

**REPORT OF THE AUDITOR GENERAL
ON THE MONTSERRAT CIVIL SERVICE ASSOCIATION
FOR THE YEAR ENDING 30 SEPTEMBER 2016**

We have audited the financial position of the Montserrat Civil Service Association (MCSA) together with the Statement of Comprehensive Income, Statement of Changes in Accumulated Surplus, Statement of Cash Flows and the Notes to the Financial Statements for the year ended 30 September 2016.

DISCLAIMER OF OPINION

2. We do not express an opinion on the accompanying financial statements of the MCSA. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph below, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these financial Statements.

BASIS FOR DISCLAIMER OF OPINION

3. We were unable to verify expenditure transactions as supporting documents underpinning 17% of total expenditures were not presented for audit. Additionally, we could not verify the main revenue items of subscriptions receivable and insufficient evidence for fundraising income. These two revenue lines represent 84.7% of total revenues for the year. As a result of these matters, we are unable to determine whether any adjustments would have been necessary to the Statement of Comprehensive Income and Statement of Financial Position for the financial year.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

4. Management is responsible for the preparation and presentation of the Financial Statements and the information contained therein. Management is also responsible for ensuring that appropriate systems of accounts are established; there are appropriate systems of internal controls and that the accounts conform to International Financial Reporting Standards (IFRS).

5. In preparing the financial statements, management is responsible for assessing MCSA'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 MCSA or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance (the Executive Committee) are responsible for overseeing MCSA's financial reporting process.

AUDITOR'S RESPONSIBILITY

7. Our responsibility under Section 103 of the Montserrat Constitution Order and Section 42 of the PFMAA is to audit, certify and express an independent opinion on those statements based on our audit and to report our opinion to you.

8. Our audit was conducted in accordance with INTOSAI auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

9. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs 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 based on these financial statements.

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

- identify and assess the risks of material misstatement of the 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 the 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 MCSA'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 MCSA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify opinion. Our conclusions are based on the audit

evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity 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 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 are identified during the audit.

Other Information

11. MCSA's management are responsible for the other information. The other information comprises information included in the Annual Report, other than the parts of the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with the audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

12. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

MATTERS ON WHICH WE REPORT BY EXCEPTION

13. Arising from the limitation of our work detailed above:

- we have not obtained all the information and explanations we considered necessary for our audit; and
- we were unable to determine whether adequate accounting records have been kept.



MARSHA V E MEADE
AUDITOR-GENERAL (Ag)
OFFICE OF THE AUDITOR GENERAL
MONTSERRAT, WEST INDIES
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