Government of the Republic of Trinidad and Tobago

Minister of Trade and Industry

MTI: 4/4/92 Vol. 2

November 30, 2017

The Honourable Bridgid Mary Annissette - George MP
Speaker of the House of Representatives
Speaker's Chambers, Parliament
Level 2, Tower D
The Port of Spain International Waterfront Centre
1A Wrightson Road
PORT OF SPAIN

PARLIAMENT
DEC - 7 2017
TRINIDAD AND TOBAGO

Dear Madam Speaker

Re: Response of the Minister of Trade and Industry to: The Fourth Report of the Public Administration and Appropriations Committee on: Examination of the System of Internal Audit within the Public Service

I refer to the Report at caption which was presented in the House of Representatives on September 15, 2017 and in the Senate on September 14, 2017 and your letter dated October 9, 2017 for a written response on said Report.

Please find enclosed a written response to the comments and recommendations contained on pages thirteen (13) to seventeen (17) and on page thirty-five (35) of the Report. An e-copy has been forwarded to coth@ttparliament.org.

Should you require further information in this regard, contact can be made with Ms. Karlene Roach, Deputy Permanent Secretary (Ag) at Roachkar@gov.tt or at 623-2931 Ext. 2718.

Yours sincerely

PAULA GOPEE-SCOON
MINISTER

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4/4/92 Vol II

Response by the Minister of Trade and Industry
to Recommendations Proposed in the Fourth Report of the Public Administration and Appropriations Committee on
Examination of the System of Internal Audit within the Public Service

Recommendations:

1. Efficiency of Internal Audit Checks

- **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.**

Response

One of the pervasive issues reported on by the First Report of the Public Accounts and Appropriations Committee (PAAC) was the lack of capacity of Internal Audit Units to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. In light of this, with the appropriate guidance, the Ministry of Trade and Industry is committed to improving the Internal Audit function beyond the routine administrative duties to engage in more complex auditing functions including, *inter alia,* risk mitigation and the general strengthening of the internal control processes observed to be lacking by the PAAC.

In this respect, this Ministry concurs with the Recommendation to establish a Central Internal Audit Authority to monitor and oversee the Internal Audit Function across the Public Service and that the necessary legislative amendments be made to give effect to its establishment.

2. **Internal Audit Qualifications**

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 by October 31, 2017.**
- **A report on the timelines for completing the review as well as the subsequent implementation by November 30, 2017.**

5. **Internal Audit Unit Performing Other Administrative Functions**

Recommendations:

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

Response

The Ministry of Trade and Industry is in agreement with the recommendation.

INDIVIDUAL ASSESSMENT

Head 48- Ministry of Trade and Industry

I. Staffing of Internal Audit Units

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.**

Response

In pursuit of previous recommendations of the PAAC, the Ministry has made some progress in strengthening of the Internal Audit Unit. A status report on the progress made is attached.

Internal Audit Performing Other Administrative Duties

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.**

Response

The Ministry of Trade and Industry wishes to indicate that the Auditing Officers are currently performing technical functions while the Clerk Typist assigned to the Unit performs the administrative duties.

Progress Report

on the

Strengthening of the Internal Audit Unit

Ministry of Trade and Industry

November 29, 2017

Report on Progress in the Strengthening of the Internal Audit Unit
Ministry of Trade and Industry

The Government's stated intent is to shift to a Risk-Based approach to auditing with a view to improving the internal audit function across the Public Sector by expanding the focus from financial issues to encompass governance and management issues. In light of this, the Ministry of Trade and Industry is fully cognizant of the need to steer the Internal Audit Unit of the Ministry in the direction of addressing the larger issues of risk management, governance and internal control processes.

Since the last written response of the Ministry to the issues raised and recommendations of the Public Administration and Appropriations Committee on strengthening the internal audit function of the Ministry, efforts have been ongoing to restructure the functions and staffing arrangements of the Internal Audit Unit to position the Unit to more effectively carry out its audit functions to ensure the efficient operation of the Ministry.

1. Staffing/Filling of Vacant Posts

By communication dated December 13, 2016, the Service Commissions Department filled the post of Auditor II in the Ministry, however the officer appointed to the Post has not yet assumed duty.

2. Roles and Functions of the Internal Audit Unit

The auditing staff of the Internal Audit Unit currently carry out the technical auditing functions while a Clerk Typist assigned to the Unit performs the administrative duties.

3. Training

Due to the current financial situation, budgeted funds are not available for training, therefore, training of officers is continuing in collaboration with the Public Service Academy (PSA). It is also noteworthy that members of the auditing staff have been engaging in self- development. One of the Auditing Assistants plans to undergo training in Internal Auditing offered by the Institute of Internal Auditors which will redound to the benefit of the organisation, once the Officer can be retained. The Table below outlines training received by officers over the last two years.