



Ministerial Statement
To The House of Assembly

By

The Hon. R Wayne Scott, MP, JP
Minister of Education

Bermuda College: Audited Financial Statements 2010-2012

Friday June 19th 2015

Mr. Speaker,

This morning I rise before this Honourable House to lay the 2010 to 2012 Audited Financial Statements for the Bermuda College as stipulated by the Bermuda College Act, 1974. Honorable members may recall that in July 2014, the audited financial statements for 2006 to 2009 were presented and at that time it was shared that the 2010, 2011 and 2012 audits for the College had all been started, and were either in the fieldwork, the initial or final stage of completion.

Mr. Speaker,

Let me first draw the attention of my Honorable colleagues to the audited financial statements for the year ending March 31, 2010 which has been issued a disclaimer of opinion by the Auditor General. As a result of the disclaimer of opinion, the Bermuda College Board of Governors requested an internal audit be undertaken by the Bermuda Government, Department of Internal Audit. The scope of the audit was very comprehensive and included areas such as: corporate governance; procurement/contract administration; recruitment and performance appraisals; information technology systems; administration/security/change management; capital assets; and bad debts. The audit commenced in January 2015 and was completed in April. At this point the Bermuda College is in the process of implementing recommendations made by the Internal Audit Department based on their findings.

Mr. Speaker,

As a result of the disclaimer issued in 2010, the opening balances of the financial statements for the year ending March 31, 2011, were issued a qualified opinion by the Auditor. However, I am pleased to report that the financial statements for the year ending March 31, 2012, were unqualified. As such, in the opinion of the Auditor General, the statements present fairly the financial position of Bermuda College, its financial performance and cash flows.

Mr. Speaker,

For the audited year ending March 31, 2012, the financial statements indicate that the Bermuda College has total assets worth \$28,683,985 and total liabilities of \$23,430,570. As there has been no major capital investment on campus, capital assets continue to decrease. However, cash and

cash equivalents increased by \$441,094 in 2012 as a result of the change from free tuition to discounted tuition. It should also be noted at this point that commencing the Fall 2015 Academic session, the Bermuda College will revert to charging full tuition for all students. Honorable members of this House will also note that the Statement of Operations for the year ending March 31, 2012 reflect a deficiency of revenue over expenses by \$111,880. This is a direct result of a decrease in the Government grant.

Mr. Speaker,

During this past year, the Bermuda College and the Office of the Auditor General worked assiduously on updating the audits so that the College would be in compliance with the financial standards for its accreditors, the New England Association of Schools and Colleges, Inc. Although all audits were not up to date by the time of the March 2015 re-accreditation visit, progress has been made; and, the College and the Office of the Auditor General anticipate having the outstanding audits up to 2015 completed by the end of this current fiscal year, March 2016. The audit file for 2013 is currently with the Office of the Auditor General and now that the 2012 audit is completed, Bermuda College has closed the 2012 accounts and is currently working on completing the 2014 audit file.

Mr. Speaker,

In closing, I would like to remind my Honourable Colleagues that the vision of the Bermuda College is to be recognized both locally and internationally as a centre for educational excellence, as it responds to the diverse learning needs of the community. It continues to provide solid tertiary education and I commend the faculty and staff at the Bermuda College under the leadership of President, Dr. Duranda Greene, for their continued commitment to deliver quality higher education with excellence.

Thank you **Mr. Speaker!**