

**REPORT OF THE AUDITOR GENERAL  
ON THE MONTSERRAT LAND DEVELOPMENT AUTHORITY  
FOR THE YEAR ENDING 31 MARCH 2020**

We have audited the Statement of Financial Position of the Montserrat Land Development Authority (Corporate) together with the Statement of Income and Retained Earnings, Statement of Cash Flows and Notes to the Financial Statements for the year ending 31 March 2020.

**QUALIFIED OPINION**

1. In our opinion, except for the matters outlined in the Basis for Qualified Opinion paragraphs below, the Financial Statements present fairly, in all material respects, the financial position and operations of the MLDA for the year ended 31 March, 2020.

**BASIS FOR OPINION**

2. The Authority's consolidated budget did not include budgetary comparisons or any budget revisions. In addition, there were items in the financial statements that were not included in the consolidated budget. As a result, it was difficult to match some balances in the financial statements with specific lines in the Authority's consolidated budget.

3. In addition, \$13,663.77 or 3.53% of income is outstanding and associated with rental of leased lands. This amount has been outstanding since 2018 with no guarantee that it can be recovered. In addition, there are no provisions in place to either write off or create an allowance against the amount.

**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 MLDA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

6. Those charged with governance (the Board) are responsible for overseeing MLDA'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 MLDA'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 MLDA'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. MLDA'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.

### **Matters on which we report by exception**

12. We have nothing to report in respect of the following matters which we report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



MARSHA V E MEADE  
AUDITOR GENERAL (Ag)  
OFFICE OF THE AUDITOR GENERAL  
MONTSERRAT  
19 FEBRUARY 2024