PAAC

PARLIAMENT
REPUBLIC OF TRINIDAD AND TOBAGO

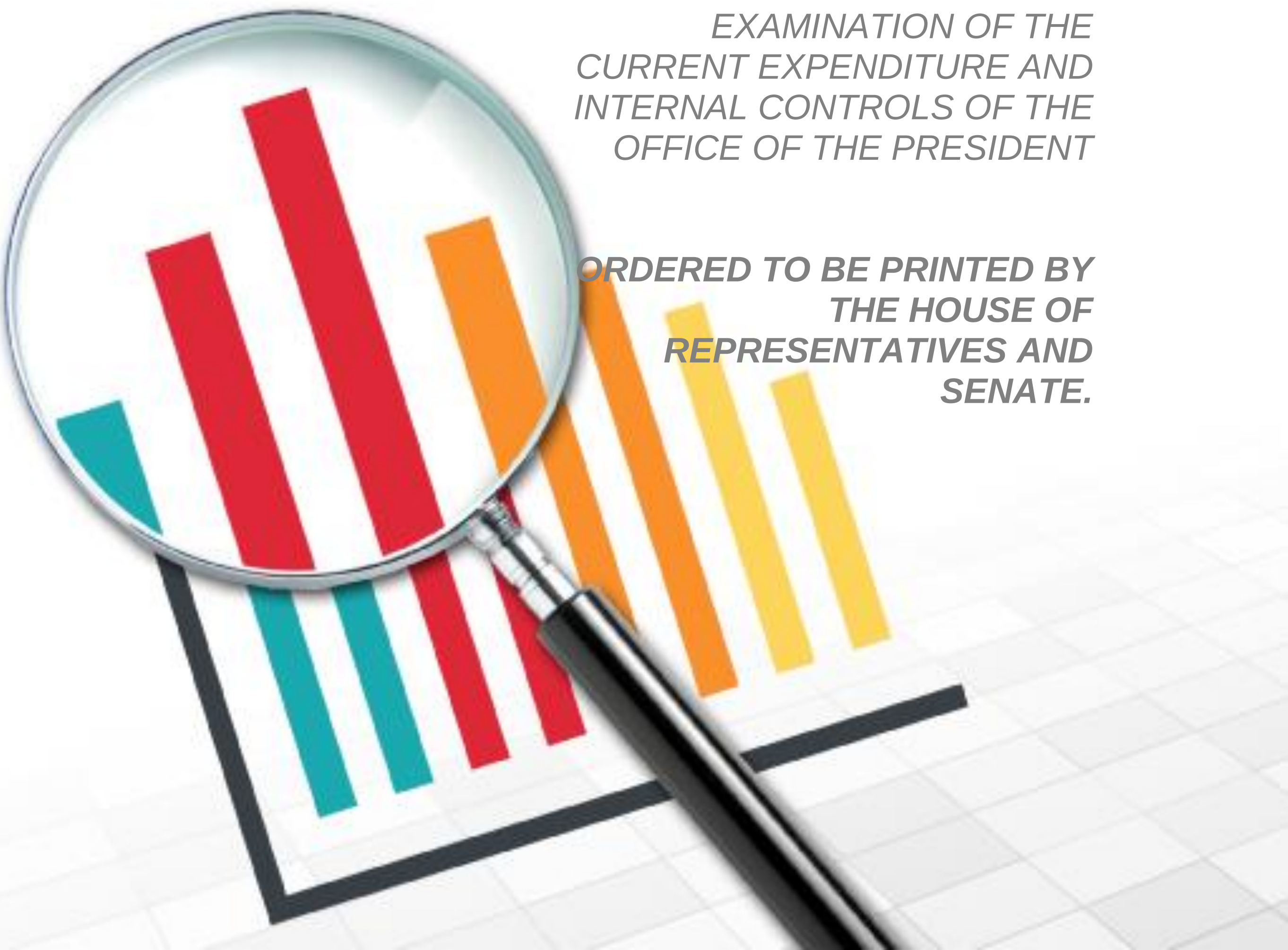
SECOND REPORT OF THE

THE COMMITTEE ON PUBLIC ADMINISTRATION AND APPROPRIATIONS

SECOND SESSION OF THE 11TH PARLIAMENT

EXAMINATION OF THE CURRENT EXPENDITURE AND INTERNAL CONTROLS OF THE OFFICE OF THE PRESIDENT

ORDERED TO BE PRINTED BY THE HOUSE OF REPRESENTATIVES AND SENATE.



Public Administration and Appropriations Committee

The Public Administration and Appropriations Committee (PAAC) is established by Standing Order 102 and 92 of the House of Representatives and the Senate respectively. The Committee is mandated to consider and report to Parliament on:

(a) *the budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;*

(b) *the budgetary expenditure of Government agencies as it occurs and keeps Parliament informed of how the budget allocation is being implemented; and*

(c) *the administration of Government agencies to determine hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.*

Current membership

Mrs. Bridgid Mary Annisette-George	Chairman
Dr. Lackram Bodoe	Vice-Chairman
Ms. Nicole Olivierre	Member
Mr. Maxie Cuffie	Member
Mrs. Ayanna Webster-Roy	Member
Mr. Clarence Rambharat	Member
Mr. Daniel Dookie	Member
Mr. Wade Mark	Member
Mrs. Allyson Baksh	Member
Dr. Dhanayshar Mahabir	Member

Committee Staff

The current staff members serving the Committee are:

Ms. Keiba Jacob	Secretary to the Committee
Ms. Sheranne Samuel	Assistant Secretary
Ms. Rachel Nunes	Parliamentary Intern
Mr. Brian Lucio	Parliamentary Intern

Publication

An electronic copy of this report can be found on the Parliament website using the following link:
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Date Laid in HOR: May 05, 2017 **Date Laid in Senate: May 02, 2017**

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Members of the Public Administration and Appropriations Committee

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EXECUTIVE SUMMARY

The Public Administration and Appropriations Committee (PAAC) is established by Standing Order (S.O.) 102 and 92 of the House of Representatives and the Senate respectively. The Committee is mandated to consider and report to Parliament on:

a) the budgetary expenditure of Government agencies to ensure that expenditure is embarked upon in accordance with parliamentary approval;

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c) the administration of Government agencies to determine hindrances to their efficiency and to make recommendations to the Government for improvement of public administration.

This Report of the PAAC for the Second Session of the Eleventh Parliament contains the details of the examination of the Office of the President with regard to the following –

- Inventory Control;
- Internal Audit;
- Accountability and Transparency;
- Sub-Head 02- Goods and Services; and
- Sub-Head 03- Minor Equipment Purchases

In undertaking this examination, the Committee decided to employ two (2) mechanisms: Written Submissions and Public Hearings. The Committee made a request for written submissions from the Department and then focused on a review and analysis of the written submissions. Subsequently, the Committee conducted a Public Hearing with the Department. The approach adopted by the Committee took into account the time constraints.

Specific issues related to the Department were identified. The Committee has proffered recommendations related to the issues identified.

The Committee submits its observations and recommendations in chapter 2.

1. INTRODUCTION

THE COMMITTEE

The PAAC of the Eleventh Republican Parliament was established by the revised Standing Orders to:

- examine current public expenditure, thereby capturing the full budget cycle by providing Parliamentary oversight of the implementation of the budget; and
- conduct a real time examination of the expenditure by Ministries and Departments.

In the 11th Parliament the Members of the Committee were appointed by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively. However, by a Resolution of the Senate passed on December 19, 2016, Dr. Dhanayshar Mahabir was appointed in lieu of Ms. Melissa Ramkissoon.

By virtue of S.O. 109(6) and 99(6) of the House of Representatives and the Senate respectively, the Chairman of the Committee is the Speaker. At its First Meeting held on January 27 2016, Dr. Lackram Bodoe was elected as the Vice-Chairman. Additionally, in order to exercise the powers granted to it by the House, the Committee was required by the Standing Orders to have a quorum. A quorum of three (3) Members, inclusive of the Chairman or Vice-Chairman, with representatives from both Houses, was agreed to by the Committee at its First Meeting.

The Committee in the discharge of its Parliamentary Financial Oversight function of monitoring the implementation of the budget focused on the expenditure and internal control measures of the Office of the President as it relates for the following:

- Inventory Control;
- Internal Audit;
- Accountability and Transparency;
- Sub-Head 02: Goods and Services; and
- Sub-Head 03: Minor Equipment Purchases.

The objective of the Committee's inquiry was to determine whether there was accountability, transparency and value for money in the use of public funds.

METHODOLOGY

Determination of the Committee's Work Programme

Based on discussions, the Committee identified two (2) possible approaches to conduct its examination:

- specific entity by entity examinations; and
- macro issues affecting Ministries and Departments.

Review of Documents

The Committee deliberated on the budget documents, namely:

i. The Draft Estimates of Expenditure for the fiscal year 2017

The Committee noted the Department's total allocations for Personnel Expenditure, Goods and Services and Minor Equipment Purchases for 2017 were as follows:

Sub-Head	Total – 2017
01- Personnel Expenditure	$2,003,600.00
02- Goods and Services	$13,496,000.00
03- Minor Equipment Purchases	$2,000,000.00
Total	**$17,499,600**

- Personnel Expenditure refers to salaries and living allowances paid to the staff at the Office of the President.
- Goods and Services refer to the payment for contract/part-time staff, training of staff, official entertainment including the hosting of conferences and seminars, utilities and any overseas travel allowances.
- Minor equipment purchases include those such as vehicles, furniture and furnishings, and office equipment.

Consequently, the Committee agreed to conduct an examination for compliance with systems and processes established to monitor expenditure of the Office of the President.

The Committee determined the examination would begin by a call for written responses to the Department to questions posed by the Committee. Questions[1] were sent on December 5, 2016 and written responses were requested to be submitted by December 20, 2017. The Office of the President was then invited to a public hearing scheduled on January 11, 2017 which was rescheduled for January 12, 2017. [2]

Implementation of the Work Programme

The Committee deliberated on the responses submitted by the Department and agreed on its selection for examination in public based on the content of the responses received. The Department was also selected for examination because it fell outside of the scope of the Committee's inquiry during the First Session.[3]

The Inquiry Process

The Inquiry Process outlines steps taken by the Committee when conducting an inquiry into a Department or issue. The following steps outline the Inquiry process followed by the PAAC, for the examination of the Department:

I. Identification of entities to be examined;

Head	Ministries/Departments
01	President

II. The Inquiry Proposal which outlined:
   a. Objectives of the Inquiry;
   b. Background; and
   c. Questions.

III. Questions for written responses were sent by the Committee to the Department on December 5, 2017.

IV. Production of an Issues Paper by the Committee based on written responses received from the Department. The Issues Paper identified and summarised any matters of concern raised in the responses;

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[1] Questions sent to the Ministries and Departments are included in **Appendix I**.
[2] The meeting was rescheduled due to a Sitting of the House of Representatives.
[3] In the First Session the Committee conducted an examination into the Current Expenditure of Ministries and Departments under three (3) Sub-Heads: Current Transfers and Subsidies, Development Programme – Consolidated Fund and Infrastructure Development Fund. The Office of the President did not receive an allocation under any of the three Sub-Heads.

V. Determination of the need for a Public Hearing[4] based on the analysis of written submissions. The Department was selected for a public hearing. The relevant witnesses were invited to attend and provide evidence.

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

VII. Presentation of Response by the Minister with responsibility to any recommendations or comments addressed to the particular Ministry or Department.

[4] Public Hearings are information gathering mechanisms and forms part of Parliament's oversight role. Hearings are conducted to examine the operations of Ministries and Departments. At such hearings, the Committee questions witnesses (persons concerned with the agency or issue under scrutiny) in order to obtain information to make valid findings and recommendations, which address issues and challenges.

2. ISSUES, OBSERVATIONS AND RECOMMENDATIONS

ISSUES

1. **Inventory Control**

The Office of the President (OTP) ensures that procedures are carried out by conducting checks of the Inventory Register. There are two Inventory Registers one lodged at the OTP under the authority of a Public Servant (Clerk III) and another at the President's Cottage under the delegated authority of the Defence Force personnel (The Comptroller of Household or the person who holds that authority). However, based on the Committee's examination, the Inventory Control Department appeared to be understaffed and/or insufficiently trained for the task. As a result, not all of the State's material and equipment were properly tagged. In its response the Department indicated that perishables and "petty low cost items" were not entered into the Inventory Registers. The Committee also discovered that in addition to inadequate staff for tagging inventory, the OTP was also faced with the challenge of a frequent malfunctioning of the tagging machine.

Subsequent to the Public Hearing the OTP submitted additional information to the Committee. In the subsequent response the Department stated they were in the process of implementing a card system for recording perishable goods received under the authority of the Comptroller of the Household. The Department also indicated that this system would ensure accountability for all perishable food items purchased. The labelling machine utilised for tagging has since been repaired and was being used.

Recommendations:

- *The Accounting Officer should utilise the Public Service Academy to provide training for the relevant staff in Inventory Management.*
- *Training should be specifically targeted to relevant staff to improve the tagging process in Inventory Control.*
- *The Permanent Secretary of the Ministry of Public Administration and Communications must ensure that the OTP is prioritised to receive training in Inventory Management.*

- *The Department must liaise with the Public Management Consultancy Division and the Service Commissions Department so that adequate staff can be provided to ensure effective Inventory Control.*
- *The Public Management Consultancy Division and Service Commissions Department must ensure that given the severe weaknesses in Inventory Control the resolution of staffing issues must be made by July 2017.*
- *The Committee endorses the planned implementation of a card system being undertaken, under the charge of the Comptroller of Household with the belief that this would improve the efficiency of Inventory Control. This should be completed by July 31, 2017.*

2. Internal Audit

The Internal Audit function at the OTP is conducted by an Auditing Assistant. Currently, the Auditing Assistant is functioning as the Internal Auditor for both the OTP and Integrity Commission. Issues identified within the Internal Audit are inadequate staff, heavy volume of work load for one person and the inability of the Service Commissions Department to provide replacement staff in a timely manner.

Recommendations:

- *The OTP must ensure that the Internal Audit Unit at the Department is adequately staffed both in persons and with the necessary skill sets to properly conduct audits.*
- *The Public Service Commission must ensure each department is adequately staffed with persons to perform Internal Audit Functions.*
- *The Accounting Officer should request a meeting with the Director of Public Administration to clearly explain the needs of the Department.*

3. Accountability and Transparency

In the written response provided, the Department expressed that the Accounting Officer ensures there was compliance with the Call Circular which would help guide and work hand in hand with the Draft Estimates. The Accounting Officer also ensured compliance with the Financial Regulations and the Exchequer and Audit Act, confirming that all purchases were kept within the budgetary allocations while guaranteeing that goods and services were of good quality and competitive price. The Committee also noted that there were no systems in place at the Department to measure value for money, efficiency and efficacy in expenditure. There were no measures to prevent or framework to avoid conflict of interest. In light of the current economic situation, the OTP has adopted guidelines to purchase less and reduce suppliers for functions among other measures.

Subsequent to the Public Hearing the OTP in an additional response informed the Committee that the Office reduced costs by

a. decreasing the number of functions and invitees;
b. engaging less external catering;
c. engaging in agricultural production *viz* kitchen gardens on the President's Grounds; and
d. the use of appropriate and available internal staff.

The Department also stated that the purchase of equipment as opposed to renting was considered. The rental option was rejected. Nonetheless the OTP was pursuing the viable option of repairing old existing equipment where possible in preference to purchasing.

Recommendations:

- *The OTP must ensure compliance with the Procurement Act from April 1st 2017, when choosing suppliers of goods and services. This will ensure value for money, efficiency and efficacy in expenditure and eliminate the occurrence of conflicts of interest.*
- *The OTP should develop a policy or a framework to identify and resolve instances of conflicts of interest arising within the Department.*
- *In light of the current economic situation, the Committee endorses the measures being undertaken by the OTP to reduce cost and consequently save money.*

4. Strategic Plan

At the time of the Inquiry the OTP did not have a strategic plan. Subsequent to the examination of additional responses received, the OTP explained that efforts were being made to have this issue addressed, but no deadline was provided to achieve this.

Recommendation:

- *The OTP must draft a Strategic Plan by June 30, 2017.*

5. Staffing

During the examination of the OTP, the Committee learned that staff employed were not properly trained and lacked the necessary skills set for the position they held. It was also indicated that staff were performing duties in which they were not fittingly trained to do. There were twenty-four (24) contract positions requested for the 2017 financial year, however, only six (6) positions were filled at the time of the examination. This was due to the 32% decrease in allocations for Contract Employment. There was the consideration to reducing salaries and further reducing staff. In addition, at the time of the examination it was indicated that there was no filling of contract positions at this time.

Stated in additional responses, the OTP claimed that there was immediate need for eighteen (18) contract positions and eight (8) public servants. However no funds were allocated for these positions.

Recommendations:

- *The OTP should request the necessary training from the Public Service Academy.*
- *The OTP must ensure that future employees have the necessary requirements and skillset prior to hiring.*
- *The Public Service Commission must prioritise the provision of staff for the Accounting Units to which sub-accounting units are attached or where there is a shared arrangement for Internal Audit Staff.*
- *A more diligent attempt should be made to approach the Service Commission Department to address the issue of inadequate staffing at the Department.*

6. Accommodation

The Committee learnt that employees were being facilitated in two containers which were converted into office space, due to budgetary constraints. The OTP at the time indicated that it was unable to afford the rental office space elsewhere.

Subsequent to the public hearing the OTP in further written responses explained that the present personnel (public officers and contract) operate in an OSHA challenging environment. There was simply no space for workers (public servants, contract workers and Military Officers). In search of a resolution, the OTP purchased three aluminum containers for security staff including Special Branch Officers, Contract staff, Defence

Force officers and goods. The OTP indicated that it had no intention of engaging in the use of additional containers.

Recommendations:

- *The OTP must ensure that facilities housing employees are in compliance with the Occupational Safety and Health Act of Trinidad and Tobago.*
- *Collaboration with the Ministry of Works and Transport, UDeCOTT and the Ministry of Finance is required to develop a plan to create adequate and appropriate accommodation and improve the current working conditions of the existing workers and any additional workers required.*

7. Official Overseas Travel and Overseas Travel Facilities – Direct Charges

Individuals are sent on overseas travel as the need arises in compliance with the Salaries Review Commission, and Ministry of Finance and the Economy Circular 2 of 2014. Funds were granted for the President and his security detail. The various planned trips were for state visit as determined by the President. His Excellency decides which overseas events to attend. An estimate of $900,000.00 was allocated for Official Overseas Travel, however, based on the response received from the Department, the Committee noted that approximately $7.9 million was projected for the cost of Overseas Travel for fiscal year 2017. This represented nearly eight times the allocated funding where the cost of only two European trips exceeded this $900,000 quote by approximately $1 million, raising concerns to Committee Members.

Subsequent to the public hearing the Committee received additional responses with clear adjustments having been made to the funds allocated to various trips scheduled for 2017. The Office clarified the difference between both sub-items stating Official Overseas Travel were expenses in connection with Cabinet approved Official Overseas Travel while Overseas Travel Facilities – Direct Charges were expenses in connection with travel while the President is on vacation leave. However, upon examination of these additional responses, the Committee noted that the OTP failed to provide revised and reduced cost for the scheduled trip to Canada as stated in its previous response. The Office reduced the number of persons assigned to travel, the class of tickets, allowances e.g. per diem, clothing and entertainment also the number of visits to be taken.

Recommendations:

- *Trips should be prioritised and budgeted within the allocation of $900,000.00 for Official Overseas Travel.*
- *The OTP must the Committee endorses the reduction in cost for the use of the VIP lounge in London from $44,400.00 to a lower cost of $12,507.00, a 71% decrease.*

8. **Sub-item 66: Hosting of Conferences, Seminars and Other Functions**

The benefits of the Hosting of Conferences, Seminars and Other Functions are assessed by the feedback received from existing meetings. Post event assessments are conducted and findings are considered and applied to improve future events. Information received is discussed and used to improve standards and effectiveness in meetings held with various members of staff who are included in the planning and implementation process. For the year 2017, approximately $500,000.00 was allocated for Hosting Conferences, Seminars and Other Functions and a total expenditure of $5,300,000.00 was proposed by the Department for this sub-item.

Recommendations:

- *The OTP must review purchases and how the funds allocated are spent.*
- *The OPT must prioritise the number of workshops and seminars planned for the period and delay the low-priority events until more funding is available.*

9. Sub-item 04: Other Minor Equipment

The OTP stated it oversaw the accounts for the use of these funds by maintaining proper accounting records in compliance with Financial Regulations. The upkeep and maintenance of equipment is conducted by the Ministry of Works and Transport. Equipment is differentiated as minor as per referencing to classification of expenditure stated in the Drafts Estimates 2016. Although there is an estimated allocation of $1,800,000.00 for this sub-item with the inclusion of Motor Vehicles, the OTP planned to spend approximately $5,200,000.00 which was almost three times the allocated funds.

In the subsequent response presented to the Committee, the OTP decreased its intended expenditure for this sub-item by decreasing the number of items to be purchased.

Recommendations:

- *The OTP must review purchasing in line with the allocation received.*
- *The OTP must ensure that value for money is being obtained from purchases by performing a market analysis on the item to ensure market price and quality is being obtained.*
- *The Committee endorses the decrease of items to be purchased in this fiscal year by the OTP.*

3. CONCLUSION

During the Second Session of the Eleventh Parliament, the PAAC conducted an examination into the current public expenditure and internal control policies of the OTP under the following area: Inventory Control, Internal Audit, Accountability and Transparency, Goods and Services and Minor Equipment Purchases. During the course of the examination which comprised, written submissions and public hearings, the Committee discovered a number of issues related to Inventory Control, Internal Audit, Accountability and Transparency, Contract Employment, Official Overseas Travel and Hosting of Conferences, Seminars and Other Functions at the Department. The prevalence of these issues, hinders the efficiency of Department and these are matters the Committee hopes to examine/investigate further.

Overall, the Committee was not satisfied with the Internal Control mechanisms at the OTP. The Committee is of the view that as a small Department it is important for critical stakeholder agencies in the Public Service to pay closer attention to the operations and functions of the Department. The Permanent Secretary in the Ministry of Finance and the Comptroller of Accounts have a responsibility to closely monitor small Departments and provide support and advice to the Accounting Officer where necessary.

The Committee is hopeful the adoption of its proposed recommendations would lead to greater accountability, transparency and value for money in the use of public funds.

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

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Chairman

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APPENDIX I

Questions submitted to Office of the President

Inventory Control

Questions:

1. What procedure regarding inventory control is currently being followed by the Department?
2. How does the Department ensure that proper procedure is always followed?
3. What measures are currently employed by the Department to ensure that value for money is always achieved during the process?
4. Who is responsible for the updating of the inventory register?
5. Are the persons in this department sufficiently skilled to undertake this task?
6. How often is the register checked for accuracy to ensure information listed is up to date?
7. Are the recommendations of the Auditor General's Department taken into consideration?
8. Have errors in the register been detected by the Accounting Officer in the past? If yes, provide details on the errors detected and how they were treated with.
9. Is the register updated in time for submission to the Auditor General's Department?
10. What efforts are being made by the Department to ensure that the information presented in the inventory register is always accurate?
11. Does the Department have sufficient personnel to deal with the maintenance of the inventory registry?
12. Are all items in the Department currently tagged?
13. What is used to tag these items?
14. How often are checks made to ensure that all items are properly tagged?
15. How long does this process take?
16. What problems are encountered by the administration department when tagging equipment?
17. Has the tagging of items helped the Department with the maintenance of the inventory register?
18. How does the Department ensure the security of all assets? How effective is the system used?
19. How are the State's materials and equipment stored?

20. Are sensitive materials securely stored? Provide details.
21. On average, how much is spent per year by the Department to replace equipment?
22. For the period 2011-2015, how often did the Auditor General's Department identify instances of omission at your Department?
23. What items have been omitted from the registry? What was the nature of these omissions? Why were the items omitted from the registry?
24. What steps have been taken to ensure that these mistakes do not recur?
25. In light of the proposed proclamation of the procurement legislation, what measures, if any, have been taken by your Department in preparation?
26. How often does the Department perform checks for obsolete equipment?
27. In light of the proposed proclamation of the procurement legislation, what measures, if any, have been taken by your Department in preparation?
28. What guidelines are currently being used by the Department to guide the process for the acquisition of motor vehicles? What is the source of the authority?
29. Have these guidelines proven to be efficient and transparent thus far? Provide details/ examples.
30. What problems have been experienced with the employment of these guidelines? Provide details.

Internal Audit

Questions

1. How many persons are involved in the audit function? Identify the positions.
2. What is the number of audit positions on the Establishment? Provide details.
3. Is the unit fully staffed? If not, what measures are being put in place to address this?
4. Does the Department have a framework for executing internal audits?
5. What are some of the issues which are identified?
6. What is the role of the Accounting Officer in the internal audit function?
7. How often do internal auditors perform routine checks of the Department's activities?
8. Is there are a need to improve the Department's internal control system? If yes, what measures will be implemented to improve the Department's internal control system?
9. What impediments have Internal Auditors experienced?

10. What is the Department's policy on providing Internal Auditors with all supporting documents and records of transactions for audit?
11. Has a charter of Internal Audit work been prepared for fiscal year 2017? If yes, has it been reviewed by the Accounting Officer? If yes, please provide evidence of this.
12. What systems have been implemented to address issues identified by the Internal Auditor?
13. In what ways has the Department's Internal Audit Unit contributed to improvements in the performance of the Department?

Accountability and Transparency

Questions

1. In relation to allocations, how does the Accounting Officer ensure there is an appropriate framework in place to provide him with the required accountability to Parliament?
2. What is the process used by the Accounting Officer to measure outcomes, evaluate performance and demonstrate value for money?
3. How does the Accounting Officer test whether projects and programmes are feasible and provide value for money at the start and throughout their life?
4. How does the Accounting Officer determine whether the framework for accountability, transparency and value for money is working?
5. Are there systems in place to measure whether the framework is reliable and efficient?
6. What is the process for dealing with failure or underperformance in programmes and projects?
7. How does the Accounting Officer provide meaningful oversight of State Enterprises, Statutory Bodies and Other Agencies receiving funding from the Department?
8. How does the Accounting Officer ensure accountability and value for money, transparency in satellite centres and Divisions of the Department?
9. Is there a framework governing conflict of interest? Describe the framework.
10. What measures are used to address conflicts of interest once identified?
11. What strategies are being employed to ensure there is efficiency and efficacy in expenditure of the allocation to the Department?

12. Given the current economic climate, has any consideration been given to the employment of measures to eliminate waste and unnecessary expenditure and to increase revenue collection?

Sub-Head 02 – Goods and Services - $13,496,400

001 General Administration

Sub-item: 09 Rent/Lease – Vehicles and Equipment[5]

Caters for the rental or lease of all equipment and vehicles, includes lease-to-own arrangements.

2016 Revised	2017	Variation
$768,000	$359,800	($408,200)

Questions:

1. What are the expenditure plans for the fiscal year 2017?
2. What process is used to determine the vehicular requirements for the Office of the President?
3. How has this decrease in allocation impacted plans for fiscal year 2017?
4. What is the procurement policy for renting/leasing vehicles and equipment? Provide details.
5. Provide a list of all the Vehicles and Equipment rented/leased for fiscal year 2016.
6. What factors were considered when determining whether to rent/lease?
7. What factors are considered when selecting suppliers under this sub-item?
8. What systems are in place to ensure that Rent/Lease agreement payments are made in a timely manner?
9. What oversight mechanisms are in place to ensure that there is value for money, accountability and transparency in expenditure from this sub-item?

[5] Draft Estimates of Recurrent Expenditure 2017; pg. 23; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

Sub-Item: 16 Contract Employment[6]

This sub-item provides payment of salaries for monthly-paid officers employed on contract for a minimum of one (1) year.

2016 Revised	**2017**	**Variation**
$2,052,000	$1,400,000	($652,000)

Questions:

1. The allocation for Contract Employment decreased by 32% in fiscal year 2017, what changes are anticipated in fiscal year 2017 for contract employees?
2. How many contract positions exist? Provide a list of existing contract employment positions.
3. How many contract vacancies exist?
4. How many are expected to be filled during this fiscal year?
5. Describe the recruitment and selection process, including the criteria used to hire persons on Contract.
6. Is there a performance management system in place? If yes, how often is this done?
7. When was the last performance assessment conducted?

Sub-Item: 19- Official Entertainment[7]

Provision for official entertainment for holders of certain Public Offices within the purview of the Salaries Review Commission.

2016 Revised	**2017**	**Variation**
$2,200,000	$1,000,000	($1,200,000)

Questions:

1. What is the impact of the 54% decrease in the 2017 allocation?

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[6] Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

[7] Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

2. Which officers, by positions, are entitled/authorised to utilise Official Entertainment funds? What is the authority?
3. Are there any plans for Official Entertainment in fiscal year 2017? Provide details.
4. What control mechanisms are in place to monitor expenditure under this sub-item?
5. What is the role of the Internal Auditor in monitoring the expenditure for this sub-item?

Sub-item: 21 Repairs and Maintenance – Buildings[8]

This sub-item refers to repairs and maintenance to Government Buildings, inclusive of air conditioning, elevators, generators, furniture, furnishings and pest control and it's also includes service contracts and consultancy services.

2016 Revised	**2017**	**Variation**
$1,722,800	$300,000	($1,422,800)

Questions:

1. In light of the allocation received, how would this decrease impact Repairs and Maintenance-Buildings?
2. How will this allocation be utilised?
3. What systems are in place to review, prioritise and monitor the repair and maintenance of buildings?
4. Are Maintenance and Repair works carried out by staff? If no, what evaluation process is used for the selection and approval of contractors?
5. What buildings are being repaired and maintained under this sub-item?
6. What controls are in place to monitor the expenditure for this sub-item? Please provide detailed list.
7. What is the role of the Internal Auditor in the procurement function for goods and services under this sub-item?

[8] Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

Sub-Item 26 Expenses of President's Establishment [9]

Provision for expenses and associated costs of the President's household excluding Minor Equipment Purchases.

2016 Revised	**2017**	**Variation**
$6,500,000	$5,500,000	($1,000,000)

Questions:

1. The allocation for Expenses of President's Establishment decreased by 15% in fiscal year 2017, what changes are anticipated in fiscal year 2017?
2. Which officers are entitled to utilise funds from Expenses of President's Establishment?
3. What approval process is used for this expenditure? Provide an example.
4. What are the expenditure plans for Expenses of President's Establishment in fiscal year 2017? Please provide a detailed breakdown.
5. What oversight mechanisms exist for expenditure from this sub-item?
6. What does this sub-item entail? What is the Authority governing expenditure from this sub-item?
7. Is there a standard list of expenses for the President's Establishment?
8. What system is used for inventory control?
9. What are the criteria to determine which items are included or excluded from inventory control?
10. What authority is used to classify expenditure under this sub-item?
11. What is the role of the Internal Auditor in monitoring the expenditure for this sub-item?
12.

Sub-Item: 27 - Official Overseas Travel [10]

This refers to expenses incurred in connection with approved official overseas travel.

2016 Revised	**2017**	**Variation**
$1,000,000	$900,000	($100,000)

[9] *Ibid*

[10] Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

Questions:

1. How will this allocation be utilised? Provide a detailed breakdown
2. What, if any, will be the impact of this decrease in the allocation?
3. How often are individuals sent on overseas travel? Please provide a detailed list of the proposed Travel Schedule for fiscal year 2017?
4. What is the approval process for persons requiring overseas travel?
5. Provide a list of persons and their positions for whom funds have been granted for overseas travel in 2016?
6. What is the purpose of the various planned overseas trips and how do these trips add value to the Department?
7. How are persons selected for overseas travel?
8. How are these events going to be selected? (in terms of attendance)
9. Are there policies regarding this sub-item? If yes, please provide details.
10. What is the plan to monitor this sub-item to ensure transparency, accountability and value for money?
11. What is the role of the Internal Audit in monitoring the expenditure from this sub-item?

Sub-Item: 66-Hosting of Conferences, Seminars and Other Functions[11]

This sub-item caters for the hosting of conferences and seminars, presentation of credentials by foreign ambassadors, visits by foreign heads of state and other dignitaries and programmes for project Excellent Service Customer Care and Dependability (EXCSD).

2016 Revised	2017	Variation
$1,780,000	$500,000	($1,280,000)

Questions:

1. Provide a detailed breakdown including objectives and costs of the Conferences, Seminars and Functions proposed for fiscal year 2017? Identify the new events.
2. What is the approval process for expenditure for these events?

[11]Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

3. What measures have been put in place to assess the benefits of Hosting of Conferences, Seminars and Other Functions?
4. Is a post event assessment conducted and are findings considered and applied to improving future events?
5. Will this information be discussed and used to improve standards and effectiveness in a timely manner? If yes, provide evidence of this.

Sub-Item: 98 - Official Overseas Travel Facilities – Direct Charges[12]

Cost of Overseas Travel Facilities due to Monthly-Paid Officers whose remuneration is within the purview of the Salaries Review Commission and whose salaries and allowances are Direct Charges on the Consolidated Fund.

2016 Revised	**2017**	**Variation**
$1,700,000	$1,000,000	($700,000)

Questions:

1. What are the rules or guidelines that govern expenditure from this sub-item?
2. What monitoring controls are in place to ensure there is value for money with expenditure from this sub-item?
3. How does the Accounting Officer monitor expenditure from this sub-item to ensure transparency, accountability and value for money?
4. What is the role of the Internal Auditor in monitoring the expenditure for this sub-item?

03 Minor Equipment Purchases- $2,000,000

Sub-item 04 Other Minor Equipment[13]

Purchase of equipment such as , Wireless Equipment, Cell phones, Vacuum Cleaners, Offset Printing Presses, Refrigerators, Stoves, Lawn Mowers, Air Conditioning Units, Fans, Microwave Ovens, Electric Kettles, PBX Systems, Generators, Hospital Equipment Dogs and horses etc.

[12] Draft Estimates of Recurrent Expenditure 2017; pg. 24; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

[13] Draft Estimates of Recurrent Expenditure 2017; pg. 25; http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Recurrent-2017.pdf

2016 Revised	2017	Variation
$585,000	$1,800,000	$1,215,000

Questions:

1. What equipment is anticipated to be purchased for fiscal year 2017?
2. Is an Asset Register kept for equipment purchased and where does the responsibility lie for updating and maintaining the register?
3. How does the Department plan to oversee and account for the use of these funds under this sub-item?
4. Is there a maintenance schedule for the upkeep of these equipment during and after the warranty periods?
5. What guidelines exist to differentiate what equipment may be classified as Minor?
6. Are Internal Audit reports produced to ensure there is evidence of transparency and accountability?
7. What measures are in place to guarantee value for money, accountability and transparency under these sub-items?

APPENDIX II

The Inquiry Process

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 PAAC:

i. Identification of entities to be examined;

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

iii. Background;

iv. Objective of Inquiry; and

v. Proposed Questions.

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

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

viii. 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;

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

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

xi. 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:

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

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

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

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

APPENDIX III

Minutes of Meetings

THE PUBLIC ADMINSTRATION AND APPROPRIATIONS COMMITTEE – SECOND SESSION, ELEVENTH PARLIAMENT

MINUTES OF THE SIXTEENTH MEETING HELD ON THURSDAY JANUARY 12, 2017 AT 1:43 P.M.
IN THE ARNOLD THOMASOS EAST ROOM, LEVEL 6, AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, TOWER D, OFFICE OF THE PARLIAMENT, INTERNATIONAL WATERFRONT CENTRE,
1A WRIGHTSON ROAD, PORT OF SPAIN.

Present were:

Mrs. Bridgid Mary Annisette-George	-	Chairman
Dr. Lackram Bodoe	-	Vice-Chairman
Ms. Nicole Olivierre	-	Member
Mr. Maxie Cuffie	-	Member
Mr. Clarence Rambharat	-	Member
Mr. Daniel Dookie	-	Member
Mr. Wade Mark	-	Member
Ms. Allyson Baksh	-	Member
Dr. Dhanayshar Mahabir	-	Member

Ms. Keiba Jacob	-	Secretary
Ms. Sheranne Samuel	-	Assistant Secretary
Ms. Rachel Nunes	-	Parliamentary Intern

Absent were:

Mrs. Ayanna Webster-Roy	-	Member (Excused)

<u>COMMENCEMENT</u>

1.1 At 1:43 p.m. the Chairman called the meeting to order and expressed New Year greetings.

1.2 The Chairman welcomed Dr. Dhanayshar Mahabir to the Committee.

1.3 The Chairman indicated that Mrs. Ayanna Webster-Roy asked to be excused from the meeting.

EXAMINATION OF MINUTES OF THE FIFTEENTH MEETING

2.1 The Committee examined the Minutes of the Fifteenth (15^{th}) meeting held on Wednesday December 14, 2016.

2.2 There being no omissions or corrections, the Minutes were confirmed on a motion moved by Ms. Allyson Baksh and seconded by Dr. Lackram Bodoe.

MATTERS ARISING FROM THE MINUTES OF THE FIFTEENTH MEETING

3.1 The Chairman informed the Committee that responses to questions on Inventory Control were received from thirty-two (32) Ministries and Departments. Submissions remain outstanding from the following Ministries and Departments, extensions were requested:

- Ministry of Health;
- Ministry of Works and Transport;
- Ministry of Public Utilities;
- Trinidad and Tobago Police Service; and
- Ministry of Planning and Development.

3.2 The Chairman also informed the Committee that letters regarding Internal Audit was dispatched to all Ministries and Departments with a deadline of January 13, 2017 for the submission of written responses. Written responses were already received from the following:

- Equal Opportunity Tribunal;
- Integrity Commission;
- Public Service Appeal Board; and
- Office of the President.

CONSIDERATION OF INQUIRY PROPOSALS

4.1 The Committee finalised the draft Inquiry Proposals on Ministry of Housing and Urban Development and the Tobago House of Assembly. The Secretariat was directed to dispatch the relevant letters.

4.2 The Chairman sought Members' feedback on the next Inquiry Proposals to the prepared. The Judiciary, Ministry of Sport and Youth Affairs and the Ministry of Public Administration and Communications were suggested and the Committee agreed. The Secretariat was instructed to prepare the relevant Inquiry Proposals.

4.3 The Committee discussed the work programme and schedule. Judiciary would be added to the schedule: May 24, 2017. The Committee agreed that information should be requested from Ministries and Departments proximate to the time of the examination of the particular Ministry or Department.

PRE-HEARING DISCUSSION – EXAMINATION OF THE OFFICE OF THE PRESIDENT

5.1 The Chairman invited Members to review the Issues Paper on the Office of the President based on the written submissions received. Question 5 on page 18 was deleted.

5.2 The Chairman outlined the remit of the inquiry with the Office of the President and invited discussion on the approach to be adopted during the examination. Members agreed to follow the order as detailed in the Issues Paper and that different Members would take the lead on the various topics.

RESPONSE – FIRST REPORT OF THE COMMITTEE

6.1 The Chairman advised that a Response to the First Report of the Committee was received from the Service Commissions Department on Tuesday January 10, 2017 and it was circulated to Members.

6.2 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 2:28 p.m., to be reconvened in public.

EXAMINATION OF THE OFFICE OF THE PRESIDENT

7.1 The Chairman called the public meeting to order at 2:36 p.m., in the J. Hamilton Maurice Room, Mezzanine Floor.

7.2 The following officials joined the meeting:

Office of the President

Mr. Gregory Serrette	-	Secretary to His Excellency
Ms. Chandra Mahadeo	-	Assistant Secretary to His Excellency (Ag.)
Ms. Priscilla Trotman	-	Accountant 1 (Ag.)
Mr. Steve Williams	-	Fleet Chief Petty Officer
Mr. Brian Lee	-	Executive Advisor
Mr. Theron Boodan	-	Communication Adviser
Ms. Shoshanna Lall	-	Senior Legal Officer

7.3 The Chairman welcomed officials of the Office of the President, members of the media and the public and extended New Year greetings on behalf of the Committee and herself.

7.4 The Chairman outlined the mandate and remit of the Committee and the purpose of the hearing. Introductions were then exchanged.

7.5 The following issues arose from the examination with officials of the Office of the President:

- Role of the Accounting Officer;
- Instruction and direction given to the Accounting Officer upon assumption of duties;
- Relationship between the Accounting Officer and the Head of the Public Service;
- How errors are treated, assessed and recorded in the Inventory Register;
- Timeline for checking and updating the Inventory Register;
- Items entered and omitted from the Inventory Register;
- The use of the Presidential Crest on Inventory items, both perishable and non-perishable;
- Systems and procedures in place for tagging Inventory;
- Tagging of perishable and non-perishable items;
- Ways in which value for money is determined;
- Limit of the Accounting Officer and purchases made in excess of the limit;
- Role of the Accounting Officer in the procurement process of the Department;
- Tendering Process used by the Department;
- Recruitment and selection of suppliers by the Department;
- Plans for employing or retaining staff to deal with procurement issues at the Office of the President;
- Clarification on Stores Regulation 55;
- Ways in which the Department treats with Conflicts of Interest;
- Systems in place for accountability and transparency;
- Findings of Internal Audit Reports;
- Date the last Internal Audit was conducted;
- Relationship between the Department and the Public Management Consulting Division;
- Staffing issues and challenges at the Department;
- Selection process of employees hired by the Department;
- Performance assessments and appraisals of employees;
- Performance assessment of the Accounting Officer;
- Management of the decreased allocation for Official Entertainment for fiscal year 2017;
- Assistance provided by the Ministry of Works and Transport;
- Overseeing of repairs conducted at the President's Compound;

- Minor Repairs and Maintenance proposed to be conducted at the President's Compound for fiscal year 2017;
- Substantial costs for the Repairs and Maintenance of Equipment at the President's House, Office and Cottage;
- Officers permitted to utilise funds provided under sub-item 26: Expenses of President's Establishment;
- Issue raised by the Salaries Review Commission regarding non-approved payments made by the Department;
- Status of a training plan and provisions being made for training staff;
- Significant costs of Official Overseas Travel;
- Discrepancies with information provided in the written submission on Official Overseas Travel and Official Overseas Travel Facilities – Direct charges;
- The strategic plan of the Department.

7.6 Further to the discussions during the hearing, the Office of the President gave an undertaking to provide the Committee with the following in writing:

i. Clearly identify the items which are entered in the Inventory Register and those which are not entered. Kindly provide the rationale for the items which are not entered into the Inventory Register.
ii. Which officer is accountable for errors detected in the Inventory Register? Are there penalties?
iii. Are items not entered into the Inventory Register reviewed through the Internal Audit process?
iv. Are perishable items reviewed through the Internal Audit process?
v. Provide a copy of Stores Regulations 55.
vi. Provide the Department's training plan for 2017, including training as it pertains to the procurement legislation.
vii. Explain the difference between these two sub-items.
viii. What expenses are expected to be incurred under sub-items 27 and 98 for fiscal year 2017?
ix. What is the authority is used to govern expenditure under these two sub-items?
x. What expenses are paid for by the state in relation to vacation and what is the authority for these payments?
xi. Provide a revised plan for sub-items 27 and 98 based on the 2017 Parliamentary allocation.
xii. How much staff is needed for the Department to function effectively? Please specify the function/duty.
xiii. Does the Department currently have a strategic plan? If no, are there plans for one to be created?
xiv. What was the time frame of the last strategic plan?

xv. Provide recommendations to improve the Department's efficiency and effectiveness and to correct any issues in relation to the areas under examination.

7.7 The Office of the President was given a deadline of Thursday January 19, 2017 to provide the information.

7.8 The Chairman thanked officials of the Office of the President for appearing before the Committee and they were excused. The Chairman also thanked the members of the media and the public for attending and tuning in.

SUSPENSION

8.1 At 5:20 p.m., the Chairman suspended the *public* meeting to resume *in camera* for a post-hearing discussion *w*ith Members only.

RESUMPTION

9.1 At 5:52 p.m. the Chairman resumed the meeting *in camera*.

POST-HEARING DISCUSSION

10.1 The Chairman sought Members' views on the public hearing. The Committee expressed concern regarding the functioning of the Department and emphasised the need for better processes and procedures.

ADJOURNMENT

11.1 There being no other business, the Chairman adjourned the meeting to **Wednesday January 25, 2017 at 1:30 p.m*. in camera* and 2:30 p.m. *in public.***

11.2 The adjournment was taken at 6:06 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

January 23, 2017

Appendix III

Attendance

The Committee Members present at the First Public Hearing of the Committee were:

i.	Mrs. Bridgid Mary Annisette-George	-	Chairman
ii.	Dr. Lackram Bodoe	-	Vice-Chairman
iii.	Ms. Nicole Olivierre	-	Member
iv.	Mr. Maxie Cuffie	-	Member
v.	Mr. Clarence Rambharat	-	Member
vi.	Mr. Daniel Dookie	-	Member
vii.	Mr. Wade Mark	-	Member
viii.	Ms. Allyson Baksh	-	Member
ix.	Dr. Dhanayshar Mahabir	-	Member
x.	Ms. Keiba Jacob	-	Secretary
xi.	Ms. Sheranne Samuel	-	Assistant Secretary
xii.	Ms. Rachel Nunes	-	Parliamentary Intern

Witnesses who appeared were:

<u>Officials from The Office of the President</u>

i.	Mr. Gregory Serette	-	Secretary to His Excellency
ii.	Ms. Chandra Mahadeo	-	Assistant Secretary to His Excellency (Ag.)
iii.	Ms. Priscilla Trotman	-	Accountant 1 (Ag.)
iv.	Mr. Steve Williams	-	Fleet Chief Petty Officer
v.	Mr. Brian Lee	-	Executive Advisor
vi.	Mr. Theron Boodan	-	Communication Advisor
vii.	Ms. Shoshanna Lall	-	Senior Legal Officer