Supporting the Court's performance standards

Court Finance And Accounting
The Court Finance & Accounting Division of the Court Administration Unit manages the funds of the Court and the Commission. The Court Executive Administrator is the accounting officer and the division is headed by Mr. Larry Ramoutar, Financial Comptroller and includes Ms. Feli Renwick, Accounting Assistant and Ms. Deborah Williams, Secretary to the Financial Comptroller.

The division works with senior management to prepare the biennial budget of the Court and Commission and provides financial management support to the Court Executive Administrator. The division is responsible for accounting for all funds received and expended by the Court and prepares financial reports, including the Court’s annual financial and cash flow statements, analysis of budgets, and various financial reports for the RJLSC.

The division represents the Court in external audits and manages the cash and investments of the Court and Commission by monitoring bank balances, investing cash in hand to ensure maximum return pending disbursement while facilitating timely drawdowns of funds when needed. All payment requests are reviewed by the Accounting Division to see that they conform to Court policy and procedures, as well as applicable contracts. This division conducts inventories and maintains records for all Court-owned fixed assets. We process and issue salaries for all Court employees, as well as process all newly hired, retiring and terminated employees. The Accounting and Finance Division also provides assistance with the medical health and pension plans.

As the Court and Commission are financed by the Trust Fund which is managed by the Trustees, the Finance and Accounting Division is responsible for the receipt of funds from the Trust Fund. The division also prepares financial information and reports for grant agencies and assists the Court and Commission in the management of grant funds.

It is a performance standard of the division that all reports are submitted on time and that financial statements are completed according to generally accepted accounting principles and submitted for audit in a timely manner.

During the year 1st August 2007 to 31st July 2008, the Finance and Accounting Division continued to develop finance and accounting performance standards for the unit and worked with the other divisions of the Court’s administration to develop other performance standards and policies. The finance and accounting standards address the finance and accounting procedures themselves as well as customer service standards.

It is the policy of Court Administration that the organization is a learning organization in which continuing education forms part of the organizational culture. Employees of the division therefore attend professional seminars/meetings to keep abreast of reporting changes and the department subscribes to publications providing this information. In this regard, the Financial Comptroller attended several IFRS Workshops in Trinidad. The Accounting Assistant attended a local training course in the area of internal quality auditing and process auditing for business improvement. The Financial Comptroller also attended an International Internal Auditors Conference in San Francisco.
Independent Audit

The public accounting firm of KPMG has audited the accompanying financial statements for the Caribbean Court of Justice as of, and for the year ended 31 December 2007. The Auditor’s Report on the financial statements and the financial statements are included in this Annual Report. In addition, the Court received an unqualified audit of the 2007 financial statements from the Court’s auditors, which reported no internal control weaknesses for 2007.

ACCOUNTING DIVISION

Financial Highlights

The assets of the Court exceeded its liabilities at the close of 2007 by USD 1.239 million (net assets). Net assets in 2006 were USD 1.568 million. Current assets in 2007 were USD 158,000 and USD 192,000 in 2006 while current liabilities were USD 590,000 in 2007 and USD 705,000 in 2006.

In fiscal 2007, administrative expenses increased by USD 866,895 (20.4%). The largest increase occurred in salaries and allowances; spending increased by USD 327,000 an increase attributable to the first full year with the full staff compliment, escalating medical insurance costs and biennial travel allowances attributable to judges. The pension cost increase was USD 1.5 million due to the fact that in July 2006 the pension plan commenced, therefore, in 2007 the Court has the first full year of pension costs.

2009/2010 Biennial Budget

The biennial budget is based upon a fiscal year that runs from 1st January through 31st December and is presented by the Court Executive Administrator and the Financial Comptroller to the Commissioners for approval.

The biennial budget includes recurrent and capital expenditure on a quarterly basis. At present, The Court is compiling the 2009/2010 biennial budget and it is anticipated that this will be completed by early September 2008 and approved by the RJLSC Commission during the meeting in September 2008.

Accounting and Finance

One of the division’s responsibilities is to provide accurate and efficient accounting support services. The division develops and maintains the Court’s Accounting Systems, including the Financial Accounting System, the Payroll System, the Pension System and the Employee Loan System. With the help of these systems, the division verifies expenditure before making payments and records and reports on the Court’s financial transactions.

Responsibilities of the Division include:

- recording the Court’s financial transactions, maintaining accounts and preparing financial statements;
- developing, managing and maintaining the accounting systems and major enhancements; and
- preaudit payroll, contract and other voucher expenditure for legality and propriety.

<table>
<thead>
<tr>
<th>EXPENDITURE ANALYSIS</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>SALARIES &amp; ALLOWANCES</td>
<td>2,807,712</td>
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<tr>
<td>PENSION COST</td>
<td>516,174</td>
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<tr>
<td>ADMINISTRATIVE EXPENSES</td>
<td>672,317</td>
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<tr>
<td>DEPRECIATION</td>
<td>874,660</td>
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<tr>
<td>INSURANCE EXPENSES</td>
<td>150,433</td>
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<tr>
<td>FOREIGN EXCHANGE LOSS</td>
<td>7,827</td>
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<tr>
<td>BANK CHARGES</td>
<td>2,271</td>
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<tr>
<td>AUDIT FEES</td>
<td>3,593</td>
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<tr>
<td>LEASE PAYMENTS</td>
<td>84,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,118,987</td>
</tr>
</tbody>
</table>

![Circle chart showing expenditure breakdown]
Court Finance And Accounting

Services provided by the division include processing the payroll for all employees and issuance of payment to all vendors. The division also performs the administrative function for the Court’s pension plan and assists the Court Protocol and Information Division with certain aspects of the administration of the Court’s Medical Health Plan. In January 2008 meetings were held with the Medical Health Insurance provider to discuss the proposed rate increases and the Court was successful in negotiating the increase to between 2% and 4%.

In October 2007 the Court’s network security procurement process commenced. The Financial Comptroller was a member of that procurement team that evaluated proposals and recommended the preferred provider. In June 2008 the network security provider was selected.

**Court’s Pension Plan**

The CCJ Pension Plan provides a defined benefit contribution for the President and Judges in accordance with their terms and conditions of employment. Staff is provided a pension plan under a defined contribution plan.

The division has systems and procedures in place to administer the initial pension arrangements, which is not complex; however, a number of important databases must be maintained and monitored.

Typical work activities include:
- updating pension scheme member records;
- requesting statements;
- checking benefit calculations;
- processing retirements/resignations;
- liaising with other departments to ensure compliance with the legal and regulatory aspects of pensions administration; and
- providing high levels of customer service

The division monitors the pension plan by checking the individual value statements when provided by the pension provider. The current pension arrangements commenced in July 2006 and an interest rate was fixed with the pension provider for five years ending in 2011.

The Court’s pension obligations are quite significant given the judges terms and conditions and this is being monitored and evaluated by the Court with the assistance of an actuary to ensure that pensions will be provided in a cost effective manner for both the Court and Trust Fund.

**European Development Fund Grant**

The Division had several discussions with the European Delegation in Guyana related to the Financing Agreement between the European Union and the Caribbean Forum of ACP States (CARIFORUM). The Financing Agreement was subsequently signed in August 2007 and provides for European Development Fund support of £1,315,000 for the development of the Court.

Several meetings and discussions with the European Delegation in Trinidad & Tobago occurred from November 2007 to August 2008. The Grant Financing Agreement budget and logical framework were prepared by the Accounting Division and the final Agreement was signed by the European Delegation in August 2008.

Above: Secretary-General of CARICOM, H.E. Dr. Edwin Carrington, signs the Financing Agreement between the European Union and the Caribbean Forum of ACP States (CARIFORUM) while CCJ President, The Rt. Hon. Mr. Justice Michael de la Bastide, and Acting Chargée d’Affairs of the Delegation of the Commission of the European Union in Trinidad & Tobago, Ms. Terhi Kervinen, looks on.
Court Finance And Accounting

The overall objective of the Grant Funding is to contribute to the original jurisdiction of the CCJ and to the sustainability of the Court. The expected results of this specific funding include:

- further strengthening of the Library by the acquisition of legal material such as law reports, Rules of Courts, journals and other appropriate reference materials;
- development of Information Communications Technology (ICT) capacity will include outfitting the second courtroom with technological tools, procuring a fully equipped and modern multimedia lectern, procuring appropriate technology to aid in the interpretation of proceedings to facilitate multilingual users, video and conferencing technology at some sub-registries;
- knowledge of the Court promoted via seminars, conferences as well as the preparation and dissemination of information;
- transfer of European Court of Justice experiences via mutual visits.

The project should be completed by 31 December 2010.

The Court is at present reviewing the Financing Agreement and this is expected to be signed in early September 2008, with funds expected to be disbursed by the European Delegation in November 2008.