



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE
OFFICE OF THE PERMANENT SECRETARY

P: 4/1/350

October 10, 2023

Office of the Parliament
Public Administration and
Appropriation Committee
Parliamentary Complex
Cabildo Building
St. Vincent Street
Port of Spain

Attention: Ms. Keiba Jacob Mottley

The Fourteenth Report of the Public Administration And Appropriations Committee on an Examination of the Implementation of the Recommendations contained in the Twenty-Fourth Report of Public Administration and Appropriations Committee from the Eleventh Parliament on the Processing of the payment of Pensions and Gratuities of Retired Public Officers and Contacted Employees

Reference is made to letter from the Honourable Brigid Mary Annisette-George, Speaker of the House Parl.: 5/6/5 dated July 24, 2023 to the Honourable Colm Imbert, MP, Minister of Finance on the subject matter.

2. The responses to the recommendations directed to the Ministry of Finance as outlined on pages 12, 20, 23 and 24 of the Committee's Report are presented on the attached Appendix.
3. Submitted, please


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Michelle Durham-Kissoon
Permanent Secretary

APPENDIX:

RESPONSES TO THE RECOMMENDATIONS DIRECTED TO THE MINISTRY OF FINANCE AS OUTLINED ON PAGES 12, 20, 23 AND 24 OF THE COMMITTEE'S REPORT

Recommendations: Page 12

- The Treasury Division should submit to Parliament by September 29, 2023:
- the findings of its evaluation of the impact of the PD's pension and leave record training including any statistical data as available; and
- the measures it intends to implement to remedy the following issues:
 - the delayed submission of returns by M&Ds to the Comptroller of Accounts; and
 - the non-utilisation of the pension and leave return template by M&Ds.

Response 1

- (a) The Committee is respectfully asked to note that the preparation of pension and leave records (P&L) is mainly based on the guidelines issued by the PD. Such guidelines are also adhered to by Treasury Officers (TOs) in the Pensions Management Branch, TD, when checking the entries on the P&L submitted by Ministries and Departments (M&Ds).*

The Preparation of Pension and Leave Record Training held in June and August 2022 as well as April-May 2023 were a collaboration of the Personnel Department (PD) and the Treasury Division (TD). Although a link was shared, the TD was unable to access the PD's evaluation of said training. However, the PD informed the TD that the evaluation showed that the training was a success.

Despite this, the TD has concluded that the frequent turnover of staff in MDs has affected the quality of P&L submissions post the training session/workshop since errors are still being made by M&Ds.

- (b) With respect to the delayed submission of returns (quarterly status report) by M&Ds, the TD will issue a memorandum to each Accounting Officer in a similar manner as that done for the quarterly status report of contracts. Thereafter, the TD will re-establish quarterly reminders via memoranda and emails to Accounting Officers. This will be used as a measure for both delayed submission of returns and non-utilisation of the pension and leave return template by M&Ds. The TD will issue such memoranda in November 2023.*
- (c) With respect to the non-utilisation of the pension and leave return template, the Committee is respectfully asked to note that the TD had received pension and leave returns from some M&Ds when the Circular was issued.*

However, the TD has noted that the PD is in the process of establishing a Monitoring and Compliance Division (MCD) with responsibility to conduct site visits to M&Ds on a continuous basis to assess, inter alia, compliance of PD Guidelines and issues related thereto as pertains to pension and leave. Therefore, the TD will collaborate with the PD to utilise the MCD as a measure to improve the uptake in the utilisation of the pension and leave return template (that is, status reports) to assist in remedying any non-compliance with the requirements of the Circular.

Further, the Comptroller of Accounts has also communicated with the Head of the Public Service to include the topic of timely submission of quarterly returns in the agenda of the Board of Permanent Secretaries.

Recommendations: Page 20

- The Treasury Division should submit to Parliament by September 29, 2023, which M&Ds it intends to evaluate and assess the success of the decentralised system for gratuity payments to contract officers also indicating the intended date by which the finalised assessment will be forwarded to the Committee.
- The Treasury Division should ensure its evaluation and assessment of success is premised on clear baseline indicators to which the success

Response 2

The Committee is respectfully asked to note that in the execution of its responsibilities for the management of the financial affairs of the State, the Treasury Division develops, implements and surveys financial management and accounting systems throughout the Public Service.

In this regard, the Treasury Division does not have the resources to conduct such an undertaking to evaluate and assess the success of the decentralization of gratuity payments to contract officers.

It should be noted that there are more than 10,000 persons engaged on contract in M&Ds. Contract gratuity just like pension and leave records are based on the guidelines provided by the PD. Such guidelines include terms and conditions and how to compute contract gratuities. In this regard, M&Ds are expected to prepare contract gratuity computations for persons they have engaged on contract based on such guidelines.

The PD is therefore the authority to evaluate and assess the payment of contract gratuity by M&Ds. This is especially relevant in view of the proposed creation of a Monitoring and Compliance Division (MCD) in the PD. The MCD will be able to properly assess the success of decentralization, that is, whether M&Ds are complying with PD guidelines and gratuities are being paid on a timely basis. The TD and PD has agreed on this approach.

Based on the same status report that was issued with the Comptroller of Accounts Circular No. 14 Dated August 26, 2020 (the COA Circular), the TD can establish the number of persons who are engaged on contract in MDs and to whom gratuities were paid.

In this context, the TD will request Accounting Officers to submit their responses on all employees engaged on contract with effect from October 01, 2019 (post decentralization) by February 28, 2024. The TD has prepared a revised format of the status report which is at Attachment A. This will prove a useful tool to the PD when the MCD is established.

The Treasury Division will inform the Head of the Public Service of those MDs which have not submitted their responses by the March 31, 2024.

Recommendations: Page 23

- (d) The Treasury Division should announce its willingness to accommodate in person queries from officers tasked with preparing pension and leave records so that actual issues can be dealt with on a personal level.

Response 3

The TD always welcomes representatives from M&Ds in person and provides guidance via telephone and email.

- (e) The Treasury Division should report to Parliament by September 29, 2023, on the measures to be taken to address non-compliance by M&Ds and to ensure these M&D comply with the Treasury Division's requirement that submissions be returned one year prior to a public officer's retirement date;

Response 4

- (f) The following measures will be taken to address non-compliance by M&Ds and ensure these M&D comply with the Treasury Division's requirement that submissions be returned one year prior to a public officer's retirement date:*

Since this is a matter of internal control to be maintained by Accounting Officers of MDs, the Financial Management Branch (FMB) of the Treasury Division will include compliance with the relevant Circular in their Annual Survey Plan to ensure that MDs comply with this requirement. A Management Letter identifying any weakness in the internal controls is usually prepared for the Accounting Officer at the end of the Survey. Copies of the relevant extract of the Management Letter can also be submitted to the Head of the Public Service to prompt its inclusion in the agenda in the meetings for the Board of Permanent Secretaries.

The TD will also maintain the issue of reminders.

(g)The Treasury Division should create a tracking mechanism that is capable of capturing and generating delinquency reports of those Accounting Officers that don't abide to the Division's request for Pension and Leave records be submitted within a one-year timeline prior to the pensioner's retirement date. This report should be forwarded to the Head of the Public Service.

Response 5

The Committee is respectfully reminded that pension and leave records are based on the guidelines provided by the PD and such preparation is a manual process. Such tracking is the intention of the quarterly status reports.

Response 1 (c) is relevant, wherein the TD will collaborate with the PD to utilise the Monitoring and Compliance Division as a measure to improve the uptake in the utilisation of the pension and leave return template to assist in remedying any non-compliance with the requirements of the Circular. This will be supported by the TD communicating with the Head of the Public Service to include the topic of Submission of Pension and Leave Records within One-Year Prior to the Pensioner's Retirement Date in the agenda of the Board of Permanent Secretaries.

Recommendations: Page 24

The Treasury Division as envisioned should formulate and supply status reports on the non-submission of returns by delinquent M&Ds to the Head of the Public Service so that the office would be appraised of the situation being faced by retired public officers awaiting pensions for longer than what was required and submit a report on the implementation of same to Parliament by September 29, 2023

Response 6

The Treasury Division will oblige.

ATTACHMENT A

