



SUMMARY OF INFRASTRUCTURE DEVELOPMENT FUND



A Summary of the Audit of Expenditure from the Infrastructure Development Fund in the Auditor General's Report for 2015

Parliament of Trinidad and Tobago
Financial Scrutiny Unit

Financial Scrutiny Unit

This information is provided for use by Members of Parliament and key stakeholders in Parliamentary Financial Scrutiny. It is a summary of the Audit of Expenditure from the Infrastructure Development Fund in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2015.

The Summary does not contain the full details of the Report of the Auditor General, nor is it intended to represent any particular view or opinion. This document should be used in conjunction with the Report of the Auditor General on the Public Accounts for 2015, which can be accessed on the Auditor General's website at www.auditorgeneral.gov.tt

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Infrastructure Development Fund - \$893,774,427.10

Permanent Secretary – Ministry of Energy and Energy Affairs

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Total Fund Receipts - \$3,303,877,290.09

Fund decreased by \$280,284,464.50 or 23.9% from the previous year

The balance on this Fund decreased by \$280,284,464.50 or 23.9% from the previous year's figure of \$1,174,058,891.60. Fund receipts totalling \$3,303,877,290.09 comprised the following:

	\$
Interest earned for 2015	3,877,290.09
Transfers from the Consolidated Fund	3,300,000,000.00
TOTAL FUND RECEIPTS	3,303,877,290.09

Comptroller of Accounts Circular No. 12 dated 9th November, 2005 on the subject "Accounting Arrangements for Disbursement of Funds from the Infrastructure Development Fund" sets out guidelines to be followed to ensure accountability and transparency with respect to projects undertaken under the Infrastructure Development Fund.

13 – Office of the Prime Minister

Restoration of Stollmeyers Castle

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Total Actual Expenditure - \$80,967,003.65

This project is currently in its 12th year of operation. Expenditure since inception in 2005 to 30th September, 2015 totalled \$80,967,003.65 as shown below:

Year	Expenditure (\$)
2005	850,000
2006	16,767,630
2007	2,000,000
2008	6,920,117
2009	7,659,458
2010	3,345,120
2011	17,150,071
2012	9,127,704
2013	6,451,961
2014	3,216,474
2015	7,478,468.65
Total Actual	80,967,003.65

A status report as at 30th September, 2015 revealed the following:

Phase	Percentage Completion
Roof Works	90%
Demolition of Stables Building	45%
Repairs to the Main Building	87%
Fabrication of Furniture	95%

A visit to the site on 8th April, 2016 revealed signs of termite infestation on recent woodwork.

Whitehall Restoration

Total Actual Expenditure - \$7,587,616.35

Expenditure since inception of the project in 2009 to 30th September, 2015 totalled \$7,587,616.35 as shown below:

Year	Expenditure (\$)
2009	2,819,475
2010	485,553
2011	835,507
2012	762,274
2013	773,381
2014	754,614
2015	1,156,812.35
Total Actual	7,587,616.35

A status report as at 30th September, 2015 revealed the following:

Phase	Percentage Completion
Preparation of Project Proposal	90 %
Preparation of Request for Proposal (RFP) for Design, Build and Construction	50 %

Current location of furniture, equipment, paintings could not be ascertained

As reported in the previous year, the current location of items of furniture, equipment, paintings etc. which had been on the premises before the start of the project could not be ascertained.

26 – Ministry of Education

Control of Projects

Page 101

Memoranda of Understanding with Education Facilities Company Limited not produced

Memoranda of Understanding with the executing agency, Education Facilities Company Limited, were not produced for any of the projects undertaken for this Ministry. This issue was also reported in the prior year. Amounts spent during the year totalled \$718,193,852.56.

28 – Ministry of Health

Expenditure Control

Page 102

Errors and omissions

Errors and omissions representing weaknesses in control were noted on 12 payment vouchers sampled amounting to \$49,565,297.96.

Physical Investments

Signed contract for the Construction of an Outpatient Clinic Building not provided

A duly signed contract with NIPDEC for the Construction of an Outpatient Clinic Building at the Mt. Hope Women's Hospital at a cost of \$79,333,202.05 was not provided.

Upgrade of C40 Building at Chaguaramas

Contracts not produced for audit

Contracts between the Ministry and the executing agency, NIPDEC for shelving and other works valued at \$437,102.15 were not produced for audit.

Authority of Signatory

Letter of Appointment of the Administering Officer was not provided for audit

As reported in the previous year, a copy of the Letter of Appointment of the Administering Officer was not provided for audit purposes.

30 – Ministry of Labour and Small Micro Enterprise Development

Financial Statement

Page 102

Allocation Estimate for Improvement of Security at Valsayn Campus overstated

The amount of \$7,100,000.00 shown as Allocation Estimate for Improvement of Security at Valsayn Campus was overstated by \$2,000,000.00 on Part A of the Financial Statement.

40 – Ministry of Energy and Energy Affairs

Documents Not Produced

Page 102

Agreement with the National Energy Corporation for procurement not provided for audit

The following were not provided for audit scrutiny:

- An agreement with the National Energy Corporation for procurement and other services in respect of the following projects for which expenditure was incurred as shown:

Project	Expenditure 2015
Development of Industrial Sites	\$30,465,869.00
Development of New Port Facilities	\$ 9,834,911.00

- Vouchers to support payments of \$5,167,526.00 to the National Energy Corporation were not provided.

42 – Ministry of Local Government

Authority of Signatory

Pages 103

Letter of Appointment of the Administering Officer was not provided for audit

A copy of the Letter of Appointment of the Administering Officer was not provided for audit purposes.

Documents Not Produced

Upgrade of Community Infrastructure in South and South East Trinidad

Total expenditure as at 31st July, 2015 under this vote was \$5,868,311.09. At the time of the audit in August 2015, the following documents relating to Palo Seco Agricultural Enterprises Limited as executing agency for this project were not provided for audit examination:

- A Memorandum of Understanding
- A Corporate Business Plan
- The Organizational Structure
- A statement demonstrating capacity to execute the project.

48 – Ministry of Trade, Industry, Investment and Communications

Financial Statement

Page 103

Unreconciled difference observed

An unreconciled difference of \$16,252,428.71 was observed between the Total Expenditure of \$88,368,581.00 disclosed in Part A and the Actual Expenditure and Cost of \$104,621,009.71 shown in Part B.

Invoices totalling \$3,930,696.18 were not committed in the Vote Book to reserve funds as required by Ministry of Finance Circular No. 23 of 1959 and Financial Regulations 66 and 67.

58 – Ministry of Justice

Expenditure Control

Page 104

Payments not authorized by the Accounting Officer

Prior year commitments totalling \$1,059,714.44 were not brought forward in the current year as required by Ministry of Finance Circular No. 23 of 1959 to reflect the true financial position. In addition, the relevant payments were not authorized by the Accounting Officer as required by Financial Instruction 108 (4).

Documents Not Produced

Contract for works – Maximum Security Prison costing \$33,674,765.43 not provided for audit

The following documents were not provided for audit examination:

- Contract for the Construction of a Perimeter Fence and Infrastructural works – Maximum Security Prison costing \$33,674,765.43
- Valuation Report for Acquisition of Property situate at Santa Rosa, Arima for Pre-release Centre and/or Functional Prison at a cost of \$170,000,000.00.

61 – Ministry of Housing and Urban Development

Construction of Couva Children’s Hospital

Pages 104 & 105

total estimated cost of this project was \$1,520,924,891.98

Cabinet, on 16th February, 2012, approved the construction of a Children’s Hospital at Preysal, Couva. On 27th September, 2012, Cabinet further conveyed approval for the project and the relevant budget and financing. The Ministry of Housing and Urban Development was given responsibility for the project and UDECOTT was appointed as the executing agency. A site visit was made by audit on 20th January, 2016.

The total estimated cost of this project was \$1,520,924,891.98 from three sources:

- Government to Government Concession Loan from the People’s Republic of China for approximately \$1,003,000,000.00. This agreement was made on 15th March, 2013 and is to be repaid in 31 instalments beginning on 21st March, 2018 and ending on 15th March, 2033 at interest of 2% per annum.
- Pre-construction costs estimated at \$53,191,981.93 financed locally by ANSA Merchant Bank (funds redeployed from Maracas Redesign and Restoration Project).
- Project development costs estimated at \$464,732,910.05 provided for in the expenditure estimates.

Project scope

The project scope included:

- A 230-bed Hospital (80 paediatric and 150 adult)
- A 330-student Multi-Training Facility
- A Central Energy Plant
- A Waste Water Treatment Plant
- A Helipad
- External Works – 598 car parks, roads, drainage, landscaping
- Major Medical Equipment, furniture, security and data systems.

Status Report December, 2015 estimated construction as 96% complete – Total cost - \$1,278,688,123.72 & cost to complete - \$242,236,768.25

The Status Report as at 30th December, 2015 estimated construction as 96% complete and the expected completion date as the end of June, 2016. Total cost to that date (vat inclusive) was given as \$1,278,688,123.72 and cost to complete as \$242,236,768.25.

A Memorandum of Understanding with the executing agency duly signed on behalf of the Ministry was not produced.

Amounts paid out of appropriations

Amounts paid out of appropriations as at 30th September, 2015 were as follows:

Years	Amount Paid \$	Expenditure Item
2013	77,422,769.51	Development Programme
2014	130,174,169.87	Infrastructure Development Fund
2015	109,224,074.14	Infrastructure Development Fund
	322,368.00	Other Contracted Services
Total	317,143,381.52	

Contract relating to the cable installation was not provided - \$322,368.00

Payments during fiscal 2015 related mainly to project management fees and payments to the construction company for variations as well as a payment posted under Other Contracted Services for commercial cable installation. A copy of the contract relating to the cable installation was not provided.

68 – Ministry of Sport

Financial Statement

Financial Statement not submitted in accordance with financial directives

A Financial Statement was not submitted in accordance with financial directives. A statement relating to Development Programme projects carried out by the Sport Company of Trinidad and Tobago Limited (SporTT) was instead presented.

69 – Ministry of Works and Infrastructure

Expenditure Control

Pages 106 & 107

Road Construction / Major Road Rehabilitation

Expenditure exceeded the total allocation

Expenditure of \$206,418,339.22 plus commitments of \$217,865,839.53 exceeded the total allocation of \$365,000,000.00 on this project by \$59,284,178.75.

Documents Not Produced

Memorandum of Understanding not produced for audit scrutiny

A Memorandum of Understanding with Palo Seco Agricultural Enterprises Limited as executing agency for Repairs to Landslip at Upper Christian Drive, Plaisance Park, Pointe-a-Pierre was not produced for audit scrutiny.

The Memorandum of Understanding with National Insurance Property Development Company Limited (NIPDEC) for services provided under the Programme for Upgrading Roads Efficiency (PURE) during the fiscal years 2013 to 2015 was signed on 6th February, 2015. A status report for this project was not provided.

Documents such as contracts, minutes, rules and regulations and monthly progress reports required to monitor and verify compliance with the terms of the Memorandum of Understanding were not obtained by the Ministry from the executing agency, National Infrastructure Development Company Limited (NIDCO) even when requested during the audit.

Documents not produced to verify loan repayments totalling \$160,163,324.72

Loan agreements, Letters of Comfort from the Ministry of Finance, repayment schedules and statements of accrued interest were not produced to verify loan repayments totalling \$160,163,324.72 on five projects on behalf of NIDCO under Current Transfers and Subsidies.

Status Reports for Bridges Reconstruction Programme, Landslip Repair Programme, and Shore of Peace Coastal Cliff Stabilisation Works were also not produced for audit scrutiny.

Evidence was not seen that Advance Payment Guarantees were received before payments totalling \$8,395,556.08 were made to five contractors.

Monitoring of Projects

Central Planning Unit reportedly under-staffed and unable to conduct site visits

The Central Planning Unit is a critical element in the governance structure of the Ministry including the control and monitoring of projects to ensure that value for money and desired outcomes are achieved. However, the Unit is reportedly under-staffed and not able to carry out site visits for current projects or to effectively fulfil its duties.

Non-Implementation of Value for Money Study Recommendations

On 9th December, 2004 the Auditor General issued a Report on a Value for Money Study on The Operations of the Central Planning Unit of the Ministry of Works and Transport. A number of the recommendations for strengthening the effectiveness of the Unit which were outlined in that Report have not been implemented but remain relevant.

72 – Ministry of Tertiary Education and Skills Training

UTT Main Campus Tamana E-Teck Park Wallerfield

Page 107

Expenditure 2008 to 30th September, 2015 totalled \$1,170,447,205.00 - 74% complete

This project is currently in its 9th year of operation. Expenditure since inception in 2008 to 30th September, 2015 totalled \$1,170,447,205.00. The Status Reports as at February 2016 revealed that the construction work is approximately 74% complete.

74 – Ministry of National Diversity and Social Integration

Documents Not Produced

Pages 107 & 108

Restoration of Mille Fleurs - completion certificate not produced

The Memorandum of Understanding between the Ministry and the executing agency, the Urban Development Corporation of Trinidad and Tobago (UDECOTT), for the restoration and adaptive reuse of the Mille Fleurs building at an estimated cost of \$46,646,600.00 was not provided.

Total payments of \$5,705,841.00 were made for the year under review. Of this amount, \$5,174,464.37 was paid for the design and construction of a temporary roof. The completion certificate was not produced.

Refurbishment works were reportedly not done during the year. Due to the advanced stage of deterioration, access to the building was not allowed.

74 – Ministry of National Diversity and Social Integration

Upgrading/Construction of Fishing Facilities in Trinidad

Documents not provided - Expenditure totalling \$5,510,886.95

Expenditure totalling \$5,510,886.95 was incurred on seven projects under this vote. The following were not provided:

- Status Reports for four projects
- Completion certificates for two projects
- Requirement specifications for two projects.

Payment vouchers for amounts totalling \$1,280,218.73 incurred in the prior year were not signed by the Accounting Officer as required by Financial Instruction 108 (4).

Evidence of monitoring of projects not seen

Evidence of monitoring of projects to ensure timely and successful completion as well as fulfilment of project objectives was not seen for the projects sampled.

Site visits Fishing Facilities

Site visits to seven Fishing Facilities in December 2015 revealed the following:

- San Souci – Additional work at a cost of \$30,360.00 could not be verified as the road leading to the Facility was inaccessible. This Facility was located in a mountainous and overgrown area.
- Cocorite – Amounts totalling \$2,535,034.05 were spent in fiscal 2014 for refurbishment of this Facility. At the time of the site visit, the building appeared dilapidated and there were no security personnel present. The status report presented showed the project as 54% complete.

**Financial Scrutiny Unit
Office of the Parliament**

May 3, 2016