1 USD as per the Central Bank of Trinidad and Tobago’s buying rate on that date.

4. Available cash balance

The available cash balance is held in the Project's bank account at the Central Bank of Trinidad and Tobago (CBTT) and does not include exchange rate earnings. The balance at September 30, 2021 is as follows:

	<u>TT\$</u>	<u>US\$</u>
CBTT Bank Account No. 20720-77	30,566,623	4,816,101

The account in which the advance is deposited in the Central Bank of Trinidad & Tobago is non-interest-bearing.

5. IDB Loan Funds Received

The following is the status of disbursements received from the IDB as at the reporting date. In 2020, the Ministry of Finance paid for the licenses under IGovTT in the amount of \$1,717,350.01 TTD. This was due to the legal restrictions under the Loan and the arrangement between Microsoft and the GORTT.

Additionally, an amount of \$74,925 TTD was paid by the Ministry of Finance for the Metro E connectivity. This was billed to the Ministry as part of the monthly billing.

Request No	Date Received	Disbursement Type		GORTT Funding	Total
		Advance	Reimbursement		
Cumulative to 31.03.19	29.06.17	2,000,000	136,131		2,136,131
Disbursement #7	28.11.18	3,642,406			3,642,406
Disbursement #13	12.12.19	3,000,000			3,000,000
GORTT Disbursement #21	01.01.21	5,092,273		266,413	5,092,273
Total		13,734,679	136,131	266,413	14,137,223

Table 6

6. Advances pending justification

As at September 30, 2021, the amount of the advance pending justification was US\$82,164, which represented expenditures incurred utilizing resources from the advance but not yet justified.

To date, no project expenditures have been deemed ineligible.

	<u>US\$</u>
PFMMU Bank Balance -September 30, 2021	4,816,101
Add: Expenditures from the Advance pending justification	<u>657,861</u>
Balance of the Advance as per IDB September 30 2021	<u>5,473,961</u>

7. Advances and justification

As at June 28, 2021, an advance of US\$5,092,273 was disbursed to the project by the Bank.

	<u>(US\$)</u>	<u>(TT\$)</u>
Opening balance of advances - Oct 1 2020	2,089,451	14,037,767
Advances received & recorded	5,358,686	34,211,927
Actual expenditure	<u>(2,632,036)</u>	<u>(17,683,071)</u>
Closing balance of advances - Sept 30, 2021	<u>4,816,101</u>	<u>30,566,623</u>

8. Contractual Obligations

On September 6th, 2018, a fixed-cost turnkey contract for US \$13,711,666 plus VAT \$1,078,830.86 was awarded to FreeBalance Inc. for the implementation of an Integrated Financial Management Information System. All other contracts executed during the reporting period were in respect of Administration. All contracts are executed in United States dollars.

At September 30, 2021 future financial obligations in respect of existing contractual agreements were as follows:

Item	Activity as per P.P.		Registration No. of IDB Awarded Contract *	Total Amount of Loan or Commitment	Amount Paid under the Contract or Commitment	Balance Due	Due in the 120 Days
	Code	Description					
1	TTA-1783	IFMIS	SPFMS-13-LPI-B-	\$ 14,790,494.00	\$ 6,471,369.19	\$ 8,319,124.81	\$ 3,223,716.31
2	TTA2290	CTO	SPFMS-12-IC-CI	\$ 175,200.00	\$ 175,200.00	\$ -	\$ -
3	TTA-2194	Finance Specialist	SPFMS-26-3CV-CI	\$ 54,000.00	\$ 30,375.00	\$ 23,625.00	\$ 18,000.00
4	TTA-2189	Change Management Consultant	SPFMS-15-IC-CI-	\$ 49,478	\$ 32,985.00	\$ 16,492.50	\$ -
5	TTA-2195	IT Supervision	SPFMS-6-IC-CI-	\$ 190,500.00	\$ 111,125.00	\$ 79,375.00	\$ 63,500.00
6	TTA-2216	IA Consultant	SPFMS-4-IC-CI-	\$ 134,500.00	\$ 66,498.00	\$ 68,002.00	\$ 45,832.00
7	TTA-2246	Procurement Specialist	SPFMS-18-CD-CI	\$ 54,000.00	\$ 13,500.00	\$ 40,500.00	\$ 18,000.00
8	TTA2351	IT Governance Consultant		\$ 65,164.18	\$ 6,435.54	\$ 58,728.64	\$ 58,728.64
9	TTA2350	IT Support	SPFMS-35-IC-CI	\$ 26,865.72	\$ 19,886.74	\$ 6,978.98	\$ 6,978.98
10	TTA2348	IT Database Support	SPFMS-32-IC-CI	\$ 42,985.08	\$ 31,818.80	\$ 11,166.28	\$ 11,166.28
11	TTA2349	Senior IT Support	SPFMS-33-IC-CI	\$ 34,029.84	\$ 25,189.86	\$ 8,839.98	\$ 8,839.98
12	TTA2353	IT Support	SPFMS-35-IC-CI	\$ 26,865.72	\$ 17,680.07	\$ 9,185.65	\$ 9,185.65
13	TTA2352	Internal Audit Consultant		\$ 33,134.33	\$ 21,334.80	\$ 11,799.53	\$ 11,799.53
14	TTA2406	Senior IT Support	SPFMS-33-IC-CI	\$ 34,029.96	\$ 22,394.76	\$ 11,635.20	\$ 11,635.20
15	TTA2405	Senior IT Support	SPFMS-34-IC-CI	\$ 34,029.84	\$ 22,394.76	\$ 11,635.08	\$ 11,635.08
16	TTA2354	Internal Audit Consultant		\$ 33,134.33	\$ 25,690.12	\$ 7,444.21	\$ 7,444.21
17	TTA2579	Senior IT Support		\$ 33,556.00	\$ 2,444.33	\$ 31,111.67	\$ 11,185.33

Table 7

9. Reconciliation by investment categories between the project's records and the IDB's records

Investment Category	Current Approved Loan Amount	PFMMU			IDB Available Balance per LMS Reports
		Expenditures	Available Balance PFMMU	Expenditures Pending Justification	
1. Direct Costs	21,996,161.00	7,694,247.78	14,301,913.22	563,460.81	14,873,526.01
1.1 Support PFM Modernisation	21,996,161.00	7,694,247.78	14,301,913.22	106,881.45	
1.1 Implementation of IFMIS		-	-	456,579.36	
2. Project Administration	1,888,500.00	1,348,466.97	540,033.03	94,400.00	626,281.05
3. Evaluation	170,000.00	11,995	158,005.20	-	158,005.20
4. Contingency	845,339.00	-	845,339.00	-	845,339.00
Total Expenditure	24,900,000.00	9,054,709.55	15,845,290.45	657,860.81	16,503,151.26

Table 8

10. Reconciliation between Statement of Cash Flow & Statement of Cumulative Investments

Investment Category	RECONCILIATION OF EXPENDITURES		
	Statement of Cumulative Investments - Oct 2020 -Sept 2021	Oct 1 2020	Activity in the period
Total Funding Received	\$ 14,137,223	Opening Cash Balance	\$ 2,089,451
		Add Disbursement	\$ 5,358,686
1. Direct Costs	\$ 7,960,661	1. Direct Costs	
1.1 Support PFM Modernisation	\$ 610,638	1.1 Support PFM Modernisation	\$ (229,523)
1.2 Implementation of IFMIS	\$ 7,350,024	1.1 Implementation of IFMIS	\$ (2,112,123)
2. Project Administration	\$ 1,348,467	2. Project Administration	\$ (284,400)
3. Evaluation	\$ 11,994	3. Evaluation	\$ (5,990)
4. Contingency	\$ -	4. Contingency	\$ -
Total Expenditure	\$ 9,321,122		\$ (2,632,036)
Closing Cash Balance	\$ 4,816,101		\$ 4,816,101

Table 9

11. Cumulative Investments

DETAILED STATEMENT OF CUMULATIVE INVESTMENTS (USD) For the Period October 1, 2020 to September 30, 2021

ITEM	Opening Cumulative: Oct 1, 2020	Movement in the Period		Closing Cumulative: Sept 30, 2021
	IDB \$	IDB \$	GORTT -	IDB \$
DIRECT COSTS:	5,618,929	2,075,233	266,413	7,960,575
- Component I. Support for PFM Modernization	381,028	229,523		610,552
1.1 Development and implementation of a new budget classification based on a Government Finance Statistics (GFS)-compliant Chart of Accounts (CoA) and a treasury accounting framework that complies with International Public Sector Accounting Standards	61,576	-		61,576
1.2 Development and implementation of a change management strategy	91,011	48,755		139,765
1.3 Development and implementation of institutional instruments to sustain PFM modernization efforts.	26,547	124		26,671
1.4 Design and implementation of an Internal Audit (IA) framework to improve PFM control, transparency, and reporting.	201,894	180,645		382,539
1.5 Review of the PFM legal framework and preparation of recommendations to strengthen the framework.	-	-		-
1.6 Business process reengineering for budget preparation and execution processes	-	-		-
- Component II - Support for IFMIS Implementation	5,237,901	1,845,710	266,413	7,350,024
1.2.1 Establishment of a centralized IT governance framework within MoF	-	353,973	266,413	620,386
1.2.2 Implementation of a Commercial Off-The-Shelf Integrated Financial Management (COTS-IFMIS) solution with government-wide coverage, including customization, data migration, and integration services	5,237,901	1,491,737		6,729,638
- Project Administration	1,064,067	284,400		1,348,467
- Evaluation	6,091	5,990		12,080
- Contingency	-	-		-
Grand Total	6,689,087	2,365,623	266,413	9,321,123

Table 10

12. Contingencies

There were no known contingencies at the reporting date.

13. Subsequent events

There were no subsequent events to be reported.