PAC

PARLIAMENT

REPUBLIC OF TRINIDAD AND TOBAGO

FIFTH REPORT OF THE

PUBLIC ACCOUNTS

COMMITTEE

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 Ministry of National Security

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
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.

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Members of the Public Accounts Committee

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REPUBLIC OF TRINIDAD AND TOBAGO

Dr. Bhoendradatt Tewarie
Chairman

Mr. Rodger Samuel
Vice-Chairman

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

EXECUTIVE SUMMARY

The Public Accounts Committee (PAC) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the issues outlined in the Auditor General's Report and audited financial statements of Ministries, Departments and Statutory Bodies. This Committee examined the ***Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 with regard to the Ministry of National Security*** which gave rise to its Fifth Report of the Eleventh Parliament.

This report highlights the issues and recommendations made by the Committee in an attempt to assist the Ministry of Energy and Energy Industries in better performing its duties while also commending its initiatives. During this discussion, the following issues arose:

- General issues relating to the operations of the Ministry;
- Their ability to achieve accountability, transparency and value for money;
- The Ministry's success in maintaining law and order, public safety and defence against aggression; and
- Challenges faced by the Ministry in maintenance of their records and the implementation of specific recommendations.

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

- To improve the procurement process, the full implementation of the Public Procurement and Disposal of Public Property Act, Act No. 1 of 2015 should be expedited and the Ministry of National Security should properly prepared for this.

- The Ministry should introduce monthly checks to help curb the occurrence of overpayments;
- The Accounting Officer should make proper checks to ensure that the Appropriation Account is constantly updated and every variation accounted for;
- The Permanent Secretary should prepare a request for the Treasury to assist with the training of persons currently in the Internal Audit Unit;
- The Immigration Division of the Ministry of National Security should tighten its operations to ensure that all revenue collected is accounted for so it can be reconciled with the Treasury's accounts; and
- The Internal Audit function in the Ministry needs to be strengthened.

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 May 25, 2016 - *in public*

- At this hearing, representatives from Ministry of National Security to seek clarification on issues highlighted in the Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago.

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.

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

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

The Ministry of National Security's Profile

Background[3]

The Ministry of National Security began as the Ministry of Home Affairs and was initially given the responsibility for the administration of:

- The Police Service;
- The Social Services Department (Public Assistance, Old Age, the Co-operative Department and Community Development);
- The Immigration Service;
- The District Administration Services;
- The Cadet Corps Movement; and
- The Government Printery.

Following the 1961 General Elections, the portfolios assigned to the Ministry of Home Affairs were amended to include:

- The Maintenance of law and order and the administration of the Police Force (now the Police Service);
- The administration of the Probation and the Prison Services;
- The administration of the Immigration Services;
- The administration of the Cadet Corps Movement;
- The issue of Marriage Licences and Missionary Permits; and
- Advising the Governor General on the exercise of Mercy.

The Ministry was however, no longer responsible for:

- The Social Services Department (Public Assistance, Old Age, the Co-operative Department and Community Development);
- The District Administration Services; and
- The Government Printery.

[3] http://www.nationalsecurity.gov.tt/About/History

The attainment of Independence in 1962 served as a catalyst for the Organization to focus on the following new services as dictated by the Constitution:

a) The Defence Force:

The Trinidad and Tobago Regiment

The Trinidad and Tobago Coast Guard

b) The Trinidad and Tobago Fire Service

In 1970, the Probation Department was removed from the aegis of the Ministry of Home Affairs and the Ministry was renamed the Ministry of National Security. The Ministry of National Security now included the following Divisions:

- General Administration
- Immigration Division
- Strategic Services Agency
- Trinidad and Tobago Cadet Force
- Trinidad and Tobago Forensic Science Centre
- National Emergency Management Agency
- Trinidad and Tobago Defence Force
- Trinidad and Tobago Prison Service
- National Security Council Secretariat
- Trinidad and Tobago Police Service
- Trinidad and Tobago Fire Service

In 1979 the Joint Services Staff College was established in recognition of the need to upgrade the efficiency of the Protective Services in the context of the rapidly changing social and political environment and was added to the Ministry of National Security portfolio. In 2001, The Joint Services Staff College was removed from the Ministry of National Security

Mission

To create an environment which ensures public safety and security through the mainte-nance of law and order and the commitment of all available resources to the protection of life and property.

Philosophy

The Vision and Mission of the Ministry of National Security influences the culture and character of the Organisation.

Role and Function

- Maintenance of Law and Order, Public Safety and Defense against aggression.
- Co-ordination of Disaster Preparedness and Emergency Relief.
- Controlling the flow of people into and out of the country.

Permanent Secretaries - **Ms. Lydia Jacobs (Accounting Officer)**
Mr. Vel Lewis

Issues and Recommendations

During the examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2014 with regard to the Ministry of National Security, the following issues were identified and recommendations proposed:

i. **The Procurement Policy of the Ministry of National Security.**

The Ministry of National Security currently has one unit which manages the procurement of each division using the guidelines outlined in the Ministry of Finance's Standard Procurement Procedures. Throughout the performance of the Ministry's duties, value for money is always observed, especially during the procurement of goods and services. In relation to the Fire Services, the Permanent Secretary is involved throughout the process with his approval needed before proceeding with any decisions. Procurement has been highlighted as a pervasive issue within the entire public service with regard to recordkeeping and the selection of suppliers.

Recommendations: ***To improve the procurement process, serious consideration must be given to the full implementation of the Public Procurement and Disposal of Public Property Act, Act No. 1 of 2015. The Ministry's procurement department should be made aware of the specific guidelines which need to be followed. Mechanisms should be implemented to assist the Ministry with the achievement of value for money ensuring the most efficient use of Government funds.***

ii. **Overpayments within the Ministry and Their Process for Retrieval**

Overpayments have been highlighted as an issue in the Ministry of National Security. Occurrences of overpayments were seen in relation to salaries which have been noted to stem from a number of reasons. In the event where there may have been no pay leave or half-pay, the information is not transmitted to the Accounting

Department in time to have the money deducted and hence cause overpayments. The Ministry has a plan whereby they will be able to retrieve the funds from respective persons once the overpayment is detected. More efficient transfers of data should be adopted to avoid the Ministry from having to then request to deduct the funds from the employee's proceeding salaries.

Recommendation: ***The Ministry should introduce monthly checks to help curb the occurrence of overpayments. Nos. 83 - 85 of the Financial Regulations clearly outline the steps to be taken once an overpayment is discovered. The Ministry must ensure that in the event that overpayments occur, it can be recovered in a timely manner. A better communication strategy should be implemented between the Human Resources Department and Accounts to further assist will the elimination of overpayments.***

iii. Appropriation Account

An Appropriation Account is a Government agency's account that is credited when appropriation is authorized in a budget. It is maintained within the Ministries to keep track of the costs incurred to perform the task or complete the project for which the credit was given. A difference was noted within the report between Note 2l of outstanding commitments and the corresponding audited aggregate.[4] Through written submissions the following explanation was received;

"The Ministry of National Security's total Commitment as per Appropriation Account $1,747,562.00, was extracted from the Vote Books of the Immigration Detention Center (IDC). However, during the external audit and verification of the figures in the Vote Book, only two figures were certified on March 12, 2015 – amounting to $160,808.00." Proper precautions should be implemented to ensure that this does not occur in the future.

Recommendation: ***The Accounting Officer should make proper checks to ensure that the Appropriation Account is constantly updated and every variation***

[4] Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014, pg 50 para 2.99

accounted for. The timely maintenance of the account will eliminate discrepancies of this nature before the audit.

iv. Internal Audit

Internal Audit has been identified as a pervasive issue for many years throughout the Public Service. Guidelines have been indicated to the Accounting Officers since 1987 but to date little has been done to address the issue. The Treasury should now intervene to ensure that this issue within the Internal Audit Departments in the Public Service operate to optimum capacity. The Internal Audit Unit of the Ministry should be performing at its highest level to ensure that it is functioning at full capacity also through this, issues can be spotted and rectified immediately.

Recommendation: ***The Permanent Secretary should prepare a request for the Treasury to assist with the training of persons currently in the Internal Audit Unit. Proper incentives should also be organized by the Chief Personnel Officer to attract skilled persons to apply to work specifically in this department to eliminate the need for training of this nature in the future.***

v. Revenue Control (Immigration Division)

The Immigration Division, which is under the purview of the Ministry of National Security, responsible for the generation of revenue for Trinidad and Tobago. Under the division, there are eight (8) sub-items of revenue of which machine-readable passports have generated the highest revenue. Last year's estimated revenue at Immigration Department was between $45 million to $50 million. The Immigration Division has been relying on the Treasury's Record to reconcile the accounts. Statements of revenue have not been supplied for audit to the AGD, and in 2015, statements of receipts and disbursements were also not provided which has hindered the financial oversight process. Revenue provides a means for which a country's debts are repaid and the country's activities are financed so this sector should be of pinnacle importance.

Recommendation: ***The Immigration Division of the Ministry of National Security should tighten its operations to ensure that all revenue collected is accounted for so it can be reconciled with the Treasury's accounts.***

vi. Pension and Leave

Pension and gratuity are benefits paid to public servants upon retirement. A gratuity is also paid to qualifying persons at the end of their contract. The timely payment of pension and gratuity benefits has been identified as a pervasive issue throughout the Public Service. The issue has been due to records not being maintained within the respective Ministries/Departments where the persons were employed. Incomplete Pension and Leave records were identified as the cause for delays in the process. Pension and leave records need to be properly maintained to ensure people are able to access their funds within six (6) months.

Recommendation: ***Pensions and Leave Department should properly maintain the records to ensure a timely distribution of benefits. Through proper maintenance, they would be able to positively add to the whole process. According to regulations these benefits should be ready at least 3 months prior to the person's date of retirement and the Ministry of National Security along with the Treasury should strive to make this possible.***

Ministry of National Security – Concluding Remarks

The Ministry of National Security needs to begin its adjustment to a new procurement regime which will be established when the new legislation is proclaimed because the new legislation will not allow for the exemption which this Ministry currently enjoys.

In this Ministry, as in so many others, the Internal Audit Function needs to be strengthened.

It is difficult to discern meaningful accountability from the Immigration Department. This unit needs tighter controls and systems of accountability not only for financial matters but because its role in monitoring entry, exit and residency issues in a challenging period for all Immigration authorities, worldwide.

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 May 25, 2016, the witnesses attending on behalf of the

Ministry of National Security were:

Mr. Simeon Yearwood	-	Permanent Secretary (Accounting Officer)
Mr. Vel Lewis	-	Permanent Secretary
Ms. Maria Joseph	-	Deputy Permanent Secretary
Ms. June Thomas	-	Director Finance and Accounts
Ms. Sharon Ashmann John	-	Director Human Resource
Mr. Patrick Cunningham	-	Programme Manager
Ms. Shalisha Mohammed	-	Auditor III
Mr. Gregory Sloan Seale	-	Citizen Security Programme (CSP)

Auditor General's Department:

Ms. Gaitrie Maharaj	-	Assistant Auditor General
Mrs. Jacqueline De Gannes	-	Audit Executive I
Mrs. Jennifer Salandy-Mejias	-	Audit Supervisor (ag.)

Appendix II
Minutes of Meetings

THE PUBLIC ACCOUNTS COMMITTEE –
FIRST SESSION, ELEVENTH PARLIAMENT

MINUTES OF THE NINTH MEETING HELD ON WEDNESDAY, MAY 25, 2016 AT 10:21 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
Dr. Dhanayshar Mahabir	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary

Excused were:

Mrs. Paula Gopee-Scoon	-	Member
Mrs. Ayanna Webster-Roy	-	Member
Dr. Lester Henry	-	Member
Mr. Randall Mitchell	-	Member
Ms. Marlene McDonald	-	Member

COMMENCEMENT

1.1 At 10:21 a.m. the Chairman called the meeting to order and welcomed those present. Mrs. Paula Gopee-Scoon, Mr. Randall Mitchell, Mrs. Ayanna Webster-Roy and Dr. Lester Henry were excused from the meeting. Ms. Marlene Mc Donald was absent from the meeting.

THE EXAMINATION OF THE MINUTES OF THE EIGHTH MEETING

2.1 The Committee examined the Minutes of the Eighth (8th) Meeting held on Wednesday May 25, 2016.

2.2 There being no further omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rodger Samuel and seconded by Dr. Dhanayshar Mahabir.

MATTERS ARISING FROM THE MINUTES OF THE EIGHTH MEETING

3.1 The Committee discussed the matter of Ms. Marlene Mc Donald absenteeism under Standing Order 116 of the House of Representative.

3.2 The Committee directed the Secretariat to write Ms. Marlene Mc Donald to draw her attention to the issue of absenteeism and its negative effects on the work of the Committee and encouraged her to the attend the next meeting of the Committee to be held on June 8, 2016.

PRE-HEARING DISCUSSION RE: EXAMINATION OF THE MINISTRY OF NATIONAL SECURITY (MNS)

4.1 The Committee agreed that the focus of the meeting will be 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 National Security (MNS).

4.2 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:40 a.m.

EXAMINATION OF THE MINISTRY OF NATIONAL SECURITY (MNS)

5.1 The Chairman called the public meeting to order at 10:46 a.m.

5.2 The Chairman welcomed officials from the MNS, Auditor General's Department (AGD), members of the media and the public to the Ninth (9th) public hearing with the PAC and introductions were exchanged.

5.3 The following officials joined the meeting:

MINISTRY OF NATIONAL SECURITY

- Mr. Simeon Yearwood - Permanent Secretary
- Mr. Vel Lewis - Permanent Secretary
- Ms. Maria Joseph - Deputy Permanent Secretary (Ag)
- Ms. June Thomas - Director Finance and Accounts
- Ms. Sharon Ashman John - Director Human Resource
- Mr. Patrick Cunningham - Programme Manager
- Ms. Shalisha Mohammed - Auditor III
- Mr. Gregory Sloan Seale - Citizen Security Programme

OFFICIALS FROM AUDITOR GENERAL'S DEPARTMENT

- Ms. Gaitrie Maharaj - Assistant Auditor General
- Mrs. Jacqueline De Gannes - Audit Executive I
- Mrs. Jennifer-Salandy-Mejias - Audit Supervisor (Ag.)

5.4 The following issues arose from the examination with the officials from the MNS:

vii. The structure of the Ministry of National Security (MNS);

viii. The number of divisions and personnel at the MNS;

ix. The role of the Permanent Secretary in ensuring the transparency and accountability of public funds;

x. The policy in place to ensure value for money in the procurement of goods and services;

xi. The reasons and solutions to the issue of overpayments,

xii. The systems in place for the recovery of overpayments;

xiii. The weakness of the internal audit system at the MNS;

xiv. The status of the priority projects at the MNS;

xv. The mechanisms in place to improve the efficiency and effectiveness of revenue control at the MNS;

xvi. The main areas of concern and recommendations by the Auditor General's Department; and

xvii. The steps taken to ensure that all supporting documents are submitted to the AGD for auditing in a timely manner.

Please see the attached verbatim notes for the detailed oral submission by the witnesses.

SUSPENSION

6.1 At 12:11 p.m., the Chairman suspended the *public* meeting.

ADJOURNMENT

7.1 The Committee agreed that at the next meeting the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2015 will be examined.

7.2 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday June 08, 2016 at 10:00 a.m.**

7.3 The adjournment was taken at 12:12 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

May 25, 2016

VERBATIM NOTES OF THE NINTH 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, MAY 25, 2016, AT 10.46 A.M.

PRESENT

Dr. Bhoendradatt Tewarie	Chairman
Mr. Rodger Samuel	Vice-Chairman
Dr. Dhanayshar Mahabir	Member
Miss Keiba Jacob	Secretary
Miss Hema Bhagaloo	Assistant Secretary

ABSENT

Mr. Randall Mitchell	Member
Mrs. Paula Gopee-Scoon	Member
Mrs. Ayanna Webster-Roy	Member
Dr. Lester Henry	Member

OFFICE OF THE AUDITOR GENERAL

Ms. Gaitrie Maharaj	Assistant Auditor General
Mrs. Jacqueline De Gannes	Audit Executive I
Mrs. Jennifer Salandy-Mejias	Audit Supervisor (Ag.)

MINISTRY OF NATIONAL SECURITY

Mr. Simeon Yearwood	Permanent Secretary (Acct. Off.)

Mr. Vel Lewis	Permanent Secretary
Ms. June Thomas	Director Finance and Accounts
Ms. Ashman-John	Director Human Resource
Mr. Patrick Cunningham	Programme Manager
Ms. Shalisha Mohammed	Auditor III
Mr. Gregory Sloan Seale	Citizen Security Programme (CSP)

Mr. Chairman: Good morning. I want to take this opportunity to welcome all representatives from the Ministry of National Security and also the members from the Auditor General's Department who we always welcome. I want to welcome as well the members of the media and those members who are here from the general public.

The purpose of this meeting of the Public Accounts Committee is to examine concerns raised in the Report of the Auditor General on the Public Accounts of the Republic of TrinidadandTobago for the financial year 2014 related to the Ministry of National Security.

The Committee is desirous of hearing from the key stakeholders at the Ministry of National Security to learn the challenges being faced and determine some of the possible solutions to these challenges.

The role of this Public Accounts Committee is to help the Ministry of National Security and every Ministry that we engage, to improve its delivery of services in an efficient, effective and economic manner.

This meeting as you know is being held in public, so it is actually live on the Parliament Channel 11. It is also live on Radio 105.5 FM and it is also on the Parliament YouTube channel called ParlView.

I will ask the members of the Ministry of National Security if you would introduce yourselves, so that is the first order of business, and then following that I will ask the members of the Auditor General's Office to also do the same, so the public will have an idea of who is here. I think the public is aware of the members of this Committee, but I will still ask the Senators here present and myself, we will still introduce ourselves.

After the introductions, I will ask the Permanent Secretary to make a short statement before we begin the questioning process. I will begin the questioning. I will ask some general questions and then we will move on to the Senators, and we will rotate the discussion.

Could I ask the members of the Ministry of National Security to introduce themselves, starting with the Permanent Secretary.

[*Introduction made*]

Mr. Chairman: Members of the Auditor General.

[*Introduction made*]

Mr. Chairman: The members of this Committee.

[*Introductions made*]

Mr. Chairman: My name as you know is Dr. Bhoendradatt Tewarie, and I am Chair of this Public Accounts Committee.

Could I ask the Permanent Secretary to make a short statement before we start the discussion.

Mr. Yearwood: In terms of the management letter with respect to financial year 2014, I am pleased to advise that one, the recommendations of the Auditor General are being acted upon and two, in particular that the internal controls are being improved. Some of challenges faced by the Ministry include staff shortages throughout the Ministry and staff turnover again throughout the Ministry. Permit me, however, to indicate that in the face of our challenges we experience we continue to explore avenues to improve our service delivery such as the use of IT, information technology. Thank you.

Mr. Chairman: Thank you very much for that short report. We will ask you questions certainly on two of the things that you said; that the recommendations are being acted upon based on the management letter and the deficiencies are being addressed.

I will ask you first of all, Permanent Secretary, if you could explain so that the public will understand, it is not just us on the Public Accounts Committee. Part of the reason for this Committee is to bring the public into an understanding of how their Government functions: how they operate; why they do what they do; what they do well and what needs to be improved.

So the first question I am going to ask is: Can you explain, so that the ordinary citizen understands, the structure of the Ministry of National Security? I am asking that because I want the public to understand the difference between the civilian administration of the Ministry and the military operations of the Ministry.

Mr. Yearwood: At the Ministry of National Security, at the head, is a Minister of National Security, the Right hon. Edmund Dillon and we have also a Minister in the Ministry; that is Minister Moses.

Mr. Chairman: You actually have two.

Mr. Yearwood: Yes, Sir. We also have a Parliamentary Secretary in the Ministry. In terms of the structure of the Ministry, the Permanent Secretary as accounting officer, we also have another Permanent Secretary. We have three Deputy Permanent Secretaries.

In terms of how the Ministry is structured, one Deputy Permanent Secretary is responsible for general administration and HR matters. Another Deputy Permanent Secretary is responsible for policy, research, planning and programme management, and the third Deputy Permanent Secretary is responsible for the defence and protective services.

As you would realize there are two Permanent Secretaries. One Permanent

Secretary, Mr. Lewis, has the portfolio of HR, but his focus is also on immigration matters. I on the other hand, my focus will be on things like finance and accounts, communications, National Drug Council and the like, Sir. That is the structure overall of the Ministry.

Mr. Chairman: So basically currently you have a Minister, junior Minister, and Parliamentary Secretary. You have two Permanent Secretaries and you have below that three Deputy Permanent Secretaries?

Mr. Yearwood: Yes, Sir.

Mr. Chairman: And then you have a division of labour which basically takes into account research and planning, general administration and HR, and what you call the defence and protective services. Is that correct?

Mr. Yearwood: That is correct.

Mr. Chairman: Can you give me an idea of the number of personnel involved in the entire Ministry? For instance, I do not know if you would have these at the top of your head, and I am not trying to force you to make a guess, but in general terms. The number of police we have, the number of people who are in the army, the number of people in the Coast Guard, the number of people in Immigration and the number of civilian staff that manage the Ministry.

Mr. Yearwood: I can give you an overall figure, Sir, and it is 21,000 overall.

Mr. Chairman: That is both civilian and military?

Mr. Yearwood: Yes, Sir.

Mr. Chairman: Okay, 21,000. Can anybody help me with a breakdown so I understand? I have a fair idea of the police, but I do not know the rest.

Mr. Lewis: Unfortunately at this time, Chairman, we do not have a breakdown of each unit, but I can tell you that 21,000 is the total of both uniformed and civilian, and those are divided right now into some nine divisions. Those include the police service, the fire service, the defence force, the prison service, the Immigration

Division, Office of Disaster Preparedness and Management, the Cadet Force, the Forensic Science Centre and what we call the general administration. Apart from those divisions, we probably have some smaller units, altogether approximately 16 of them. Those would be like the Strategic Services Agency, the Work Permits Unit, the National Drug Council, the NOC and so on, those small units.

Mr. Chairman: You have what you call special units. Am I correct?

Mr. Lewis: Correct.

Mr. Chairman: Do you have anything that could be called "special forces"?

Mr. Lewis: I think the answer to that is no, Chairman.

Mr. Chairman: So you have nine divisions and you have 16 what you might call "specialized units".

How is the money managed for each of these units? You have 16 specialized units, you have nine separate divisions and, of course, you have the accountable officer as the Permanent Secretary and related staff, with the buck stopping, so to speak, at the Permanent Secretary. How is the money managed for this? For instance, how does the flow management and the accountability for money take place in the Ministry of National Security?

Ms. Thomas: Chair, I will answer that.

Mr. Chairman: Again, this is so that the public will understand what is going on.

Mr. Lewis: We will ask the Director of Finance, but just to say that in the Ministry right now there are two accounting units, one of course with what we call the general administration that treats with general administration, the fire service, the prisons and so on, and the other accounting unit is with the police. The Police Commissioner is actually an accounting officer, as is one of the Permanent Secretaries. But the Director of Finance will give you some details of how we deal with the spending.

Ms. Thomas: At the Ministry of National Security we have the Permanent

Secretary who is the accounting officer, we have our other Permanent Secretary plus we have three deputy Permanent Secretaries. Each is given a delegation of authority for expenditure. As well as we have two accounting units, one at general administration and one at Defence Force. At the Defence Force, at Prisons, at Fire and at Immigration we have delegated authority of expenditure, where the heads are authorized to spend up to a certain amount. Beyond those delegations of authority, everything comes to the Permanent Secretary for approval, either the Deputy Permanent Secretaries or the Permanent Secretary or the accounting officer.

Each division has its own funding and the heads of those divisions manage the funding, but it is managed through head office, where head office works together with the head of divisions in carrying out the expenditure of the divisions. It advises and so.

Mr. Chairman: You need to explain that so I understand it better. Let us say I am head of the fire service and you are the Permanent Secretary, how do I as head of the fire service manage my money? You basically said that there is collaboration to do this between the Permanent Secretary and the head of division. Explain to me how that works?

Ms. Thomas: Even though Fire Service has its own allocation under the three subheads, the Fire Chief has a delegation of authority up to a certain limit, so he can spend up to that certain limit. Beyond that limit he has to apply to the Permanent Secretary to get permission to carry out further expenditure, and those expenditure would come through our procurement unit so we would have all the processes involved. Does that explain it?

Mr. Chairman: Okay. So is the limit the same for all the nine divisions or are there different limits?

Ms. Thomas: There are different limits.

Mr. Chairman: But there is a point in the limit when the division has to make a request to the Permanent Secretary for permission?

Ms. Thomas: Yes, Sir.

Mr. Chairman: So procurement is handled, not by a unit but by the Ministry, is that correct?

Ms. Thomas: No, we have individual procurement units in the Ministry that are set within the limit of the heads of division. Anything above that comes to the head office central unit.

Mr. Chairman: Central procurement services; okay, I understand. Would you say that accountability in the Ministry is effective, based on your history and experience?

Ms. Thomas: Most of the time it is yes. There are some instances where it may not be as effective as we want it to be, but most of the time it is.

Mr. Chairman: I mean, there are notes from the Auditor General which suggest that there are discrepancies in terms of what is reported, what exists, different units, et cetera, and my colleagues will no doubt raise some of those issues.

In all of this where is the PS, given that you have such division of labour, given that you have decentralized procurement as well as centralized procurement, given that you have decentralized accounting, to some extent, based on the limits, and then central accounting for which the Permanent Secretary is accountable? How is the Permanent Secretary located in this and how comfortable is the Permanent Secretary in this situation?

Mr. Yearwood: Essentially, Sir, the Permanent Secretary is the accounting officer of the Ministry, head of the Ministry and, in that regard, I being the Permanent Secretary would rely heavily on the three deputy Permanent Secretaries and the other Permanent Secretary to give me information, analysis reports that I can work with. In terms of the financing, I rely quite a lot on the Director of Finance and

Accounts to assist me.

Mr. Chairman: Okay. Is accountability made more difficult, is it affected by the fact that you have what are essentially military units accountable to military heads, and civilians like yourself in charge of administration? Does that make it any more difficult? Is it a problem? Is it an issue or would you care to comment on it?

Mr. Yearwood: I can comment, Sir. I have been at the Ministry for a short space of time, but I have not found any challenges. It is a question of how you relate to people, how you work with them. So far I have had no problems.

Mr. Chairman: From your short experience you do not see a problem, you do not see any formidable challenges?

Mr. Yearwood: Not to this point, Sir.

Dr. Mahabir: Thank you very much, Mr.Chairman. There are issues I would like to raise with respect to the 2014 Auditor General's Report. However, the Chairman raised in my mind a very important subject and that is the subject of procurement. I needed to get clear as well with respect to the policies you have in place to ensure that the public is getting correct value for money.

I notice in your response with respect to say border protection, you indicated that there was a commencement of the procurement of coastal patrol vessels. The question I want to pose is this. Since we need to secure our borders, there are options available for us. We have the options of light aircrafts, we can use helicopters, we can use drones, we can use the blimp, we can use the offshore patrol vessels. Military hardware or hardware of that nature tends to be extremely expensive. Do you have in the Ministry at your level, the administrative arm where you set the policy, a system where you undertake a rigorous cost benefit analysis of the options available, so that when you do decide to undertake a particular purchase that at the time is the best possible purchase to ensure that the national security of TrinidadandTobago is protected?

Mr. Cunningham: Good morning again. Perhaps I can answer the question. What the Ministry does in terms of procurement, in the planning of procurement, is to determine what are the best resources to make the decisions concerning the major asset procurements. So, for example, in some instances you have specialized committees set up that have the special knowledge of the assets in question. Those committees would have finance persons, legal persons, subject matter experts on them as a committee that would formulate the plans for the procurement exercise. So that while all the expertise may not reside in the Ministry at any point time, those are, in fact, engaged for the different sets of procurement.

As you had indicated, the network and the various assets that are required would be either military assets, they may be coastal assets, they may be aerodromes, they may be of different types, so that is why the process that we engage in and the thought pattern is to engage professionals, subject matter experts, persons who understand value for money and financing of those assets, to do the evaluations and to prepare the procurement plans for those assets.

Dr. Mahabir: Just a follow up. I imagine there is a particular level at which that process is undertaken with respect to expenditure. Could you give us an indication with respect to the type of expenditures in procurement that would be subject to that type of analysis and the level of expenditure which would be left up to say individuals in the police, the fire service, the coast guard and so on, to undertake on their own?

Mr. Cunningham: The government regulations are clear, but there are a number of different regulations that govern procurement. You have one category dealing with the value of assets, so anything over $1 million would go to Cabinet for Cabinet to deliberate on. There are different categories of items that are on a special schedule that would be procured through the special tenders board, military assets, ammunition, et cetera, so that would go in that direction. Then there are other strategic assets that would be procured through deliberations with the National Security Council or various other elements.

Given that platform, depending on the nature of the item, the value of the item, it would go in a particular direction for procurement. I am not sure if that in general gives you an idea.

Dr. Mahabir: I was just thinking about the autonomy of the various units. For example, the Fire Department may want to have fire tenders that they would like to purchase. Is it that say the police or the Fire Department can purchase items on their own of a particular value, without coming to the Ministry of National Security? Do they have that flexibility, or is it that once, say, the item exceeds $1 million, they must all come through that centralized processing facility?

Mr. Cunningham: The area that I deal with, I manage the portfolio through my unit of the Public Sector Investment Programme. All procurement under the PSIP over $1 million must go to Cabinet. In that, when a unit has determined a particular need, let us say for a fire tender which generally is over $1 million, they would in fact indicate the specifications or determine the specifications for the item and make a request for the procurement of that item. That request would be in a sense a generic request; it would have to satisfy the same CTB requirements, et cetera. So that they would, in that instance, make that request. They are not determining the procurement themselves, but they make a request and it goes out to public tender, if that is appropriate, or selective tender depending on the circumstance.

Dr. Mahabir: One final question, Mr. Chair, on this issue. Just to clarify in my own mind, before we get to the Auditor General issues. Suppose the military—purely hypothetical—says to the Ministry of National Security that in addition to the coastal patrol vessels that they would like to secure in order to protect our borders, they would like to get a few helicopters to go with this. Who makes the decision at the Ministry of National Security on whether the helicopters that they request—so the commandants and the people in the know in the Coast Guard say, "We need to get this or a few light aircrafts"—who in the Ministry or which department assesses the request that this really is a genuine and legitimate need and we will obtain the financing for you, we will put it in the budget so that the Minister of Finance can approve it? Who makes that decision and what guides the decision, given the competing demands you have within the Ministry of National Security for a great range of assets?

Mr. Cunningham: That is a good question, one we grapple with all the time. The process is fairly clear, the mechanics of it can be complicated. We would use the Regiment as an example, at that level the commanding officer of the Regiment would make a recommendation based on the research that his unit would have done for what is required. Because you are speaking about something that is integrated, so for example you want to use a helicopter which comes from Air Guard or NOC or some other unit with the Regiment, at that level they would collaborate and determine at that level what are the options and recommendations they would want to make at that level.

At that level, it is recommendation. That recommendation goes up the chain of command. It goes to the Chief of Defence Staff who has his own evaluation team that would look at that matter. After that it comes to the Ministry. This is an iterative process, so that even at the lower levels where you would have the discussion between the Regiment and the Air Guard, the Programme Unit at the Ministry of National Security would be involved in the discussions at that level, because you want to get buy-in from persons very early and have all the expertise available, whether it is finance, legal, technical requirements, et cetera. After it moves from the Chief of Defence Staff with his recommendations, it comes to the Ministry to the PS and there at the Ministry there is another set of deliberations that take place before it may move to the Minister. At this point in time, because you are dealing with high value assets and a matter that is strategic, that would go to the Cabinet, and the Cabinet ultimately will make a decision on that.

So that the Ministry itself does not make the final decision. It is made at a higher level. We make recommendations, and those recommendations would be based on evaluations, feasibility analyses, et cetera, at our levels.

11.15 a.m.

Mr. Samuel: Good morning again. In the Auditor General's Report with regard to overpayments, the figure of overpayments for the fiscal year 2014 seems to be very high. I am not too sure what is the cause of it. I would like to know what were the reasons for the incorrect determinations of incremental dates that deal with retirement leave, and no pay leave, and maternal leave, and all the other things? What is the reason for the problems, and what has been put in place to rectify the issues that you have with overpayments? How much of the overpayments have been returned? What mechanisms have been put in place to recover the overpayment situations? And, what difficulties are you having in doing such?

Ms. Thomas: The Ministry of National Security is a very large Ministry. We have, as indicated by the PS earlier, military divisions; we have civilian divisions, and, because of the large number of personnel we deal with, that is one area—that contributes to our overpayments.

However, what factors arise to the overpayment is that we have to get information, so, for example, the classes that arise to overpayment is classification of extended sick leave. Somebody exhausts their sick leave, the person would get paid, you have to wait until that sick leave is classified before you could determine whether it is a no pay or whether it is full pay, or half pay. So, that would arise as an overpayment there.

Another factor is, because of extended sick leave, incremental points sometimes are wrongly classified. So, somebody who may be getting paid at one point, when you do the analysis you realize that they should be getting at a different point, and there another overpayment arises. Also, members of staff going on vacation leave or so may get allowances while they are working. When they go on vacation leave these allowances should be stopped. But, the communication between HR department and the accounts department sometimes is not on a timely basis and there you have had overpayment arising again. And, finally, our IHRIS system that we operate with, there is a close-off date on IHRIS system. Once that date has been achieved, and even though you discovered an overpayment you cannot do anything to correct that issue, you have to allow it to go on. So, that also contributes to our overpayment.

The way we recover overpayment is that once an overpayment has been recovered, there is a process that has to be done. You have to inform the officer, you have to get from the officer a proposal as to how he is going to repay that overpayment—that takes some time, then we have to send that overpayment report to the Comptroller of Accounts, and we will discuss the repayment terms. And, in the interim, the Ministry will take the proposal from the officer and start deducting the money to recover the overpayment. So, it is a long process.

Mr. Samuel: Let us talk about how effective it has been.

Ms. Thomas: It has not been as effective as we would want it to, because the information does not reach us in a timely manner. We are not dealing with real-time situations here. We deal with information coming from outlying divisions to the HR department. So, because of that there is a time delay in getting the information to stop overpayments. However, we have been trying to use IT in the sense of using emails, faxes, to get the information to us until we get the desired applications in soft copy.

Mr. Samuel: Follow up question. I find it very difficult that we use the size of the Ministry to justify a situation of this nature. And I say that because there are conglomerates in the private sector that do not experience the same problems that we are experiencing. Their checks and balances are up to date, their record keeping is up to date, they know who is going on leave, when they are going on leave, when their travelling has to be suspended until they return from leave. I mean, the private sector does it.

And when you look at the records per year from the Auditor General's Report 2013, 2012, going backward it is a recurring decimal, and it means that we are not getting better at dealing with situations of this nature. And if it is not getting better, it means if you do the accumulations of the queries, all those things that have been overpaid and not recovered going backwards, you would realize it is a lot of stuff.

And, we do not have the kinds of systems in place, and the private sector does that, and probably we need to learn from the private sector as to how the conglomerates are operating in that manner and they are able to reduce significantly these kinds of situations that are happening. What is in plan? What is in place? What are you putting in place to deal with it? How are you planning to deal with it?

Ms. Thomas: Mr. Vice-Chair, private sector/public sector operates in two different environments.

Mr. Samuel: In business.

Ms. Thomas: I agree, but at the end of the day we have to follow the financial regulations in the recovery of overpayments, and that step must be done. And we are recovering based on the officer's proposal to repay, and we recover on a monthly basis once we get that proposal. It is not as effective as we would like it to be, but we are working on the system to try to make it more effective.

Mr. Samuel: Is it a fact, have you put in place the mechanisms to ensure that the slip ups do not happen? Because, if you do not have the slip ups then you do not have the recovery. You would not have the problem of recovery, and it means that the effective communication between HR and accounts, and the effective communication between departments that in advance that HR can send data to accounts to let them know, okay, such and such persons have applied for leave and they are moving in that direction, and they are retiring.

Those are the kinds of communication I am talking about. I mean, that is paperwork. That is a computer sending data to another department, that says, okay, in the year 2016, this is the list, this is the layout of vacation applications that we have, these people are going to proceed on vacation such and such date, and such and such time, and as such we are notifying the accounts department that their travelling should be suspended from such and such date. That is paperwork. That is not rocket science. And we are saying that we have the same problems occurring every year, and it means that the HR department is at fault. Lay blame where blame is. Okay. Because, if they do not do their work effectively then the accounts department cannot respond effectively.

So, I am saying that we need to put the mechanisms in place and hold the people who are responsible for it responsible. And if they are messing up let them know they are messing up and you will not tolerate it as an accounts department, because they are making you look bad, and I do not want you to look bad. So, I think you need to put your foot down and tell HR where to get off, and tell them that you need information, because people apply for leave, and the moment a person applies for their leave, that data should get to the accounts department, accounts is waiting for the confirmation that they have proceeded on leave, and you set your mechanism in place. I mean, I came from the private sector and that is how we did it.

Ms. Thomas: Mr. Vice-Chair, I hear your recommendations, and as I said before, we are collaborating with HR to try to minimize the incidence of overpayments.

Mr. Lewis: I think I also want to add to what the director of finance and accounts is saying, and we have to agree. We at the Ministry—I have been there just a few weeks now, but we recognize that that is a challenge. We actually recognize that the overpayment issue is a major challenge, and we have actually begun to put measures in place to minimize it, so we agree with the Vice-Chair. What Ms. Thomas did not say is that the officers from accounts unit at head office have actually started going out to some of these divisions, and meeting with them, and trying to assist them to put things in place to minimize the occurrence of the overpayments. So, we have actually been taking steps, we recognize the challenge, and we are actually hoping that over the next few months we will intensify those measures to try to bring that issue of the overpayments to some control.

Mr. Samuel: Do you find in your research, have you found that in some instances it may just be intentional?

Ms. Thomas: As I said before, that the IHRIS system, officers sometimes are aware when the system closes off. So, they could use the system to their advantage, and at that point there is nothing that accounts could do to stop the overpayment.

Mr. Chairman: Thank you very much now. [*Interruption*] What is that, you were going to respond?

Mr. Yearwood: No, no. Just to indicate to the Vice-Chair that he spoke about conglomerates, and there is no harm in us stepping back and looking at how they function and learning from them, sir. Thank you.

Mr. Chairman: I did not pick up anything he said.

Dr. Mahabir: He said there is no harm in looking at what the private sector does.

Mr. Chairman: Right. Okay. You have the issue of overpayments which Sen. Samuel raised, and you have spoken on that issue. We also have the issue of the appropriation account, where we had a recorded difference of nearly $1.5 million; and then in the Immigration Division you had the same thing, about close to $1.7 million in terms of difference. Then you have a situation in which, on your own admission in terms of your response to the written questions, the internal audit system in the Ministry is quite weak. Now, when the Permanent Secretary gave his short report, he indicated that the issues raised in the management letter are being addressed, and that some of the deficiencies identified are being addressed. Can you say that now in 2016 things are better than they were based on this 2014 report?

Ms. Thomas: Mr. Chair, in some areas, some of the divisions we have gotten a little more efficient, and in some areas the same problems occur.

Mr. Chairman: Okay, could I ask the Auditor General's Department to comment on what they have heard so far in these areas?

Ms. Maharaj: Good morning again, I would just like to say first that I am honoured to again represent the Auditor General and bring his greetings to the Committee and to the Ministry. With respect to the Ministry of National Security, the major issue we have is with revenue control. Because, in the area of Immigration, we have found that we have not been getting the relevant statements. We have not been seeing statements of revenue, we have not been getting the relevant statements. So, we have not been seeing statements of revenue, and then in 2015, which I would just add, we did not get statements of receipts and disbursements that are necessary to form part of the public accounts.

So this is the area we would ask the Ministry to try and tighten up, ensure that they put the revenue controls in place. Also, with respect to internal audit, that is so important in ensuring that things are done in the right way. So, we would ask that they focus on strengthening their internal audit. That is basically the areas we are concerned with.

Dr. Mahabir: A follow-up, Assistant Auditor General, you spoke about revenue emanating from the Ministry of National Security, could you indicate what are the major sources of revenue that exist within the Ministry of National Security, and the amounts, from your experience, that we are looking at in terms of numbers?

Ms. Thomas: I would ask you to refer that question to the Director of Finance, please.

Dr. Mahabir: Director of Finance, I refer the question dutifully, the major sources of revenue, and because this was not contained in the Auditor General's Report, this has come as a rider. I would like to know what are the major sources of revenue, and an estate of the quantity that the Auditor General is referring to.

Ms. Thomas: Okay, at Immigration which is our greatest source of revenue, we have eight sub-items of revenue, but the one that generates the most revenue is the machine-readable passports. Last year's estimated revenue at Immigration Department was between $45 million to $50 million. Also at head office we have other areas, we have three areas of revenue at head office, work permits, citizenship—I cannot just recall the other one—and there we generate about $5 million in revenue.

Dr. Mahabir: Okay, but what concerns me is this, every item of revenue that you referred to has to be documented. For example, every passport issued has to have a number, every permit issued must have some identification document. Is it that you are finding it difficult to simply compile the number of documents to indicate that these are the passports we have issued, these are the permits we have issued, and therefore these are the receipts? It appears to me, one of the simplest estimates to do. What is the cause of the problem?

Ms. Thomas: Well, the cause of the problem, again, at Immigration is that we would collect the revenue, but in order to balance we have to rely on Treasury's record also before we have a clean reconciliation, and that is where some of our problems lie in the revenue reconciliation. That was the reason why we were late last year in the submission of the revenue. Immigration collects revenue from all sections. We have missions abroad, we have divisions within Trinidad and Tobago, and we have at the ports and so, so the different item of revenue we collect it and the reconciliation problem is where we are having—

Dr. Mahabir: Okay, clarify again your relationship with Treasury, because you are saying that the Ministry of National Security actually collects the funds. What is the role of Treasury in all of this to cause reconciliation problems?

Ms. Thomas: At the end of each financial year the records of the Ministry of National Security must be balanced with those of the Comptroller of Accounts; that is Treasury Division. So that when the information is generated on the Treasury cards, Treasury would say to us, okay, according to their records X amount of money was collected under each revenue item. On our books we would say that this is the amount that we would have collected, so we have to reconcile those. What happens sometimes is that we will find that for some reason, other deposits go into those accounts apart from Immigration revenue, so now you have to reconcile that and get it out of your books, and sometimes that is the problem that we are having.

Mr. Chairman: Can I change the tone a little bit and ask you something. You have a number of—based on the written questions that we pose to you—achievements for 2012 to 2014, things that you did that were of a constructive nature in advancing the role of the Ministry of National Security. But in terms of formation of the specialized agencies, you have the establishment of the Counter Trafficking Unit, does that still exist and function, and how many people are involved in that unit?

Mr. Joseph: Good morning, again, Chair. The Counter Trafficking Unit is still in existence. The membership of that unit approximately is about eight or nine thus far.

Mr. Chairman: Okay. The establishment of the Anti-Money Laundering/Counter Financing of Terrorism Compliance Unit, is that still in existence, and how many members we are talking about?

Mr. Joseph: That is in existence, and that unit could have about four persons in it.

Mr. Chairman: Okay. Provision of office space and enhanced involvement with the Caribbean Financial Action Task Force, that is CFATF which has to do with the money laundering, monitoring provision, is that still in existence, and how many people are involved in that?

Ms. Mohammed: CFATF—from the Ministry of National Security, there are two members. We have Camille Rennie who is the director of anti-money laundering, and myself as one of the members in the issue.

Mr. Chairman: Okay, could I follow up on these questions, because the Counter Trafficking Unit is limited to the Ministry of National Security, so that that unit of eight would be the total manpower capability that you have for that unit in the country, am I correct?

Mr. Yearwood: Yes, Sir, you are correct. However, the unit—

Mr. Chairman: No, you could give me the however after. I want to get at something here which is that, the Anti-Money Laundering Unit, though, involves the Ministry of National Security and the Ministry of Finance, is that not correct? Is there a collaborative relationship between these two entities? You have four members, do you have any idea how many people are in the Ministry of Finance, or are involved in the Ministry of Finance? Or is it national security alone, I am asking?

Ms. Thomas: CFATF belongs to the—

Mr. Chairman: No, no, not CFATF. The Anti-Money Laundering Unit, which is—I think I remember that an element of that is in the Ministry of National

Security, and an element of that would be in Finance.

Ms. Thomas: The Anti-Money Laundering Unit falls under the purview of the Ministry of National Security.

Mr. Chairman: Okay, there is nothing—you have no collaborate relationship between the Ministry of Finance and—

Ms. Thomas: Yes, Sir, we do, through CFATF.

Mr. Chairman: So, that is where the collaboration comes from?

Ms. Thomas: Yes.

Mr. Chairman: So, am I correct in saying that the total number of four for the Anti-Money Laundering/Counter Financing of Terrorism Compliance Unit, the total manpower capability for Trinidad and Tobago is four?

Ms. Thomas: At present.

Mr. Chairman: Okay. And then with the CFATF you have two, and when you collaborate with the Ministry of Finance, what does the total manpower capability for Trinidad and Tobago become?

Ms. Mohammed: Excuse me, Sir. Our section of the Anti-Money Laundering is the policy part, right.

Mr. Chairman: Yes.

Ms. Mohammed: And the Ministry of Finance has the operational part.

Mr. Chairman: Okay, so they carry out the operational requirements?

Ms. Mohammed: Yes.

Mr. Chairman: You have any idea how many are involved there? It is unfair to ask you.

Ms. Mohammed: No, sorry.

Mr. Chairman: Right. Okay. All I would say by way of comment is that, given what these things represent in our time, I think these units are grossly undermanned, and I have not even asked a question about the capacity and capability of the individuals and the technical competence that is required for this kind of job. And I think that puts our country in a very, very risky position given what is happening in today's world, and given all the things that can possibly happen in a little country like Trinidad and Tobago. So, I simply mention that because I think it is a matter that the public should be aware of, and it is a matter that you as the Ministry of National Security should take seriously, and it is something that needs to be addressed. Okay? You wanted to follow up?

Dr. Mahabir: I have another question as a follow-up.

Mr. Chairman: Why you do not go ahead.

Dr. Mahabir: Again, the Chair raised a very interesting issue with respect to the Counter Trafficking Unit and the other agencies, and I know there is the existence of the Financial Intelligence Unit in Trinidad and Tobago, I was under the impression that they also did some of these things. Do you have any collaborative effort between these agencies and the FIU? Because, you see, in a recent debate in Parliament we were told there are silos, a number of agencies in the country possess information, and there is little or no sharing. Do your individuals, your technical officers relate to the FIU so that we can have full and complete information on trafficking, and money laundering, and so on? You see, I am just wondering about the duplication in efforts that may exist in the country and the possible misappropriation of resources that that may involve.

Ms. Thomas: We have collaboration between these units. To what extent, I cannot divulge. But I know in discussing with the head of the Anti-Money Laundering Unit, there is collaboration between CFATF, the Financial Intelligence Unit and our unit.

Mr. Chairman: Now, I do not think the public would expect that we would have an engagement with the Ministry of National Security and not raise issues that are very, very contemporary and very real, even though what we are focusing on is the 2014 Auditor General's Report. And, how efficient and effective—I raised earlier the relationship between the administrative civilian arms and the military arms of the Ministry of National Security. But, we are into a period where the crime situation in the country is, I think, at the very minimum, I am using very conservative words, I would say they are very challenging for the country. The murder rate has escalated and there is a situation in which the expansion of criminal activity seems to be very real in the country, and not isolated, perhaps, in the way that they were a little while ago. Without trying to give you the responsibility of the police service of the country, but understanding that the Ministry of National Security has general jurisdiction over all of these matters, how does one explain what is happening?

And, secondly, what are the steps that the Ministry of National Security is taking to deal with this particular challenge, which is a nationwide challenge at the present time?

Mr. Sloan Seale: Good morning, Gregory Sloan Seale, Citizen Security Programme. Well, I can say, the Citizen Security Programme is a programme that has been implemented since 2008, and under our remit within the component three, it is to develop processes, data collection and data analysis processes throughout the Ministry that would aid in policy development. One of the key partnerships in that area has been building the capacity within the TTPS, their Crime and Problem Analysis Unit. Through CSP we have facilitated the acquisition of hardware and software that would assist in data collection and data analysis. We have also funded over the years very specialized crime analytic training for members of the TTPS.

Also, the first component and where the bulk of the Citizen Security Programme does its work, and where it efforts are targeted, working within certain high-needs communities throughout Trinidad and Tobago. Whereas the scope is national in terms of the geography of the communities we work in, we are focused on very specific communities. And, within those communities we work with residents and set up what we call community action councils, and we work in tandem with them to first develop or understand what are the risk factors within these communities, and then we develop alongside the communities and other technical experts, the protective factors that would build community resilience and the capacity of the communities themselves to treat with some of the social issues that affect them.

At the fore would be issues of family based violence, domestic violence, child abuse, child neglect, issues of unsupervised time for young people, particularly after school. So, we have instituted programmes that would treat with these types of things. We have trained many residents themselves, over a thousand, actually, over the years, in crime and violence prevention areas. How to deal with issues of domestic violence within your community, how to treat with issues of child neglect and child abuse within your community. We have trained a cadre of mediators to assist at the community level in mediating conflicts that arise within the community.

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We have also trained persons in trauma reduction, persons in counselling skills. What we are doing is really trying to develop the resilience at a community level so that persons can treat with real-time situations and to mitigate against crime and violence.

We have seen some very good results over the years and that, both quantitatively with the data that we have been gathering through CAPA and other areas where homicides have been reduced in our communities, where our baseline in 2008 we had 71 homicides throughout our original 22 communities. By 2014 that was reduced to about 40. Last year up to December 2015 we had a reduction, we had about 39 homicides occurring.

So there is still a lot of work to be done because one homicide, I think for the country, is one too many, but we continue to see the crime statistics shifting in the right direction in the communities that we have been working with. There are one or two anomalies I have to point out because one of the communities that we do work in is Enterprise, Chaguanas, where they have had a spike in violent crime over the last 12 months. But we continue to work with community members and all relevant agencies to try and reverse that current trend.

Mr. Chairman: But is it not that the trend is moving in the wrong direction now. I mean, you mentioned the Enterprise thing, but it is not just Enterprise, I mean, are we not seeing—I mean, you had a reduction in 2014, 2015 seems to be within reasonable, at least moving in the right direction. Do you not have a reverse of that position now? And what is the reason? Why are we seeing that? Do you know? Can you offer a suggestion?

Mr. Seale: Well, within CSP partner communities we continue to stabilize or reduce homicides and so forth. So on the national scale where a lot of the crime is taking place now, especially violent crime, are outside of CSP partner communities to be quite honest.

Mr. Chairman: And you do not have an explanation or suggestion of an explanation for it?

Mr. Seale: Nothing definitive that I would want to share with the public at this time.

Mr. Chairman: Could I ask something just before I go on to my colleagues of the Planning and Policy Department that you mentioned? Does the Planning and Policy Department of the Ministry of National Security have any input into what is done in terms of strategy and execution by the law enforcement agencies of this country?

Mr. Seale: Well, Chair, all I can say is that the information that we would glean would be definitely forwarded to our research unit and my understanding is that the research unit would definitely share the information. They would collate and do their own analysis in tandem with the various protective services to develop policies that are of higher level.

Mr. Chairman: Who is the accounting officer present here, who can speak for the research and policy unit in the Ministry?

Mr. Cunningham: Perhaps I can shed some light in terms of the policy area. The Ministry has a unit called the Office of Law Enforcement Policy. That is the unit that—

Mr. Chairman: No, no, no. Listen, I paid careful attention and listened very carefully and I may not speak to the issue right away, but I record it. When the Permanent Secretary made his submission, he said that there was a specific division of labour in the Ministry in which one of the divisions of labour identified was research and policy. Am I correct?

Mr. Yearwood: Correct, Sir.

Mr. Chairman: Yes. So I am asking, basically, what does that research and policy unit do and what is their input into the process that eventually leads to strategic decisions and execution? And from Mr. Sloan, what I heard was that the work that he does in relation to the CSP is fed into the research division but he cannot account for what happens thereafter. So I want to see what are the links that are involved. As I said I listened very carefully, I paid attention and I want to help to solve whatever problems there are. Who will speak to that issue? In other words, who will speak to the issue of the research and policy division and how they function?

Mr. Yearwood: Sir, that unit is essentially a unit which addresses questions asked in Parliament, primarily. It is not one that does research in terms of crime and criminology.

Mr. Chairman: Okay. Who does the research? I mean, you have crime statistics, right? You have how many murders are committed, you have how many serious crimes and so on, and this is part of an ongoing process and it is pretty current in the Ministry of National Security. I know that to be true and I also know that is done by the police service by bringing together all the information from the various police divisions. Okay? But I mean, how, on the basis of that, do you get to the point of, what is your policy, what is your strategy? What are you going to execute this week? Where are you going to execute it? How do you coordinate these things if things are happening where you have crimes going down up to 2015, but moving up in murders in 2016?

How do you make decisions about that and I know that this is not your decision. I am not trying to put you on the spot. I am not trying to berate you as public servants to come up with an answer. What I am trying to understand is, how does the process work between what the Ministry does and how the Military Arms in the Ministry of National Security do their work?

Mr. Yearwood: In terms of the Military Arms of the Ministry, Sir, what happens is that the executive level, that is the Minister and the Deputy Permanent Secretary responsible for protective services, they may interact, get data from the protective services and from that they distil what is policy and the policy right now is in keeping with a Cabinet decision for an action plan for one year to be utilized. Sir, it is difficult to disclose any more information at this point.

Mr. Chairman: Okay. So this is a very important piece of information. So the decision about policy, strategy and execution derives from Cabinet decision-making?

Mr. Yearwood: Primarily so, yes.

Mr. Chairman: Thank you very much.

Mr. Samuel: In your reply to the question on the strategic plan, your answer said that the Ministry is presently revisiting its strategic plan and we understand because there are several factors that are changing around us, international factors, regional and local situations are changing around us, from a security standpoint. But as you review the strategic plan there would have been key performance, indicator mechanisms in place because you cannot review something without having these key indicators in place, set in place to measure the operation, to measure the strategies of the Ministry. So there must be that. And not only that, the targets that were set out previously in your strategic plan, what mechanisms were used to measure the success rate of those targets and goals? And if so, and if you have that kind of information the question I would like to ask is, does the Ministry itself have an information system to facilitate measuring actual performance versus stated goals?

Mr. Yearwood: Sir, I do not have that information right now but I could get it to the Committee within two weeks' time, Sir.

Mr. Samuel: So you are saying that the Ministry has an information system to facilitate measuring actual performances versus stated goals?

Mr. Yearwood: Yes Sir.

Mr. Samuel: Okay.

Dr. Mahabir: Mr. Chairman, can I come in?

Mr. Chairman: Yeah.

Dr. Mahabir: Thank you very much, Mr. Chair. Again, I am looking at the purpose of the Ministry of National Security. We spend large sums of money, billions every year. The Parliament appropriates that and there is a view that the more we spend the more secured the nation will be. We spend as much as we perhaps can afford on national security. But it is said in National Security that there are two issues we need to look at, especially, domestic security: the severity of punishment that an offender will experience; and the certainty of apprehension.

Let us take murder, for example. The punishment for murder is death. That is as severe one can get. But the certainty of apprehension is rather low. I do not know what the current figures are but if we have 400 murders in Trinidad we could be sure that the agencies responsible will detect, maybe 25 per cent to 100. So that means 300 perpetrators in Trinidad and Tobago are committing the most heinous of crimes and there is a very low detection rate.

Clearly, at your level the policy making level, the advisory level, you are concerned with the low detection rate of all crime. What are you doing to improve the detection rate of the system over time?

Mr. Chairman: Well, in fairness to the public servants who are here present, the Permanent Secretary and team, as you know there is a separate allocation for the Commissioner of Police, and the Commissioner of Police really operates under, what can I say, a different account and basically can be examined on their own.

And I feel that the issue such as detection rates and how they spend their money and get results, et cetera, I think in fairness to them we can ask them general questions because they are the administrative arm of the Ministry of the National Security. But I think the specifics of things like that on the criminal front, I think it would be a little too much to ask them as permanent secretary and members of the civilian staff of the Ministry of National Security.

When I asked the question to clarify about the research and policy I wanted to find out what was the connection. And then to see if there was a chain, a link between what the civilian arm does in terms of research and what the military execution arm did in terms of execution planning, et cetera. And we got the appropriate answer for that. So I do not think we should press them further on this matter.

Dr. Mahabir: But could I follow up on that matter and that is with respect to the execution arm which would be the police, but the overall overarching strategic arm. There would have to be concerns at the level of your administrators that you do need to show certain outputs over the course of a year for the moneys which are being spent. Is that something that occupies your attention or do you leave it entirely for the responsibility of say, the police, to discharge its functions on say the detection rate in crime. Do you have any input at all there?

Ms. Joseph: What I can safely say is that, again, as Chair said, the police is responsible for treating with their issues. What we do for the police service would be basically to ensure that the issues on their operational plan for the year that we assist where we are required to in getting them the necessary training, the necessary equipment that they would need to achieve their strategic goals.

Dr. Mahabir: Just for clarification, if they indicate to you that they too are concerned with the low detection rate and they submit to you a plan to assist them, your job is to evaluate the plan, strengthen the plan to ensure that they can implement that plan. Am I correct?

Ms. Joseph: Yes.

Dr. Mahabir: Okay, thank you very much.

Mr. Chairman: Thank you, I will allow Sen. Samuel one question then I would ask the Auditor General's Department if they would make any final comments about their expectations of the Ministry of National Security for improvement and then we will bring the meeting to a close.

Mr. Samuel: I have an easy question but it is a common question and that is the issue, it pertains to pension and leave. From Ministry to Ministry, public servants who have retired are having tremendous difficulties in having their remuneration, their pensions activated in the timely manner it should be activated. And it is a sad situation when you would have been employed for a period of time and then you would have proceeded to retirement and then you have trouble in accessing and having the necessary documents done on a timely manner. And I know that you likewise are having a similar problem.

My question is, knowing that you have problems with that and you have had it over the many years, what mechanisms have you implemented to improve the situation? And I am asking that because I believe in being proactive from the standpoint that you already know, and I hope so, how many people are retiring this year, next year, next five years, next 10 years, next 15 years and it means that you should have by now been putting things in place to accommodate those situations in advance so that the record-keeping is there.

If you have not done it in the past and the Auditor General's Report would suggest that a lot has not been done in past over the last several years, but from here on you should already know how many people are retiring next year, the year after and if so, what mechanisms have you been putting in place to ensure that the records are up to date and that as soon as that person proceeds on retirement that the necessary data and documentation is in place for a speedy implementation of the persons pension. What have you done? If I were to ask how many people are retiring in five years from the Ministry?

Mr. Lewis: Thank you, Mr. Chairman, through you and to the Vice Chairman, I think it is a good question and certainly with respect to all the hard-working people at the Ministry of National Security it is something that we would really want to see in place effectively. We may not have at this point the actual figures but I will ask the Director of HR to give you some ideas to where we are with respect to pension and leave.

Ms. Ashman-John: Thank you, Mr. Vice Chairman. At the Ministry, General Administration we have a dedicated pension and leave section although it is not fully staffed. For the next five years we have a listing and we have all the pension and leave up to date.

The issues that we face, sometimes getting information from other Ministries. So that stymies our preparations so we have an ongoing collaboration with all the Ministries to get the information in a timely manner so that we can prepare the pension and leave of officers. We have a listing of persons that will be retiring within the next five years, we are working with that list so far.

Mr. Samuel: I am thankful for that answer and the reason I am thankful is because some of you that are sitting there might be retiring likewise and I do not want you to experience what the normal public servant experiences and I am hoping that you would work tremendously hard to ensure that it is dealt with effectively. So I am thanking you for the answer.

Mr. Chairman: Thank you very much. Ms. Maharaj, if you would indicate to them what your expectations would be for 2016 and what you would like very much to see corrected to enhance the accounts of the Ministry of National Security.

Ms. Maharaj: Thank you, Chair. As I mentioned before the main issues we found were the weaknesses in the revenue control and reporting and also internal audit. So we would like to ask that special attention be paid in these areas. And also, seeing that the Ministry now has an expanded mandate because the Ministry of Justice has been included, the Auditor General reported in 2015 a number of concerns with respect to the Ministry of Justice and the lack of access to records and our inability to get into the prison to do our audit. We would like to ask that the Ministry ensure that proper arrangements are made for the audit to be done, that all the documents are made available. And also, seeing that they have this expanded mandate, could they please pay attention to the accounting that goes along with it and ensure that all internal controls are in place, regulations are being followed and all of that.

Mr. Chairman: Can I get from the Permanent Secretary and his staff that you have heard what the Auditor General said through his deputy.

Mr. Yearwood: Yes, Sir, we heard and we will be taking action.

Mr. Chairman: All right then, thank you very, very, much. Before I close, I just wanted to indicate that there is just one item I would like for this Committee, from the Ministry of National Security, which is a breakdown of the 21,000 staff on the basis of the nine divisions and the 16 units and the distinction made between permanent and contract employees in the Ministry of National Security. If we can have that, what would you think is a reasonable time for us to get that information? Because we would like to take that into account in writing the reports and the recommendations that we have to take to Parliament. I will work with your time if it is reasonable.

Mr. Lewis: By the end of next week, Chairman.

Mr. Chairman: Okay. Well then that is a week, I will give you three weeks to send the information, okay, to the secretary.

Mr. Lewis: Plenty time. Thank you.

Mr. Chairman: I want to close this meeting and I want to thank you very much, Permanent Secretary, members of staff of the Ministry of National Security, for your cooperative approach and for trying to answer the questions to the best of your ability. I got the impression that there were some questions that you did not really want to venture and answer on, perhaps, because you were uncertain or you felt yourself to be on uncertain grounds and that some of the issues related to the questions were problematic. Which is to say that, you were okay answering the questions having to do with accounting and related issues, and the issues having to do with the accounts, but you were not quite as comfortable with the other issues. And that in itself raises issues about the Ministry of National Security and the manner in which it operates.

The Ministry of National Security in any country would be a complex operation precisely because there are military elements in it; precisely because there are units that operate with a certain level of confidentiality and secrecy. And also because there are civilian aspects of it and there are inevitable tensions in such a structure in an organization. I think that is something that has never really been seriously taken into account in our history since independence.

I think it is something that we need to begin to address seriously now, because we have a situation where the world is not going to get any safer, in with the technology it is going to make the situation, from the point of view of those who threaten the stability of the world, even grimmer. And we have a small country which it is our responsibility as government and people in the role of governance to protect, and the first job of any government is to protect and secure the citizenry of that country.

Therefore, the rethinking of the Ministry of National Security is an important challenge for us in this age, in the 21st Century and given the environment and context in which we are operating now, and we will take some of those things into account. We are going to ask the Police Commissioner and his team to come and speak to us so that we can speak to some of the issues related to the crime aspect of the challenge of development in our country. But what I am saying here now is that this is too serious and too important a matter to simply leave as if it can go on its merry way in the same way as it has been going in all of these years. And I think we need to do some serious rethinking about how this Ministry is structured, how it operates and how the security of the nation is assured.

But I want to thank you very, very much for coming here. I appreciated your candour and your answering of the questions. I sympathize with your situation where you were not able to answer perhaps as freely as you might have liked and I want to also thank the press for being here. I want to thank members of the public for being here and I certainly want to thank the Auditor General's office for being present. We see you as a partner in this enterprise. We want to improve the system, I know you want to as well and together hopefully we are going to get it done. Thank you very much.

12.11 p.m.: *Meeting adjourned.*