PAC

PARLIAMENT
REPUBLIC OF TRINIDAD AND TOBAGO

THIRD REPORT OF THE

PUBLIC ACCOUNTS

C O M M I T T E E

FIRST SESSION OF THE 11TH PARLIAMENT

Inquiry Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2014 with specific reference to the Tobago House of Assembly.

Public Accounts Committee[1]

The Public Accounts Committee (PAC) established by the Constitution of the Republic of Trinidad and Tobago in accordance with Section 119(4) is mandated to consider and report to the House of Representatives on:

"(a) appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago;
(b) such other accounts as may be referred to the Committee by the House of Representatives or as are authorized or required to be considered by the committee under any other enactment; and
(c) the report of the Auditor General on any such accounts."

Current membership

Dr. Bhoendradatt Tewarie	Chairman[2]
Mr. Rodger Samuel	Vice-Chairman[3]
Mrs. Ayanna Webster-Roy	Member
Mr. Randall Mitchell	Member
Dr. Lester Henry	Member
Mrs. Paula Gopee-Scoon	Member
Ms. Marlene McDonald	Member
Ms. Jennifer Raffoul	Member

Committee Staff

The current staff members serving the Committee are:

Ms Keiba Jacob	Secretary to the Committee
Ms Hema Bhagaloo	Assistant Secretary to the Committee
Ms Samantha Snaggs	Parliamentary Intern

Publication

An electronic copy of this report can be found on the Parliament website: www.ttparliament.org

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[1] The PAC of the Eleventh Republican Parliament was established by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.
[2] The Committee held its first meeting on Wednesday December 2, 2015. At this meeting the Committee elected Dr. Bhoendradatt Tewarie as Chairman, in accordance with Section 119(2) of the Constitution of the Republic of Trinidad and Tobago. At that same meeting, the Committee resolved that its quorum should comprise of three (3) Members, inclusive of the Chairman and any other Opposition Member.
[3] The Committee held its second meeting on Wednesday December 16, 2015. At this meeting the Committee elected Mr. Rodger Samuel as Vice-Chairman, in accordance with Standing Order 110(2) of the House of Representatives.

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Members of the Public Accounts Committee

ELEVENTH PARLIAMENT,

REPUBLIC OF TRINIDAD AND TOBAGO

Dr. Bhoendradatt Tewarie
Chairman

Mr. Rodger Samuel
Vice-Chairman

Mrs. Ayanna Webster-Roy
Member

Mr. Randall Mitchell
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Dr. Lester Henry
Member

Mrs. Paula Gopee-Scoon
Member

Ms. Marlene McDonald
Member

Ms. Jennifer Raffoul
Member

Executive Summary

The PAC presents its Third Report of the Eleventh Parliament which details its examination of the ***Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 and the Report of the Auditor General on the Financial Statements of the Tobago House of Assembly for the financial years 2006 and 2007.***

During this examination, the Committee took the opportunity to discuss with the Tobago House of Assembly (THA) the:

- Late submission of Financial Statements;
- General issues relating to the operations of the THA;
- Challenges faced by the THA in maintenance of their records and the implementation of specific recommendations; and
- Challenges faced by the THA in their monitoring and evaluation process.

Based on the Committee's examination the following recommendations were proposed:

- The Accounting Officer must make serious efforts to ensure that State property is safeguarded at all Divisions by the application of the provisions of the Financial Regulations (Stores);
- The intervention of the Attorney General and the Comptroller of Accounts to produce updated regulations by March 2017. These regulations can provide for the electronic transformation of data;
- The Ministry of Finance should ensure that all Divisions maintain a system that highlights accountability relationships and procedures within each Division;
- The Accounting Officer must ensure specialization in Departments are done through stronger Succession Planning which will identify and develop internal people with the potential to fill positions in the organization;

- The THA must also provide training for staff transferred between departments, whether it is a permanent or acting/temporary transfer;
- The Service Commissions Department should make serious efforts to provide adequate staffing and the resources necessary to provide training from the Treasury Division which is responsible for the production of the Public Accounts and the training of officers in accounting procedures; to prevent the occurrence of issues identified in the penultimate paragraph of the concluding remarks;
- The THA must ensure that a letter of indemnity is signed by employees with loan payments, guaranteeing that contractual provisions be met. In addition immediate steps must be taken to recover outstanding loans to Assemblymen and Contract officers;
- The Accounting Officer at the THA should request that the IhRIS be used as a method to record pension and leave data to allow for the easy access of relevant information for the timely payment of pension and gratuity;
- The AGD or the Treasury should lend some assistance to officers to ensure that all regulations are followed and also minimize all mishaps; and
- Audited accounts up to 2016 of the THA must be submitted by the THA forthwith.

INTRODUCTION

The PAC of the Eleventh Republican Parliament was established by resolution of the House of Representatives and the Senate at the sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House report to the House on appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago and the report of the Auditor General on any such accounts.
In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives also empower the Committee (but is not limited) to:

a) send for persons, papers and records;
b) have meetings whether or not the House is sitting;
c) meet in various locations;

d) report from time to time; and
e) communicate with any other Committee on matters of common interest.

Election of the Chairman and Vice Chairman

In accordance with section 119(2) of the Constitution, the Chairman must be a member of the Opposition in the House. At the first meeting held on Wednesday December 2, 2015 Dr. Bhoendradatt Tewarie was elected Chairman of the Committee. At the said meeting, Mr. Wade Mark was elected Vice Chairman of the Committee.

Changes in Membership

- By resolution of the Senate made on December 8, 2015, Mr. Rodger Samuel replaced Mr. Wade Mark as a Member of this Committee.
  Mr. Rodger Samuel was elected Vice-Chairman of the Committee in lieu of Mr. Wade Mark on Wednesday December 16, 2016.

- By resolution of the Senate made on December 19, 2016, Ms. Jennifer Raffoul replace Dr. Dhanayshar Mahabir as a Member of this Committee.

Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that any decisions made by the Members during the meetings can be considered valid. A quorum of three (3) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

METHODOLOGY

Determination of the Committee's Work Programme

The Committee agreed to a fifteen (15) entity work programme during its second meeting on Wednesday December 16, 2016. These entities included:

1. Judiciary of Trinidad and Tobago
2. Ministry of Agriculture, Land and Fisheries
3. Ministry of Education
4. Ministry of Energy and Energy Industries
5. Ministry of Finance
6. Ministry of Health
7. Ministry of Public Administration
8. Ministry of Public Utilities
9. Ministry of National Security
10. Ministry of Tourism
11. Ministry of Trade and Industry
12. Tobago House of Assembly
13. Land Settlement Agency
14. National Lotteries Control Board
15. Regional Corporations

- In preparation for this public hearing, the Committee had an Issues Paper produced with questions based on issues highlighted in the Auditor General's Report.
- The Committee held one public hearing to discuss the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 as follows:

  Wednesday April 13, 2016 - *in public*

At this Meeting the Committee had a discussion with officials from the Tobago House of Assembly to seek clarification on issues highlighted in the report. This meeting also served as an informative session allowing Members to also ask questions the Audited Financial Statements of the Tobago House of Assembly for the period 2006 to 2007 and the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 related to the Tobago House of Assembly.

The Inquiry Process

The Inquiry Process outlines steps to be taken by the Committee when conducting an inquiry into an entity or issue. The following steps outlines the Inquiry process followed by the PAC:

I. Identification of entities to be examined;

II. Preparation of Inquiry Proposals for the selected entities. The Inquiry Proposal outlines:

   a. Background;

   b. Objective of Inquiry; and

   c. Proposed Questions.

III. Consideration and approval of Inquiry Proposals by the Committee and when approved, questions are forwarded to the entity for written responses;

IV. Issue of requests for written comment from the public are made via Parliament's website, social media accounts, newspaper and advertisements (optional);

V. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the entities. The Issues Paper identifies and summarises any matters of concern in the responses provided by the entity or received from stakeholders and the general public;

VI. Review of the responses provided and the Issues Paper by the Committee;

VII. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);

VIII. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if:

   a. the Committee believes the issues have little public interest; or

   b. the Committee believes that the written responses provided are sufficient and no further explanation is necessary; and

IX. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.

Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

The Tobago House of Assembly's Profile

Background

The Tobago House of Assembly (THA) is a statutory body created under the Tobago House of Assembly Act 1980, subsequently referred to as the THA act. The THA comprises of two main arms, the Legislative Arm and the Executive Arm, and 10 divisions, nine with particular remits plus the Office of the Chief Secretary, which oversees the others. The Legislative arm (Assembly Legislature) is where all members of the Assembly meet in plenary and/or in select committees to make policy decisions for the operations of the Assembly. The Executive arm of the Assembly is headed by the Chief Secretary in his capacity as leader of the Executive Council. The Council has individual and collective responsibility for carrying out the tasks of the Assembly through its divisions. Each division is led by a secretary, with an administrator serving as the accounting officer responsible for producing the desired results of the division.[4]

As a result of their comprehensive and indispensable scope of work in overseeing the affairs of Tobago, the Committee decided to launch an investigation into the efficiency and effectiveness of the THA in executing their duties.

Divisions:

- Office of the Chief Secretary
- Agriculture, Marine Affairs, Marketing & the Environment
- Community Development & Culture

[4] Accessed on May 11, 2016, http://www.tha.gov.tt/about-the-assembly/

- Education, Youth Affairs & Sport
- Finance & Enterprise Development
- Health & Social Services
- Infrastructure & Public Utilities
- Planning & Development
- Settlements & Labour
- Tourism & Transportation

Chief Secretary: Honourable Orville London

Accounting Officer: Mr. Raye Sandy

The Minutes of the Committee meeting with regard to this inquiry are attached as **Appendix I**.

The Notes of Evidence of the hearing held on Wednesday April 13, 2016 are attached as **Appendix II.**

ISSUES AND RECOMMENDATIONS

During the examination of the Tobago House of Assembly on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 and the Report of the Auditor General on the Financial Statements of the Tobago House of Assembly for the financial years 2006 and 2007, the following issues and observations were identified and recommendations proposed:

I. Late submission of Financial Statements

Due to challenges with the retrieval of documents for audit, the THA failed to submit their financial statements for the financial years 2008 to 2014. Those challenges affected the THA's maintenance of timely audits, along with the frequent movement of personnel within the public service and the relocation of offices. As a result, documents could not be located for audit and at times recovered after the Auditor General had done his report. This is an issue the Accounting Officer must address as a matter of urgency and ensure there is accountability at all levels of the THA. Easier access to documents via electronic data must also be permitted to deal with the issue of unrecovered information.

Recommendations:

- ***The Accounting Officer must make serious efforts to ensure that State property is safeguarded at all Divisions by the application of the provisions of the Financial Regulations (Stores). This is a clear responsibility of the Accounting Officer which cannot be compromised;***
- ***The intervention of the Attorney General and the Comptroller of Accounts to produce updated regulations by March 2017. These regulations can provide for the electronic transformation of data; and***
- ***The Ministry of Finance should ensure that all Divisions maintain a system that highlights accountability relationships and procedures within each Division. This should be done through an accountability system statement and submitted in the next annual report as at September 30, 2017;*** [5]

[5] Accessed on May 13, 2016, https://www.gov.uk/government/publications/accountability-system-statement--2

II. Frequent Departmental staff transfers

There are frequent changes in personnel within the public service, especially in the Accounting and HR department. As a result, the THA is deprived of the best and most competent employees in the relevant Departments. Current legislation (the Public Service Regulations) makes it difficult to stop the transfer of employees from HR to accounting and vice versa. The state of the Human Resources must be attended to as a matter of urgency, because there cannot be proper audited accounts and an effectively audited governmental system if there is no human resource capacity. Competency levels, strong succession planning and training has to be assessed and enforced to ensure the best individuals are placed in positions. These strategies are necessary to increase the availability of experienced and capable employees that are prepared to assume roles as they become available and also avoid service gaps that occur.

Recommendations:

- ***The Accounting Officer must ensure specialization in Departments are done through stronger Succession Planning which will identify and develop internal people with the potential to fill positions in the organization;***
- ***The THA must also provide training for staff transferred between departments, whether it is a permanent or acting/temporary transfer; and***
- ***The Service Commissions Department should make serious efforts to provide adequate staffing and the resources necessary to provide training from the Treasury Division which is responsible for the production of the Public Accounts and the training of officers in accounting procedures.***

III. The repayment of loans by Assemblymen and Contracted Officers of the THA

Loan accounts were reviewed to determine the number of bad loans and balances. Thereafter, letters of indebtedness were issued to employees for the recovery of outstanding funds. The loan amount is indefinite and relates to motor vehicles for both Contract officers and Assemblymen. The Committee noted the backlog of unpaid loans dated back to 2007 and agreed that concerted efforts must be made to recover these loans. Appropriate structures and regulations must be set and followed to allow for consistent loan repayments. The THA has to enforce stringent structures and guidelines for the repayment of loans through salary deductions and proper record keeping in each division of the THA. Currently the management of the financial affairs at the THA seems sloppy and laissez-faire.

Recommendations:

- ***The THA must ensure that a letter of indemnity is signed by employees with loan payments, guaranteeing that contractual provisions be met, otherwise financial reparations will be made; and***
- ***Records of Pension and Leave (P&L) must be properly logged to allow the Comptroller of Accounts to deduct from one's gratuity after relevant information, i.e. the statement of indebtedness from Board of Inland Revenue and Loans Management and P&L records are submitted.***

IV. The status of THA's Strategic Plan

The Committee expressed concerns about the status of an updated Strategic Plan relevant to the current economic downturn in the country whilst depending heavily on Tobago's tourism sector to boost the economy. The THA operates under a Comprehensive Economic Development Plan (CEDP) which ends in 2017. All programmes have been reviewed for the current year to determine the programmes to be eliminated and there were steps taken to manage the issue of foreign exchange earnings, tourism and other pertinent aspects. Although there may be reform and revision, the Plan needs to stay in line with the THA's Vision, Mission, Objectives and Strategies, for the acceleration of the development of Tobago. The Committee will be observing the THA's progress post the revision of the programmes and management reform to determine its impact on the THA and current state of affairs.

Recommendation:

In fulfilling the purpose of the Comprehensive Economic Development Plan (CEDP), the Executive Council should actively consider:

1. Summary Background: A summary background of the economic conditions of the region;

2. SWOT Analysis: An in-depth analysis of regional strengths, weaknesses, opportunities and threats (commonly known as a "SWOT" analysis);

3. Strategic Direction/Action Plan: The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate as determined by the community/region engaged in development of the Comprehensive Economic Development Plans (CEDS). The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other funds; and

4. Evaluation Framework: Performance measures used to evaluate the THA's implementation of the CEDS and impact on the regional economy. This framework should establish criteria and performance measures for evaluating the region's implementation of the strategic direction and progress towards goals and measurable objectives.[6]

V. The state of affairs of the Tobago House of Assembly's finances

The 2007 Audit Report outlines two issues, record keeping and the accrual basis of accounting, where the THA did not have the total accounting framework required. The THA is desirous of using accounting standards in alignment with the public sector known as the International Public Sector Accounting Standards (IPSAS). The Committee acknowledges the efforts of the THA to make advancements in its accounting framework by acquiring IPSAS 1, which looks at the cash basis of accounting. Persons have also been employed to look at the reconciliation of documents after the preparation of financial statements to allow for more available and reliable documents.

Recommendation:

[6] Accessed on May 11, 2016, https://www.eda.gov/ceds/files/ceds-content-guidelines-full.pdf

The THA should request updated financial regulations to switch from cash to accrual basis accounting. To obtain approval for this switch, the THA should seek assistance from the Attorney General and the Minister of Finance. The THA should have this switch approved by the end of March 2017 which will ensure adequate time is provided to train the personnel involved in the process and ensure there is proper maintenance of records.

VI. The challenges in preparing pension and leave records

A unit has been placed in the office of the Chief Secretary to update the pension and leave records and treat with the issue of delayed payment of pension and gratuity. Retired public officers have been hired to assist in putting together pension and leave documents. Most public officers are not properly trained in the field of pension and leave, therefore training is a necessity. There are also delays in the process when documents are sent to the Comptroller of Accounts' office with back and forth correspondence for additional information or clarification, resulting in time wasted. This delay causes an estimated wait of three to four years for one to receive their post-retirement benefits. Apart from the THA's shortcomings through incomplete documents and the lack of information submitted to the Comptroller of Accounts, there is some level of dependency on the Comptroller to maintain timely performance of duties. There is also some work to be done in terms of communicating with persons who are retiring, to keep them abreast with the status of their retirement benefits. The Integrated Human Resource Information System (IhRIS), an automated Human resource support to the Service Commissions Department and all Ministries and Departments can assist in logging information required for the preparation of Pension and Leave records. It is necessary to use the relevant modules of the IhRIS to manage the pension and leave records and ensure the efficient recording of information at all times. The accountability of all Officers should be used as a hallmark in this process.

Recommendations:

- ***The Accounting Officer at the THA should request that the IhRIS be used as a method to record pension and leave data to allow for the easy access of relevant information for the timely payment of pension and gratuity.***

- ***The THA must ensure that the Pension and Leave record is effectively updated manually at all times.***
- ***The manual log of information must also be continued when moving to the IhRIS system. This is equally important for the purposes of reference or unfortunate loss of automated data. Use a manual pay record card as a control.***
- ***The Accounting Officer at the THA must ensure that all the rules and guidelines of IhRIS are followed to avoid ongoing issues and delays caused by negligence.***

VII. Outstanding invoices to suppliers

The THA has been tardy in their settlement of invoices to suppliers. There has been a standard whereby all invoices are to be paid within ten working days and efforts are being made to maintain such a standard. Conflict usually arises when some businesses submit late invoices. Late submission of invoices results in late payments to suppliers. As a result, the THA intends to write to all the businesses in Trinidad and Tobago with outstanding purchase invoices and give them a deadline date to submit those invoices to settle all ongoing issues. The Committee has observed this as an ongoing issue which must include a penalty for suppliers' reluctance to adhere to deadlines. Such reluctance may affect the monitoring and evaluating process after a job is completed.

Recommendation:

- ***The THA, with the advice of the Attorney General and the Comptroller of Accounts should establish a system which incentivizes early submission of invoices.***

VIII. Addressing the findings and recommendations from the Auditor General Report

Most of the recommendations addressed by the Auditor General have been taken into consideration, with some issues only realized as time progressed. Within recent times there have been steps taken by the THA to address the findings and recommendations from the Auditor General's Report. To assist in addressing issues, the THA has an accounting forum where there is a statutory date each month for the accounting staff throughout the Assembly to meet, share ideas, network and to synchronize and standardize the methods of operation in order to minimize some of the challenges. It is very important for the THA to implement and observe all recommendations posed to formulate plans in an effort to quickly eradicate these pervasive issues affecting the THA.

Recommendation: ***Stringent monitoring and follow up should be done by the Treasury because effective implementation of recommendations would guarantee positive results. The Treasury must be committed to giving continuous attention until results are achieved.***

IX. The role, function and effectiveness of the Accounting Officer, Administering Officers and Liaison Officers

A liaison officer is appointed in each Division to oversee the retrieval and presentation of accounting records requested by the Auditor General. As the oversight agency for the Finance Division, the Liaison Officers visit the different Divisions to ensure compliance, to assist with the reconciliation statements and the preparation of financial statements in order to ensure the accuracy of records. To assess the effectiveness of the liaison officers, the THA evaluates all activities to determine the alignment with the accounting regulation in order to minimize the level of discrepancies outlined by the Auditor General. The Accounting officers need to ensure there is clear and robust accountability at all levels. Accounting Officers are required by Financial Regulation 8 (l) "to reply promptly and fully to any queries" of the Auditor General.[7] Training has to be provided for Accounting Officers to ensure they are competent in executing their duties. Also, there must be penalties to pay when Accounting Officers fail to comply with the Statutory Deadline for the submission of financial statements.

Recommendation:

- ***The AGD or the Treasury should lend some assistance to officers to ensure that all regulations are followed and also all mishaps are minimized. Purposeful non-adherence to the regulations should be punishable by law making an Accounting Officer legally responsible for any discrepancy observed; and***

[7] Accessed on May 13, 2016, http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General's%20Report%202014.pdf

- ***The THA should make a request to the Treasury to provide training sessions by March 2017 for all Accounting Officers to assist with any areas of concern and to ensure that recurring issues are fixed.***

X. The status of Internal Control and Internal Audit

The THA continues to struggle with an unproductive Internal Audit Unit and weak Internal Controls. A difference of $428,093.18 noted between the vote book and subsidiary accounts. Also noted was the cash book balance of $393,751.58 used on the unsigned bank reconciliation statement, differed from the actual balance of $188,965.24 shown on the cash book. In addition to this, unpaid cheques were not presented and there was no evidence of internal checks on the records. These issues along with the number of unaudited accounts are signs of severe internal audit and control issues. The THA intends to hire competent contracted workers to assist in rectifying the Internal Audit issue. The THA has also instructed that each division set up an Internal Audit so that the staff of that unit can conduct an internal audit on a quarterly basis. The International Standards for the Professional Practice of Internal Auditing have been issued by the Institute of Internal Auditors and provide best practice guidance for internal auditors. The Committee needs to be assured that these internal control issues would be finally dealt with in the current plans and will be observing closely the latest adjustments to analyze its impact on the THA.

Recommendation:

The Accounting Officer must ensure that the cash book is checked at the end of each day to allow for the early discovery of discrepancies. Checks and balances at all levels must be conducted – Sub accounting and Main accounting level.

The Committee recommends that the THA strengthens the internal audit function across each Division by:

- ***Designing a training program for Internal Auditors to fulfill their roles;***
- ***Developing a program of recruitment and staff development;***
- ***Introducing new financial and accounting management systems to ensure that adequate controls are built into these systems;***
- ***Identifying the root cause areas of concern for the purpose of taking corrective measures; and***

- ***Conducting regular spot checks for cash.***

There is a need for a Public Sector Internal Audit Strategy and the THA can acquire the services of an internal audit consultant to formulate the internal audit framework. However, the Committee recommends that best practice must prevail and the Heads and Audit Managers should be Certified Internal Auditors (CIA). It is highly recommended that an internal audit training needs assessment be conducted to ensure that the programmes are pertinent to the areas of examination. This should be done by March 30, 2017.

The Service Commissions Department should review the range of salaries given to Internal Auditors, as an incentive for persons to excel within the Public Service.

The THA must also pay close attention to the recommendations listed in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2015:[8]

XI. The maintenance of a Fixed Asset Register and hindrances in the provision of documents for Auditing

The THA's Fixed Asset Register and Asset Management System is currently not at the best standard and the retrieval and storage systems of documents are not up to standard. A third party has been strategically placed to assist in putting into effect a modern Asset Management System. This refers to a web-based system that monitors and maintains things of value to an entity or group. It may apply to both tangible assets such as buildings and to intangible assets such as human capital, intellectual property, and goodwill and financial assets.[9] After several efforts, the THA is making a final attempt to obtain the Asset Management System throughout the Assembly. The Committee commends the THA for setting 2017 as the year of delivery for the complete implementation of an Asset Management System, but yet urges the THA to be very vigilant in the selection process of this system and how it is utilized.

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[8] Accessed on May 11, 2016, http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202015.pdf

[9] Accessed on May 11, 2016, http://www.e-mozart.com/mzt/business-and-it-solutions/assets-management/

Recommendation:

- ***The incorporation of Integrated Financial Management Information System (IFMIS) can also greatly assist with the management of the Fixed Asset register. Through this updated system, asset tracking and management will become easier to maintain. With its implementation, persons responsible should be trained to ensure that assets are properly recorded and the full benefits of the system are recognized.***

XII. The monitoring and evaluation of projects.

Once a project is completed, the THA evaluates the project's impact or outcome. The THA looks at the distribution of the parliamentary allocation and expenditure, and observing where it would allow for oversight within the strategic priority areas. The only challenge is that some of that expenditure is covered under recurrent, but this suggests that there is more to be done in that area. The aim therefore, would be to have more money made available to address infrastructure and greater issues which will allow for the redistribution of funds in the areas that would impact people's quality of life. The monitoring and evaluating process needs to ensure that value for money is achieved in every project chosen. This will aid in the timely completion of projects and decrease the amount of time and money wasted.

Recommendation:

- ***The preparation of policy initiatives and assessments of major projects should be conducted by the Accounting Officer, outlining the concerns about the feasibility of the policy and value for money. The Planning Department of the THA should cautiously monitor every project under the Infrastructure Development Fund to ensure that there is accountability and transparency when making decisions during projects.***
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Tobago House of Assembly – Concluding Remarks

It is difficult to justify non-submission or incomplete submission of seven (7) years of financial statements (2008-2014) by an institution that is constitutionally protected, and guaranteed financial provision by the Constitution of Trinidad and Tobago. The Auditor General's Department must be given the power to enforce compliance and to impose sanctions on institutions under its charge which behave in such an unacceptable manner.

The problematic issues in the THA are too many and seem to be too easily dismissed without any demand for accountability. The management of financial affairs at the THA appears sloppy and laissez-faire.

The number of bad loans taken by Assemblymen and Contracted Officers to the THA, the less than adequate state of the management of day to day finances, the outstanding invoices from suppliers and perpetual late payments to suppliers, the identified discrepancies between the vote book and subsidiary accounts, the discrepancies between cash book and actual balance sheet, unsigned reconciliation statements, invisible unpaid cheques, the absence of checks and balances, weak internal controls and non-existent internal audit systems, all of these things reflect very badly on the THA and make the case for a complete review of the THA as an institution, the identification of strengths and weaknesses and the establishment of workable systems of accountability, supported by technical competence and a strengthened institution with internal controls.

A special audit covering both financial and HR systems is recommended for the THA. This should be done immediately so that recommendations for improvement can be instituted.

This Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.
Dr. Bhoendradatt Tewarie
Chairman

Sgd.
Mr. Rodger Samuel
Vice-Chairman

Sgd.
Mrs. Ayanna Webster-Roy
Member

Sgd.
Mr Randall Mitchell
Member

Sgd.
Dr. Lester Henry
Member

Sgd.
Mrs. Paula Gopee-Scoon
Member

Sgd.
Ms. Marlene McDonald
Member

Sgd.
Ms. Jennifer Raffoul
Member

APPENDIX I

Attendees

At the meeting held on Wednesday March 23, 2016, the witnesses attending on behalf of the Ministry of Tourism were:

OFFICIALS FROM TOBAGO HOUSE OF ASSEMBLY

Mr. Raye Sandy	-	Chief Administrator.
Mrs. Claire Davidson-Williams	-	Administrator, Finance & Enterprise Development
Mrs. Esther Pilgrim-Soanes	-	Director, Finance & Enterprise Development Evaluation
Ms. Petal Roberts	-	Senior Finance Analyst
Ms. Shelly Trim	-	Budget Analyst IV
Mr. Bobby Andrews	-	Planning Coordinator

Witnesses were:

OFFICIALS FROM AUDITOR GENERAL'S DEPARTMENT

Mr. Gary Peters	-	Assistant Auditor General
Mrs. Denese Toby-Quashie	-	Assistant Auditor General

APPENDIX II

Minutes of Meeting

THE PUBLIC ACCOUNTS COMMITTEE –
FIRST SESSION, ELEVENTH PARLIAMENT

MINUTES OF THE SEVENTH MEETING HELD ON WEDNESDAY, APRIL 13, 2016 AT 10:13 A.M.
IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT-OF-SPAIN.

Present were:

Dr. Bhoendradatt Tewarie	-	Chairman
Mr. Rodger Samuel	-	Vice- Chairman
Mrs. Paula Gopee-Scoon	-	Member
Mrs. Ayanna Webster-Roy	-	Member
Dr. Lester Henry	-	Member

Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary

Absent was:

Ms. Marlene McDonald	-	Member
Mr. Randall Mitchell	-	Member
Dr. Dhanayshar Mahabir	-	Member

Also present were:

OFFICIALS FROM TOBAGO HOUSE OF ASSEMBLY

Mr. Raye Sandy	-	Chief Administrator.
Mrs. Claire Davidson-Williams	-	Administrator, Finance & Enterprise Development
Mrs. Esther Pilgrim-Soanes	-	Director, Finance & Enterprise Development Evaluation
Ms. Petal Roberts	-	Senior Finance Analyst
Ms. Shelly Trim	-	Budget Analyst IV
Mr. Bobby Andrews	-	Planning Coordinator

OFFICIALS FROM AUDITOR GENERAL'S DEPARTMENT

Mr. Gary Peters	-	Assistant Auditor General
Mrs. Denese Toby-Quashie	-	Assistant Auditor General

COMMENCEMENT

1.1 At 10:13 a.m. the Chairman called the meeting to order and welcomed those present.

THE EXAMINATION OF THE MINUTES OF THE SIXTH MEETING

2.1 The Committee examined the Minutes of the Sixth (6th) Meeting held on Wednesday March 23, 2016.

2.2 The following correction was made to **Item 5.3 (viii)**:

Delete the word "Village".

2.3 There being no further omissions or corrections, the Minutes were confirmed on a motion moved by Mrs. Ayanna Webster-Roy and seconded by Mr. Rodger Samuel.

MATTERS ARISING FROM THE MINUTES OF THE SIXTH MEETING

3.1 The Committee discussed the way forward with Water and Sewage Authority (WASA) and agreed to keep the examination of WASA on the agenda.

PRE-HEARING DISCUSSION RE: EXAMINATION OF THE TOBAGO HOUSE OF ASSEMBLY (THA)

4.1 The Committee agreed that the focus of the meeting will be the concerns raised in the Audited Financial Statement of the THA for the period 2006 to 2007 and the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 related to the THA.

4.2 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:23 a.m.

EXAMINATION OF THE TOBAGO HOUSE OF ASSEMBLY (THA)

5.1 The Chairman called the public meeting to order at 10:33 a.m.

5.2 The Chairman welcomed officials from the THA, Auditor General's Department (AGD), members of the media and the public to the Seventh (7th) public hearing with the PAC and introductions were exchanged.

5.3 The following issues arose from the examination with the officials from the THA:

i. **Examination of the 2006-2007 Audited Financial Statements**

The Committee enquired into the reasons for the 2006 – 2007 audited financial statements being examined in the year 2016. Officials from the Tobago House of Assembly stated that the 2006-2007 accounts were examined in the year 2016 because of the challenges in the retrieval of documents in a timely manner, frequent movement of personnel within the public service, lack of competent personnel in the area of human resource and accounts and the physical changes of offices. The Committee further questioned the status of the 2013 Audited Financial Statements. Officials from the THA indicated that the 2013 Audited Financial Statements was submitted to the AGD.

ii. Mechanisms Implemented to ensure Timely Submission of Audited Financial Statements

The Committee enquired into the mechanism implemented to ensure the timely submission of Audited Financial Statements. Officials from the Tobago House of Assembly stated that they have some resources currently and were implementing steps to increase the resource capacity in the future.

iii. Accounting for Taxpayers' Money

The Committee enquired into the systems in place to account for taxpayers' money. Officials from the THA stated that the International Public Sector Accounting Standards (IPSAS) were adopted, gap analysis was conducted and key personnel were hired to reconciled documents in a timely manner.

iv. State of Affairs of the THA

The Committee questioned whether the documents examined by the AGD fairly represented the state of affairs of the THA. Officials from the AGD stated that comments in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2014 were based on evidence collected from the audit process. The Committee further questioned the completion date of the auditing of THA's financial statements for the period 2008 to 2015. Officials from the AGD stated that there were nineteen (19) auditors on the establishment but only four (4) auditors existed at the Tobago Office.

v. Documents for Auditing

The Committee enquired into the reasons for the audit documents not being updated. Officials from the THA indicated that the retrieval and storage systems of documents were not the best and measures were implemented to improve the system.

vi. Movement of Personnel throughout the Public Service

The Committee sought clarification for the frequent movement of personnel throughout the public service. Officials from the THA stated that public officers were promoted or moved to another unit which stymied the operation of the accounting unit. Also, there were a number of vacant positions on the establishment of the THA awaiting classification by the Chief Personnel Officer (CPO).

vii. Pension and Leave Benefits

The Committee enquired into the measures implemented to ensure that pension and leave records were updated in a timely manner. Officials from the THA indicated that a unit was established to treat with the issue of pension and leave, retired officers were employed to assist with the management of the pension and leave documents and officers received training to ensure that pension and leave payments were completed within six (6) months after retirement.

viii. Management Training

The Committee questioned the effectiveness of management training. Officials from the THA indicated that the Ministry of Finance and the AGD provided training programmes and workshops to assist staff with the preparation of reports in the area of accounting and pension and leave.

ix. Status of Loans to Assemblymen and Institutions

The Committee sought clarification on the status of loans to Assemblymen and Institutions. Officials from the THA stated that loan accounts were reviewed to determine the number of bad loans and balances and thereafter letters of indebtedness were issued to persons for the recovery of outstanding funds. The Committee further enquired into the quantum of loan amounts outstanding. Officials from the THA stated that the loan amount was indefinite and relates to motor vehicles for both contract officers and Assemblymen.

x. Over-Expenditure

The Committee questioned the Over-expenditure of $41,211,632.50 that was disclosed in the Vote Book. Officials from the AGD indicated that this issue relates to the Ministry of Tobago Development (Central Administrative Services Tobago -CAST) and not the THA. Funds were received from the Ministry of Finance for transmission to the THA. The discrepancy was due to a lack of reconciliation between the CAST and the THA. The Committee further questioned whether these matters were addressed in the Auditor General's Report for the financial year 2015. Officials from the AGD stated that the issue was rectified.

xi. Contingency Fund

The Committee questioned whether the THA violated Financial Rule No.34 where funds were withdrawn from the Contingency Fund other than for the purpose of meeting urgent or unforeseen expenditure. Officials from the THA stated that Financial Rule No.34 was not violated and the funds were used under the Development Programme –URP. The Committee further questioned the AGD of the interpretation of Financial Rule No.34. AGD stated that it was not an urgent or unforeseen expenditure because some of the expenditure was not of a capital expenditure nature.

xii. Strategic Plan

The Committee questioned the effectiveness of the strategic plan and policy of the THA. Officials from the THA stated that they operate under a Comprehensive Economic Development Plan (CEDP) which will end in 2017. However, all programmes for the current year were reviewed and steps taken to manage the issue of foreign exchange earnings. The Committee further questioned the mechanisms implemented to ensure that the each division's progrmame was stated in the CEDP. Officials from the THA stated that the CEDP Secretariat conducted a number of outreach activities at various divisions of the Assembly and the Planning Department aligned all projects in the Development Programme to the CEDP.

xiii. **Role and Function of Accounting Officer, Liaison Officers and Accounting Executives**

The Committee sought clarification on the role of the Accounting Officer, Liaison Officers and Accounting Executives. Officials from the THA stated that the role of the accounting and monitoring officers was to ensure compliance, assist with the reconciliation and preparation of the financial statements for the accuracy of records. The Committee further questioned the effectiveness of the Liaison Officers in fulfilling the requirements and demand of the THA. Officials from the THA indicated that an assessment of the division was conducted to ensure that public service and financial regulations were used to minimize the level of discrepancies that have been identified by the AGD.

xiv. **Social Benefits**

The Committee enquired whether any evaluation was conducted to determine the actual social benefit arising from the work programme of the various division of the THA. Officials from the THA stated that upon completion of a project, an evaluation was conducted to assess the impact or outcome.

xv. **Internal Audit and Internal Controls**

The Committee sought clarification on the internal audit and internal controls at the THA. Officials at the THA indicated that a decision was instituted for each division to implement an internal audit unit. Prior, the internal auditors visited the various units and conducted spot checks.

xvi. **Status of Priority Projects under the THA**

The Committee enquired into the status and success of the priority projects or services of the departments within the THA for the fiscal year 2013 to 2015. Officials from the THA indicated that the information on the priority projects were not available at this meeting and would be submitted in writing.

xvii. **Status of Fixed Asset Register**

The Committee sought clarification on the status of maintaining a fixed asset register. Officials from the THA indicated that a third party was contracted to implement a modern asset management system to ensure accountability of all assets owned by the THA. Also a consultant was contracted to assist with the implementation of the asset management system.

xviii. **Payment of Invoices**

The Committee questioned the mechanisms put in place to ensure the timely payment of invoices to suppliers. Officials from the THA stated that stakeholders in Trinidad and Tobago were given a deadline to submit outstanding purchase invoices for payment. Also, THA implemented a standard that all invoices be paid within ten (10) working days.

xix. **Assistance to the THA**

Officials from the THA requested assistance from the PAC to get the public service position on the establishment of the THA filled and asked the AGD to bring the accounts up-to-date. The Committee indicated that issue of resource capacity will be a recommendation in the report from the examination of THA and the AGD were present at the meeting and taken the request of getting the accounts up-to-date into account.

SUSPENSION

6.1 At 11:58 a.m., the Chairman suspended the *public* meeting to resume a post-hearing meeting *in camera* with Members only.

RESUMPTION

7.1 At 12:02 p.m. the Chairman resumed the post-hearing meeting *in camera*.

POST-MORTUM DISUCUSSION

8.1 The Members held a post-mortem to determine the way forward, following the public hearing.

8.2 The Committee agreed that at the next meeting the concerns raised in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 related to the Ministry of Energy and Energy Industries will be examined.

ADJOURNMENT

9.1 The Chairman thanked Members for their attendance and adjourned the meeting to **Wednesday May 11, 2016 at 10:00 a.m.**

9.2 The adjournment was taken at 12:07 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

April 20, 2016

APPENDIX III

Notes of Evidence

VERBATIM NOTES OF THE SEVENTH MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR (IN PUBLIC) TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, APRIL 13, 2016, AT 10.30 A.M.

PRESENT

Dr. Bhoendradatt Tewarie	Chairman
Mr. Rodger Samuel	Vice-Chairman
Mrs. Paula Gopee-Scoon	Member
Mrs. Ayanna Webster-Roy	Member
Dr. Lester Henry	Member
Miss Candice Skerrette	Secretary
Miss Hema Bhagaloo	Parliamentary Intern

ABSENT

Mr. Randall Mitchell	Member
Dr. Dhanayshar Mahabir	Member

OFFICE OF THE AUDITOR GENERAL

Mr. Gary Peters	Assistant Auditor General
Mrs. Denese Toby-Quashie	Assistant Auditor General

TOBAGO HOUSE OF ASSEMBLY

Mr. Raye Sandy	Chief Administrator
Mrs. Claire Davidson-Williams	Administrator, Finance and Enterprise Development
Mrs. Esther Pilgrim-Soanes	Director, Finance & Enterprise Development
Ms. Petal Roberts	Senior Finance Analyst
Ms. Shelly Trim	Budget Analyst IV
Mr. Bobby Andrews	Planning Coordinator

Mr. Chairman: Good morning, everybody. I want to especially welcome the officials from the Tobago House of Assembly, and we also have with us members of the Auditor General's Department, and, of course, the media is present. There are no members in the public gallery, except the representative from the House of Assembly, who is here—Mr. James from the House of Assembly, but others may join us in the process. I want to take this opportunity to thank everybody for coming and to welcome everyone who is here. The purpose of this meeting, of the Public Accounts Committee, is to examine concerns that would have been raised in the audited financial statements of the Tobago House of Assembly, and in this particular instance, for the period 2006 to 2007, and any issues that might have been raised in the report of the Auditor General and the public accounts of the Republic of Trinidad and Tobago for the financial year 2014 that are related to the Tobago House of Assembly.

This Committee is desirous of hearing from the key stakeholders at the Tobago House of Assembly, first of all, the answers to any questions that might be posed to them. And we will introduce the members on this side and give you an opportunity to introduce yourself as well. We would be interested also to learn any of the challenges that you have as an assembly, as an institution, and to explore what might be some of the possible solutions to these challenges. The role of the Committee therefore is, first of all, to examine the issues that have been raised by the Auditor General, or issues that have come up in terms of your responses, because you were asked to respond to certain questions. The second role, of course, is to help the House of Assembly to improve its delivery of services in an efficient, effective and economic matter in keeping with value for money, accountability, transparency.

This meeting is being held in public and is being broadcast live on the Parliament Channel 11 on television, and radio 105.5 FM, and the Parliament YouTube's channel *ParlView*. Viewers and listeners can participate by sending their comments related to today's engagement of the House of Assembly to parl101@ttparliament.org, also on Facebook.com/ttparliament, and Twitter@ttparliament.

Now, before we begin, I think it would be good if members of the House of Assembly introduce themselves, and please take the opportunity to do that.

[*Members of the Tobago House of Assembly introduce themselves*]

Mr. Chairman: Thank you very much. And I will ask the members of the Auditor General's Department if they would introduce themselves, please.

[*Members of the Auditor General's Department introduce themselves*]

Mr. Chairman: Thank you very much. And I will take the opportunity to ask members to introduce themselves too.

[*Members of the Committee introduce themselves*]

Mr. Chairman: We will proceed then, and I will start with a few questions and then we will go around the table. When we go around the table I will start with Dr. Henry and I will come around. Okay? All right? Now, the first thing, I think, that is a little troubling is the fact that we are examining the 2006/2007 accounts, and the question really would be, how come we are examining only the 2007/2008 accounts? And where are the rest of the accounts until 2014? But before we get into that, I will ask Mr. Raye Sandy to speak on behalf of the Assembly and give us basically a perspective before we go into the questions, and perhaps you can take that into account as you present as well.

Mr. Sandy: Thank you very much, Dr. Tewarie. The last financial statements that were submitted by the Tobago House of Assembly were for the year 2013, even though we are now examining the year 2007. We have met with the Auditor General twice. In fact, we met the Auditor General, I believe, last week where we had asked if there is any way possible that they can fast-track the audit so that we can become fairly current. Because one of the challenges we have, as you would see in the report, is with respect to retrieval of documents; we are talking about eight, nine years ago. While it is our responsibility—"our" meaning the Tobago House of Assembly—while it is our responsibility to ensure that documents are properly secured and stored, and so on, sometimes it poses a challenge to us to present in a timely manner, certain documents required, for audits that are done eight, nine, 10 years ago.

One of the challenges we have, and I guess it is probably a public service challenge, is that of frequent movement of persons. Also in the Tobago situation, we had a number of changes of offices, physical changes of offices, and in moving around documents, and so on, invariably they are not necessarily lost but tend to get mixed up, and so on, and that is a responsibility that we have accepted and we are trying to do something about it. So it is often very difficult to present to the Auditor General, on a timely basis, a lot of the documents that are asked for, for years, eight, nine, 10 years ago. And, frequently, the documents are found after the Auditor General would have completed his report, and so on. So you would notice in a lot of our responses we would indicate that the documents asked for are now available for audit scrutiny, long after the Auditor General would have completed his report. But it is a responsibility that we have accepted and we are trying to do something about it.

Mr. Chairman: Okay. Is there anything else that you would like to say before we begin the questions?

Mr. Sandy: In the general sense, again, we have the issue of the frequent movement of personnel within the public service, and not only frequent movement but frequent changes where we have personnel who one day are in the HR field and the next day they accept promotion in the accounting field. And the Public Service Regulations are fairly archaic in that regard, and we have some opinions that suggest that we cannot stop it given the current legislation under which we operate. So, for example, one day I would have someone as an Accounting Assistant and they would accept a position of HR Officer, and they would then move off into the HR field, and vice versa.

So what it ends up being is that we have persons who are in accounts who are not necessarily so well versed in accounts as we would like to have them. They do not have the necessary experience, and so on, and I think it is a public service wide arrangement. I feel that is something that we really need to take a serious look at, because it deprives us of the best possible employees that we can find in both fields, both HR and also in accounts, I might say.

Mr. Chairman: Okay. So you are saying that in the area of accounting and HR you have the biggest challenge in terms of quality of personnel?

Mr. Sandy: That is how I see it. Yes. We have frequent changes.

Mr. Chairman: In addition to the frequent changes.

Mr. Sandy: Yes.

Mr. Chairman: So there are two issues, one is the competence level and the second one is the movement, is that right?

Mr. Sandy: Yes, Dr. Tewarie.

Mr. Chairman: Okay. So we begin now with some questions. You have addressed the issue of where you are in terms of being up to date; you said that you are up to 2013 in terms of engagement with the Auditor General, is that correct?

Mr. Sandy: Yes. We have submitted our 2013 financial statements to the Auditor General.

Mr. Chairman: And all in between 2007 and 2013?

Mr. Sandy: Yes, all in between.

Mr. Chairman: Okay. And what is the situation with 2014?

Mr. Sandy: 2014, I understand, should be ready within the next month, or so, and we are expecting to do 2015 a month after that. We are working on them simultaneously.

Mr. Chairman: Okay. Have you gotten a letter from the Secretary to the PAC asking that you bring all of these things up the date?

Mr. Sandy: I cannot recall receiving any such letter. It might very well be so but I cannot recall.

Mr. Chairman: All right. Well, we are doing that, as a matter of course, asking all institutions that are behind if they would meet the requirements of reporting to the Auditor General and bringing it up to date, and we would be grateful if you would do that as well. So I will ask the Secretary, if the letter was not sent, if she would send a formal letter to that effect, okay? You say that you will have in a month the 2014, are you now structured in such a way? Have you put the mechanisms in place to make sure that you can now meet the requirements as required every year?

Mr. Sandy: Well, we do have some challenges but we are working with what we have, and the expectation is that within a month, or so, 2014 should be ready to be forwarded to the Auditor General, and within a month after that 2015 should be ready.

Mr. Chairman: Okay. But I mean going forward. I mean, are you going to—let us say you got 2014 out of the way, and eventually 2015, let us say you finished that over the next three months, are you then going to be able to handle 2016, 2017, et cetera? Do you have the resources, do you have the capacity, or are you making arrangements for that?

Mr. Sandy: We have some resources, not all the resources we need and we are making arrangements for getting to that ideal situation.

Mr. Chairman: All right then. How would you—I mean, and this is very general, and in a way it is—I do not know how fair it is to you but how would you generally describe the state of THA finances at the present time?—not 2007 but, you know, where you are at the present time. I mean, I know what you have said in terms of bringing the audit up to date and trying to structure and pull together the resources to keep current, but how do you describe the state of finances of the THA?

Mr. Sandy: I am not too sure I understand the question you are asking, Dr. Tewarie.

Mr. Chairman: Well, that is why I have said I am not sure if it is a fair question because it is so broad. What I mean is that the real issue, as you would see from some of the questions here, and even from some of the questions that were asked by the Auditor General, is that—I mean, there seems to be, in the House of Assembly, I mean, a difficulty in locating documents—you yourself mentioned that—a difficulty if bringing things together, a difficulty with precision in answering some of the questions, and, I mean, as you know, when you deal with finances the question is about money and when you deal with money in the public service you are dealing with basically the people's money, taxpayer's money, basically money of the citizens, would you say that you are on top of these things and creating the conditions in which you can have accountability at the level that is required, with the precision that is required in the House of Assembly? I know you are not, from my estimation, based on the questions and the answers and the issues, nothing tells me that you are there yet, but are you doing things to get there?

Mr. Sandy: Yes, Dr. Tewarie, and I will ask my Senior Financial Analyst to come in here in terms of treating with the systems that we are now using, the system that we have in place.

Ms. Roberts: We have looked at the Auditor General's reports and recommendations over the past three years and what we have come up with is looking at adoption of accounting standards that are in tandem with public service, and it is the IPSAS, the Public Sector Accounting Standards, and we have recently done a gap analysis. We have also adopted the IPSAS 1 where we would look at the cash basis of accounting, because if you look at the 2007 audit report two issues would come up where we have an issue with record keeping and the accrual basis of accounting, where we did not have the accounting framework in entirety, so we had some problems. So we looked at the Auditor General's report and we sought to adopt standards that are in relation to the public sector, which is IPSAS. We also employed persons to look at the reconciliation of our documents, so that when the financial statements are prepared they will be well reconciled and the documents would be available, and they would be more reliable.

Mr. Chairman: Okay. So some of the problems that have been identified by the Auditor General, and some of the issues that come up in your responses to the questions asked you are now taking very, very clear and tangible steps to address?

Ms. Roberts: Yes, Dr. Tewarie, we have.

Mr. Chairman: Okay. Based on your response, I want to ask the representatives of the Auditor General, either one would do, which is that, would you say that the documents that you were able to examine, the financial statements that you got, represent fairly the state of affairs in the House of Assembly? And would you care to comment on that based on the comments made by the House of Assembly representatives?

Mr. Peters: Chairman, the comments we would have made on the old statements would have been based on the evidence we collected during the course of the audit, but based on what the THA representatives are saying, we look forward to auditing the more recent financial statements.

Mr. Chairman: Okay. And you have in your possession now up to 2013?

Mr. Peters: Yes.

Mr. Chairman: All right. And that is being examined; when are you going to complete the auditing of those documents? You have an idea?

Mr. Peters: I cannot give you a specific date, we have challenges as well. We have 19 auditors on the establishment at our Tobago branch office, but we only have four auditors, and the THA is a very large entity, so it would take some time to do the minimum amount of work that our standards require as well.

Mr. Chairman: From our point of view, you know, engagement with the Auditor General and his senior staff, we took that issue into account, and as we do the report for Parliament we are going to in fact recommend that these needs that you have for human resources be attended to as a matter of urgency, because you cannot have proper audited accounts and an effectively audited governmental system if the people who are doing the auditing are not there; they are not recruited, you do not have the staff, you do not have the capacity. So one of the recommendations that we are going to make is that those things be dealt with forthwith. Okay? Would you like to say anything? Or, are you okay? You all right?

Mrs. Toby-Quashie: Yes.

Mr. Chairman: Okay, fine. I will ask other members if they would ask questions. I would start with Dr. Henry.

Dr. Henry: Okay, good morning, again. Mr. Sandy mentioned something about the frequent movement or changes in personnel, and so on, could you elaborate on what are the reasons for this as to why certain documents are not up to date?

Mr. Sandy: Okay, the frequent movement has to do with one of the nuances of the public service. There are a number of vacant positions on the establishment of the Tobago House of Assembly, and the Tobago House of Assembly has attempted to treat with these, one, by employing persons on contract. But on the public service side we have a frequent movement of personnel through the system, and very frequent, meaning extremely frequent in the sense that persons, by the time they get au courant with their portfolio, they are either promoted or moved to another unit. That kind of movement in the public service that stymies really sound operation of an accounting system.

We have positions on the Tobago House of Assembly establishment that were created by Cabinet in 2007 and not yet filled, and for a number of reasons they are not being filled. Some are waiting on classification at the CPO, some are just not being filled, and the public service in the Tobago House of Assembly is stymied as a result of all of the nuances of the public service, and it affects the way business is being done, and it affects the way we present the information when the Auditor General requests it.

Again, we have to take responsibility for the fact that our retrieval and storage systems are not the best. We are currently engaged in improving that. Our asset management and register system is not the best, we are currently treating with that. We have engaged services of professionals in that regard, and, I would say, within the next six months to a year we should be on top of the whole issue of asset management and record-keeping, and that kind of thing.

Dr. Henry: So when you say the CPO, is that the central CPO in Port of Spain or is there one in Tobago?

Mr. Sandy: No, we do not have a CPO in Tobago as yet. It is still the central CPO, which is the Chief Personnel Officer, who is the employer for the public service who sets terms and conditions.

Dr. Henry: So the THA does not have direct control over—

Mr. Sandy: No, none at all. We are in line waiting like many other Ministries in Trinidad, awaiting decisions from the CPO. As I said, Cabinet should have approved certain positions since 2007, and a number of those positions are at the CPO now awaiting classification.

Dr. Henry: Okay.

Mr. Chairman: Okay. I imagine another issue there is really the resource capacity of the CPO as well to manage the entire system, and we are seeing that throughout, which is that, you know, part of the reason for the problem is capacity, unfulfilled capacity requirements, or unresponsive capacity requirements to the level of work, the amount of work that is required to be done. The whole system needs a total overhaul, actually. Mrs. Webster-Roy.

Mrs. Webster-Roy: Good morning, again. Chief Administrator, you would have mentioned your challenges in terms of human resources and the impact it has on the Assembly, one of my concerns is pension and leave, as well as gratuity, because as a Member of Parliament people come to my constituency office all the time with that challenge, could you tell me what measures have been put in place to ensure that records are up to date?—and that people exiting the service receive their pension, gratuity on a timely fashion.

Mr. Sandy: Thank you very much, Minister. We have put in place a unit in the office of the Chief Secretary, a fairly recent unit which was put in place from November last year that is treating with the issue of pension and leave. Basically, we have hired some retired public officers to assist us with putting pension and leave documents together. We recognize that one of the drawbacks was that the current officers who are in place were not fully au courant, or fully trained in the area of pension and leave, and we are doing two things: we are training persons now and we have engaged persons who have exited the public service to assist us with putting the documents together. In a number of cases the delay occurs when we send documents to the Comptroller's office, and they have to keep sending back asking for additional information or clarification on information, and so on, and it takes an inordinate period of time. In fact, the average time appears to be something between three and four years after one retires before one gets one's retirement benefits, and, clearly, that is not acceptable.

So we have put that unit in place, and I expect that within the next six months, or so. They have already started bringing the time frame down a bit, but if we continue at the current rate, I would expect in the next six months, or so, we should be fairly comfortable with where we are with respect to pension and leave benefits, and so on, but I know of the issue of which you speak.

Mrs. Webster-Roy: Is there a target in terms of what level you want to break down to in the six-month time frame?

Mr. Sandy: I would like to say, pension and leave payments should be done within say six months after retirement, but that is a very tall order and it would require quite a bit of work to get it down to that kind of level. One of the things is that we do not have full control over all the processes. I mean, when we send things down to Comptroller, we are dependent on the Comptroller performing their duties also in a timely manner. So, in a number of cases, the fault does not entirely lie with the staff of the THA, sometimes it is outside of the ambit of the THA staff. But in a number of instances, yes, we have sent documents down that were not complete, or we did not have the necessary records, and so on, to support what we would have sent down.

Mrs. Webster-Roy: My final question on that matter, is there constant dialogue with persons who are exiting to keep them up to date in terms of the status so that you could have at least peace of mind, some comfort knowing that the process is actually in train?

Mr. Sandy: I am afraid, no, in the sense that we do not call, they call us, and that is something that we have to treat with.

Mrs. Webster-Roy: Thank you.

Mr. Chairman: Member Roger Samuel.

Mr. Samuel: Good morning. Based on the fact that we only have before us your 2007 report, it has placed this Committee in a predicament because we have you before us in 2016 with no substantial information between 2007 and 2016, and the questions that are being asked would be based on what we have before us. What I have before me, and the flaws in the report would suggest, based on that period, that there is a management problem. —Who vets all of these documents? At the end of the day, there is a serious management problem, and not necessarily incompetencies with staff, but who oversees these things.

11.00 a.m.

And I would like to know what has been done with regard to the training of management so that they can be far more effective as they vet the work of the staff that is being put together for audit. That is what I am concerned about. Because at the end of the day when a report is sent, it reflects the competencies of management, not necessarily the blame on the staff and if it slips through management and slips pass management, then something is absolutely wrong and that training needs to be had with regard to management.

I want to know what kind of management training you have done so that these flaws where things are misappropriated and sent in different ways are not reflected, what has been done to ensure that in the period subsequent to this the same situations would not happen? Management training, I am concerned about that.

Mr. Sandy: Thank you very much, Mr. Samuel. And first let me agree with you on the issue of the responsibility of management. And I hope I did not give the impression that we are blaming the line staff for the deficiencies in our reports. So let me agree with you on that. What has been done over the years, we have taken on board the comments of the Auditor General and where we can, we have done a substantial amount of training in accounting, in the whole area of accounting and pension and leave issues and so on. I will ask my other members of staff to respond to that. But generally training is continuous, but for some reason we have not been able to reach the level where we are confident that the persons who have the responsibility are adequately undertaking those responsibilities.

And I might add, it is a general problem in the public service also because I have had discussions with persons at the Ministry of Finance, for example, and they have indicated the same general lack of competency, if you want to call it that. And they have indicated that they are willing to work with us and to provide some training programmes and so on and we are working with the Ministry of Finance and so on in that regard. But we have also done our own training programmes within the Tobago House of Assembly, but I really cannot say that they have borne the kind of fruit that we would like to see them. But I would ask other members if they care to—

Mr. Chairman: Any follow-up?

Mrs. Davidson-Williams: Thank you, Chief Administrator. Mr. Samuel, you would recognize that, as you said, our 27th Report was audited and we are discussing it here in 2016 so the issues that were raised by the Auditor General, as the Chief Administrator said, were taken into consideration on board. So some of them, we would have recognized along the way, the shortfalls along the way then as they were pointed to us. Within recent times, yes, steps have been taken to improve the training methods and improve the structures that we have. So that we now have accounting fora where there is a statutory date each month for the accounting staff across the assembly to meet, share ideas, network and to try to synchronize and standardize the methods of operation so that we would minimize some of the challenges that we have, and also to help them understand and give them the support from the senior team to help them perform their duties better.

We have also collaborated with the Auditor General to assist us with training and most recently we had a workshop with them to, as I said, sensitize staff and to give supervisors the level of comfort and some tools that they could assist as we go along preparing those reports. So a number of work has been done, and as the Chief Administrator said, they may have not borne in a fruit as we have expected, but it is continuous and we will continue to train our senior team including the HR staff as well. Thank you.

Mrs. Pilgrim-Soanes: To add to what the administrator said, part of the functions of the accounting forum, because we have senior officers in the accounting stream, is to take responsibility for their functions and for the information to filter down to those they supervise because we discuss common issues and look for common solutions within the regulations to produce results.

Mr. Samuel: In the 2007 report there is an area in the report that deals with loans, loans to Assemblymen and loans to institutions and stuff like that, and in this report quite a of the number of the loans were not completely repaid. What is the situation with those loans from 2007? Have they all been repaid completely by 2016? If not, why? And have what you been doing to deal with it?

Mrs. Davidson-Williams: Mr. Samuel, that has been a concern for us. Assuming duty at the division of finance last year June and looking at the different reports, we would have recognized that it is a major shortfall for us and there has been very little follow-up action with regard to that. So within the last month or so, efforts have been made to look at the balances, determine the persons who would have been negligent and we have prepared correspondence, letters of indebtedness, issued to those persons in an effort to recover the funds outstanding.

Mr. Samuel: Follow-up, again. Can you tell me or tell the Committee that the loans to Assemblymen and contracted officers, what quantum of those loans that are still outstanding?

Mrs. Davidson-Williams: The quantum outstanding, Mr. Samuel, at this point I would not be able to give you a definitive figure, but they relate to motor vehicle loans in their capacity as travelling officers, both the contracted officers and the Assemblymen.

Mr. Samuel: And when and if these Assemblymen and contracted officers demit office and there is some kind of gratuity to them, is that taken into account that they are owing and that something must be done to deal with it?

Mrs. Davidson-Williams: Certainly. That should have been the ideal situation, but we have certainly dropped the ball in that regard and we are making the necessary adjustments to deal with it.

Mr. Samuel: Then certainly there may be more between 2007 and 2016, so there is a lot to happen. Because if you dropped the ball in 2007, I hope you did not drop the ball in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016.

Mrs. Davidson-Williams: Well definitely, Sir. The backlog that you are seeing on the books is what is there currently, and those moving forward we are paying attention because, you know, we will make efforts to recover.

Mr. Chairman: Okay. I have some follow-up questions that I want to ask. I am going to be quite specific now referring to the Auditor General's Report. So, and they really have to do with management of the finances, compliance with rules and regulations and a question that may come up, whether there has been any misappropriation at all. We had a situation with the Ministry of Tourism last time we met here, where there was a situation in which funds were actually misappropriated and the police had to get involved and so on. So first of all, it says here in the Auditor General's Report:

> "The Appropriation Account was not submitted within the statutory deadline of 31st January, 2015 to enable inclusion in the Public Accounts."

So you have said now that you are addressing those, you have brought it up to 2013 and that you are working within a month to deal 2014 and perhaps within the next three months to get 2015 accounts to have it completed so you will be up to date.

But in 2.71 the Auditor General's Report under the Tobago House of Assembly, it says that:

> "A difference of $59,348,310.48 was noted between the amount of $2,095,932,197.00 disclosed as Current Transfers to Statutory Bodies and of the balance of $2,036,583,886.52 shown in the Vote Book."

In other words, there was a discrepancy of $59 billion between the Vote Book and the Current Transfers to Statutory Bodies. And the Auditor General says:

> "Over-expenditure of $41,211,632.50 was disclosed for this vote."

How do you explain things like that and have these things now been addressed in the other submissions that you have made to the Auditor General? First of all, how do you explain that? And the second question is whether you are addressing it with the other reports?

Mr. Peters: Chairman, I think that there is an error there.

Mr. Chairman: What is that?

Mr. Peters: What you are referring to is the information for CAST, well the Ministry of Tobago Development at that time. That question would be better posed to the Permanent Secretary of CAST.

Mr. Chairman: Okay. Why does it appear in the Auditor General's Report under Tobago House of Assembly then?

Mr. Peters: Okay. Two financial statements are prepared by CAST or the Ministry of Tobago Development at the time. One is for the Ministry's operations and the other one is for the funding for the THA. What you see before you there relates to the funding that the Ministry received from the Ministry of Finance for onward transmission to the THA. So that would have been, what you are seeing there is as a result of the internal issues at the Ministry of Tobago Development.

Mr. Chairman: Okay. So it is an issue as it is stated here, but not for the Tobago House of Assembly.

Mr. Peters: That is correct.

Mr. Chairman: Okay.

Mrs. Toby-Quashie: Let me just explain what happens. The Ministry of Tobago Development would receive the money for the THA. The money is supposed to be sent en bloc, so the THA will decide. They receive money under Current Transfers and Subsidies and the Development Programme. When the Tobago House of Assembly receives their funds, they will decide that they will transfer from one Sub Item to another.

Mr. Chairman: Yes.

Mrs. Toby-Quashie: So what happens is a lack of reconciliation between the Ministry and the Tobago House of Assembly. So as the Tobago House of Assembly transfers, the Ministry would not make the corresponding adjustments in the Vote Book, so the matter will present itself.

Mr. Chairman: What I am concerned about, I mean, if there is an issue here and you now have other accounts to take us up to 2015, are these matters now being addressed in the submissions that have been sent to you?—whatever the record keeping issues, the discrepancy issues, et cetera. Are those things being addressed?

Mrs. Toby-Quashie: Yes. We have just completed the appropriation accounts of the Central Administrative Services Tobago, and we are trying to have the issue rectified so that it would not present itself in the future.

Mr. Chairman: All right. So now, having said that now, I need to be cautious about how I proceed here because I am making the assumption that all these things relate to the Tobago House of Assembly. So I will ask the other questions. For instance, the issue of Expenditure Control, Treasury Division and I assume that this relates to the Tobago House of Assembly.

Mrs. Toby-Quashie: Okay. Let me assist you there. Anything that appears in the appropriation accounts, in the public accounts, the Auditor General's Report on the Public Accounts would not refer directly to the Tobago House of Assembly, but the Ministry of Tobago Development or presently Central Administrative Services Tobago that receives the money on behalf of the Tobago House of Assembly under Head 15 and transmits the money to the Tobago House of Assembly.

Mr. Chairman: Yeah. But that makes it very difficult here because the heading is 15—Tobago House of Assembly.

Mrs. Toby-Quashie: Yes that is the heading, 15—Tobago House of Assembly.

Mr. Chairman: So are you saying in the Auditor General's Report the only issue under Tobago House of Assembly is what you have here which are two paragraphs?

Mrs. Toby-Quashie: What will bear directly on the Tobago House of Assembly in that report as well will be the Unemployment Relief Programme.

Mr. Chairman: Okay. What about where it says "Ministry of Works and Infrastructure—Tobago House of Assembly"?

Mrs. Toby-Quashie: They manage the Unemployment Relief Programme.

Mr. Chairman: Okay. So if we take that particular one, here we have a challenge too, where it says: 4.17 under "Ministry of Works and Infrastructure—Tobago House of Assembly", the Auditor General says he has no:

> "Evidence of the appointment of the Administering Officer…"

And then it goes on to say under:

> "4.17 Records show that $18,986,938.90 was expected from the Unemployment Fund release of $19,000,000.00. Further expenditure on the Unemployment Relief Programme amounting $49,416,337 was funded by releases from the Contingencies Account of the Tobago House of Assembly. This contravenes the Tobago House of Assembly Financial Rule No. 34 which stipulates that '…moneys shall not be withdrawn from the Contingencies Account other than for the purposes of meeting urgent or unforeseen expenditure…'"

Can you explain this and can you help us to understand it? What is going on here?

Mr. Sandy: On balances that were not used in a particular year and not remitted to the Consolidated Fund, they are sent to the THA within moneys—

Mr. Chairman: Contingencies.

Mr. Sandy:—in the Contingencies fund. And the way we understand it, and within the law supports us, is that moneys in that fund are to be used for unforeseen expenditure and for capital expenditure. So as far as the URP vote goes, we receive some funding from the Ministry of Works and Infrastructure and to supplement that funding we utilize funds from the fund account of the THA.

Mr. Chairman: Did you violate the Rule? Did you do it knowingly? Did you feel that you were just trying to meet a need or what?

Mr. Sandy: Well no. We did not violate the rules. We considered, it says for capital expenditure which is the Development Programme which is where URP falls. So those moneys were used to support capital expenditure in Tobago, which means building of drains and other improvements and so on on the island, and

URP is used to do that work. So the funds are for development work and URP does the development work in Tobago.

Mr. Chairman: Okay.

Mr. Sandy: So it is in that context that the funds are used.

Mr. Chairman: Can the Auditor General's Office explain his comment then?

Mr. Peters: Well, Chairman, it is a question of interpretation of the Rule.

Mr. Chairman: What is your interpretation?

Mr. Peters: Well at the time it did not strike us as being unforeseen.

Mr. Chairman: All right. So from your point of view this was not an unforeseen.

Mr. Peters: While there would have been some capital expenditure portions, not all of it would have been for capital expenditure. That is the angle we looked at it.

Mr. Chairman: Okay.

Mr. Peters: Certainly it could be a platform for further discussions between the Auditor General and the THA.

Mr. Chairman: Well, I mean, have you had those discussions over the accounts up to 2013 and have you taken those things into account? Because, I mean, the Auditor General is the Auditor General. You have to know what you are doing. And if you are saying that a rule was violated here and the interpretation of the Tobago House of Assembly or any other entity is that they did not really violate the Rule, then what we have to do is to come to an understanding where there is clarity. Not so?

Mr. Peters: Yes. That is correct.

Mr. Chairman: Well is there clarity now?

Mr. Peters: We have not yet put it on the table, but it is something for discussion.

[*Mrs. Gopee-Scoon enters the Committee room*]

Mr. Chairman: Well could you put it on the table because this is an important matter and especially since the accounts are not yet complete. I would suggest that, you know, you put it on the table, you clarify it, you come to an understanding and it is then taken into account by the assembly in the preparation of their books, the management of their accounts, but more than that the Auditor General uses that as the measure by which he makes the interpretation when they report. Do you feel that that is fair?

Mr. Peters: Yes.

Mr. Chairman: Yes. Okay. All right then. We had one member join us during the course of the proceedings. I would ask her if she is ready to ask any questions or we could make—

Mrs. Gopee-Scoon: I am ready.

Mr. Chairman: Oh. You are ready? Yeah?

Mrs. Gopee-Scoon: Yes. I can ask a question—

Mr. Chairman: Go ahead.

Mrs. Gopee-Scoon:—but I am going to be very general because we are very happy to have the THA here, and there are some concerns as to their role currently coming forward. I know that you would have had a strategic plan going forward; this is from 2013. And I am concerned about whether or not the strategic plan that you had then holds water now especially with the turn of the tide economically. And I preface this because the country is depending on you so much economically to promote tourism on behalf of the twin-island State and so the call then is to definitely get your policy right. Your policy must be effective and efficient, and it must be economical. So going back, does the policy which you have still hold water?

Mr. Sandy: Yes. We are operating under the CEDP which is the Comprehensive Economic Development Plan for Tobago and there are a number of pillars that we are operating under. And we have taken note of the circumstances that the country has now found itself in and we are ensuring that Tobago plays its role. So much so that we have reviewed all of our programmes for the current year and we have determined and made a decision on those programmes that we are not going to go forward with, given the reduced finances of the country. We are concentrating on those elements of the plan that treats with the issue of foreign exchange earnings, tourism being one of them as you indicated, and other aspects of the plan. So we are tweaking the plan to suit the current circumstances.

Mr. Andrews: And just to add, the plan comes to an end in 2017. So therefore, it also at the stage of—we are looking at evaluation of the plan to look at how we move forward. We would have also solicited assistance from the UN family to assist in that regard through perhaps UN volunteers in public policy evaluation. But then also in terms of looking at the development programme how do we address priorities and to identify which areas will be suppressed and what level of savings we could realize in an effort to streamline and customize into the areas that would support economic resilience.

Mr. Chairman: Okay. Sen. Samuel. If you have questions, you can follow.

Mr. Samuel: Based on a response of a written question with regard to the policy for all supporting documents and records of transactions to be available for auditing, your reply was that:

> There is no documented policy for all supporting documents and records of transactions to be available for auditing, but it is the responsibility of the THA to ensure that all relevant documents are available for audit scrutiny.

You further said:

> A liaison officer is appointed in each division to oversee the retrieval and presentation of accounting records requested by the Auditor General.

I have two questions. What are the roles and functions of the liaison officers, accounting officers and accounting executives? And after you have answered that I will ask the second question.

Mrs. Davidson-Williams: Thank you, Mr. Samuel. The role of the accounting monitoring officers would be to visit the different divisions. We have assigned them they reside with the Division of Finance as the oversight agency for the Division of Finance and they visit the different divisions to ensure compliance, to assist with the reconciliation statements and the preparation of these financial statements in order to ensure the accuracy of the records. You had asked—what is the other question? Could you repeat the other one, please?

Mr. Samuel: The other question therefore will be, how does the THA operate without the required policy, procedure necessary to effectively and efficiently carry out its duties? Because in your reply you said there was no policy.

Mrs. Davidson-Williams: We basically operate based on the general guidelines of the public service and the standard financial regulations that exist. The policy with regard to the Assembly in terms of the Act, the assembly is required to submit, within a two-month period, recommendations for an accounting procedure, an accounting legislation for the Assembly. This was done, but it was never tabled in Parliament. It is now being reviewed to take into consideration the current activities of the Assembly and would certainly be presented again to the new Cabinet.

Mr. Samuel: Follow-up question. Well then how do you assess the effectiveness of your liaison officers to ensure that they are fulfilling their requirements and meeting the demands of the THA?

Mrs. Davidson-Williams: Now we can look at the current presentations that have been made by the divisions to assess whether the activities that have been taking place are really in keeping with the accounting regulations to minimize the level of questions and the level of discrepancies that may have been identified by the Auditor General.

Mr. Samuel: And if in that same frame you find that there is a lot of incompetencies as Mr. Sandy would have said, what is the approach to dealing with that? Because if there are incompetencies and they cannot be fixed, how do you attend to such situations to make the job better?

Mrs. Davidson-Williams: I would not say it cannot be fixed because therein lies our continuous efforts to train and retrain. But certainly we recognize overall as Mr. Sandy mentioned, the movement of staff and we are really taking efforts to streamline—not streamline, but to keep the different functional areas together in terms of those fora, the HR, the accounting fora, so that a level of consistency is developed when we produce these reports. And certainly if you want to look for tangible change, I think we can look towards the 2013, 2014, 2015 statements and recognize that there has been significant change from what has been done before.

Mr. Chairman: Mrs. Webster-Roy, do you have any questions?

Mrs. Webster-Roy: Chief Administrator, just going back to the Comprehensive Economic Development Plan and the ability of the various divisions to align their programmes and their projects to the CEDP, how successful has that been and what mechanisms are in place to ensure that divisions actually align, they were programmed to what was stated in the Comprehensive Economic Development Plan.

Mr. Sandy: I will start by saying, an effort has been made to have the vision align themselves with the plan through the system of the CEDP Secretariat and the various outreach programmes that they have with each division. But I will ask Mr. Andrews here to treat with the more substantial issue of that alignment.

11.30 a.m.

Mr. Andrews: Yes, the CEDP Secretariat would have done a number of outreach activities to all the various divisions of the Assembly, and one of the key things that they would have done is to ensure, as in the CEDP, that each division has its project implementing unit. One of the pre-requirements for effecting the actual list of projects that are supposed to be completed. They would have also done a number of work in day SPA I, which is branding Tobago, clean, green, safe and serene. From the planning department what we would have done, we would have done the actual alignment of all the projects in the development programme. We have aligned the THA's Development Programme to the CEDP. We did not wait for the divisions to do it, we did it.

So, it is there, and I has pointed us to some areas where we can get some efficiencies in the area of infrastructure construction, because it shows that there is a fairly large proportion about the development programme directed towards infrastructure. So, we need to be able to close those off through the training in project cycle management and so on, so that we could get to focus on the softer social areas that are more important. Once infrastructure is completed we have to look at the demand side. But, the alignment with the CEDP showed us that very, very clearly.

Mrs. Webster-Roy: Another question for Mr. Andrews, planning. We have the CEDP and we have divisions aligning themselves to the different priority areas. Tell me what work has planning done to evaluate whether or not there is actual social benefit coming out from the various work programmes from the different divisions? How is Tobago changing? How is life being impacted if you do an internal evaluation to measure it?

Mr. Andrews: Well, the evaluations side would normally take place once a project is completed, which is upon completion we want to evaluate impact or outcome. So, we would not have gone to that point, but we would have gone to the point of one, doing the alignment, looking at the distribution of the parliamentary allocation and expenditure, and to see where, for instance, it would allow us to see within the strategic priority areas, if we are putting enough emphasis on some of the areas, like, for instance, strategic priority areas. We have about 1 per cent of our parliamentary allocation and expenditure going towards that. The only challenge there is that some of that expenditure is kept covered under recurrent. But, it tells us that we need to do more in that area. So, that is the stage where we are where we could clearly see if we do certain things differently we can free up more money to do the things that would impact greater by addressing infrastructure and the hard stuff, gets those out of the way so that we could redistribute funds in the areas that would like to impact people's quality of life.

Mr. Chairman: You know, there are some problematic issues that came up here. Under Ministry of Works Infrastructure Tobago House of Assembly, again, the issue of internal control. The issue of a fairly lax kind of managerial control has been raised; the issue of policy clarity has been raised. But under internal control here, differences totalling 428,093.18 were noted between the vote book and the subsidiary ledger cards. And then 419, the cash book balance of 393,751.58 used on the unsigned bank reconciliation statement provided differed from the actual balance of 188,965.24 shown on the cash book.

In addition, a list of unpaid cheques was not presented. There was no evidence of internal audit check on the records examined. What is the situation here? Now, internal audit is a problem in other Ministries, and I do not want to pretend that it is only a challenge in the House of Assembly. So, I am asking you the question, what is happening here? And, given that you have a number of unaudited accounts which are now engaging discussion between yourself and the Auditor General, what is happening with internal control? Because, you have a lot of discrepancies. They look bad. I suspect that there are explanations, but they look bad when you see them on paper. Okay, can you explain?

Mr. Sandy: Yes, Dr. Tewarie. We have taken some decisions in the last three or four months that will impact on the way internal audit operates in the Tobago House of Assembly. Prior to that arrangement we had all the internal audit staff under the office of the Chief Secretary, and they will go out to the various units and do spot checks, basically. The staff is very limited. So, the Executive Council of the Tobago House of Assembly has taken a decision that each division of Tobago House of Assembly is to set up an internal audit unit within the division—

Mr. Chairman: So, you are going to manage each account?

Mr. Sandy: Yes. So, that each division would have their staff to do their internal audit on a continuing basis. Where that is currently done, we are awaiting recommendation from our management services unit as to the staff structure for each division, and then we will go out—basically these are going to be persons employed on contract, because the public service complement of internal audit is very small in Tobago. So, we are going to go by way of contract, and we are hoping to get those positions established, advertised, filled and so on in the next two or three months.

Mr. Chairman: But, these issues here that were flagged by the Auditor General, have they been reconciled, I mean, to his satisfaction? Have you dealt with that?

Ms. Roberts: Dr. Tewarie, we spoke about the account monitoring officers under the division of finance. This is one of their roles. Accounting documentation have not been reconciled, vote books subsidiary ledger cards; account monitoring officers came on in 2013, they are charged with doing this. They are based in finance, but they go out to the divisions to ensure this reconciliation problem has been resolved.

So, I can say for now in 2014/2015, these things are minimal. If there are reconciliation problems, or if there are reconciliation issues, they are identified. So the internal audit really is supposed to deal with this, but in the absence of the complement of staff in the internal audit, we have taken the initiative to bring on these accounting officers who are trained and at a particular level to deal with these issues.

Mr. Chairman: Okay, Auditor General's office, you would like to say anything?

Mrs. Toby-Quashie: I just want to say, Mr. Chairman, that we currently did the accounts for the Unemployment Relief Programme, and we did not receive signed financial statements nor bank reconciliation statements. So, the problem is a continuing problem. But, I trust that, with the initiatives that the THA is taking, that the problem will be resolved by next financial year.

Mr. Chairman: You did not have the signed statement for what? Up to 2014?

Mrs. Toby-Quashie: 2015.

Mr. Chairman: Okay. What the Auditor General is saying, and I think you have an opportunity to deal with this since the matters are not closed, is that what we are seeing here, the discrepancies that we are seeing here, the lack of authenticated documents, et cetera, persists up to 2015. Now, I mean as responsible officers, I think you know that that cannot be allowed to continue. So, the question is, how do you resolve the issue before you get another report like this? And, I think it is a kind of mutual responsibility on the part of the Auditor General to insist that they get the proper documents which allow them to monitor expenditure properly, but the responsibilities on your side as well, notwithstanding whatever challenges that you have, the responsibility is on your side to make sure that you can get the documents that are required, authenticate them, make sure that the books are properly done, that the reconciliation is properly done, or else what something like this does is basically show a very, very sloppy management of the financial system of the House of Assembly. And, I am sure that you do not want that to persist into 2016. Okay? You would like to respond? You are free to respond.

Ms. Roberts: Certainly, we do not want it to persist. I am aware of the situation where the financial statement was signed. I spoke to the person responsible, and we have assigned one of our accounting officers permanently at the Division of Infrastructure and Public Utilities to deal with the problem. We are aware, there are some reconciliation issues which we are currently dealing with. The financial statement comprises of a bank reconciliation statement, and that is where the issue lies, so we are now trying to get it resolved so that the financial statement can be signed and passed on to the Auditor General.

Mr. Chairman: All right. Okay. Other questions?

Mrs. Gopee-Scoon: Sure, I am concerned about the development projects and programmes that I have seen outlined here in your responses for 2013, and how successful have these been in terms of your implementation being done on time and within budget, and so on? And I am looking at the must-do projects and those that have been approved by the Executive Council, particularly, tourism rolling plan? You are not sure what I am asking? I am reading you. You are not sure what I am asking?

Mr. Sandy: Minister, what are you referring to?

Mrs. Gopee-Scoon: I am seeing here in the responses provided by you that there were some priority projects and programmes for 2013.

Mr. Chairman: Remember some questions were sent to you by the Clerk to this Committee based on the Auditor General's report, and you responded with some answers. That is the document that the Member, Paula Gopee-Scoon is referring to.

Mrs. Gopee-Scoon: You do not have it in front of you?

Mr. Sandy: Can you go over the page number with me?

Mrs. Gopee-Scoon: Okay, let me go through then. On page 5, which I think is the document you would have, there is a question which was put to you on the priority projects or services of the departments under the THA, and then you gave a list for 2012, 2013 and 2014. So, I wanted to go back to 2013 to see whether those were achieved, whether they were within budget and on time. If you do not have the documents, I do not want to put you at a disadvantage, we could get those details from you in writing.

Mr. Sandy: I am sorry, Minister, we do not have that document here now. We were concentrating mainly on the 2007 audit and the 2014 report from the Auditor General. So, I am afraid we do not have that document here now.

Mrs. Gopee-Scoon: That is okay. Then I will tell you I was responding to the details provided by you on questions asked by the Committee. [*Interruption*] Yes, so, what I can do is ask the Committee to write to you so that you could give the answers in writing. You can follow those up with us.

Mr. Sandy: Certainly, Minister. Thank you.

Mr. Chairman: I wonder if I could follow up on a question of development raised earlier. You have a 2013 to 2017 plan, and you said that you were going to review now the situation up to now and in the context of a very changed financial circumstance in the country, to look at the rest of the plan up to 2017, and perhaps even further, you may think of it as a kind of rolling plan. But, in the things that you set out to do in 2013 to '14, have you achieved these things to your satisfaction?

Mr. Andrews: There are some areas, yes, the CEDP Secretariat would have done quite a bit of work, especially in the first strategic priority area which is branding Tobago clean, green, safe and serene. They would have done quite a number of things; they would have ensured the establishment of project implementation unit; we would have done the alignment, and we are looking at how we can effectively address and move around funding based on what this alignment to the strategic priority shows up. Some of the projects, the major projects have not started, like, for instance, the university in Tobago, and so on. But, the other areas that are such a large capital component that deals with education, there is a number of things done in that area that I could clearly say. If you wish, I could, at a later time compile something for the Parliament.

Mr. Chairman: But, let us say 2013 to 2015; let us say the end of 2015. We are in the second quarter of 2016 now. Between 2013 and '15, what would be some of the major things that you intended to do that you have actually done?

Mr. Andrews: Well, as I indicated, the Secretariat would have at least gone ahead, they would have done the tendering; they would have gotten the work done for the SPA I; they would have assisted all the divisions in getting their project implementing units up; they would have assisted also with the changes in the procurement system. We would have also done the alignment. But, in terms of the actual divisions and the specific elements aligned to each division, I would not be able to tell you off the top of my head for each division and link them back to each strategic priority area. But, it could be done as a separate exercise.

Mr. Chairman: Okay. Other questions anyone?

Dr. Henry: I am just interested in the maintaining of the fixed asset register, and has that been resolved, and what is the update on that?

Mr. Sandy: The update is that we have engaged a third party to assist us in putting into effect a modern asset management system. Basically, it is a web-based system, and they have done the preliminary work in the office of the Chief Secretary. So, we would have been used as the guinea pig, so to speak. We are about to engage a professional person to work along with that team to do an Assembly-wide implementation of that system. So, we have given ourselves 2017 as the year of delivery for the complete implementation of an asset management system for the Tobago House of Assembly. It is something that we have been treating with for a while now. We have made efforts before that never really worked out the way it was planned. But this time we think we are making a final effort in getting the asset management system Assembly-wide, and accountable in terms of the assets of the Tobago House of Assembly. And, it is also going to be linked into the new accounting arrangement that we are having, and so on. But, it is all web-based.

Dr. Henry: So, you are going to do a complete inventory of the assets?

Mr. Sandy: Yes, we have started. As I said, we have done the office of the Chief Secretary, so we have nine other divisions to do, and we have started that process.

Dr. Henry: Okay.

Mr. Chairman: Okay, Sen. Samuel.

Mr. Samuel: I am sure you have realised by now that because of what has taken place over the years, you have set yourself an Herculean task to get your stuff up-to-date and in order, and the disadvantages of that is that because financial statements have not been submitted on a regular basis you have not had the benefits of the queries of the Auditor General to now set those things right, and ensure that for years to come, or the years consistently, that the same problems had not been reoccurring. So, your ability to fix, and adjust, and adapt based on the queries of the Auditor General, you have not had the advantages of that.

To date you are still not certain that it is working. Why? Because, you have not had the consistent queries of the Auditor General's Department to assist you along the way. And, because of that you could not have kept a diary or a register of queries for the last six, seven, eight years to be certain that you are meeting those demands and there are no reoccurring situations and stuff like that. My purpose is to encourage you to be very watchful. The fact that you do not have the responses of the Auditor General's Department, you are still uncertain as to if it is really working the way, and if there are still flaws in the system. So, I am hoping that the Auditor General's queries and responses to you would come fast and furious, and that you will be able to now set the things in place to ensure that these things do not slip through the cracks on a continuous basis. This is just an encouragement.

Mr. Sandy: And I agree with you Mr. Samuel. In fact, in our last meeting with the Auditor General, we have asked the Auditor General if there is any way that they can fast track, to get us current. Because, I would like to sit here—I am in the Tobago House of Assembly almost two years now as Chief Administrator, I would like to sit here and defend my own record, rather than to defend something that happened 10 years ago.

Mr. Chairman: I appreciate that difficulty for you.

Mr. Sandy: So, we have asked the Auditor General if there is any way that we can fast track the audits of seven, eight, nine, 10, 11, up to 13, so that we can become current, and then all these questions would be much more relevant.

Mrs. Webster-Roy: I know an issue that is current and consistent, is the late settlement of invoices to suppliers, could you please tell me what mechanisms are being put in place to ensure we have timely payment of invoices?

Mr. Sandy: Well, our standard is that all invoices should be paid within 10 working days. That is standard. That is what Tobago House of Assembly has set, and we are working towards that. We have some instances where the invoices are not sent on time. When I say on time, I mean the business persons withhold the invoices and submit them sometimes three or four months late and then quarrel that they did not get paid for three or four months. So, we are working with the business persons on that. In fact, we are about to write all the business interest in Trinidad and Tobago that have outstanding purchase invoices from the Tobago House of Assembly, and give them a deadline date in which to submit those invoices so that we can settle them, and so on. But, we are working towards that 10-working-days deadline, and we are hoping to get there very soon. But that intention is to pay all suppliers within 10 working days.

Mrs. Webster-Roy: Let me just commend you on that 10 working days, and I will follow up to ensure that you keep that.

Mr. Sandy: Thank you.

Mr. Chairman: Is there any question you would like to ask us?

Mr. Sandy: Not really a question Dr. Tewarie, but, perhaps some assistance. One, in terms of, if you can use your good office—and I am begging here as Chief Administrator—to assist us in getting some of those public service positions in the Tobago House of Assembly filled.

Mr. Chairman: Resources.

Mr. Sandy: Your resources, if you can use your good office to assist the Auditor General in getting those audits done so that we would be current. Those are the kinds of things that we will like to see done so that they can assist us in doing what we have to do in a more timely manner.

Mr. Chairman: Okay. That is fair, and, as I said, I appreciate your position going in there, and having been in the office for just two years, but having to deal with a situation where you have a tremendous backlog. Having said, I want to say that on the issue of the resources we will certainly put that in our report, asking that you get the capacity that you need in order to do the work that is required. And, secondly, that—well, I mean the Auditor General is represented here, and the officers are here, and I am sure that they are anxious to bring it up-to-date, because that is part of their mandate. And, let us try and get it up to 2015, if we can, so that, at least, we can clear that backlog and then move on into the future.

I would like to say something though which is important. I mean, when you look at the issues that have come up here, and you probe the fact that you have audits still to come in which you are engaged and which two of them to be submitted to the Auditor General, and you have uncertainty about whether some of these issues have been finally resolved, you end up with certain things that cannot be ignored, I mean, the absence of documentation, which is a real problem, the lack of reconciliation of some the accounts, and therefore the differences in the various ledgers of accounting; the record keeping, which is not up-to-date and difficult to determine accuracy of, because of the discrepancies; the internal controls, which are weak; the execution of projects; the managerial oversight, which, I mean, you yourself flagged as an issue by pointing out that you could not really blame only the line officers; and then the policy clarity, which you need in order to have all of these things cohere in a certain way.

I think these are very, very important things that you need to address. I mean, the House of Assembly gets over 4 per cent of the budget of the country, and it administers an entire island, which you might say it is not half in size, but it is certainly half of Trinidad and Tobago in that sense, because we govern two islands as part of the nation's State. And, when you think of that, and you think of the fact that you are servicing 60,000 people who are citizens, approximately, but you are also servicing large numbers of people who come to the island to visit and on whom you depend for your economic development, then the business of managing the House of Assembly and the authority that it has to govern the island, is really important. And the financial accountability for that, from my point of view, is very critical.

And, if we can get past this situation we are in now where we can have all the accounts up-to-date, and we can get the resources that are required, and we can manage the accounts a lot better, more effectively, I think you will have much happier people, both in Tobago and, certainly, the Auditor General would be much happier. I would certainly be much happier, and whoever else happens to be in my role at some time in the future. It is important to get that right, you know, and, I have no doubt as Chief Executive Officer of the House of Assembly, that you would get down to the task. I know that you are a committed person, a committed national, and that you will get down to the task. And, I ask you, please, let us clean up what exists now, and let us move forward in a very, very constructive way to govern the island of Tobago, as the House of Assembly is mandated to do under conditions of transparency, accountability, and value for money, and to the satisfaction of the citizens. It is a very important thing. Okay?

Thank you all very, very much for coming here today. Thank you members for the questions. I want to thank again the media for being present. I want to thank those members of the public gallery who are here. There is something that does not relate to the House of Assembly, but relates to the Public Accounts Committee, which is that, when we examine the 2014 accounts for the whole country, in relation to the Auditor General, and we had the Auditor General here, the issue of the Central Bank borrowings by the Government, was raised, and that elicited certain responses both from the Auditor General and from members of this Committee, and I want to indicate that we have since, as a Committee, written to the Central Bank on this matter, and they have responded to all the questions that we have asked, and on the next occasion when we meet, which is what day?

Miss Skerrette: April 27th.

Mr. Chairman: On April 27th, when we meet on that occasion, I will read it into the public record, and also have them appended to whatever notes that we give, whatever report that we give to Parliament on those particular sessions. The reason that I do not want it now is because one of the members of the Committee has indicated that he might have some questions which he may want to ask of the Auditor General in terms of commentary on the response from the Central Bank. Okay?

I want to thank you again for coming, and we will close this meeting at this point. We will suspend the meeting, and then we will have, our Committee will have a brief meetings.

11.59 a.m.: *Meeting adjourned*.