FIRST SESSIONS OF THE 12TH PARLIAMENT

FINANCIAL SCRUTINY UNIT

OFFICE OF THE PARLIAMENT OF TRINIDAD & TOBAGO

HEAD 02: AUDITOR GENERAL’S DEPARTMENT

Total Allocation - $33,224,720.00
0.06% of the National Budget

Summary of the Department’s Expenditure, Divisions, Programmes and Projects
Publication
An electronic copy of this Guide can be found on the Parliament website: www.ttparliament.org

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About this Guide

This guide provides a summary of expenditure for the Office of the Auditor General for the period 2014-2021. It provides Members of Parliament and stakeholders with an overview of the Department’s responsibilities. The primary purpose of this guide is to consolidate the information contained within the various Budget Documents pertaining to the Office of the Auditor General and provide readers with an analysis of same. This guide is based primarily on:

- the Draft Estimates of Recurrent Expenditure 2021
The Auditor General’s Department of Trinidad and Tobago, formerly known as the Audit Department, came into existence with the appointment of a Director of Audit in the year 1862. Until that year, the accounts of the Colony of Trinidad, which became administratively linked with Tobago by an Order in Council of 1889, were apparently transmitted to the “Imperial Auditors” in London.

It was the coming into effect of the Exchequer and Audit Ordinance on December 05 1959 and the achievement of Independence by Trinidad and Tobago on August 31, 1962 that marked the creation of the post of Auditor General. The holder of that position has full responsibility for the audit and certification of the Nation’s public accounts in accordance with Section 90 (2) of the Trinidad and Tobago (Constitution) Order in Council, 1962.

Although from March 17, 1923, the Audit Department was funded locally, until the enactment of the Exchequer and Audit Ordinance and of the Constitution, certain senior personnel continued to be drawn from the United Kingdom Colonial Overseas Audit Service of Great Britain; and the audit of the Country’s accounts remained a part of the functioning of that overseas office. Between 1923 and 1963, eight persons were appointed from that source to head the Department, the last of them being Mr. I. V. G. Mackay.

The following nationals were subsequently appointed to head the Department.

<table>
<thead>
<tr>
<th>Period</th>
<th>Auditor General</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963 - 1967</td>
<td>Mr. Mathieu V Lee Sing</td>
</tr>
<tr>
<td>1967 - 1986</td>
<td>Mr. Errol Gregoire</td>
</tr>
<tr>
<td>1986 - 1990</td>
<td>Mr. Alton A Campbell</td>
</tr>
<tr>
<td>1990 - 2006</td>
<td>Mrs. Jocelyn Thompson</td>
</tr>
<tr>
<td>2006 - 2015</td>
<td>Mrs. Sharman Ottley</td>
</tr>
<tr>
<td>2015 - 2019</td>
<td>Mr. Majeed Ali</td>
</tr>
<tr>
<td>2019 - Present</td>
<td>Ms. Lorelly Pujadas</td>
</tr>
</tbody>
</table>

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1 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/history](http://www.auditorgeneral.gov.tt/content/history)
Mandate
The mandate of the Auditor General is outlined in:

- The Constitution of the Republic of Trinidad and Tobago; and
- The Exchequer and Audit Act, Chapter 69:01.

The relevant sections are reproduced hereunder:

Constitution of The Republic of Trinidad And Tobago
116. (2) “The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorized by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts."

(3) The Auditor General is hereby empowered to carry out audits of the accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the State.”

Exchequer and Audit Act, Chapter 69:01
9. (1) “The Auditor General shall examine, inquire into and audit the accounts of all accounting officers and receivers of revenue and all persons entrusted with the assessment of, collection, receipt, custody, issue or payment of public moneys, or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other State property.”

Authority Reporting
The Constitution of The Republic of Trinidad And Tobago Section 116 (4) and-(5) states:

(4) "The Auditor General shall submit his reports annually to the Speaker, the President of the Senate and the Minister of Finance."

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2 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/mandate](http://www.auditorgeneral.gov.tt/content/mandate)
3 Constitution of The Republic of Trinidad And Tobago [http://www.auditorgeneral.gov.tt/sites/default/files/Constitution%20of%20the%20Republic%20of%20Trinidad%20and%20Tobago.pdf](http://www.auditorgeneral.gov.tt/sites/default/files/Constitution%20of%20the%20Republic%20of%20Trinidad%20and%20Tobago.pdf)
(5) "The President of the Senate and the Speaker shall cause the report to be laid before the Senate and the House of Representatives, respectively, at the next sitting of the Senate and the House of Representatives after the receipt thereof, respectively."

Mission
To independently audit and report on the use of public resources for the benefit of the country and its people, and to lead by example.

Vision
To be an Independent Supreme Audit Institution that effectively promotes Accountability, Transparency and Integrity in the use of Public Resources.

Core Values
Values are the principles that represent the key ideas and ideals through which the Auditor General’s Department is governed. They are the fundamental thoughts that shape behaviour and operations. In this context, and based on its Beliefs and Philosophy, the Department’s core values include:

1. **Integrity** - The Auditor General’s Department has built its image on this platform. All staff will contribute to the furtherance of this value.

2. **Accountability and Transparency** - These values will be foremost in the operations of the Auditor General’s Department on a daily basis.

3. **Endorsement of open communication** - Employee participation and involvement in the business of the Auditor General’s Department is a basic principle of its operations.

4. **Confidentiality** - This is in force at all times.

5. **Professionalism** - All staff would operate with professionalism at all times.

6. **Participatory Leadership** - Leadership in the Auditor General’s Department goes beyond the ‘open door policy.’ Key staff are empowered to make decisions.

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5 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/mission-and-vision](http://www.auditorgeneral.gov.tt/content/mission-and-vision)
7. **Service Orientation** - Superior service to the Government and people of Trinidad and Tobago will be the strongest orientation of the Auditor General’s Department.

**Appointment of the Auditor General**

The Auditor General is appointed by the President of the Republic of Trinidad and Tobago after consultation with the Prime Minister and the Leader of the Opposition and may hold office up to age sixty-five (65) years and may be removed from office only on certain grounds and after a prescribed procedure. Those provisions are entrenched in the Constitution of the Republic of Trinidad and Tobago (1976).

**Role and Function of the Auditor General**

The Auditor General is required by law to examine and report annually to Parliament on the accounts of Ministries, Departments, Regional Health Authorities, Regional Corporations and such State Controlled Enterprises and Statutory Boards for which the Auditor General is the statutory auditor. The portfolio also includes the audit of:

- The accounts of projects funded partly or wholly by International Lending Agencies;
- All pensions, gratuities and other separation benefits paid by the State in accordance with the Pensions Acts and other Agreements; and
- The grant of credit on the Exchequer Account in accordance with the requirements of section 18 of the Exchequer and Audit Act, chapter 69:01.

The audit services take the form of financial audits, compliance audits and value for money audits intended to promote:

- Accountability;
- Adherence to laws and regulations; and
- Economy, efficiency and effectiveness in the collection, disbursement and use of funds and other resources.

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6 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/appointment-role-and-function](http://www.auditorgeneral.gov.tt/content/appointment-role-and-function)
Duties and Powers of the Auditor General
The duties and powers of the Auditor General are defined in the Exchequer and Audit Act Chapter 69:01 of the laws of Trinidad and Tobago. Part III of the Exchequer and Audit Act specifies these duties listed here under:

7. The Auditor General shall not be capable while holding the said office of holding any other office of emolument in the service of the State.

8. (1) Save as is otherwise provided for in the Constitution the provisions of the law and regulations in force relating to the public service shall apply to the Auditor General.

(2) Where the Auditor General is removed from office under the Constitution the Minister shall make a full statement of the reasons therefore at the first opportunity to Parliament.

9. (1) The Auditor General shall examine, inquire into and audit the accounts of all accounting officers and receivers of revenue and all persons entrusted with the assessment of, collection, receipt, custody, issue of payment of public moneys, or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other State property.

(2) The Auditor General shall satisfy himself that -

a) all reasonable precautions have been taken to safeguard the collection of public moneys and that the laws, directions and instructions relating thereto have been duly observed;

b) all issues and payments were made in accordance with proper authority and that all payments were property chargeable and are supported by sufficient vouchers or proof of payment;

c) all money expended has been applied to the purpose or purposes for which the same was granted by Parliament and that such expenditure conforms to the authority which governs it and has been incurred with due regard to the avoidance of waste and extravagance;

d) essential records are maintained and the rules and procedures framed and applied are sufficient to safeguard the control of stores and other State property.
Clientele
- Ministries and Departments of the Central Government
- Tobago House of Assembly
- Regional Corporations
- Regional Health Authorities
- Statutory Boards and Similar Bodies
- All State Enterprises owned or controlled by or on behalf of the State that the Auditor General is so empowered to audit.
- The Public Accounts Committee
- The Public Accounts (Enterprises) Committee of Parliament and
- All Officers, Courts, and Authorities of Trinidad and Tobago.

Overview of the Audit Process

Engagement
The Auditor General can be engaged to conduct audits in the following ways:

1) For the audit of Ministries and Departments of the government of the Republic of Trinidad and Tobago the Exchequer and Audit Act section 9(1)) mandates the Auditor General to conduct these audits.

2) In many instances the statute (law) setting up a Statutory Body or Authority indicates that the Auditor General shall be the auditor. In some instances the Auditor General is allowed the freedom to appoint an auditor who would submit reports through the Auditor General.

3) Some statutory bodies, which have the prerogative to appoint auditors in their own right, appoint the Auditor General to conduct the audit.

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7 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/our-clients](http://www.auditorgeneral.gov.tt/content/our-clients)
8 Auditor General’s website accessed on September 14, 2020: [http://www.auditorgeneral.gov.tt/content/overview-audit-process](http://www.auditorgeneral.gov.tt/content/overview-audit-process)
4) At times International Financial Institutions such as the IBRD and IADB require that the Auditor General’s Department conduct the audits of projects funded by loan from these institutions.

**Instructions**

The Auditor General need not be engaged by the Management of a relevant state owned or state run entity but is empowered under section 116(2) and (3) of the Constitution of Trinidad and Tobago to conduct an audit if he/she thinks it is necessary.

**Planning**

Standard audit procedures are followed by the Department in the planning and preparation for the audit i.e.:

- Permanent files are reviewed and updated as necessary;
- Planning meetings are held with the relevant senior staff to the entity and with the audit team;
- Work programs and work schedules are prepared;
- Letters of engagement are issued to all client entities including Ministries and Departments.

**Execution**

The Auditor General’s Department has developed standard work programmes for most of the areas to be audited at client entities. These are adapted if the circumstances or the client requires it. The audit work includes testing of the internal controls in place at the client as well as verifying the figures in the financial statements. The audit is conducted on a test basis. Samples considered to be representative of the population are selected and tested. In certain small entities or areas considered to be of high risk 100% of the population may be tested. Findings are continuously discussed with representatives of the client. At the end of the fieldwork the findings are discussed with the client in what is called an ‘exit meeting.’ The audit work and findings are collected in the audit working papers. Current files contain all the detailed work and supports for the findings. The permanent files are updated with any relevant information.

**Review**

The audit work is subjected to several levels of review in order to ensure a high quality of output.
1) The team leader reviews and directs the work of the team members while in the field and produces a summary report called the “Examiner’s Report.”

2) Another review is conducted by a senior Officer and review notes and a draft Audit Report are produced.

3) A final review is done at the level of Assistant Auditor General who may amend the draft Audit Report as necessary. A recommendation is made to the Auditor General.

4) The Auditor General examines the recommendations in the context of the findings and decides on the form of the Report.

**Reporting**

The form of the Auditor General’s Reports generally follows the format of the accounting profession.

The reports can be:-

- Unqualified
- Qualified

Qualifications are based on:-

- limitations in the scope of the audit work.
- disagreement on quantities, treatment or presentation of information in the financial statements.

The Auditor General is required under the constitution to submit reports to the President of the Senate, Speaker of the House of Representatives and the Minister of Finance. Reports are also submitted to the management of the client entity and to the Ministry with overall responsibility for that entity.
Key Statement from 2019 Standing Finance Committee Debate

During the Standing Finance Committee debate of 2019, the following statement was made in relation to the emphasis of the Auditor General for fiscal year 2020⁹:

“Mr. Chairman, the Auditor General’s department is a supreme audit institution in the finest tradition of supreme audit institutions in the Commonwealth. It is seized with the responsibility to conduct audits of government expenditure, it supports the Public Accounts Committees with respect to audits of expenditure and accounts of government departments and Ministries and statutory bodies and state enterprises. It is one of the most important areas of government. It is the last item in the chain when we are disbursing funds, because it is a little known fact that when the Ministry of Finance goes through the process of approving the release of funds and approving the writing of cheques that at the end of the process the Auditor General has to step in and audit the documentation before anybody can be paid. So that the Auditor General’s – and they usually do it in a very quick time, they turn it around sometimes in an hour or less – department is a critical pillar of the Government of Trinidad and Tobago.”

The Department’s total allocation as a percentage of the National Budget for the period 2014 to 2021.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Allocation</th>
<th>National Budget</th>
<th>Percentage of National Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 46,216,729</td>
<td>$ 65,020,886,424</td>
<td>0.07%</td>
</tr>
<tr>
<td>2015</td>
<td>$ 37,629,111</td>
<td>$ 61,966,922,675</td>
<td>0.06%</td>
</tr>
<tr>
<td>2016</td>
<td>$ 39,015,350</td>
<td>$ 56,573,913,053</td>
<td>0.07%</td>
</tr>
<tr>
<td>2017</td>
<td>$ 39,015,350</td>
<td>$ 54,883,153,410</td>
<td>0.07%</td>
</tr>
<tr>
<td>2018</td>
<td>$ 36,208,994</td>
<td>$ 54,211,726,813</td>
<td>0.07%</td>
</tr>
<tr>
<td>2019</td>
<td>$ 36,433,293</td>
<td>$ 54,581,467,181</td>
<td>0.07%</td>
</tr>
<tr>
<td>2020</td>
<td>$ 33,511,056</td>
<td>$ 57,252,443,354</td>
<td>0.06%</td>
</tr>
<tr>
<td>2021</td>
<td>$ 33,224,720</td>
<td>$ 56,788,359,151</td>
<td>0.06%</td>
</tr>
</tbody>
</table>

- Total allocation for the Department as a percentage of the National Budget remained the same between fiscal 2020 and 2021.

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10 For the Fiscal Years 2014-2018, actual figures were used to calculate the total allocation. However, estimates were used to calculate the total allocation for the Fiscal Years 2019 and 2020.
11 Total Allocation for the Auditor General’s Department = Recurrent Expenditure
12 The National Budget = Total Recurrent Expenditure + Total Consolidated Fund
Where the Department spends its money

2021 Estimates of Expenditure

The budget allocation for the Auditor General Department is comprised of:

- The Draft Estimates of Recurrent Expenditure in the sum of $33,224,720.00\textsuperscript{13}.

The Estimates of Recurrent Expenditure include:

- 01 Personnel Expenditure; - $26,663,600.00;
- 02 Goods and Services; - $6,474,850.00;
- 03 Minor Equipment Purchases; $17,500.00; and
- 04 Current Transfers and Subsidies; $68,770.00;

The Auditor General Department’s:

- Recurrent Expenditure as a percentage of the total Recurrent Expenditure budget is 0.06%.

Summary of Recurrent Expenditure for the period 2014-2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel Expenditure</th>
<th>Goods and Services</th>
<th>Minor Equipment Purchases</th>
<th>Current Transfers and Subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Actual</td>
<td>$25,397,308</td>
<td>$8,670,405</td>
<td>$449,766</td>
<td>$7,842</td>
</tr>
<tr>
<td>2015 Actual</td>
<td>$35,721,414</td>
<td>$9,290,629</td>
<td>$325,737</td>
<td>$12,335</td>
</tr>
<tr>
<td>2016 Actual</td>
<td>$27,575,560</td>
<td>$8,943,915</td>
<td>$267,768</td>
<td>$10,027</td>
</tr>
<tr>
<td>2017 Actual</td>
<td>$27,543,925</td>
<td>$10,890,339</td>
<td>$196,941</td>
<td>$11,032</td>
</tr>
<tr>
<td>2018 Actual</td>
<td>$26,818,807</td>
<td>$9,341,969</td>
<td>$34,509</td>
<td>$13,709</td>
</tr>
<tr>
<td>2019 Actual</td>
<td>$26,611,922</td>
<td>$9,689,079</td>
<td>$121,247</td>
<td>$11,045</td>
</tr>
<tr>
<td>2020 Revised Estimate</td>
<td>$26,663,600</td>
<td>$6,828,064</td>
<td>$4,750</td>
<td>$14,642</td>
</tr>
<tr>
<td>2021 Estimate</td>
<td>$26,663,600</td>
<td>$6,474,850</td>
<td>$17,500</td>
<td>$68,770</td>
</tr>
</tbody>
</table>

Analysis of Summary of Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for personnel expenditure, goods and services, minor equipment purchases, current transfers and subsidies.

- Recurrent Expenditure for Fiscal Year 2021 is $33,224,720. This represents 0.06% of the total Recurrent Expenditure for the fiscal year 2021.

- Recurrent Expenditure for Fiscal Year 2020 was $33,511,056 (revised). Comparing this figure with Fiscal Year 2021, there is a decrease of $286,336 or .85%.

- The largest portion of the allocation has consistently gone to sub-head Personnel Expenditure. For Fiscal Year 2021 this Sub-Head accounted for approximately 80.25% of the total allocation appropriated to the Department

- **Minor Equipment Purchases** represented 0.21% of the fiscal 2021 allocation.

- The percentage allocation of expenditure to **Goods and Services** is 19.49% for the fiscal year 2021

- Furthermore, **Current Transfers and Subsidies** has been steady at less than 1% over the period 2014-2021.
Staff and Pay

The allocation of staff expenditure for the year 2021 was $31,168,400 which represents an increase of approximately $103,786 or .3% from the last fiscal year 2012. The following charts provides a breakdown of all expenditure related to staff from 2019-2021.

![Total Staff and Pay Expenses 2019 - 2021](chart.png)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019 Actual</th>
<th>2020 Revised Estimate</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>32,299,590</td>
<td>31,064,614</td>
<td>31,168,400</td>
</tr>
</tbody>
</table>

Summary of Staff and Pay Expenditure of the Auditor General

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>2020 Revised Estimate</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenditure</td>
<td>26,611,922</td>
<td>26,663,600</td>
<td>26,663,600</td>
</tr>
<tr>
<td>Travelling and Subsistence</td>
<td>3,350,409</td>
<td>2,624,000</td>
<td>2,624,000</td>
</tr>
<tr>
<td>Uniforms</td>
<td>13,450</td>
<td>15,494</td>
<td>15,800</td>
</tr>
<tr>
<td>Contract Employment</td>
<td>1,375,000</td>
<td>1,300,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Training</td>
<td>59,438</td>
<td>68,320</td>
<td>20,000</td>
</tr>
<tr>
<td>Short-Term Employment</td>
<td>868,558</td>
<td>392,000</td>
<td>240,000</td>
</tr>
<tr>
<td>Employee Assistance Programme</td>
<td>20,813</td>
<td>1,200</td>
<td>5,000</td>
</tr>
</tbody>
</table>
Expenditure Unique to the Auditor General’s Department\(^{16}\)

Unique Expenditure refers to expenditure items incurred by the Auditor General’s Department that may not feature in other ministries or departments. The following graph illustrates the Summary of Official Overseas Travel\(^{17}\) and Other Contracted Services\(^{18}\) for the period 2014 to 2021.

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\(^{17}\) Official Travel Overseas is intended for the auditing of the Overseas Missions of the Ministry of Foreign Affairs.

\(^{18}\) Other Contracted Services is used to outsource auditing services.
General Useful Information

- Government of India Ministry of Finance (Department of Economic Affairs) Aid Accounts & Audit Division, India
- National Audit Office, UK: [https://www.nao.org.uk/](https://www.nao.org.uk/)