



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE

OFFICE OF THE PERMANENT SECRETARY

MEMORANDUM

F:BUD: 12/79/2

FROM: Permanent Secretary,
Ministry of Finance


TO: Att'n: Ms. Keiba Jacob
Clerk of the Senate,
Office of the Parliament of the Republic of Trinidad and Tobago

DATE: January 30, 2024

SUBJECT: **The Fifteenth Report of the Public Administration and Appropriations Committee – follow-up inquiry on the maintenance of community swimming pools by the Ministry of Sport and Community Development**

Reference is made to your email dated December 01, 2023 requesting a response to recommendations outlined on page thirteen (13) of the Committee's Report.

2. Please find attached the responses to the recommendations of the Committee.


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HEAD 79: MINISTRY OF SPORT AND COMMUNITY DEVELOPMENT

RESPONSES

The Fifteenth Report of the Public Administration and Appropriations Committee on a follow-up inquiry on the maintenance of community swimming pools by the Ministry of Sport and Community Development

Recommendation:

The MSCD and the MOF should provide a status update to Parliament by January 29, 2024 on the process for the request for releases including the timelines for submission and the planned actions being taken to address the challenges regarding the timely request and release of funding.

Response:

- a. The Budget Division dispatches to Ministries /Departments in the last month of each quarter a worksheet to capture the funding requests for the upcoming quarter. The quarters are October to December, January to March, April to June and July to September. The deadline for the return of the information is the 15th of the last month of the preceding quarter.
- b. The requests are captured in the Budget's Information System.
- c. The requests are analyzed, interrogated and categorized according to the type of expenditure for which the funds are required as follows:
 - to meet salary related expenses and debt obligations, referred to as **1st Tier**
 - to meet the cost of utilities and contractual type expenses, e.g. rent, provision of security and janitorial services, referred to as **2nd Tier**
 - to meet all other types of expenditure, referred to as **Other**
- d. Approval for the **1st Tier** is usually granted during the 2nd week of the month, while approval for the **2nd Tier** is granted by the 3rd week of the month. All other types of expenditure, as well as requests under the Development Programme, are met via Ad Hoc releases.

- e. The process for requesting an Ad Hoc release of funds is initiated by the Ministry/Department who must undertake the following steps. The time taken for each may vary:
- (i) Prior to the submission of a request for the release of funds, the Ministry/Department must ensure that the respective sub-item/ project has sufficient allocation to cover the amount it intends to request;
 - (ii) Where the allocation is insufficient, the Ministry has the option to request a virement or request a transfer of funds. This should be done prior to the submission of the request for the release of funds to the Budget Division, Ministry of Finance; and
 - (iii) The Ministry is required to submit copies of the relevant supporting documents together with the request for release memorandum to the Budget Division, Ministry of Finance (MOF). These will include invoices, Cabinet's approvals (where necessary), updated implementation schedule, progress reports on the projects, valuation certificates for work completed (where applicable), and contracts/agreements.
- f. Upon receipt of the request by the Budget Division, Ministry of Finance (MOF) the following actions are undertaken to enable the granting of the approval. The duration will vary dependent on the completeness and accuracy of documents submitted:
- 1. The request is examined by the officer with responsibility for the Ministry and once no queries are raised, a file prepared and forwarded for the approval of the Director of Budgets. This process takes one(1) to two(2) working days;
 - 2. The file goes through three (3) levels of scrutiny prior to reaching the Director of Budgets who is usually the final authority for approving releases. Ideally, this process takes three (3) to four (4) working days. If there are queries at any of these levels the approval may be delayed as some issues may be resolved at once, while others can span several days.
 - 3. Upon approval, the file is returned to the schedule officer who prepares the release of funds approval memorandum and transmits/sends it to the Ministry, this usually occurs on the same day the file is returned.

It should be noted that there are numerous instances where the requests are received by the Budget Division and the conditions at (ii) and/ or (iii) are not satisfied or lacking and the issues may take as long as two(2) weeks to be resolved by the MSCD, thereby delaying the approval.

Further, minor inaccuracies can delay the processing of requests by one (1) to two (2) working days while awaiting corrections.

Recommendations:

The MOF and the MSCD should collaborate and discuss a way forward regarding:

- *The release of funds in a timely manner. This meeting should be held by the beginning of the next financial year 2023-2024. An update on the discussions held and the planned actions to be taken should be submitted to Parliament by January 29, 2024.*

Response:

A meeting was convened between the MOF and the MSCD on January 17, 2024 as recommended by the PAAC. The following discussion ensued:

- The Budget Division's process for treating with request for releases;
- The deficiencies observed by the Budget Division which may hamper prompt processing of requests when request documents are submitted by the Ministry;
- The impact of staff turnover and staff rotation in the Ministry's Accounts Division;
- Suggested actions to be taken going forward to remedy past inefficiencies;
- Reasons and drawbacks associated with the lack of uniformity in the drawdown of funds for the maintenance of the various swimming pools; and
- The MSCD acknowledged since the time the report would have been laid and examined, and the present, there is improvement in the timeliness with regard to the receipt of releases.

Both the MOF and the MSCD agreed on the following actions to be undertaken going forward:

- ❖ The MSCD will be more proactive in planning and anticipating its funding requirements in light of the Budget Division's cash flow management procedures;
- ❖ The MSCD will make a better attempt to minimize errors and deficiencies in the submission of requests documents to the Budget Division, through training of staff and increased vigilance;
- ❖ The Budget Division gave an undertaking to visit the Ministry's Accounts Department to give guidance and assistance to the relevant staff at a date to be determined; and

- ❖ Both the MOF and the MSCD will continue to work together and communicate to maximize desired results.

It is also important to note that officers responsible for the release of funds at the MOF and the MSCD are in communication on a regular basis with respect to ensuring the process of issuing approvals for releases is done in a timely manner. This is an ongoing conversation.

Further, at the beginning of each financial year, the MOF issues a Circular reminding Ministries and Departments, detailing procedures and guidelines to enable the timely and efficient release of funds.

Finally, it should be noted that, notwithstanding the Budget Division's procedures geared to manage cash flow, there are instances where requests that normally fall within the Tier 1 and Tier 2 categorization are accommodated as Ad Hoc requests to facilitate the Ministries/Departments, though the practice is not widely encouraged.