PARLIAMENT
REPUBLIC OF TRINIDAD AND TOBAGO

PAAC

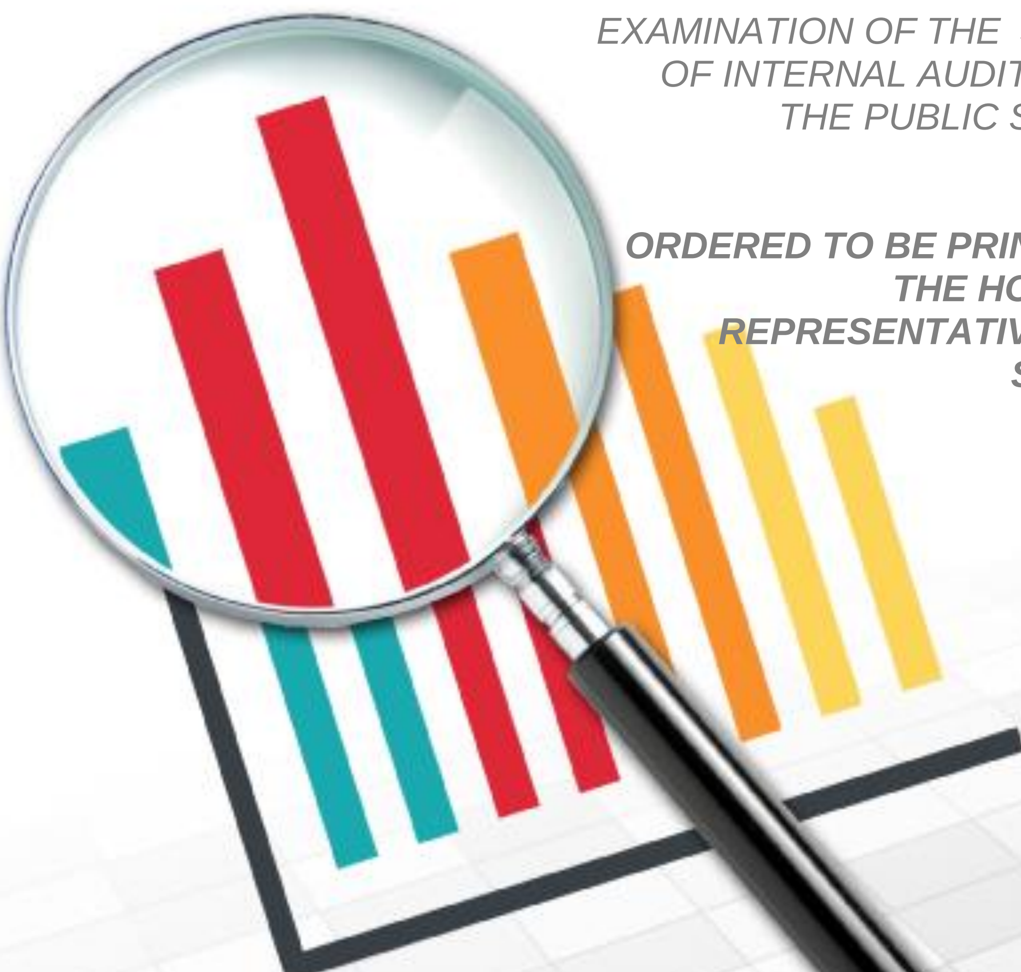
FOURTH REPORT OF THE

THE COMMITTEE ON PUBLIC ADMINISTRATION AND APPROPRIATIONS

SECOND SESSION OF THE 11TH PARLIAMENT

EXAMINATION OF THE SYSTEM OF INTERNAL AUDIT WITHIN THE PUBLIC SERVICE

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.*

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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
Mr. Brian Lucio	Graduate Research Assistant
Ms. Rachel Nunes	Parliamentary Intern

Publication

An electronic copy of this report can be found on the Parliament website using the following link:
http://www.ttparliament.org/committee_business.php?mid=19&id=232&pid=28

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Date Laid in HOR: ________________ **Date Laid in Senate: ________________**

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Members of the Public Administration and Appropriations Committee

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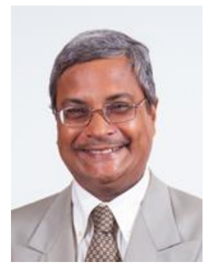
Member



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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;

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.

This Report of the PAAC for the Second Session of the Eleventh Parliament contains the details of the examination of the System of Internal Audit within the Public Service and focuses on the following issues –

- ✓ Efficiency of Internal Audit Checks
- ✓ Internal Audit Qualifications
- ✓ Filling Internal Audit Vacancies
- ✓ Training of Internal Audit Staff
- ✓ Internal Audit Unit Performing other Administrative Functions

In undertaking this examination, the Committee decided to employ two (2) mechanisms: Written Submissions and Public Hearings. The Committee initially made requests for written submissions from thirty-nine (39) Ministries and Departments and consequently invited the following Ministries/Departments to a Public Hearing–

- ➢ Equal Opportunity Tribunal;
- ➢ Elections and Boundaries Commission;
- ➢ Trinidad and Tobago Police Service;

- Ministry of Works and Transport;
- Ministry of Labour and Small Enterprise Development; and
- Ministry of Energy and Energy Industries.

Following the Public Hearing, the Committee decided that in order to address the issues related to the Internal Audit System, the views of the relevant stakeholders needed to be taken into consideration. As a result, the Committee held another Public Hearing incorporating the following offices and their supporting officials –

- The Permanent Secretary to the Prime Minister and Head of the Public Service;
- The Auditor General's Department;
- The Service Commissions Department;
- The Chairman of the Public Service Commission;
- The Permanent Secretary, Ministry of Finance;
- The Comptroller of Accounts, Ministry of Finance;
- The Permanent Secretary, Ministry of Public Administration and Communications;
- The Director – Public Management Consultancy Division; and
- The Director – Public Service Academy.

In utilizing this approach, the Committee was able to analyse the relationship among all the issues.

The Internal Audit Function throughout the Public Service is very critical. It would be difficult for Ministries and Departments to act in isolation and attempt to improve its Internal Audit processes without the input of the Service Commissions Department, Public Service Commission, Comptroller of Accounts, Public Management Consultancy Division and the Public Service Academy. The aforementioned stakeholders hold special significance in addressing the Internal Audit Function across the Public Service of Trinidad and Tobago.

The Committee hereby 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 11^{th} 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, Dr. Dhanayshar Mahabir replaced Ms. Melissa Ramkissoon by a Resolution of the Senate passed on December 19, 2016.

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 Houses of Parliament, the Committee was required by the Standing Orders to have a quorum. 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.

The Committee in the discharge of its Parliamentary Financial Oversight function of monitoring the implementation of the budget focused on the System of Internal Audit within Ministries and Departments across the Public Service.

METHODOLOGY

Determination of the Committee's Work Programme

At an in-camera meeting of the Committee on Wednesday November 16, 2016, it was agreed that the Committee would commence an inquiry into the System of Internal Audit within the Public Service. Based on discussions, the Committee identified two (2) possible approaches to conduct its examination:

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

Review of Documents

The Committee determined the examination would begin by a call for written responses from the thirty-nine (39) Ministries and Departments to questions posed by the Committee. These Ministries and Departments were:

HEAD	MINISTRY/DEPARTMENT
01	President*
02	Auditor General
03	Judiciary*
04	Industrial Court
05	Parliament
06	Service Commission
07	Statutory Authorities Service Commission
08	Elections and Boundaries Commission
09	Tax Appeal Board
11	Registration, Recgonition and Certification Board
12	Public Service Appeal Board
13	Office of the Prime Minister
15	Tobago House of Assembly*
16	Central Administrative Services Tobago
17	Personnel Department
18	Ministry of Finance
22	Ministry of National Security
23	Ministry of Attorney General and Legal Affairs
26	Ministry of Education *
28	Ministry of Health
30	Ministry of Labour and Small Enterprises
31	Ministry of Public Administration and Communications

35	Ministry of Tourism
37	Integrity Commission
38	Environmental Commission
39	Ministry of Public Utilities
40	Ministry of Energy and Energy Affairs
42	Ministry of Rural Development and Local Government
43	Ministry of Works and Transport
48	Ministry of Trade and Industry
61	Ministry of Housing and Urban Development*
62	Ministry of Community Development Culture and the Arts
64	Trinidad and Tobago Police Service
65	Ministry of Foreign and CARICOM Affairs
67	Ministry of Planning and Development
68	Ministry of Sport and Youth Affairs
75	Equal Opportunity Tribunal
77	Ministry of Agriculture Land and Fisheries
78	Ministry of Social Development and Family Services

Questions[1] were sent on December 20, 2016 and written responses were requested to be submitted by January 13, 2017.

Inquiry

The Committee deliberated on the responses submitted by the thirty-nine (39) Ministries and Departments and agreed on the selection of the following entities for examination in public based on the content of the responses received:

- Equal Opportunity Tribunal;
- Elections and Boundaries Commission;
- Trinidad and Tobago Police Service;
- Ministry of Works and Transport;
- Ministry of Labour and Small Enterprise Development; and
- Ministry of Energy and Energy Industries.

The Public Hearing took place on Wednesday March 8, 2017 where the Committee examined each entity individually.

[1] Questions sent to the Ministries and Departments are attached at **Appendix I**.
* Indicates that the Ministry / Department was excluded from this report due to the said entity having an individual report.

Following the Public Hearing, the Committee decided that in order to address the issues related to the Inventory Control System, the views of the relevant stakeholders needed to be taken into consideration. As a result, the Committee held another Public Hearing on Wednesday February 8, 2017 incorporating the following offices and their supporting officials –

- The Permanent Secretary to the Prime Minister and Head of the Public Service;
- The Auditor General's Department;
- The Service Commissions Department;
- The Chairman of the Public Service Commission;
- The Permanent Secretary, Ministry of Finance;
- The Comptroller of Accounts, Ministry of Finance;
- The Permanent Secretary, Ministry of Public Administration and Communications;
- The Director – Public Management Consultancy Division; and
- The Director – Public Service Academy.

The Committee employed a different approach from its first Public Hearing on the System of Internal Audit within the Public Service. In the initial hearing, Ministries and Departments were examined individually whereas in the second hearing, the Committee examined all the relevant stakeholders simultaneously which allowed for a more collaborative and comprehensive enquiry.

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 outline the Inquiry process followed by the PAAC, for the examination of the System of Internal Audit:

I. Identification of entities to be examined;

   At a meeting held on Wednesday, November 30, 2016, the Committee agreed to examine the System of Internal Audit.

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 thirty-nine (39) Ministries and Departments on December 20, 2016.

IV. Production of an Issues Paper by the Committee based on written responses received from the thirty-nine (39) Ministries and Departments. The Issues Paper identified and summarized any matters of concern raised in the responses;

V. Determination of the need for a Public Hearing[2] based on the analysis of written submissions, six (6) entities were initially selected for a public hearing. The relevant witnesses were invited to attend and provide evidence.

VI. Committee decides whether the enquiry requires further investigation. In this instance, officials from nine (9) offices were invited to a subsequent Public Hearing to provide evidence.

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

VIII. Present Response to any recommendations or comments addressed to a particular Ministry or Department, by the Minister with responsibility.

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[2] 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 addresses issues and challenges.

2. ISSUES, OBSERVATIONS AND RECOMMENDATIONS

STAKEHOLDER ASSESSMENT

1. Efficiency of Internal Audit Checks

According to multiple responses from Ministries and Departments, the Internal Audit Function across the Public Service appeared to be inefficient and ineffective. There were instances in which audits were not conducted, for example, according to the Trinidad and Tobago Police Service's responses, arms and ammunition were not audited because Internal Audit staff were not precepted. Written responses also illustrated that the primary reasons that caused the Internal Audit function to be inefficient and ineffective, were the lack of adequate staffing and proper training of staff involved in the Internal Audit Function as well as out dated rules and procedures. Additionally, there was not a clear distinct person or body which was responsible for the Internal Audit Function across Ministries and Departments. However, in the view of the Auditor General and the Comptroller of Accounts which was based on their interpretation of the Exchequer and Audit Act, that responsibility rests with the Comptroller of Accounts. The Comptroller of Accounts as well as the Permanent Secretary to the Prime Minister and Head of the Public Service agreed that a Central Internal Audit Authority should be created to adequately monitor and oversee the Internal Audit Function across the Public Service.

Recommendations:

- ***The Ministry of Finance in collaboration with the Ministry of Public Administration and Communications and the Ministry of the Attorney General and Legal Affairs should draft the necessary amendments to the Exchequer and Audit Act, establishing a Central Internal Audit Authority with the sole responsibility of overseeing the Internal Audit function across the Public Service. The Ministry of Finance should then submit a report to Parliament on the Status of the Amendments to the Exchequer and Audit Act by November 30, 2017.***

2. Internal Audit Qualifications

The Committee's examination of the Internal Audit Function across the Public Service highlighted the fact that most auditors are not qualified and they are not required to be. According to oral evidence from the Auditor General's Department and the Service Commissions Department, the post of Auditor III was the only post in which qualification in auditing is mandatory. There were only six (6) Auditor III posts on the establishment across Public Service which required professional designation.

Additionally, there were twenty-nine (29) posts on the establishment for Auditor II. This post required an advanced knowledge of either accounting or auditing. There were fifty-seven (57) posts on the establishment for Auditor I which required an advanced knowledge of accounting and auditing. Lastly, there were one hundred and twenty-seven (127) posts throughout the Public Service for Auditing Assistants which only requires five (5) O' Level passes.

The lack of adequate requirements for internal audit positions has left the internal audit function across the public service riddled with underqualified personnel, which, in turn, causes the internal audit function to operate ineffectively and inefficiently.

As a result, according to the Director of Personnel Administration, the Personnel Department commenced a review of the job descriptions for jobs in the Internal Audit function, in consultation with the Treasury Division and the Institute of Internal Auditors.

Evidence from the Personnel Department indicated that the Comptroller of Accounts was also reviewing the internal audit function throughout the Public Service. The review involved a revised organizational structure for internal audit offices as well as a reengineering of the current internal audit process. Additionally, an informal Working Committee was established by the Comptroller to develop strategies in order to achieve the intended goals. The Committee comprised representatives of the:

- Treasury Division, Ministry of Finance;
- Ministry of Public Administration and Communications;
- Auditor General's Department and;
- Personnel Department.

Due to the fact that this review would have affected the Personnel Department's review of the job descriptions for jobs in the Internal Audit function, the Department decided that their review would be subsequent to the Comptroller of Accounts'.

Recommendations:

The Comptroller of Accounts should submit to the Parliament:

- ***A status update on the progress made in the review of the internal audit function across the public service October 31, 2017.***
- ***A report on the timelines for completing the review as well as the subsequent implementation by November 30, 2017.***

3. Filling Internal Audit Vacancies throughout the Public Service

Written submissions from various Ministries and Departments illustrated that there is an urgent need for the adequate staffing of Internal Audit Units. Several Ministries and Departments indicated via their Written Submissions that they have pending requests before the Service Commissions Department (SCD), Public Service Commission (PSC) and the Public Management and Consulting Division (PMCD).

The Division is mandated to carry out proactive examinations of the man-power requirement within Ministries and Departments. However, due to staff constraints, the Division is unable to effectively carry out this function. Evidence submitted by the PMCD highlighted that usually, requests for Internal Audit staff are given priority by the Division.

Additionally, written evidence from the PSC indicated that the Commission was undertaking a vacancy filling exercise with fifteen hundred (1500) vacancies expected to be filled by June 30, 2017. At the same time, the Service Commissions Department was conducting an Institutional Strengthening Project aimed at improving organizational structures, further delegation of the functions of the PSC with more effective monitoring, building capacity and capability of SCD staff, management and information systems, service to clients, communications and the reduction in vacancies. However, the Commission noted that a critical element underpinning the success of this project was the establishment of an Electronic Database Management System. Without this, the efficiency in the operations of the SCD will not improve, and this includes the filling of vacancies. The Committee noted that the prudent course should be to complete the review of Internal Audit job descriptions before filling vacancies.

Recommendations:

- ***The SCD should submit to the Parliament, a Status Update on the efforts made in the filling of vacancies in Internal Audit Units by November 30, 2017.***

4. Training of Internal Audit Staff

The Public Service Academy[3] (PSA) is responsible for offering training services to Public Officers. The PSA offers courses in Fundamentals of the Internal Audit Function, Audit Report Writing, Working Paper Analysis and Risk based Auditing to staff involved in the Internal Audit Function. Additionally, the Committee noted that the PSA did not carry out evaluations to determine the relevance of courses. The PSA acknowledged that there is need for greater consultation with the Auditor General's Department in developing training interventions on Internal Audit.

Responses from multiple Ministries and Departments illustrated that staff assigned to Internal Audit Units were starved of training. Efforts to acquire training from the PSA have sometimes proven to be futile. In some instances, entities stated that the PSA did not give reasons for denying training for their staff.

Recommendations:

The Ministry of Public Administration and Communications and the Public Service Academy should:

- ***Design additional course(s) such as Value for Money Auditing or others as may be deemed necessary by November 30, 2017;***
- ***Liaise with the Auditor General's Department to ensure that all Internal Audit courses are relevant and;***
- ***Liaise with the Comptroller of Accounts to address the key issues identified in the Auditor General's Report.***

[3] Public Service Academy; Ministry of Public Administration and Communications website; accessed on February 1, 2017: http://www.mpac.gov.tt/

5. Internal Audit Unit Performing other Administrative Functions

According to oral and written evidence submitted to the Committee, it was evident that Internal Audit Units of Ministries and Departments, on multiple occasions were required to perform highly time consuming administrative duties which significantly took away from their focus on the auditing systems and controls. As a result, the Committee sought further clarification on this issue from the Personnel Department.

Written evidence from the Personnel Department indicated that there were no defined rules and regulations to address the issue of staff performing tasks outside of their job descriptions. However, the Personnel Department initiated an exercise in January 2017 to develop a policy position to treat with the issue which would be completed by June 30, 2017. Further correspondence from the Personnel Department indicated that that the policy position was drafted and would've been ready for dissemination to Ministries and Departments by October 30, 2017.

Recommendations:

- ***The Personnel Department should submit to Parliament, a copy of the policy position and timelines for implementation by October 31, 2017.***

INDIVIDUAL ASSESSMENT

Head 02 – Auditor General

I. Training of Internal Audit Staff:

- The written submission from the Auditor General's Department indicated that the lack of desk manuals has resulted in the constant training of new personnel.

Recommendations:

- ***The Auditor General's Department should ensure that the appropriate Desk Manuals are finalised by November 30, 2017 and should report to the Committee on the status of the desk manuals by December 5, 2017***

Head 04 – Industrial Court[4]

I. Staffing of Internal Audit Unit:

- Based on written submission, the Committee noted that the Department's Internal Audit Unit, while operating at maximum capacity with one (1) Auditor I and two (2) Auditor II, was still in need of additional competent personnel. As a result of this need, the Department made a request to the Public Management and Consulting Division (PMCD) recommending the establishment of two additional positions.

Recommendations:

- ***The Industrial Court should provide a report to Parliament on the Progress made in strengthening the manpower of the Internal Audit Unit by November 30, 2017.***
- ***The Comptroller of Accounts should review the auditing arrangement for the Tax Appeal Board, Environmental Commission, Public Service Appeal Board and the Equal Opportunity Tribunal to allow for a more cohesive and efficient***

[4] [4] The Industrial Court also audits the accounts of the Tax Appeal Board, Environmental Commission, Public Service Appeal Board and the Equal Opportunity Tribunal.

internal audit function among the institutions and provide a status update to the Committee on this review by November 30, 2017.

<u>Head 05 - Parliament</u>

I. Staffing of Internal Audit Unit:

- The Office, while operating at maximum capacity with one (1) Auditor I and two (2) Auditing Assistants, was still in need of additional competent personnel. The Office of the Parliament indicated that it intended to propose that the Unit be headed by an Auditor II as well as establishing another Auditing Assistant post.

Recommendations:

- ***The Office of the Parliament should provide a report to Parliament on the Progress made in strengthening the manpower of the Internal Audit Unit by November 30, 2017.***

<u>Head 06 - Service Commissions Department (SCD)</u>

I. Staffing of Internal Audit Units:

- Based on written submissions and Public Hearings at which the entity appeared, the Committee noted that the Department did not possess sufficient staff to adequately audit all areas. As a result, the SCD was in the process of carrying out an Institutional Strengthening Exercise in order to determine the appropriate level of staffing for the Internal Audit Unit.
- According to written evidence submitted by the SCD, the Department had twenty-one (21) requests for Internal Audit staff from nine (9) Ministries and Departments. The evidence indicated that the Department was trying to assist the nine (9) Ministries and Departments with the pending requests.

Recommendations:

- ***The SCD should submit to the Parliament, a Status Report on the Institutional Strengthening Exercise and any other initiatives taken thereafter***

in an effort to attain the appropriate staffing compliment by November 30, 2017.

Head 07 - Statutory Authorities Service Commission

I. Efficiency of Internal Audit Checks on Specific Areas:

- The Service Commissions Department audited the Commission's accounts. According to written evidence submitted by the Commission, the Accounting Officer had not received an Internal Audit Report within recent times.

Recommendation:

- ***The Service Commissions Department should submit to the Parliament, a report detailing the reasons for the non-submission of Internal Audit Reports to the Statutory Authorities Service Commission by October 31, 2017.***

Head 08 - Elections and Boundaries Commission (EBC)

I. Staffing of Internal Audit Units:

- Based on written submissions and a Public Hearing at which the entity appeared, the Committee noted that the Internal Audit Unit was severely understaffed. The EBC's Internal Audit Unit consisted of an Auditor I and a Clerk I (neither of whom received formal training). In particular, the Commission needed additional auditors to assist in the auditing of its assets and numerous offices.

Recommendation:

- ***The EBC should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Department by November 30, 2017.***

II. Efficiency of Internal Audit Checks on Specific Areas:

- Additionally, it was noted by the Committee that all areas were not audited due to staff constraints and to the omission of certain areas in the Internal Audit work programme.

Recommendations:

- ***In preparation for the 2017/2018 fiscal year, the EBC should revise its Internal Audit Work Programme to include all areas so that the Internal Audit Function can be adequately executed by October 30, 2017.***
- ***A copy of the fiscal year 2016/fiscal year 2016/2017 work programme should be submitted to Parliament by September 30, 2017.***

<u>Head 09 - Tax Appeal Board</u>

I. Based on the written submission, the Committee noted that:

- The Industrial Court was the Internal Auditor for the Tax Appeal Board. Written evidence from the Board stated that the Accounting Officer was satisfied with having the Industrial Court as the Board's Internal Auditor as the arrangement eliminates conflicts of interests and provides for a more independent and bias-free audit.

Recommendation:

- ***The Comptroller of Accounts should review the auditing arrangement for the Tax Appeal Board, Environmental Commission, Public Service Appeal Board and the Equal Opportunity Tribunal to allow for a more cohesive and efficient internal audit function among the institutions and provide a status update to the Committee on this review by November 30, 2017.***

<u>Head 11 – Registration, Recognition and Certification Board</u>

I. Based on the written submission, the Committee noted that:

- The Ministry of Labour and Small Enterprise Development was the Internal Auditor for the Registration, Recognition and Certification Board. According to the

Ministry's written submission, the Secretary to the Board was seeking the assistance of PMCD for additional staffing inclusive of an Auditing Assistant which would allow the Ministry's Internal Audit Unit to focus entirely on the Ministry

- The Registration, Recognition and Certification Board was in the process of conducting a review of its structure in an effort to increase staff to support the Accounting Unit.

Recommendations:

- ***The Registration, Recognition and Certification Board should acquire the services of the Auditing Assistant by November 30, 2017.***
- ***The Comptroller of Accounts should review the auditing arrangement to allow for a more cohesive and efficient internal audit function among the institutions and provide a status update to the Committee on this review by November 30, 2017.***
- ***The Registration, Recognition and Certification Board should provide a report to Parliament on the Progress made in its Structural Review by November 30, 2017.***

Head 12 – Public Service Appeal Board

I. Based on the written submission, the Committee noted that:

- The Industrial Court was the Internal Auditor for the Public Service Appeal Board. Written Evidence from the Board indicated that the Board was of the view that the arrangement of having the Industrial Court as an internal-external auditor had provided for a more efficient audit.

Recommendations:

- ***The Comptroller of Accounts should review the auditing arrangement to allow for a more cohesive and efficient internal audit function among the institutions and provide a status update to the Committee on this review by November 30, 2017.***

<u>Head 13 - Office of the Prime Minister</u>

I. Concerns related to Internal Audit:

- Based on the written submission, the Committee noted that in some instances, the recommendations made by the Internal Auditor were not adhered to.
- Additionally, the Internal Audit Work Programme did not cover all areas and there was no Internal Audit Charter for fiscal year 2016/2017.

Recommendations:

- ***The Office of the Prime Minister should make compliance with the Internal Auditor's recommendations a priority and therefore adhere to all.***
- ***The Office of the Prime Minister should complete its Internal Audit Charter for fiscal year 2017/2018 by October 30, 2017.***
- ***In preparation for the 2017/2018 fiscal year, the Office of the Prime Minister should revise its Internal Audit Work Programme to include all areas so that the Internal Audit Function can be adequately executed by October 30, 2017.***
- ***A copy of the fiscal year 2016/2017 work programme should be submitted to Parliament by September 30, 2017.***

<u>Head 16 – Central Administrative Services, Tobago (CAST)</u>

I. Staffing of Internal Audit Unit:

- Based on the written submission, the Committee noted that the Department's Internal Audit Unit consisted of only an Auditor I and a Clerk Typist I. As a result, the CAST were liaising with the PMCD to provide the Department with an Auditing Assistant.

Recommendations:

- ***The CAST should continue to liaise with PMCD and seek to acquire the Auditing Assistant by November 30, 2017.***

- ***The CAST should provide a status update to the Committee on the attempts made to strengthen the Department's Internal Audit Unit by December 01, 2017.***

<u>Head 17 - Personnel Department</u>

I. Staffing of Internal Audit Units:

- The Personnel Department's Internal Audit Department consisted of an Auditor I and an Auditing Assistant. Additionally, the Accounting Officer identified a number of deficiencies in the auditing programme and as a result, sought consultation with the Comptroller of Accounts and Auditor General.

Recommendations:

- **The Personnel Department should submit to the Parliament, a *Report on the Progress Made in Developing the Department's Internal Audit Function in consultaion with the Comptroller of Accounts and Auditor General by* November 30, 2017.**

II. Training of Internal Audit Staff:

- Staff in the Internal Audit Unit are not periodically trained to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing.

Recommendations:

- **The Personnel Department should commence training of its Internal Audit staff and submit to the Parliament, a *Report on the Progress made in Training Internal Audit Staff by* November 30, 2017.**

III. Concerns related to Internal Audit:

- The Internal Auditor's Work Programme does not cover all areas of the Department's functions. Projects under the Public Sector Investment Programme were outside the scope of the Internal Audit Unit's Work Programme.

- The Personnel Department did not have a Charter of Internal Audit Work for fiscal year 2016/2017. The Department was liaising with the Auditor General's Department in an effort to rectify this issue.

Recommendations:

- **The Personnel Department should complete its Internal Audit Charter for fiscal year 2017/2018 by October 30, 2017.**
- **In preparation for the 2017/2018 fiscal year, the Personnel Department should revise its Internal Audit Work Programme to include all areas so that the Internal Audit Function can be adequately executed by October 30, 2017.**
- **A copy of the fiscal year 2016/2017 work programme should be submitted to Parliament by September 30, 2017.**

<u>Head 18 – Ministry of Finance</u>

I. Staffing of Internal Audit Units:

- The lack of sufficient Internal Audit personnel continues to hamper the efficiency of the Internal Audit function within the Ministry of Finance. The Ministry had three (3) Internal Audit Units which operated out of the Treasury Division, Inland Revenue Division and the Customs and Excise Division. Collectively, there were four (4) vacancies throughout the three Internal Audit Units. In an effort to address the deficiency in staff, the Ministry sent a request for staffing to the Director of Personnel Administration and was awaiting feedback

Recommendations:

- ***The Ministry of Finance should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Units by November 30, 2017.***

II. Training of Internal Audit Staff

- Written and oral evidence submitted by the Ministry of Finance indicated that lack of training for staff involved in the Internal Audit function is a serious hindrance to its efficiency. The Treasury Division of the Ministry of Finance indicated that the Division was collaborating with the Ministry of Public Administration and Communication on formulating training for Internal Auditors in the areas of risk-based auditing, information technology auditing, and value for money auditing.

Recommendations:

- **The Ministry of Finance should commence training of its Internal Audit staff and submit to the Parliament, a *Report on the Progress made in Training Internal Audit Staff by* November 30, 2017.**

III. Efficiency of Internal audit checks on specific areas:

- A Charter of Internal Audit work for fiscal year 2017/2018 was not completed. However, according to the Ministry's written submission, the Ministry was in the process of finalizing an Internal Audit Work Programme for 2017.

Recommendations:

- **The Ministry of Finance should complete its Internal Audit Charter for fiscal year 2017/2018 by October 30, 2017.**
- **In preparation for the 2017/2018 fiscal year, the Ministry of Finance should revise its Internal Audit Work Programme to include all areas so that the Internal Audit Function can be adequately executed by October 30, 2017.**
- **A copy of the fiscal year 2016/2017 work programme should be submitted to Parliament by September 30, 2017.**

Head 22 – Ministry of National Security

I. Staffing of Internal Audit Units:

- Written evidence indicated that the Ministry's Internal Audit Unit was not adequately staffed. There were five (5) vacancies within the Internal Audit Unit. Written evidence from the Ministry indicated that the Ministry was liaising with the Service Commission Department to have all vacant positions on the establishment filled.
- Additionally, the Ministry indicated that there was no effective compliance with the recommendations of the Internal Audit Unit and as a result there were no major

improvements especially in areas of stores, revenue (Immigration), deposit accounts and previous years' allowances (Immigration).

Recommendations:

- ***The Ministry of National Security should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Units by November 30, 2017.***
- ***The Accounting Officer should development mechanisms to ensure that the Ministry adhere to all the recommendations made by the Internal Audit Unit.***

Head 23 – Ministry of the Attorney General and Legal Affairs

I. Staffing of Internal Audit Units:

- Written evidence from the Ministry indicated that the Internal Audit Unit was not adequately staffed. There were six (6) vacancies within the Internal Audit Unit. Written evidence from the Ministry indicated that the Ministry was liaising with the Director of Personnel Administration to have all vacant positions on the establishment filled.

Recommendations:

- ***The Ministry of Attorney General and Legal Affairs should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Units by November 30, 2017.***

II. Training of Internal Audit Staff:

- According to written evidence submitted by the Ministry of Attorney General and Legal Affairs, staff attached to the Internal Audit Unit were not periodically trained to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing.

Recommendations:

- **The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.**

Head 28 – Ministry of Health

I. Staffing of Internal Audit Units:

- The Ministry, while operating at maximum efficiency; that is, there were thirteen (13) posts on the establishment with thirteen (13) persons in the posts; there was still a need for additional personnel.
- According to Ministry's written evidence, due to the size and complexity of the business processes of the Ministry, it is difficult to cover all areas of the Ministry of Health function. In addition to auditing various activities, programmes and projects, there are thirty-three (33) Units/Vertical Services; nine (9) Special Programmes; eight (8) County Medical Officers of Health (CMOH) Offices; the Regional Health Authorities and other Contractual Services such as NIPDEC and Global Medical Response of Trinidad and Tobago (GMRTT) to be audited. Given the limited resources, it is highly impossible to audit all areas within a framework of one year. However, with an increased staffing the Unit will be able to enhance its ability to conduct audits on all areas of the Ministry's function. As a result, the Ministry sought and achieved Cabinet's approval to hire six (6) additional persons on contract. The Ministry also gave the undertaking to consult PMCD to review permanent staffing requirements.

Recommendations:

- ***The Ministry of Health should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Unit by November 30, 2017.***

II. Training of Internal Audit Staff:

- According to written evidence submitted by the Ministry of Health, staff attached to the Internal Audit Unit were periodically trained to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing.

Recommendations:

- **The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.**

<u>Head 30 – Ministry of Labour and Small Enterprise Development</u>

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed. As a result, the Ministry was liaising with the Director of Personnel Administration with respect to the filling of the vacancy of the office of Auditor II.
- According to the Ministry's written submission, there were instances in which certain areas were not audited due to the shortage of man power.

Recommendations:

- ***The Ministry should fill the vacancy for the office of Auditor II by November 30, 2017.***

II. Training of Internal Audit Staff:

- The Committee noted that the Ministry has been providing training to staff from the Public Service Academy. Institute of Internal Auditors of Trinidad and Tobago (IIATT) and Institute of Chartered Accountants of Trinidad and Tobago (ICATT).

<u>Head 31 – Ministry of Public Administration and Communications</u>

I. Staffing of Internal Audit Units:

- Written evidence from the Ministry indicated that the Internal Audit Unit was not adequately staffed.

Recommendation:

- ***The Ministry of Public Administration and Communications should submit a report to Parliament on the status of the initiatives being taken to fill the vacancies within the Internal Audit Unit by November 30, 2017.***

II. Training of Internal Audit Staff:

- The Ministry’s Internal Audit staff received little training. As a result, the Ministry made the assurance that Internal Audit training will be into the Ministry's training plan.

Recommendation:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.***

III. Internal Audit Performing other Administrative Functions:

- Written evidence received from the Ministry indicated that Internal Audit staff perform administrative roles due to the Unit not being assigned the services of administrative staff. As a result, the work load of the Internal Audit Unit has increased.

Recommendation:

- **The Ministry of Public Administration and Communications should acquire the services of administrative staff (s) to assist the Internal Audit Unit by November 30, 2017.**

Head 35 – Ministry of Tourism

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit consisted of two (2) members of staff, an Auditor I and an Auditing Assistant (temporary). The Ministry indicated in its written submission that the temporary nature of the Auditing Assistant was not in the best interest of the Ministry.

Recommendation:

- ***The Ministry should liaise with the Personnel Department and the Ministry of Public Administration and Communications to determine if the terms and conditions of the Auditing Assistant should be amended or whether the services of an Auditor II should be procured and assigned to the Ministry's Internal Audit Unit.***

<u>Head 37 – Integrity Commission</u>

I. Creation of an Internal Audit Unit:
   - The Commission shares an Internal Audit Unit with the Office of the President. According to the Department's written submission, it was not satisfied with the work produced by the Internal Audit Unit. According to the Integrity Commission, the Department's records were not audited on a timely basis and all functions were not performed in accordance with the Exchequer and Audit Act, Chapter 69:01.
   - Additionally, the Commission had engaged a Consultant to reexamine the organization and provide deliverables for institutional strengthening. The report of the consultancy recommended among other things the creation of an Auditing Unit for the Department.

Recommendation:

- ***The Integrity Commission should implement steps to create an Internal Audit Unit. The Commission should thereafter submit a report to Parliament on the Progress made following these steps by November 30, 2017.***

<u>Head 38 – Environmental Commission</u>

- Staffing of Internal Audit Units:
    - The Commission was one of the entities audited by the Industrial Court. According to the Commission's written submission, the Industrial Court's Internal Audit Unit was not adequately staffed and should primarily consist of at least five (5) persons.

Recommendation:

- ***The Comptroller of Accounts should review the auditing arrangement for the Tax Appeal Board, Environmental Commission, Public Service Appeal Board and the Equal Opportunity Tribunal to allow for a more cohesive and efficient internal audit function among the institutions and provide a status update to the Committee on this review by November 30, 2017.***

<u>Head 39 – Ministry of Public Utilities</u>

I. Training of Internal Audit Staff:

- The Committee noted that the Ministry in its continuous training for staff involved in internal audit and its policy to ensure that all staff under its purview were exposed to the requisite training relative to their field so as to ensure continuous professional development.

II. Efficiency of Internal Audit Checks on Specific Areas:

- The Internal Auditor's work programme did not cover all areas of the Ministry's function. In financial year 2016/2017, the Ministry commenced site visits thereby expanding the scope of the Ministry's internal audit function. The Ministry assured that the site visits would be included in the Ministry's 2017/2018 Internal Audit work programme.

Recommendation:

- **The Ministry of Public Utilities should include site visits in its 2017/2018 Internal Audit work programme by November 30, 2017.**
- **In preparation for the 2017/2018 fiscal year, the Ministry of Public Utilities should revise its Internal Audit Work Programme to include all areas so that the Internal Audit Function can be adequately executed by October 30, 2017.**

- **A copy of the fiscal year 2016/2017 work programme should be submitted to Parliament by September 30, 2017.**

Head 40 – Ministry of Energy and Energy Industries

I. Staffing of Internal Audit Unit:

- While the Ministry's Internal Audit Unit consisted of its allocated four (4) officers, the Accounting Officer was of the view that the Unit was not adequately staffed. Due to this shortfall, the Ministry submitted a proposal to PMCD which sought to strengthen the Unit by adding four (4) positions, taking the tally to eight (8) officers.

Recommendations:

- ***The Ministry should provide a Status Report to the Committee on the progress made with respect to the proposal being considered by PMCD by November 30, 2017.***

Head 42 – Ministry of Rural Development and Local Government

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed. The fourteen (14) officers assigned to the Unit were not enough to sufficiently audit all of the Ministry's assets. According to the Ministry's written submission, the Ministry was in reform mode and proposed that there must be an Internal Auditor at all Regional Corporations to properly comply with Section 13(4) of the Financial Regulations which states each accounting unit should have a check staff and an independent audit section.

Recommendations:

- ***The Ministry should provide a Report to the Committee on the progress made with respect to the Ministry's reform and proposal by November 30, 2017.***

Head 43 – Ministry of Works and Transport

I. Staffing of Internal Audit Unit:

- The Ministry's Internal Audit Unit was not adequately staffed. Out of the allocated twenty-four audit positions, only nineteen positions were filled. As a result, the Ministry approached the Director of Personnel Administration to assist in filling the vacancies.

Recommendations:

- ***The Ministry should provide a Status Report to the Committee on the progress made with respect to the strengthening of the Internal Audit Unit by November 30, 2017.***

II. Training of Internal Audit Staff:

- Staff assigned to the Internal Audit Unit did not receive any formal training from the Ministry.

Recommendations:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.***

III. Internal Audit Performing other Administrative Functions:

- Written evidence received from the Ministry indicated that Internal Audit staff perform administrative roles. As a result, the staff assigned to the Internal Audit Unit have less time to focus on the auditing of systems and controls.

Recommendation:

- **The Ministry of Works and Transport should seek to separate the administrative duties from the Internal Audit Function and acquire the services of administrative staff to assist the Internal Audit Unit by November 30, 2017.**

Head 48 – Ministry of Trade and Industry

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed due to a vacancy for an Auditor II. According to the Ministry's written evidence, the Service Commissions Department was in the process of filling the vacancy.

Recommendation:

- ***The Ministry should provide a Status Report to the Committee on the progress made with respect to the strengthening of the Internal Audit Unit by November 30, 2017.***

II. Internal Audit Performing other Administrative Functions:

- Written evidence received from the Ministry indicated that Internal Audit staff perform administrative roles. However, the evidence stated that the administrative duties have always been included in the Internal Audit Work Programme and therefore were not considered a hindrance in the performance of the Internal Audit work.

Recommendation:

- **The Ministry of Trade and Industry should seek to separate the administrative duties from the Internal Audit Function and acquire the services of administrative staff to assist the Internal Audit Unit by November 30, 2017.**

Head 62 – Ministry of Community Development Culture and the Arts

I. Staffing of Internal Audit Units:

- Written evidence from the Ministry indicated that its Internal Audit Unit was not adequately staffed. As a result, the Ministry had written to the Director of Personnel Administration to have the positions within the Unit filled.

Recommendation:

- ***The Ministry should provide a Status Report to the Committee on the progress made with respect to the strengthening of the Internal Audit Unit by November 30, 2017.***

Head 64 – Trinidad and Tobago Police Service

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit comprised of ten (10) Junior Auditors and one (1) Head of the Internal Audit Unit. The Department's written submission indicated that the Accounting Officer was not satisfied with the work of the Unit. The structure of the Unit was inadequate and a revised structure was being considered. Additionally, the TTPS intends to add nine (9) additional positions to the Internal Audit Unit.

Recommendations:

- ***The Trinidad and Tobago Police Service should provide a Report to the Committee on the restructuring and strengthening of the Internal Audit Unit by November 30, 2017.***

II. Training of Internal Audit Staff:

- The Ministry's Internal Audit staff received minimal training audits and was therefore in need of sufficient training.

Recommendation:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.***

III. Efficiency of Internal Audit Checks on Specific Areas

- The TTPS's Internal Audit Work Programme did not cover all areas of the Department's functions. Some areas of the TTPS's functions were outside the remit of the Internal Audit Unit. For example, none of the Internal Audit staff was precepted and as such were debarred from handling and auditing arms and ammunition and all other related accessories. However, in an effort to ameliorate this situation, the decision was made to use precepted officers to audit arms and ammunition. To date, four (4) officers have been appointed to audit the TTPS's arms and ammunition. According to evidence received from the TTPS, the Department was of the view that these officers were adequate to audit the TTPS on an ongoing basis.

Recommendation:

- ***The Trinidad and Tobago Police Service should provide a report to the Committee on the implementation of audits on arms and ammunition by November 30, 2017.***

<u>Head 65 – Ministry of Foreign and CARICOM Affairs</u>

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed. According to the Ministry's written evidence, the Accounting Officer consistently sought the assistance of the Service Commissions Department in filling the vacant posts but all efforts were futile. In the interim, the Ministry acquired the services of an Audit Support Officer on contract to assist in reviewing queries.

Recommendation: Service Commissions Department

- ***The Service Commissions Department should provide a Status Report to the Committee on the progress made with respect to the strengthening of the Ministry of Foreign and CARICOM Affairs' Internal Audit Unit by November 30, 2017.***

II. Training of Internal Audit Staff:

- The Ministry's Internal Audit staff did not receive training to ensure compliance with the updated International Standards for the Professional Practice of Internal Auditing.

Recommendation:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.***

<u>Head 67 – Ministry of Planning and Development</u>

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed. As a result, the Ministry was in the process of having an additional post created.

Recommendations:

- ***The Ministry of Planning and Development should provide a Status Report to the Committee on the progress made with respect to the restructuring and strengthening of the Internal Audit Unit by November 30, 2017.***

<u>Head 68 – Ministry of Sport and Youth Affairs</u>

I. Staffing of Internal Audit Units:

- The Ministry's Internal Audit Unit was not adequately staffed. According to the Ministry's written evidence, there were five (5) officers in the Unit with a capacity of nine (9) officers. The Accounting Officer consistently sought the assistance of the Service Commissions Department in filling the vacant posts but all efforts were futile.

Recommendation: Service Commissions Department

- ***The Service Commissions Department should provide a Status Report to the Committee on the progress made with respect to the strengthening of the Ministry of Sport and Youth Affairs' Internal Audit Unit by November 30, 2017.***

<u>Head 77 – Ministry of Agriculture, Land and Fisheries</u>

I. Training of Internal Audit Staff:

- The Ministry's Internal Audit staff did not receive training to ensure compliance with the updated International Standards for the Professional Practice of Internal Auditing.

Recommendation:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing and submit to the Committee, a Report on the Progress made in training internal audit staff by November 30, 2017.***

II. Internal Audit Performing other Administrative Functions:

- Written evidence received from the Ministry indicated that Internal Audit staff perform administrative roles. As a result, the staff assigned to the Internal Audit Unit have less time to focus on the auditing of systems and controls.

Recommendation:

- ***The Ministry of Agriculture, Land and Fisheries should seek to separate the administrative duties from the Internal Audit Function and acquire the services of administrative staff to assist the Internal Audit Unit by November 30, 2017.***

Head 78 – Ministry of Social Development and Family Services

I. Efficiency of Internal Audit checks on specific areas:

- Written evidence received from the Ministry indicated that there was a need for capacity building for the Internal Audit Unit to undertake Information Technology Audits.

Recommendation:

- ***The Accounting Officer should develop a training programme for Internal Audit staff to ensure that Information Technology Audits are effectively undertaken and submit to the Committee, a Report on the Progress made in training internal audit staff in this regard by November 30, 2017.***

3. CONCLUSION

During the Second Session of the Eleventh Parliament, the PAAC conducted an examination into the System of Internal Audit within the Public Service. During the course of the examination which comprised of written submissions and Public Hearings, the Committee discovered a number of issues such as the failure to fill Internal Audit Vacancies; inefficient Internal Audit Checks; inadequate Internal Audit Qualifications; insufficient training of Internal Audit Staff and Internal Audit Unit Performing other Administrative Functions. The prevalence of these issues, hinders the efficiency accountability and transparency of Ministries and Departments and these are matters the Committee hopes to examine/investigate further.

The Committee is of the view that the adoption of its proposed recommendations would lead to greater accountability, transparency and value for money in the use of public funds. The Committee fully intends to continuously monitor the implementation of the recommendations proposed in its Report.

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

Sgd.
Mrs. Bridgid Mary Annisette-George
Chairman

Sgd.
Dr. Lackram Bodoe
Vice-Chairman

Sgd.
Mrs. Ayanna Webster-Roy
Member

Sgd.
Ms. Nicole Olivierre
Member

Sgd.
Mr. Maxie Cuffie
Member

Sgd.
Mr. Wade Mark
Member

Sgd.
Mr. Daniel Dookie
Member

Sgd.
Mrs. Allyson Baksh
Member

Sgd.
Mr. Clarence Rambharat
Member

Sgd.
Dr. Dhanayshar Mahabir
Member

APPENDIX I

Questions submitted to Ministries and Departments

Concerns related to Internal Audit:

i. Staffing of Internal Audit Units

Questions:

1. Is there an Internal Audit Unit in the Ministry?
2. How many persons are in this unit?
3. How many audit positions are on the Establishment? Provide details.
4. Is the Accounting Officer satisfied with the work being produced by this unit?
5. Is the Unit adequately staffed? If no, what is being done about this issue?
6. How many persons in this unit are qualified to perform internal audits?
7. Are internal auditing staff periodically trained to ensure compliance with updated International Standards for the Professional Practice of Internal Auditing?

i. The absence of a separate body for internal audit units to report to (conflict of interest)

Questions:

1. What happens after an Internal Audit Report is submitted to the Accounting Officer?
2. Is the Internal Audit Department allowed to perform an unbiased investigation?
3. What hurdles have been experienced thus far due to the line of responsibility currently in place?
4. Is there compliance with the recommendations of the Internal Auditor? Provide evidence of this.

ii. Efficiency of Internal Audit checks on specific areas

Questions:

1. Does the Ministry have a framework for executing internal audits?
2. How often are routine checks of the Ministry's activities performed by internal auditors?

3. Does the Internal Auditor's work programme cover all areas of the Ministry's functions?
    i. If yes, provide evidence.
    ii. If no, why are certain areas not considered in the Internal Auditor's work programme?
4. At what point during the financial year is an internal audit performed?
5. The Auditor General identified a lack of Internal Audit control as a pervasive issue, as there was no evidence of this function. Are there still instances of no audits being performed? If yes, why?
6. What impediments have Internal Auditors experienced?
7. Is the Accounting Officer aware of this deficiency in the oversight operations of the Ministry?
8. What systems have been implemented to address issues identified by the Internal Auditor?
9. In what ways has the Ministry's Internal Audit Unit contributed to improvements in the performance of the Ministry?
10. What is the Ministry'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. Is there a need to improve the Ministry's internal control system? If yes, what measures will be implemented to improve the Ministry's internal control system?
13. What will be done to ensure the Internal Audit work programme covers all aspects of the Ministry's functions?

iii. Internal Audit Unit performing other administrative functions

Questions:

1. What are the job titles of the persons currently employed in the Internal Audit Unit?
2. Is the internal audit staff required to perform other administrative duties? If yes, how does this affect the internal audit function?
3. When are they allowed to execute duties pertaining to the internal audit function?

iv. Absence of a Defined Role for Internal Audit

Questions:

1. What problems have been encountered by the Ministry due to the absence of a defined role of the Internal Auditor in the Exchequer and Audit Act?
2. What mechanisms have been employed to work around these issues?
3. What advice would the Accounting Officer have for the Ministry of Finance when drafting an official Internal Audit definition?

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 TWENTIETH MEETING HELD ON WEDNESDAY MARCH 08, 2017 AT 1:37 P.M.
IN THE LEVEL 2 MEETING ROOM, 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
Mrs. Ayanna Webster-Roy	-	Member
Ms. Allyson Baksh	-	Member
Ms. Nicole Olivierre	-	Member
Dr. Dhanayshar Mahabir	-	Member
Mr. Clarence Rambharat	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Sheranne Samuel	-	Assistant Secretary
Ms. Rachel Nunes	-	Parliamentary Intern
Mr. Brian Lucio	-	Parliamentary Intern

Absent were:

Mr. Maxie Cuffie	-	Member (Excused)
Mr. Wade Mark	-	Member (Excused)
Mr. Daniel Dookie	-	Member (Excused)

<u>COMMENCEMENT</u>

1.1 At 1:37 p.m. the Chairman called the meeting to order and extended International Women's Day greetings.

1.2 The Chairman indicated that Mr. Maxie Cuffie, Mr. Wade Mark and Mr. Daniel Dookie asked to be excused from the meeting.

EXAMINATION OF MINUTES OF THE NINETEENTH MEETING

2.1 The Committee examined the Minutes of the Nineteenth (19^{th}) meeting held on Wednesday February 15, 2017.

2.2 The following corrections were made:

- Item 3.1, page 2: the words "Ministries" and "Departments replaced the words "Ministry" and "Department".
- Item 6.4, page 3: the word "which" replaced the word "who".

2.3 There being no further omissions or corrections, the Minutes as amended were confirmed on a motion moved by Mrs. Ayanna Webster-Roy and seconded by Ms. Allyson Baksh.

MATTERS ARISING FROM THE MINUTES OF THE NINETEENTH MEETING

3.1 The Chairman informed Members that responses to the Committee's questions on Internal Audit were received from all Ministries and Departments.

3.2 The Chairman also informed the Committee that the public hearing in Tobago with the THA was rescheduled to Wednesday April 12, 2017 in order to accommodate another Joint Select Committee that will be meeting with the THA on the afternoon of the same day. The PAAC's agenda and meeting time for the THA examination would remain the same. The Chairman encouraged Members to indicate their availability.

3.3 The Committee agreed to circulate comments on the Ministerial Responses to the First Report of the Committee electronically by March 15, 2017.

3.4 The Chairman informed Members that the meeting with the Trinidad and Tobago Transparency Institute was scheduled for Friday March 17, 2017 at 10:30 a.m.

COMMITTEE WORK SCHEDULE

4.1 The Chairman invited Members to review the revised Committee Work Schedule and advised Members that due to a likely sitting of the House of Representatives, the meeting scheduled for Wednesday March 22, 2017 was rescheduled to Thursday March 23, 2017.

4.2 The Chairman explained the objectives of site visits and the selection process involved.

4.3 The Chairman advised that the second hearing on Internal Audit would feature most of the stakeholders who appeared at the second hearing on the system of Inventory Control:

- The Ministry of Finance;
- The Ministry of Public Administration and Communications;
- The Auditor General's Department;
- The Service Commissions Department;
- The Comptroller of Accounts;
- The Public Service Commission;
- The Public Management Consultancy Division; and
- The Public Service Academy.

4.4 The Committee agreed that the proposed examination of the Ministry of Public Administration and Communications would be scheduled in the Third Session of the 11th Parliament.

[The Chairman excused herself from the meeting and the Vice-Chairman took the chair]

PRE-HEARING DISCUSSION - EXAMINATION OF THE INTERNAL AUDIT CONTROLS OF SIX (6) MINISTRIES AND DEPARTMENTS

5.1 The Vice-Chairman invited Members to review the Issues Paper on Internal Audit Controls and the written submissions of the following Ministries and Departments:
- Equal Opportunity Tribunal;
- Elections and Boundaries Commission;
- Trinidad and Tobago Police Service;
- Ministry of Works and Transport;
- Ministry of Labour and Small Enterprise Development; and
- Ministry of Energy and Energy Industries.

5.2 Members discussed the approach to be taken for the examination of the six (6) Ministries and Departments.

5.3 There being no further business for discussion in camera, the Vice-Chairman suspended the meeting at 2:25 p.m., to be reconvened in public.

EXAMINATION OF THE EQUAL OPPORTUNITY TRIBUNAL

6.1 The Vice-Chairman called the public meeting to order at 2:33 p.m., in the J. Hamilton Maurice Room, Mezzanine Floor.

6.2 The following officials joined the meeting:

EQUAL OPPORTUNITY TRIBUNAL

Mr. Narendra Lallbeharry	-	Registrar
Mrs. Caroline Mascall-Beckles	-	Human Resource Officer I (Ag.)
Mr. Raiaz Haniff	-	Clerk IV (Ag.)

Industrial Court

Ms. Hetty Burke	-	Auditor I
Ms. Asha Ramlakhan	-	Auditing Assistant

6.3 The Vice-Chairman welcomed officials of the Equal Opportunity Tribunal (EOT), members of the media and the public and offered greetings on the occasion of International Women's Day.

6.4 The Vice-Chairman outlined the mandate of the Committee and the purpose of the hearing. Introductions were then exchanged.

6.5 The following issues arose from the examination with officials of the Equal Opportunity Tribunal:

- The advantages and disadvantages of being a Sub-Accounting Unit of the Industrial Court and how it eliminates conflict of interest;
- The sharing the Internal Audit function among smaller Departments;
- The instances when the Accounting Officer had to act upon discrepancies identified by the Internal Auditor;
- The EOT's use of a Risk Register;
- EOT's level of Operations, Safety and Health compliance;
- The overall staff complement of the EOT;
- The competence and appropriate staffing of the Industrial Court's Internal Audit Unit; and
- The heavy workload of the Industrial Court's Internal Audit Unit and the need to strengthen the personnel at the Unit given that the Unit also audits five other Departments.

6.6 The Vice-Chairman thanked officials of the Equal Opportunity Tribunal and they were excused.

6.7 The meeting was suspended at 3:03 p.m.

EXAMINATION OF THE ELECTIONS AND BOUNDARIES COMMISSION

7.1 The Vice-Chairman resumed the public meeting at 3:07 p.m.

7.2 The following officials joined the meeting:

ELECTIONS AND BOUNDARIES COMMISSION

Mr. Ramesh Nanan	-	Chief Election Officer
Ms. Lena Champa Sahadeo	-	Deputy Chief Election Officer
Mrs. Fern Narcis-Scope	-	Senior Legal Officer
Mrs. Karen Carter- Foncette	-	Accounting Executive I
Mrs. Karen Ali-Jailal	-	Internal Auditor I (Ag.)

7.3 The Vice-Chairman welcomed the officials of the Elections and Boundaries Commission (EBC) and introductions were exchanged.

7.4 The following issues arose from the examination with the officials of the Elections and Boundaries Commission:

- The challenges faced in the auditing of the EBC's numerous offices;
- The Internal Audit Unit being understaffed;
- The need for additional auditors to assist in the auditing of the EBC assets;
- The increase in workload during and immediately after elections; and
- The level of engagement in Risk Management.

7.5 The Vice-Chairman thanked officials of the Elections and Boundaries Commission and they were excused.

7.6 The meeting was suspended at 3:37 p.m.

EXAMINATION OF THE TRINIDAD AND TOBAGO POLICE SERVICE

8.1 The Vice-Chairman resumed the public meeting at 3:39 p.m.

8.2 The following officials joined the meeting:

OFFICIALS OF THE TRINIDAD AND TOBAGO POLICE SERVICE

Mr. Stephen Williams	-	Commissioner of Police (Ag.)
Mr. Trevor Boissiere	-	Head- Internal Audit
Mrs. Maria Rosalina Harte	-	Head- Finance and Accounts

8.3 The Vice-Chairman welcomed the officials of the Trinidad and Tobago Police Service (TTPS) and introductions were exchanged.

8.4 The following issues arose from the examination with the officials of the Trinidad and Tobago Police Service:

- The areas not audited by the Internal Audit Unit;
- The measures taken to widen the scope of the Internal Audit Unit;
- The systems in place to monitor firearms;
- The required amount of Internal Audit staff to effectively audit the TTPS' scope of work;
- The challenges experienced by the Internal Audit Unit and the measures taken to address same;
- Research conducted on international and regional Internal Audit Systems to enhance the operations of the TTPS' Internal Audit function;
- The percentage of Recurrent Expenditure allocated for Salaries and Wages;
- The advantages and disadvantages of civilians versus persons who have formal Police training being assigned to the Internal Audit Unit of the TTPS; and
- The recommendations to assist the TTPS in performing its duties and functions as it relates to the system of Internal Audit.

8.5 The Vice-Chairman thanked officials of the Trinidad and Tobago Police Service and they were excused.

8.6 The meeting was suspended at 4:20 p.m.

<u>EXAMINATION OF THE MINISTRY OF WORKS AND TRANSPORT</u>

9.1 The Vice-Chairman resumed the public meeting at 4:24 p.m.

9.2 The following officials joined the meeting:

OFFICIALS OF THE MINISTRY OF THE MINISTRY OF WORKS AND TRANSPORT

Mrs. Dhanmattee Ramdath	-	Permanent Secretary (Ag.)
Mrs. Sonia Francis-Yearwood	-	Chief Planning Officer
Mr. Clive Clarke	-	Director, ICT
Mr. Rabindranath Jogie	-	Director, Mechanical Services
Mr. Kerone Yearwood	-	Facilities Manager
Ms. Marissa Chattergoon	-	Auditor III
Ms. Dianne Shim	-	Director of Finance and Accounts
Mr. Christopher King	-	Auditor I

9.3 The Vice-Chairman welcomed the officials of the Ministry of Works and Transport and introductions were exchanged.

9.4 The following issues arose from the examination with the officials of the Ministry of Works and Transport:

- The limited resources of the Internal Audit Unit to efficiently and effectively carry out its duties;
- The measures taken to prevent occurences of work commencing on projects without contracts;
- The plans for training and development of the Internal Audit staff;
- The use of short-term and contract employment as a means of temporarily strengthening the Internal Audit Unit;
- The impact of the merger between the Ministry of Works and the Ministry of Transport upon the functioning of the Internal Audit Unit;
- The competence of the Internal Audit Unit;
- The status of the Charter of Internal Audit Work for 2017;
- The auditing of the Unemployment Relief Programme; and
- The recommendations to assist the Ministry of Works and Transport in performing its duties and functions as it relates to the system of Internal Audit.

9.5 The Vice-Chairman thanked officials of the Ministry of Works and Transport and they were excused.

9.6 The meeting was suspended at 5:03 p.m.

EXAMINATION OF THE MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

10.1 The Vice-Chairman resumed the public meeting at 5:07 p.m.

10.2 The following officials joined the meeting:

OFFICIALS OF THE MINISTRY OF LABOUR AND SMALL ENTERPRISE DEVELOPMENT

Mr. Dalkeith Ali	-	Permanent Secretary (Ag.)
Ms. Marcia London- McKellar	-	Deputy Permanent Secretary (Ag.)
Ms. Shanmatee Sing Ng Sang	-	Deputy Permanent Secretary (Ag.)
Ms. Charmaine Harris	-	Auditor II (Ag.)
Ms. Sangeeta Boondoo	-	Senior Legal Officer
Ms. Visha Ramsundar	-	Accounting Executive I (Ag.)
Ms. Aarti Bedassie	-	Director, Research and Planning (Ag.)

10.3 The Vice-Chairman welcomed the officials of the Ministry of Labour and Small Enterprise Development and introductions were exchanged.

10.4 The following issues arose from the examination with the officials of the Ministry of Labour and Small Enterprise Development:

- The issues identified by the Comptroller of Accounts and the Auditor General's Department;
- The training of Internal Audit staff;
- The issues of capacity building;
- The challenges faced by the Internal Audit Unit;
- The lack of man-power within the Internal Audit Unit;
- The status of talks with the Director of Personnel Administration with respect to filling the vacancies within the Internal Audit Unit;
- The advantages of the Ministry's Internal Audit Unit;
- The problems identified by the Internal Audit Unit; and
- The recommendations to assist the Ministry of Labour and Small Enterprise Development in performing its duties and functions as it relates to the system of Internal Audit.

10.5 The Vice-Chairman thanked officials of the Ministry of Labour and Small Enterprise Development and they were excused.

10.6 The meeting was suspended at 5:32 p.m.

EXAMINATION OF THE MINISTRY OF ENERGY AND ENERGY INDUSTRIES

11.1 The Vice-Chairman resumed the public meeting at 5:34 p.m.

11.2 The following officials joined the meeting:

OFFICIALS OF THE MINISTRY OF ENERGY AND ENERGY INDUSTRIES

Mr. Selwyn Lashley	-	Permanent Secretary
Ms. Lyn- Marie James	-	Auditor II (Ag.)
Mr. Richard Jeremie	-	Chief Technical Officer
Ms. Kaisha Deene	-	Accountant II
Ms. Menawatie Singh	-	Senior Human Resource Officer
Ms. Azizah Baksh-Backredee	-	Senior Chemical Engineer
Ms. Penelope Bradshaw- Niles	-	Senior Petroleum Engineer

11.3 The Vice-Chairman welcomed the officials of the Ministry of Energy and Energy Industries and introductions were exchanged.

11.4 The following issues arose from the examination with the officials of the Ministry of Energy and Energy Industries:

- The status of the Petroleum Register;
- The auditing of payments under the fuel subsidy;
- The role of Risk Management within the Internal Audit function at the Ministry;
- The high risk areas identified in the Ministry's Risk Assessment;
- The level of Operations, Safety and Health compliance (OSHA) at the Ministry;
- The training opportunities available to the Internal Audit staff;
- The reporting relationship between the Permanent Secretary and the Internal Audit Unit;
- The status of the Internal Audit 2017 Charter;
- The status of the Ministry's proposal to the Property Management Consulting Division;
- The research conducted into internationally accepted Inter Audit practices; and
- The recommendations to assist the Ministry of Energy and Energy Industries Development in performing its duties and functions as it relates to the system of Internal Audit.

11.5 The Vice-Chairman thanked officials of the Ministry of Energy and Energy Industries and they were excused.

[Please see the verbatim notes for the detailed oral submission by the witnesses]

SUSPENSION

12.1 At 6:06 p.m., the Vice-Chairman suspended the *public* meeting to resume *in camera* for a post-hearing discussion *w*ith Members only.

RESUMPTION

13.1 At 6:08 p.m. the Vice-Chairman resumed the meeting *in camera*.

POST-HEARING DISCUSSION

14.1 The Vice-Chairman sought Members' views on the public hearing. The Committee expressed concern regarding staffing and qualifications for persons assigned to Internal Audit Units.

14.2 The Committee agreed that additional questions would be sent to Ministries and Departments which appeared before the Committee.

ADJOURNMENT

15.1 There being no other business, the Vice-Chairman adjourned the meeting to **Thursday March 23, 2017**.

15.2 The adjournment was taken at 6:13 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

March 20, 2017

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

MINUTES OF THE TWENTY-FIRST MEETING HELD ON THURSDAY MARCH 23, 2017 AT 1:43 P.M.
IN THE ARNOLD THOMASOS EAST MEETING 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
Mrs. Ayanna Webster-Roy	-	Member
Ms. Allyson Baksh	-	Member
Mr. Maxie Cuffie	-	Member
Ms. Nicole Olivierre	-	Member
Mr. Wade Mark	-	Member
Mr. Daniel Dookie	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Sheranne Samuel	-	Assistant Secretary
Ms. Rachel Nunes	-	Parliamentary Intern
Mr. Brian Lucio	-	Parliamentary Intern

Absent were:

Dr. Lackram Bodoe	-	Vice-Chairman (Excused)
Mr. Clarence Rambharat	-	Member (Excused)
Dr. Dhanayshar Mahabir	-	Member (Excused)

COMMENCEMENT

1.3 At 1:43 p.m. the Chairman called the meeting to order.

1.4 The Chairman indicated that Mr. Clarence Rambharat, Dr. Dhanayshar Mahabir and Dr. Lackram Bodoe asked to be excused from the meeting.

EXAMINATION OF MINUTES OF THE TWENTIETH MEETING

2.1 The Committee examined the Minutes of the Twentieth (20th) meeting held on Wednesday March 08, 2017.

2.2 The following corrections were made:

- Item11.4, bullet point 10, page 8: the word "Internal" replaced the word "Inter".
- Insertion of undertakings given by Ministries and Departments to provide written responses.

2.3 There being no further omissions or corrections, the Minutes as amended were confirmed on a motion moved by Ms. Nicole Olivierre and seconded by Ms. Allyson Baksh.

MATTERS ARISING FROM THE MINUTES OF THE TWENTIETH MEETING

3.1 The Chairman reminded Members that the next meeting of the Committee would be held in Tobago. Members were asked to confirm their attendance.

3.2 The Chairman informed Members that comments on the Ministerial Responses to the First Report of the Committee were received from some Members, the comments of other Members remained outstanding.

3.3 The Chairman indicated that the meeting with the Trinidad and Tobago Transparency Institute was held on Friday March 17, 2017 with good representation from the PAAC.

RESPONSES RECEIVED

4.1 The Chairman invited Members to review the response received from the Ministry of Finance regarding undertakings made by the Accounting Officer at the public hearing on Inventory Control held on Wednesday February 08, 2017. Based on the response, the Committee agreed to follow up with the Ministry of Finance at the end of April 2017.

4.2 The Chairman informed Members that the Committee was in receipt of a submission from the Ministry of Planning and Development regarding the 2017 implementation status of all projects under the PSIP.

COMMITTEE REPORTS - OFFICE OF THE PRESIDENT AND INVENTORY CONTROL

5.1 The Chairman invited Members to review the draft Committee Report on the Office of the President, which was circulated to Members. Members agreed to provide comments by Monday March 27, 2017.

5.2 The Chairman informed Members that the Draft Committee Report on the System of Inventory Control was also circulated. The Committee agreed to divide the review of the report among Members with Members taking responsibility for the Ministry/Department which they champion.

PRE-HEARING DISCUSSION - CONTINUATION OF THE EXAMINATION OF THE SYSTEM OF INTERNAL AUDIT IN THE PUBLIC SERVICE FOR FISCAL YEAR 2017

6.1 The Chairman invited Members to review the Issues Papers on the system of Internal Audit Controls based on issues emanating from the first hearing on Internal Audit and the roles of the relevant stakeholders:
- Permanent Secretary to the Prime Minister and Head of the Public Service;
- Permanent Secretary, Ministry of Finance;
- Permanent Secretary, Ministry of Public Administration and Communications;
- Auditor General's Department;
- Service Commissions Department;
- Comptroller of Accounts;
- Chairman of the Public Service Commission;
- Director, Public Management Consultancy Division; and
- Director, Public Service Academy.

6.2 The Chairman indicated that the Permanent Secretary – Ministry of Finance would not be present and would be represented by the Deputy Permanent Secretary.

6.3 Members discussed the approach to be taken for the examination of the stakeholders.

6.4 Members agreed that the Chief Personnel Officer should be engaged. The Secretariat was directed to request a written submission from the CPO subsequent to the public hearing.

6.5 There being no further business for discussion in camera, the Chairman suspended the meeting at 2:38 p.m., to be reconvened in public.

CONTINUATION OF THE EXAMINATION OF THE SYSTEM OF INTERNAL AUDIT IN THE PUBLIC SERVICE FOR FISCAL YEAR 2017

7.1 The Chairman called the public meeting to order at 2:47 p.m., in the J. Hamilton Maurice Room, Mezzanine Floor.

8.2 The following officials joined the meeting:

AUDITOR GENERAL'S DEPARTMENT (AGD)

Ms. Lorelly Pujadas	-	Auditor General (Ag.)
Ms. Mala Lagan-Seedial	-	Auditor II (Ag.)
Ms. Jaiwantie Ramdass	-	Deputy Auditor General (Ag.)

MINISTRY OF FINANCE

Ms. Savitree Seepersad	-	Deputy Permanent Secretary (Ag.)

Comptroller of Accounts

Ms. Catherine Laban	-	Comptroller of Accounts
Ms. Radica Deonanan	-	Treasury Director

OFFICE OF THE PRIME MINISTER

Mrs. Sandra Jones	-	Permanent Secretary to the Prime Minister and Head of the Public Service
Ms. Jacqueline Johnson	-	Permanent Secretary (Ag.)

MINISTRY OF PUBLIC ADMINISTRATION AND COMMUNICATIONS

Ms. Joan Mendez	-	Permanent Secretary
Mr. Kurt Meyer	-	Deputy Permanent Secretary

Public Management Consulting Division (PMCD)

Ms. Savitri Balkaran	-	Chairman
Ms. Carol Morain	-	Public Management Consultant II (Ag.)

Public Service Academy (PSA)

Ms. Denise Phillip	-	Director
Ms. Cherryl Ramroop	-	Human Resource Advisor III

Service Commissions Department (SCD)

Ms. Anastasius Creed	-	Director of Personnel Administration
Mr. Feno Rampaul	-	Auditor I

PUBLIC SERVICE COMMISSION (PSC)

Ms. Maureen Manchouck	-	Chairman

8.3 The Chairman welcomed officials, members of the media and the public.

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

7.5 The following issues arose from the examination of stakeholders:

- The pervasive issues arising from the AGD's audit of the Public Accounts of Trinidad and Tobago;
- The proposed solutions of the AGD to strengthen the Internal Audit function within the Public Service;
- The role of the Ministry of Finance and the Comptroller of Accounts in the implementation of the recommendations made by the Auditor General in the 2015 Auditor General's Report;
- The implementation of recommendations made in the Auditor General's Report 2015 by the stakeholders present;
- The policies being considered to empower and strengthen the AGD to be able to enforce compliance by Government institutions under its jurisdiction;
- The relevance of the recommendations contained in the 1987 Report of AGD to fiscal year 2017 and how they can be applied;
- The lack of the necessary skills and competencies by Auditors within Internal Audit Units;
- Whether Internal Auditors consider compliance to the laws that govern Ministries and Departments;
- The plans to review the legislative framework as it pertains to Internal Audit;
- The current state of the Internal Audit control environment and the ideal future state;
- The need for the establishment of a Central Internal Audit Authority in Trinidad and Tobago and the necessary amendments to the Exchequer and Audit Act for the establishment of such an Authority;
- The level of emphasis placed on ensuring Internal Audit Units are properly staffed and adequately resourced;
- The current establishment of Auditors I, II, III and Auditing Assistants within the Public Service;
- The level of vacancies that exists in the Public Service as it relates to Auditor posts;
- The provisions for the proper training of staff of Internal Audit Units within the Public Service;
- The efforts to review the structure of the Internal Audit function;
- Clarification on whether senior level Internal Audit staff also have membership (board or otherwise) in the Institute of Internal Auditors, Trinidad and Tobago Chapter;
- The assessments and analysis by the PMCD of Ministries and Departments with respect to the proper complement required for Internal Audit Units;
- The inability of the PMCD to assess the requirements and structure of Ministries and Departments due to staffing constraints;
- The number of staffing requests currently before the PSC;
- The status of the Job Evaluation Exercise being conducted by the Personnel Department;
- Whether the current Job Evaluation Exercise will allow for a holistic review of the Internal Audit function;
- The entities responsible for designing jobs descriptions and specifications relative to Internal Audit;

- The plans to strengthen Internal Audit in preparation for the implementation of Procurement Legislation in April 2017;
- The strategies and mechanisms being considered to ensure the compliance of Ministries and Departments with the new Procurement Legislation;
- The number of personnel required to execute the Internal Audit function within the new Procurement regime;
- The Procurement training being conducted by the PSA;
- The possibility of specific Internal Audit training programmes of the PSA to support the new Procurement Legislation;
- The role of the Permanent Secretary, Ministry of Finance as it relates to the Internal Audit function;
- The gap between the number of personnel required and what actually exists to deal with Internal Audit;
- The ways in which the PSA monitors whether its training interventions are having a positive impact on job performance;
- How the PSA determines that appropriate training is being provided to members of the Public Service;
- The PSA's method for identifying specific/relevant training needs as it relates to the Internal Audit function;
- The outsourcing of training for the Public Service;
- The competencies of trainers at the PSA in the area of Internal Audit;
- The status of the reform of the Public Financial Management System;
- The existence of risk registers at Ministries and Departments;
- The facilitation of Risk Management training to senior officers in the Public Service;
- The provision of Risk Management training by the PSA;
- The non-auditing of arms and ammunition by the Trinidad and Tobago Police Service and the awareness of the of this situation;
- The development of rules and regulations to address the issue of staff performing tasks outside of their job descriptions;
- The planned discussions of the Personnel Department and the SCD with regard to rectifying and reconciling job skills and qualifications;
- The efforts being made in the interim, to make positions within the Ministries and Departments more attractive in order to retain incumbents;
- The status of the implementation of the recommendations made by the PAAC to the PSC and/or other relevant Departments and whether these recommendations would be implemented over the next few months to ensure improvements of the Internal Audit function;
- The improvements seen annually in the performance of the Internal Audit function of the various Ministries and Departments;
- The recurring areas/tasks within the Internal Audit function disregarded by Ministries and Departments e.g. A complete Internal Audit Work Programme;
- The undertaking by the Comptroller of Accounts and the PSA to provide training for the recurring deficiencies identified; and
- The recommendations for assisting the Public Service as it relates to Internal Audit.

7.6 The Chairman thanked officials for attending and they were excused.

[Please see the verbatim notes for the detailed oral submission by the witnesses]

SUSPENSION

8.1 At 4:43 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 4:53 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 that no one body/office appeared to be responsible for Internal Audit.

10.2 The Committee agreed that additional questions would be sent to stakeholders who appeared before the Committee. [**Please see Appendix 1**]

ADJOURNMENT

11.1 There being no other business, the Chairman adjourned the meeting to **Wednesday April 12, 2017**.

11.2 The adjournment was taken at 5:00 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

April 04, 2017

APPENDIX 1

ADDITIONAL INFORMATION REQUESTED FROM STAKEHOLDERS

MINISTRY OF FINANCE

Permanent Secretary

1. Currently the Internal Audit staff of the TTPS is unable to audit guns and ammunition as they are precepted. What can be done to rectify this situation?
2. What is the number of personnel required to give effect to Procurement Legislation as it relates to the Internal Audit function throughout the public service?
   i. What is the gap between what is needed and what exists today?
3. Is the Ministry of Finance aware of the challenges faced by the Internal Audit Unit of the Industrial Court?
4. What solutions does the Ministry of Finance propose to help address these challenges?
5. Have considerations been given to dissolve Sub-Accounting Units within the Public Service in order to ensure a more efficient independent Internal Audit System?

Comptroller of Accounts

1. How can the Comptroller assist in addressing the inadequacies of the System of Internal Audit throughout the Public Service?
2. Have any steps been taken to update the Financial Regulations? If yes, provide details. If no, why not?
3. Are there plans to strengthen the Internal Audit Function across the Public Service? If yes, please provide details.

MINISTRY OF PUBLIC ADMINISTRATION AND COMMUNICATIONS

Permanent Secretary

1. Does a professional relationship exist with the Institute of Internal Auditors, Trinidad and Tobago Chapter?
2. Do any senior serve on the executive of the Institute of Internal Auditors, Trinidad and Tobago Chapter?

Public Management Consulting Division

6. What systems/measures are being put in place to eliminate the lengthy waiting period?
7. For each Ministry and Department please provide details on any requests made to PMCD regarding Internal Audit staff.

Public Service Academy

8. What is the criteria for Internal Audit staff to acquire training from the Academy?
9. Is there a training programme for Internal Audit? If yes, provide a description. If no, why not?
10. Was the Auditor General consulted for the development of a training programme for Internal Audit?
11. Given the upcoming proclamation of the new Procurement Legislation, does the PSA have any training programmes for Internal Audits in the new procurement system in the Public Service?

AUDITOR GENERAL

1. What training does the Department propose can be given to Internal Audit staff to effectively determine value for money and conduct effective audits?
2. What hindrances has been experienced by the Auditor General's Department effective execution of its duties?

SERVICE COMMISSIONS DEPARTMENT

1. How many requests for staffing re Internal Audit are currently before the SCD?
2. What can be done to ensure that the qualification of staff assigned to the Internal Audit Units are reassessed to reflect the current needs of the Public Service?
3. What are the procedures required to be undertaken by all Ministries and Departments with regard to sourcing employees?
4. What measures are being taken by the Commission to fill the manpower needs of Ministries and Departments?
5. Are systems/measures being put in place to eliminate the lengthy waiting period for Ministries and Departments for Internal Audit staff? If yes, explain. If no, why not?
6. What challenges has the Commission faced in carrying out its functions?

PUBLIC SERVICE COMMISSION

1. How many requests for staffing are currently before the PSC?
2. Can the Chairman provide brief insight into the required procedures expected to be undertaken by all Ministries and Departments with regard to sourcing employees.
3. What measures are being taken by the Commission to fill the manpower needs of Ministries and Departments?
4. Are systems/measures being put in place to eliminate the lengthy waiting period for Ministries and Departments for employees? If yes, explain. If no, why not?
5. What challenges has the Commission faced in carrying out its functions?

Appendix III

Attendance

The Committee Members present at the First Public Hearing of the Committee on Wednesday January 25, 2017 were:

i.	Mrs. Bridgid Mary Annisette-George	-	Chairman
ii.	Dr. Lackram Bodoe	-	Vice-Chairman
iii.	Mrs. Ayanna Webster-Roy	-	Member
iv.	Ms. Allyson Baksh	-	Member
v.	Ms. Nicole Olivierre	-	Member
vi.	Dr. Dhanayshar Mahabir	-	Member
vii.	Mr. Clarence Rambharat	-	Member
viii.	Ms. Keiba Jacob	-	Secretary
ix.	Ms. Sheranne Samuel	-	Assistant Secretary
x.	Ms. Rachel Nunes	-	Parliamentary Intern
xi.	Mr. Brian Lucio	-	Parliamentary Intern

Witnesses who appeared were:

Equal Opportunity Tribunal

Mr. Narendra Lallbeharry	-	Registrar
Mrs. Caroline Mascall-Beckles	-	Human Resource Officer I (Ag.)
Mr. Raiaz Haniff	-	Clerk IV (Ag.)

Industrial Court

Ms. Hetty Burke	-	Auditor I
Ms. Asha Ramlakhan	-	Auditing Assistant

The Elections and Boundaries Commission

Mr. Ramesh Nanan	-	Chief Election Officer
Ms. Lena Champa Sahadeo	-	Deputy Chief Election Officer
Mrs. Fern Narcis-Scope	-	Senior Legal Officer
Mrs. Karen Carter- Foncette	-	Accounting Executive I
Mrs. Karen Ali-Jailal	-	Internal Auditor I (Ag.)

Trinidad and Tobago Police Service

Mr. Stephen Williams	-	Commissioner of Police (Ag.)
Mr. Trevor Boissiere	-	Head- Internal Audit
Mrs. Maria Rosalina Harte	-	Head- Finance and Accounts

The Ministry of The Ministry Of Works And Transport

Mrs. Dhanmattee Ramdath	-	Permanent Secretary (Ag.)
Mrs. Sonia Francis-Yearwood	-	Chief Planning Officer
Mr. Clive Clarke	-	Director, ICT
Mr. Rabindranath Jogie	-	Director, Mechanical Services
Mr. Kerone Yearwood	-	Facilities Manager
Ms. Marissa Chattergoon	-	Auditor III
Ms. Dianne Shim	-	Director of Finance and Accounts
Mr. Christopher King	-	Auditor I

The Ministry Of Labour and Small Enterprise Development

Mr. Dalkeith Ali	-	Permanent Secretary (Ag.)
Ms. Marcia London- McKellar	-	Deputy Permanent Secretary (Ag.)
Ms. Shanmatee Sing Ng Sang	-	Deputy Permanent Secretary (Ag.)
Ms. Charmaine Harris	-	Auditor II (Ag.)
Ms. Sangeeta Boondoo	-	Senior Legal Officer
Ms. Visha Ramsundar	-	Accounting Executive I (Ag.)
Ms. Aarti Bedassie	-	Director, Research and Planning (Ag.)

The Ministry Of Energy and Energy Industries

Mr. Selwyn Lashley	-	Permanent Secretary
Ms. Lyn- Marie James	-	Auditor II (Ag.)
Mr. Richard Jeremie	-	Chief Technical Officer
Ms. Kaisha Deene	-	Accountant II
Ms. Menawatie Singh	-	Senior Human Resource Officer
Ms. Azizah Baksh-Backredee	-	Senior Chemical Engineer
Ms. Penelope Bradshaw- Niles	-	Senior Petroleum Engineer