PARLIAMENT
REPUBLIC OF TRINIDAD AND TOBAGO

PAAC

TENTH REPORT OF THE

THE COMMITTEE ON

PUBLIC ADMINISTRATION AND APPROPRIATIONS

THIRD SESSION OF THE 11TH PARLIAMENT

INQUIRY Examination into the Inventory Control and Internal Audit Systems within the Public Service with specific reference to Follow-up to the Third and Fourth Reports of the Public Administration and Appropriations Committee.

Public Administration and Appropriations Committee

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

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

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

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

Current membership

Mrs. Bridgid Mary Annisette-George	Chairman
Dr. Lackram Bodoe	Vice-Chairman
Ms. Nicole Olivierre	Member
Mrs. Ayanna Webster-Roy	Member
Mr. Clarence Rambharat	Member
Mr. Daniel Dookie	Member
Mr. Wade Mark	Member
Mr. Ronald Huggins	Member
Brig. Gen. (Ret.) Ancil Antoine	Member
Ms. Jennifer Raffoul	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	Graduate Research Assistant

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: Mar 21, 2018 **Date Laid in Senate: Mar 13, 2018**

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Members of the Public Administration and Appropriations Committee

Mr. Wade Mark
Member

Mr. Clarence Rambharat
Member

Mr. Ronald Huggins
Member

Ms. Jennifer Raffoul
Member

Mr. Daniel Dookie
Member

Brig. Gen. (Ret.)
Ancil Antoine
Member

Ms. Nicole Olivierre
Member

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 to keep 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 Eleventh Parliament contains the details of the examination of the stakeholders on –

- Follow-up to the Third Report of the PAAC on an Examination of the System of Inventory Control Within the Public Service; and
- Follow-up to the Fourth Report of the PAAC on an Examination of the System of Internal Audit Within the Public Service; and

The Committee employed two (2) mechanisms: review of Ministerial Responses and a Public Hearing. The Committee focused on a review and analysis of the Ministerial Responses submitted by all stakeholders. Subsequently, the Committee conducted a Public Hearing with the following stakeholders:

- ✓ The Auditor General's Department;
- ✓ The Director of Personnel Administration, Service Commissions Department;
- ✓ The Chairman of the Public Service Commission;
- ✓ The Permanent Secretary, Ministry of Finance;
- ✓ The Comptroller of Accounts, Ministry of Finance;

- ✓ The Director of Contracts, Central Tenders Board;
- ✓ The Permanent Secretary, Ministry of Public Administration and Communications;
- ✓ The Director – Public Management Consultancy Division; and
- ✓ The Director – Public Service Academy.

The approach adopted by the Committee took into account issues identified throughout the examination and time constraints.

The Committee extended recommendations related to the issues identified, the Observations and Recommendations are presented 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 of Ministries and Departments.

Membership

- In the 11th Parliament the Members of the Committee were appointed by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.
- By resolution of the House of Representatives on November 24, 2017, Brigadier General (Ret.) Ancil Antoine was appointed as a Member of the Committee in lieu of Mr. Maxie Cuffie.
- By resolution of the Senate on November 28, 2017 Mr. Ronald Huggins was appointed as a Member of the Committee in lieu of Ms. Allyson Baksh.
- By resolution of the Senate On November 3, 2017, Ms. Jennifer Raffoul was appointed as a Member of the Committee in lieu of Mr. Dhanayshar Mahabir.

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

The Committee in the discharge of its Parliamentary Financial Oversight function of monitoring the implementation of the budget focused on the following:

- Follow-up with stakeholders to the Third Report of the PAAC on an Examination of the System of Inventory Control within the Public Service; and
- Follow-up with stakeholders to the Fourth Report of the PAAC on an Examination of the System of Internal Audit within the Public Service.

The objective of the Committee's inquiry was to determine whether the key stakeholders responsible for ensuring there are efficient Inventory Control and Internal Audit Systems have been doing their part to ensure that these systems are functioning effectively.

2. METHODOLOGY

<u>Determination of the Committee's Work Programme</u>

At an in-camera meeting of the Committee held on Wednesday September 17, 2017, the Committee agreed to commence a follow-up inquiry into the Third and Fourth Reports.

Review of Documents

The Committee deliberated on the following documents, namely:

i. The Ministry of Finance's Ministerial Responses to the Third and Fourth Reports;

ii. The Ministry of Public Administration and Communications' Ministerial Responses to the Third and Fourth Reports;

iii. The Ministry of Attorney General and Legal Affairs' Ministerial Responses to the Third and Fourth Reports;

iv. The Service Commissions Department's Ministerial Responses to the Third and Fourth Reports;

v. The Personnel Department's Ministerial Responses to the Third and Fourth Reports;

vi.

<u>The Inquiry Process</u>

The Inquiry Process outline steps taken by the Committee when conducting an inquiry into an entity or issue. The following steps outline the Inquiry process followed by the PAAC:

Identification of entity to be examined;

i. Preparation of Inquiry Proposal for the selected entity. The Inquiry Proposal outlines:
   - Description
   - Background;
   - Overview of Expenditure
   - Rationale/Objective of Inquiry; and
   - Proposed Questions.

ii. Consideration and approval of Inquiry Proposals by the Committee and upon approval, questions were forwarded to the entity for written responses;

iii. Requests for written comment from the public made via Parliament's website, social media accounts, newspaper and advertisements;
iv. 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;
v. Review of the responses provided and the Issues Paper by the Committee;
vi. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);
vii. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if:
    a. the Committee believes the issues have little public interest; or
    b. the Committee believes that the written responses provided are sufficient and no further explanation is necessary.
viii. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.
ix. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.
x. Receive Ministerial Responses. Review responses.
xi. Engage in Follow-up.

3. ISSUES, OBSERVATIONS AND RECOMMENDATIONS

THIRD REPORT INTO THE SYSTEM OF INVENTORY CONTROL WITHIN THE PUBLIC SERVICE

ISSUES

1. **The Ministry of Finance should continue to ensure that the IFMIS is on track to be implemented**

   According to the Ministerial Response[1] received from the Ministry of Finance, it was expected that the Integrated Financial Management Information System (IFMIS) will be fully operational at the end of four and a half (4.5) to five (5) year period which is expected to be by 2023. This period covered:

   - one year to finalise the procurement;
   - six (6) to eight (8) months for initial testing and customisation;
   - twelve (12) to fourteen (14) months to implement, test and ensure full functionality of all modules in four pilot Ministries; and
   - approximately eighteen (18) to twenty-four (24) months for full roll-out to all Ministries, and the completion of functionality tests in every Ministry.

   The Committee noted that by the end of March 2018, the following steps were intended to be completed:

   i. Approval of the Evaluation Report by the Inter-American Development Bank (IADB);
   ii. Selected Vendor informed of selection;
   iii. Contract between Government and Vendor vetted and approved by Chief State Solicitor's Office;
   iv. Contract signed by end of February;
   v. Contract mobilization;

[1] In accordance with Standing Order 110 (6) of the House of Representatives and Standing Order 100 (6) of the Senate, the Minister responsible for the Ministry or Body under review shall, not later than sixty (60) days after a report from a Standing Committee relating to the Ministry or Body has been laid upon the Table, present a paper to the House responding to any recommendations or comments contained in the report which are addressed to it. All such papers presented by the Ministry or Body shall be ordered to be laid upon the Table without question put, and any motion for the printing thereof as a House Paper shall be determined without amendment or debate.

vi. Finalise Project Plan with Vendor.

Additionally, the 'Define Phase' which included finalizing requirements, delivering and installing IFMIS hardware infrastructure was expected to be completed by the end of April, 2018.

Recommendation:

- ***The Ministry of Finance should provide a status update to the Committee on the progress made in completing the requisite tasks carded for January to April 2018 by May 10, 2018.***

2. A circular should be issued to all Ministries and Departments directing same to implement an electronic Inventory System by July 31, 2017.

In its follow-up based on the Ministerial Responses to the recommendations contained in its Third Report, the Committee learnt that the Ministry of Finance through the Comptroller of Accounts issued Circular No. 5 dated April 13, 2017 to streamline the Inventory Control in all Ministries and Departments. The circular covered areas such as:

- ✓ procurement;
- ✓ inventory management;
- ✓ the need for public officers and accounting officers to be in compliance with the Financial Regulations and the stores regulations; and
- ✓ the role of internal audit in relation to inventory control where it was emphasied that internal auditors should include inventory checks in their annual work programme.

The Committee learnt that in order to move seamlessly to an electronic inventory control system, the coding system needed to be standardized. Additional evidence submitted by the Ministry of Finance indicated that the Ministry could not indicate when Ministries and Departments would be in full compliance with the coding system due to the six (6) "classifications" of inventory being inadequate. The variety of capital equipment for example, in the Ministry of Health alone could exceed twenty (20) classifications, most of which will not fall under any of the six existing categories.

Additionally, the location of assets must be taken into consideration. Therefore, according to additional evidence, the tagging system must be both consistent with the Chart of Accounts used for financial transactions, as well as have specific identifiers for asset classification and asset location. As a result, the standardized coding structure which was recommended in the Inventory Circular would require modification.

The Comptroller of Accounts indicated that the Treasury Division did not have the expertise nor the resources for such an undertaking and recommended that:

(a) A Consultant be hired in the short-term to guide the process;
(b) A Unit be established under the purview of the Permanent Secretary, Ministry of
Finance to provide the necessary resources for the project, and
(c) The exercise be done using a phased approach.

Additional evidence indicated the Treasury Division has begun working on the logistics for consultancy as well as the setting up of the Unit.

Observation:

- ***The Committee noted the Comptroller of Accounts' recommendations.***

Recommendation:

- ***The Ministry of Finance should provide a status update to the Committee on the progress made in acquiring a consultant and establishing the Unit by April 30, 2018.***

3. The Ministry of Public Administration and Communications to implement the Asset Management System.

According to the Ministry of Public Administration and Communications' Ministerial Response, the Ministry attempted to use its IT Asset solution software as the basis for the recommended Asset Management System but the software could not be delinked from the IT Help Desk for which it was a component.

Due to this limitation, the Ministry consulted the Treasury Division and Auditor General's Department and embarked upon a search for an Asset Management software solution. An open source solution called openMAINT[2], which has been used in a public service environment in Italy was identified and was being tested by the Ministry.

The Ministry indicated that testing should be completed by the end of the first quarter of 2018.

Recommendation:

- ***The Ministry should provide a status update to the Committee on the results of the testing of the openMAINT software inclusive of any recommended or intended action by the Ministry by April 06, 2018.***

4. **Amendments to the Exchequer and Audit Act and the Financial Regulations inclusive of sanctions for public officials who are in breach of the Exchequer and Audit Act and the Financial Regulations in accordance with international best practice.**

The Committee learned that Amendments to the Exchequer and Audit Act and Financial Regulations impact on other legislation and therefore should not be done in isolation.

The Public Financial Management (PFM) Reform will also impact on amendments to the Exchequer and Audit Act and the Financial Regulations. PFM Reform included Accounting and Budget Reform (IFMIS) and Internal Audit Reform. As these reforms progress, the Consultants who were hired would indicate the areas of the Act which would require amendments as necessary. The Ministry gave the assurance to liaise with the Ministry of the Attorney General and Legal Affairs to consider drafting the amendments pertaining to sanctions for public officials.

[2] http://www.openmaint.org/en/project/project

Additionally, the Ministry of Attorney General and Legal Affairs advised that draft amendments can be prepared in respect of sanctions for public officials who are in breach of the Exchequer and Audit Act and the Financial Regulations in accordance with international best practice upon receiving written instructions from the authorized officials at the Ministry of Finance in accordance with the current procedures for the preparation of draft legislation by the Office of the Chief Parliamentary Counsel.

Recommendation:

- ***The Ministry should provide a status update to the Parliament on the progress made in drafting the amendments, particularly sanctions for public officials who are in breach of the Exchequer and Audit Act Ch 69:01 by April 30, 2018.***

5. **The Ministry of Public Administration and Communications should provide a Report to Parliament on the status of the PMCD's Sensitisation Sessions**

The Committee was concerned to note that despite attempts by the Public Management Consulting Division to avoid the delays in the creation and renewal of contract positions by hosting Sensitisation Sessions, there was still no meaningful change. Oral and written evidence illustrated that persons in Human Resource Units appear to be in need of training in Cabinet Note writing, process mapping and collection of work load statistics.

Consequently, the Committee learned that the Public Service Academy (PSA) had ongoing courses in Cabinet Note writing for public officers and another variant of the course for senior officers. The PSA was of the view that despite its schedule of activities, the Academy was open to amending its schedule once there was an appropriate need.

Recommendation:

- ***The Ministry of Public Administration and Communications should provide a Report to Parliament on the number of officials trained by the PSA in the current financial year in Cabinet Note Writing by April 30, 2018.***

- ***The Ministry of Public Administration and Communications should indicate to the committee whether was any improvements in Cabinet Notes received by the PMCD by April 30, 2018.***

6. The Revision to Inventory Management Course and design of additional courses

The Committee learned that the Public Service Academy (PSA) conducted a needs analysis to inform its Schedule of Activities for the fiscal 2017/2018. As such it was proposed that additional courses such as Fraud Asset Management and other relevant courses be included in the schedule. As a result, the PSA intended to target the following Ministries and Departments for training in Inventory Control and Management in January 2018:

i. Ministry of Health;
ii. Trade and Industry;
iii. Public Utilities;
iv. Agriculture Land Fisheries;
v. Community Development Culture and the Arts;
vi. Planning and Development;
vii. Labour and Small Enterprise Development; ;
viii. National Security(Prisons & General Administration)
ix. Public Administration and Communications;
x. Rural Development and Local Government;
xi. Office of the President; and
xii. Integrity Commission.

Additionally, the PSA targeted the following Ministries and Departments for training in Inventory Management for the months of February and March 2018:

i. Ministry of Health;
ii. Ministry of Labour and Small Enterprise Development;
iii. Ministry of Tourism;
iv. Energy and Energy Industries;

v. Works and Transport;

vi. Foreign and CARICOM Affairs;

vii. Sports and Youth;

viii. Social Development and Family Services;

ix. Equal Opportunity Tribunal;

x. Trinidad and Tobago Police Service ;

xi. Community Development and the Arts; and

xii. Rural Development and Local Government.

Recommendations

- ***The Ministry of Public Administration and Communications should provide a status update to the Parliament on the number of officials trained in the current financial year in Inventory Management by April 06, 2018.***

FOURTH REPORT INTO THE SYSTEM OF INTERNAL AUDIT WITHIN THE PUBLIC SERVICE

1. **The Ministry of Finance should establish a Central Internal Audit Authority**

Written and oral evidence from the Ministry of Finance indicated that the establishment of a Central Internal Audit Authority with the sole responsibility of overseeing the Internal Audit function across the Public Service formed a pertinent part of the Public Sector Reform. This will include a legislative review and revised organisational structure as part of the fit-gap analysis. The Ministry of Finance indicated that a Consultant will be procured by the end of February 2018 (as mentioned in Issue 1, page 12).

Recommendation:

- ***The Ministry of Finance should submit to the Parliament, a status update on the progress made in the establishment of the Central Internal Audit Authority by June 30, 2018.***

2. **The Service Commissions Department (SCD) should submit a Status Update on the efforts made in the filling of vacancies in Internal Audit Units**

The Committee noted with concern that little progress was made with respect to the SCD's ability to fill vacancies in Internal Audit Units due to officials declining promotions on the basis that there were no incentives to accept the promotion.

The SCD provided the following additional information to the Committee:

Office	No. of Offices	No. of Vacancies
Auditor III	8	5
Auditor II	29	9
Auditor I	60	31
Auditing Assistant	112 plus 15 temporary	64
Total	**224**	**109**

The Committee learned that the SCD conducted research into the Promotion files and Confidential Personal Files (CPFs) of the officers who submitted representations with respect to non-promotion/appointment to the office of Auditing Assistant and determined that the officers had a valid case. Research revealed that there was an error in the seniority list for Auditing Assistant following the promotion of officers from the 2011 Order of Merit List for the office of Auditing Assistant. Further research indicated that there were five (5) other officers who were inadvertently overlooked for promotion. In an effort to be fair to all officers, the CPFs of one hundred and eleven (111) officers who were promoted were being reviewed in order to rectify any additional issues. This was expected to be completed by February 2018.

The Department indicated that it would commence filling other vacancies in the auditing stream utilizing a project management approach. The Human Resource Advisor II and two (2) other officers would work together to complete research on the files and liaise with the relevant Ministries and Departments to identify the vacancies in order to complete the exercise by 31st March 2018. It was anticipated that approximately 80% of the vacancies would be filled by that time.

Recommendations

- ***The SCD should continue to fill the vacancies within the audit stream and submit a status report to Parliament on this initiative by April 30, 2018.***

3. Training of Internal Audit Staff by the Ministry of Public Administration and Communications and the Public Service Academy

The Committee noted that the Ministry of Public Administration and Communications and the Public Service Academy (PSA) met with the Auditor General's Department and the Comptroller of Accounts to address the key issues identified in the Auditor General's Report as recommended by the Committee. As a result, the following courses were designed and were scheduled on the PSA's training calendar for the fiscal year 2017-2018:

- ✓ Audit Report Writing;
- ✓ Assessing Risk: Ensuring Internal Audit's Value;

- ✓ Risk-based Auditing: A Value Add Proposition;
- ✓ Fundamentals of IT Auditing;
- ✓ Auditor-in-charge Tools and Techniques;
- ✓ Beginning Auditor Tools and Techniques;
- ✓ Performance-based Auditing in the Public Sector;
- ✓ Operational Auditing: Evaluating Procurement and Sourcing; and
- ✓ Operational Auditing: Evaluating the Supply Chain.

Recommendation:

- ***The Ministry of Public Administration and Communications should submit to the Parliament, the schedule of activities with respect to the aforementioned courses for fiscal 2017/2018 by March 31, 2018.***
- ***The Ministry of Public Administration and Communications should submit to the Parliament, a status update on the number of officials trained in the aforementioned courses in the current financial year by April 30, 2018.***

4. The Personnel Department should submit to Parliament, a copy of the policy position and timelines for implementation for Internal Audit Staff Performing Administrative Functions

The Committee noted that the Personnel Department drafted a policy position that addressed the issue of staff performing tasks outside of their job descriptions. The Service Commissions Department was in agreement with the suggested approach and it was anticipated that the finalization and circulation of the policy to Ministries/Departments would have occurred by January 2018.

Recommendation:

- ***The Personnel Department should submit a status report to the Committee on the implementation of the policy by Ministries and Departments by April 30, 2018.***

4. CONCLUSION

During the Third Session of the Eleventh Parliament, the PAAC conducted a follow-up inquiry into the Inventory Control and Internal Audit Systems with particular reference to the recommendations from the PAAC's First and Third Reports and the corresponding Ministerial Responses.

During the course of the follow-up, the Committee discovered that the stakeholders were experiencing difficulty in implementing some of the Committee's recommendations whereas other stakeholders adequately implemented same. The Committee's biggest concern continues to be the Public Financial Management Reform initiative being undertaken by the Ministry of Finance due to the fact that the initiative has the potential to solve many of the pervasive issues highlighted in the Committee's Report.

The Committee is of the view that the adoption of its proposed recommendations will lead to greater accountability, transparency and value for money in the use of public funds. Moreover, the Committee intends to monitor the progress made in the implementation of the recommendations proposed in this 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

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Mr. Wade Mark
Member

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Mr. Daniel Dookie
Member

Sgd.
Mr. Ronald Huggins
Member

Sgd.
Mr. Clarence Rambharat
Member

Sgd.
Ms. Jennifer Rafoul
Member

APPENDIX I

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:

xii. Identification of entity to be examined;

xiii. Preparation of Inquiry Proposal for the selected entity. The Inquiry Proposal outlines:

- Description
- Background;
- Overview of Expenditure
- Rationale/Objective of Inquiry; and
- Proposed Questions.

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

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

xvi. 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;

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

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

xix. 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:

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

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

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

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

APPENDIX II

Minutes of Meetings

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

**MINUTES OF THE TWENTY-EIGHTH MEETING HELD ON WEDNESDAY DECEMBER 28, 2017 AT 1:41 P.M.
IN THE LEVEL 2 MEETING ROOM AND IN 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
Mr. Wade Mark	-	Member
Ms. Nicole Olivierre	-	Member
Brig. Gen. (Ret.) Ancil Antoine	-	Member
Ms. Jennifer Raffoul	-	Member
Mr. Ronald Huggins	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Sheranne Samuel	-	Assistant Secretary
Mr. Brian Lucio	-	Graduate Research Assistant
Ms. Rachel Nunes	-	Graduate Research Assistant

Absent were:

Dr. Lackram Bodoe	-	Vice-Chairman (Excused)
Mrs. Ayanna Webster-Roy	-	Member (Excused)
Mr. Daniel Dookie	-	Member (Excused)
Mr. Clarence Rambharat	-	Member (Excused)

COMMENCEMENT

1.1 At 1:41 p.m. the Chairman called the meeting to order.

1.2 The Chairman indicated that Dr. Lackram Bodoe, Mr. Daniel Dookie, Mr. Clarence Rambharat and Mrs. Ayanna Webster-Roy asked to be excused from the meeting.

EXAMINATION OF MINUTES OF THE TWENTY-SEVENTH MEETING

2.1 The Committee examined the Minutes of the Twenty-seventh (27th) meeting held on Wednesday December 13, 2017.

2.2 The following correction was made:

- Item 1.2, page 1: 'reconstitution' replaced the words 'new constitution'.

2.3 There being no further omissions or corrections, the Minutes as amended were confirmed on a motion moved by Mr. Wade Mark and seconded by Mr. Ronald Huggins.

MATTERS ARISING FROM THE MINUTES OF THE TWENTY-SEVENTH MEETING

3.1 As per item 3.1, the Chairman indicated that submissions received from the Judiciary to date were circulated to the new Members of the Committee. The Chairman also advised that she requested further research to be conducted by the Legal Department regarding Parliament's authority to examine the Judiciary. It was also indicated that it was a matter that can be raised at the meeting of the Chairmen.

3.2 As per item 3.5 and 3.7, the Chairman informed Members that that via email dated December 19, 2017, the Secretariat re-circulated the Reports on the Ministry of Sport and Youth Affairs and the Ministry of Education. Members were reminded that the deadline to provide feedback was December 29, 2017, thereafter preparations would be made for finalisation of the Reports.

3.3 Feedback was offered by Member Mark regarding the timeframes contained in the reports.

3.4 As per item 4.1, the Chairman informed Members that the Report on the Tobago House of Assembly was presented in House of Representatives on December 15, 2017.

3.5 As per item 9.2, the Chairman indicated that additional questions were sent to the Ministry of Public Utilities for response by January 05, 2018.

CONSIDERATION OF WORK PROGRAMME

4.1 A discussion ensued on the Work Programme for the Third Session. The Committee agreed to prioritise three (3) more inquiries in addition to what was previously agreed:

i. the administration of pensions and gratuity benefits in the Public Service;
ii. the administration and funding of special health care services; and
iii. the Ministry of Tourism.

4.2 The Secretariat was instructed to adjust the Committee Calendar to reflect the changes to the Work Programme.

4.3 The Chairman explained the rationale for champions for each Ministry/Department to the new Members of the Committee.

PRE-HEARING DISCUSSIONS: EXAMINATION OF STAKEHOLDERS RE FOLLOW UP TO PAAC 3RD AND 4TH REPORTS ON INVENTORY CONTROL AND INTERNAL AUDIT IN THE PUBLIC SERVICE

5.1 The Chairman invited Members to review the Issues Paper based on Ministerial Responses received from stakeholders on the Third and Fourth Reports of the Committee.

5.2 The Chairman requested that the Secretariat flag questionable information contained in tables submitted from entities going forward.

5.3 The Chairman reminded Members that the purpose of the meeting was to engage in follow up with the relevant stakeholders as it related to the Committee's Reports on Inventory Control and Internal Audit in the Public Service.

5.4 A discussion ensued on the approach to be taken for the public hearing.

5.5 There being no further business for discussion in camera, the Chairman suspended the meeting at 2:39 p.m., to be reconvened in public.

EXAMINATION OF STAKEHOLDERS RE FOLLOW UP TO PAAC 3RD AND 4TH REPORTS ON INVENTORY CONTROL AND INTERNAL AUDIT IN THE PUBLIC SERVICE

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

6.2 The following officials joined the meeting:

OFFICE OF THE PRIME MINISTER

Mr. Maurice Suite	-	Permanent Secretary to the Prime Minister and Head of
the		Public Service

AUDITOR GENERAL'S DEPARTMENT

Ms. Jaiwantie Ramdass	-	Assistant Auditor General
Ms. Gaitrie Maharaj	-	Assistant Auditor General

MINISTRY OF FINANCE

Mrs. Michelle Durham-Kissoon	-	Permanent Secretary (Ag.), Investments and Procurement Division

Treasury Division

Ms. Catherine Laban	-	Comptroller of Accounts
Mrs. Joycelyn Thomas-Vialmosa	-	Deputy Comptroller of Accounts

PERSONNEL DEPARTMENT

Mr. Beresford Riley	-	Chief Personnel Officer
Ms. Gail Evelyn	-	Deputy CPO (Ag.)

MINISTRY OF PUBLIC ADMINISTRATION AND COMMUNICATIONS

Mr. Claudelle Mc Kellar	-	Permanent Secretary (Ag.)
Mrs. Angela Lum-Joseph	-	Director, Public Management (Ag.)

PUBLIC MANAGEMENT CONSULTING DIVISION

Ms. Savitri Balkaran	-	Director (Ag.)
Ms. Carol Morain	-	PMC II (Ag.)

PUBLIC SERVICE ACADEMY

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

PUBLIC SERVICE COMMISSION

Ms. Parvatee Anmolsingh-Mahabir	-	Deputy Chairman
Ms. Kay Charles	-	Commissioner

SERVICE COMMISSIONS DEPARTMENT

Ms. Prabhawatie Maraj	-	Director of Personnel Administration (Ag.)
Ms. Marcia Pile O' Brady	-	Deputy Director of Personnel Administration (Ag.)

6.3 The Chairman welcomed the various stakeholders, members of the media and the public.

6.4 The 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 of stakeholders re follow up to the Third and Fourth Reports of the Committee on the System of Inventory Control and the System of Internal Audit in the Public Service respectively:

<u>Follow-up to Third Report of the PAAC – the System of Inventory Control within the Public Service</u>

- Recommendation: The Ministry of Finance should continue to ensure that the IFMIS is on track to be implemented and should submit a report to Parliament on the Status of the IFMIS by July 31, 2017.

i. The status of the Integrated Financial Management Information System (IFMIS) and the International Public Sector Accounting Standards (IPSAS);
ii. The challenges faced in implementing the IFMIS; and
iii. The need for additional training for streamlining of the Inventory Control system.

- Recommendation: A Circular should be issued to all Ministries and Departments directing same to implement an electronic Inventory System by July 31, 2017.

i. The steps taken by the Auditor General's Department to disperse of misconceptions on whether Ministries and Departments can have electronic Inventory Registers;
ii. The issuance of the Circular by the Comptroller of Accounts;
iii. The status of the universal coding system; and
iv. The steps to be taken by the Comptroller of Accounts to ensure that Ministries and Departments are fully compliant with the Universal Coding System;

- Recommendation: The Ministry of Public Administration and Communications should seek to ensure that the Asset Management System is ready to be implemented across the Public Service by July 31, 2017.

1. The status of the Open Source solution; and
2. The timeline for the implementation of the Open Source solution.

- Recommendation: The Ministry of Finance should liaise with the Ministry of the Attorney General and Legal Affairs to draft amendments to the Exchequer and Audit Act and the Financial Regulations and thereafter, introduce said amendments in Parliament by July 31, 2017. These amendments should include sanctions for public officials who are in breach of the Exchequer and Audit Act and the Financial Regulations in accordance with international best practice.

1. The status of the amendments to the Exchequer and Audit Act;
2. The status of the consultation among the Ministry of Finance, Ministry of Attorney General and Legal Affairs and the Auditor General's Department; and
3. The efforts to be made by the Ministry of Finance to eventually amend the Exchequer and Audit Act while also implementing the IFMIS.

- Recommendation: The Ministry of Public Administration and Communications should provide a Report to Parliament on the status of the PMCD's Sensitisation Sessions by July 31, 2017.

1. The status of the Public Management Consultancy Division's Sensitisation Sessions.

- Recommendation: The Ministry of Public Administration and Communications should prepare and issue a Circular directing all Accounting Officers with pending requests at the PMCD to submit the required information to same by July 31, 2017.

1. The need for the PMCD and the Public Service Academy (PSA) to collaborate and provide training to Human Resource Units; and
2. The current status of Cabinet Notes submitted to PMCD by Ministries and Departments;

- Recommendations:
- *Revise the current Inventory Management course to focus more on issues of control as identified in the Auditor General's Report by July 31, 2017;*
- *Design additional course(s) such as Fixed Asset Management and Disposal or others as may be deemed necessary by July 31, 2017; and*
- *Liaise with the Auditor General's Department to ensure that all Inventory Control courses are relevant and address the key issues identified in the Auditor General's Report.*

1. The initiatives to be taken by the PSA to provide training to Ministries and Departments for staff involved in Inventory Control;
2. The status of the PSA's needs analysis;
3. The PSA's schedule of activities for fiscal year 2017/2018;
4. The status of the Inventory Management Course;
5. The Ministries and Departments targeted to receive training in Inventory Management;
6. The status of the Fixed Asset Management Course;
7. Existence of Fraud and Risk Management courses; and
8. Status of collaboration between the PSA and the Auditor General's Department.

Follow-up to the Fourth Report of the PAAC into the Internal Audit System within the Public Service

- Recommendation: 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.

1. The status of the amendments to establish a Central Internal Audit Authority;
2. The progress made in acquiring a consultant to assist in implementing the IFMIS; and
3. The status of the Internal Audit Charter.

- Recommendation: 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.

1. The reasons for vacancies not being filled;
2. The challenges faced by the Service Commissions Department in filling vacancies;
3. The time frame for filling all vacancies; and
4. The solutions to address the issue of persons refusing to accept promotions

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

1. The status of the policy to address the issue of staff performing other duties;
2. The date for the circulation of the policy;

- Recommendation: The Personnel Department should submit to the Parliament, a Report on the progress made in developing the Department's Internal Audit Function in consultation with the Comptroller of Accounts and Auditor General by November 30, 2017.

1. The outcomes of the consultation with the Comptroller of Accounts and Auditor General.

- Recommendation: 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.

1. The acquisition of an external training provider;
2. The number of staff are expected to be trained; and
3. The cost of acquiring an external training provider and the intended duration of the training.

- Recommendation: 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.*

1. The status of internal audit courses that are on schedule for fiscal year 2017/2018.

- Recommendation: The Service Commissions Department 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 complement by November 30, 2017.

1. The status of SCD's implementation of the recommendations arising from its Institutional Strengthening Exercise;
2. The effects of the recommendations on the wider Public Service.

6.6 The Chairman thanked officials for attending and offered best wishes for 2018. The officials were excused.

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

SUSPENSION

7.1 At 5:12 p.m., the Chairman suspended the *public* meeting to resume *in camera* for a post-hearing discussion *w*ith Members only.

RESUMPTION

8.1 At 5:16 p.m. the Chairman resumed the meeting *in camera*.

POST-HEARING DISCUSSION

9.1 The Chairman sought Members' views on the public hearing. The Committee expressed dissatisfaction with the responses provided by officials and raised concern regarding the commitment to make the systems of Inventory Control and Internal Audit more efficient and effective.

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

ADJOURNMENT

10.1 The Chairman indicated that the Committee's next meeting was scheduled for Wednesday January 12, 2018 but suggested that rescheduled to Wednesday January 17, 2018, to allow sufficient time for the request and receipt of written submissions from entities. The Committee agreed.

10.2 The next meeting would be held on **Wednesday January 17, 2018 at 1:30 p.m.**, when the Committee will commence its inquiry into the Administration of Disaster Relief in Trinidad and Tobago. The meeting was adjourned.

10.2 The adjournment was taken at 5:31 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

January 12, 2018

APPENDIX 1

ADDITIONAL INFORMATION REQUESTED FROM STAKEHOLDERS RE FOLLOW UP TO THIRD AND FOURTH REPORTS

Comptroller of Accounts

1. Provide a breakdown of Ministries and Departments who are in/not in compliance with the universal coding system.
2. When is it expected that there will be compliance by Ministries and Departments with respect to the universal coding system?
3. Provide an update on the timelines for the implementation of the IFMIS.

Personnel Department

1. With regard to the Personnel Department's acquisition of a training provider:
    a. What is the name of the training provider?
    b. How long will the provider be engaged?
    c. What is the cost of this service to the Personnel Department?

Public Service Academy

1. Provide a copy of the Public Service Academy's schedule of courses for fiscal 2017/2018 and highlight courses related to Inventory Control and Internal Audit?
2. Which Ministries are targeted to receive training in Inventory Management?

Service Commissions Department

1. According to the Department's Ministerial Response, extensive research was being conducted in an effort to rectify the issues in promoting persons in the audit stream.
    a. What is the status of this research?
    b. Were any measures to rectify the issue determined? If yes, what are the timelines for implementation of these measures?

Appendix III

Verbatim

VERBATIM NOTES OF THE SEVENTEENTH PUBLIC MEETING OF THE PUBLIC ADMINISTRATION AND APPROPRIATIONS COMMITTEE, HELD IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, (IN PUBLIC), OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON THURSDAY, DECEMBER 28, 2017, AT 2.45 P.M.

PRESENT

Mrs. Bridgid Annisette-George	Chairman
Brig. Gen. Ancil Antoine	Member
Mr. Ronald Huggins	Member
Mr. Wade Mark	Member
Miss Jennifer Raffoul	Member
Miss Keiba Jacob	Secretary
Miss Sheranne Samuel	Assistant Secretary
Mr. Brian Lucio	Graduate Research Assistant
Miss Rachel Nunes	Graduate Research Assistant

ABSENT

Dr. Lackram Bodoe	Vice-Chairman
Mrs. Ayanna Webster-Roy	Member
Mr. Clarence Rambharat	Member
Mr. Daniel Dookie	Member
Miss Nicole Olivierre	Member

OFFICIALS FROM AUDITOR GENERAL

Ms. Jaiwantie Ramdass	Assistant Auditor General
Ms. Gaitrie Maharaj	Assistant Auditor General

OFFICIALS FROM COMPTROLLER OF ACCOUNTS

Ms. Catherine Laban	Comptroller of Accounts
Mrs. Joycelyn Thomas-Vialmosa	Deputy Comptroller of Accounts

OFFICIALS FROM PERSONNEL DEPARTMENT

Mr. Beresford Riley	Chief Personnel Officer
Ms. Gail Evelyn	Ag. Deputy COP

OFFICIALS FROM THE MINISTRY OF FINANCE

Mrs. Michelle Durham-Kissoon	Permanent Secretary (Ag.) Investments and Procurement

OFFICIALS FROM THE MINISTRY OF PUBLIC ADMINISTRATION AND COMMUNICATIONS

Mr. Claudelle Mc Kellar	Permanent Secretary (Ag.)
Mrs. Angela Lum-Joseph	Acting Director, Public Management

OFFICIALS FROM THE PUBLIC MANAGEMENT CONSULTING DIVISION

Ms. Savitri Balkaran	Director (Ag.)
Ms. Carol Morain	PMC 11 (Ag.)

OFFICIALS FROM THE PUBLIC SERVICE COMMISSION

Ms. Parvatee Anmolsingh-Mahabir	Deputy Chair, Public Service Commission
Ms. Kay Charles	Commissioner, Public Service Commission

OFFICIALS FROM THE OFFICE OF THE PRIME MINISTER

Mr. Maurice Suite	Permanent Secretary to the Prime Minister and Head of the Public Service

OFFICIALS FROM THE PUBLIC SERVICE ACADEMY

Ms. Denise Phillip	Director
Ms. Cherryl Ramroop	Director

OFFICIALS FROM SERVICE COMMISSION DEPARTMENT

Ms. Prabhawatie Maraj	Director of Personnel Administration (Ag.)
Ms. Marcia Pile O' Brady	Deputy Director of Personnel Administration (Ag.)

Madam Chairman: Members and representatives of the various Ministries, Departments and agencies, just before we start, I want to convey the Committee's apology for the late start and thank you for your patience.

I would like to welcome the officials from the various Ministries and Departments, the members of the media and the listening public to this public hearing of the PAAC. The Committee on the Public Administration and Appropriations (PAAC) has a mandate to consider and report to the House of Parliament on:

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

(b) the budgetary expenditure of Government agencies as it occurs and keep 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.

The purpose of the Seventeenth public meeting of the Public Administration and Appropriations Committee for the Eleventh Parliament is to follow-up with the stakeholders with regard to the third and fourth reports of the Committee. The third report of the PAAC entailed an examination of the system of inventory control within the public service in which the Committee identified a number of issues, including poor inventory control management, lack of training for persons involved in inventory control, and widespread vacancies in the relevant posts. Additionally, the Committee's fourth report encompassed an examination of the system of internal audit within the public service in which numerous issues were identified, such as inefficient internal audit checks, challenges in filling internal audit vacancies, lack of training for internal audit staff, and inadequate qualifications for an internal audit post.

The Committee is therefore desirous of hearing from the relevant stakeholders on the progress made in the implementation of the Committee's recommendations contained in both reports. This meeting is being held in public and is being broadcast live on Parliament's Channel 11, Radio 105.5 FM, and the Parliament's YouTube Channel *ParlView*. Viewers and listeners can send their comments related to today's enquiry via email at parl101@ttparliament.org, facebook.com/ttparliament and twitter@ttparliament.

I therefore now invite the representatives of the various offices and Departments to introduce themselves, and may I start with the PS of the Office of the Prime Minister.

[*Introductions made*]

Madam Chairman: Thank you very much. Now, might I ask the members of the Committee to introduce themselves starting from my extreme right.

[*Introductions made*]

Madam Chairman: So, as we said, this is a follow-up conversation emanating from our earlier enquiries into inventory control and internal audit, and my recollection is from our earlier conversation there seemed to have been some lack of clarification amongst the various Ministries and Departments with respect to the form of keeping their records for inventory control, and the Auditor General's Department had clarified that the regulations did not require a physical manual record so that nothing prevented Ministries from implementing also an electronic system. The physical record was needed for the purposes of examination. So that my first question is really to the Auditor General, and to ask, in light of that particular observation between the last enquiry and now if the Auditor General has taken any steps to improve the understanding or to remove the sort of misconception that exists in the various Ministries and Departments?

Ms. Ramdass: Thank you, Madam Chair. Well, I am happy to report that the Comptroller of Accounts issued a circular, Circular No. 5, dated 13th of April, 2017, regarding the proper control of inventory, and this circular outlined guidelines for seven different areas, and the circular clarified a lot of the grey areas that existed from the last conversation that we had here. So like the first area spoke of the procurement, and in that procurement area it said that because of the pending proclamation of the new Public Procurement and Disposal of Public Property Act, without that proclamation, full proclamation, the Central Tenders Board

Ordinance still must be followed.

The second issue that it addressed was inventory management. Again, it clarified how records are to be kept, and how public officers and accounting officers must be in compliance with the Financial Regulations, the stores regulations. So they took these areas and they emphasized all the regulations and the financial directives that must be followed for proper inventory management. The third area clarified was in relation to the ordering and procurement of stores. Again, they related it back to the Central Tenders Board Act, and they went on to talk about the adequate record-keeping, and, again, they pointed out to the Financial Regulations and financial instructions in relation to stores.

And the last point that they spoke of was the internal audit role in relation to inventory control, and they did emphasize that internal auditors should include in their annual work programme the inventory checks. So I think with proper strict compliance with that new circular that was issued in April of 2017, I do not foresee Ministries having a problem with the issues that were previously discussed in the prior Committee meetings.

Madam Chairman: And therefore, may I ask then, the Comptroller of Accounts, because the circular was prepared by the Comptroller of Accounts, and it might be more fair to ask the representative from Comptroller of Accounts, Ms. Laban, could you say if it addressed directly the fact that inventory control could also be done electronically?

Ms. Laban: Madam Chair, what we had indicated is that in order to move seamlessly to an electronic inventory control system, we first needed to standardize the coding system. So we were looking at first standardizing the coding system of all Ministries and Departments with the intention of putting this information on an access database, therefore it would be easier to transfer to an electronic system. It will facilitate an easier transfer on an electronic system, yes.

Madam Chairman: All right. So could you say where this universal coding system has reached?

Ms. Laban: Well, in the circular we had given a spreadsheet to Ministries and Departments. We have been monitoring. There is not full compliance at this time, but some Ministries have been using the coding system.

Madam Chairman: So could you give us an idea of how many Ministries have complied thus far? And also what sort of steps you are going to ensure compliance by, maybe, a specific date?—if you could identify that by all the Ministries.

Ms. Laban: Currently, I cannot give an exact figure as to who have been complying because we recently started to monitor all the Ministries and Departments, but we can get that information for you.

Madam Chairman: Okay. So you would be able to submit that in writing?

Ms. Laban: Yes.

Madam Chairman: Can I ask if you have a cut-off date by which you expect 100 per cent compliance?

Ms. Laban: No. Well, we thought it would have been by the end of this financial year but that has not happened, but what we are also looking at is setting up another training for the Ministries in inventory management.

Madam Chairman: So you meant the last financial year, you mean the one that just ended or the end of this financial year?

Ms. Laban: The end of December, this calendar year.

Madam Chairman: This calendar year?

Ms. Laban: Yeah, we would be looking at.

Madam Chairman: All right. Then, therefore, if I said in the first quarter of 2018, if that was a reasonable time to expect universal compliance, would that be correct?

Ms. Laban: Yes, we could look at that. Yes.

Madam Chairman: Okay, so that you will give us some feedback report on compliance thus far, and your projections for compliance 100 per cent. I therefore will invite member Raffoul to take the conversation further.

Miss Raffoul: Afternoon, everyone, thank you all for being here and for the responses that were submitted. In reading through the responses, there were two things that I thought were very proactive and I wanted to follow up on the timelines especially. One was the Integrated Financial Management Information System, and the second is the International Public Sector Accounting Standards Adoption, both are being led by the Ministry of Finance, and the timelines have been between 2016 and 2017 in terms of the training and awareness. And then the IFMIS programme, the Integrated Financial Management Information System, is supposed to be a three- to five-year implementation period. I am curious to see if that has started yet, and the timelines that are ensuing with these two programmes.

Ms. Laban: With respect to the IFMIS, bids were received by five shortlisted firms in July of this year, July 2017.

Miss Raffoul: Sorry, I did not hear what you said.

Ms. Laban: With respect to the IFMIS, bids were received in July 2017, of five shortlisted firms. The Ministry has since evaluated the bids, that was between September and November this year. They are currently awaiting non-objection from the IDB in order to start the finalization of the contract. It is anticipated that by the next quarter of this financial year the contract should be signed for the purchase and installation of the IFMIS.

Miss Raffoul: Okay.

Ms. Laban: With respect to IPSAS, Ministries were trained in the IPSAS format in March 2017. We have since started to receive cash-basis IPSAS statements from all the Ministries and Departments. This has proven to be a challenge, however, because it is really a semi-automated system. We are not fully integrated so getting the information from the Ministries, and also Treasury collating the information it is a bit of a challenge, but this is happening currently.

Miss Raffoul: Okay. Thank you for your response. Can you elaborate a bit more on how many Ministries have been able to follow the integrated system and the timeline for expectation for all Ministries to be compliant?

Ms. Laban: Sorry. We do not currently have an integrated system because we are looking towards implementing the IFMIS if we get a vendor on board this financial year. With respect to the IPSAS we are currently—

Miss Raffoul: The IPSAS—

Ms. Laban:—yes—collating. We use spreadsheets to get the information to collate from the Ministries to put it on a particular format, and that is what is happening currently.

Miss Raffoul: Okay. And when do you expect that the entire public sector, all the Ministries would be able to be compliant with the IPSAS, the international financial accounting standards?

Ms. Laban: Currently they are doing the cash-basis statements in that format. The intention was to submit these statements along with the public accounts for financial year 2017. So that has not happened yet, and it will not happen for January. So we anticipate that it would happen for the next financial year.

Miss Raffoul: Okay. Next financial year meaning by the end of 2017, fiscal October—well, end of September, 2018?

Ms. Laban: Yes, but that would be for the submission of the public accounts in the format, because at the end of January we are to submit the public accounts to the Auditor General.

Miss Raffoul: So it would be the following fiscal year?

Ms. Laban: It will have to be the following fiscal year.

Miss Raffoul: Okay. Thank you.

Madam Chairman: Member Huggins.

Mr. Huggins: Thank you. Through you, Madam Chair, now at the hearing on February 08, 2017, the Ministry of Public Administration and Communications, they identified some challenges in terms of de-linking the helpdesk software and that IT, asset management solution. I know you did identify an open-source solution which was carded to be evaluated by July of 2017, could you give us an update on that?

Mr. Mc Kellar: Thank you for the question. The open-source software that has been utilized, it is actually called openMAINT. This was something that was developed in Italy and it is being used throughout Europe. We actually found out that it has been used in a public service environment in Italy. So far we have implemented it, tested it at our archives division. It has proven to be useful, successful to some of the tests that it has been subjected so far. We had three key criteria that we were looking at, namely price. We also looked at the ability of the software to interface with IBM, Microsoft and oracle systems. And of course, whether it had been used in other public service environments, and as I said earlier, it has been. So it being open source, it did meet the price criteria, right, and that was useful. What we saw, as I said, it has been installed at the National Archives for in-house assessment of its suitability. The initial assessment criteria have shown that it is able to handle consumables, however, it needs to be extended to the fixed assets. We are still doing testing but it looks promising. I understand that piece of software has also been used by our PRESD properties division in terms of recording, registering the property assets of the public service of the Ministry of Public Administration and Communications. So it looks useful, fruitful going forward.

Mr. Huggins: Good. Thanks for that response. So based on you being, well, at the testing phase, do you have a timeline in terms of when the testing phase would be completed and a timeline in terms of implementation?

Mr. Mc Kellar: We believe that probably by the end of the first quarter of 2018 testing should be completed, but my information received also indicated that I believe the Treasury Division, through its IFMIS, whatever system we put into place has to be compatible with IFMIS because you want to link, tie in inventory with financial management as well. So there is also that piece of the pie that we need to consider as well, but our in-house testing at the archives division should be completed by April 2018.

Mr. Huggins: Thank you. Just one further question, you mentioned also in your response, in the ministerial response, liaising with relevant stakeholders in terms of—to advise on the evaluation on the way forward, was that done?

Mr. Mc Kellar: To some extent those relevant stakeholders, of course, would be the Treasury Division, Auditor General. We would have even needed to consult with iGovTT. So some of the discussions have taken place but there is more to be done as the testing continues.

Mr. Huggins: All right. Thank you very much.

Mr. Mc Kellar: Sure.

Madam Chairman: Member Mark.

Mr. Mark: Thank you, Madam Chairman. I am directing this to the Comptroller of Accounts. First of all, let me compliment your division for issuing the circular as we were advised a short while ago, and that dealt with the standardization of guidelines for inventory management and ultimate control. With the various elements outlined again earlier making up this circular and guiding public officials, would you care to advise us whether there has been a very important need to provide additional training for public officers in seeking to operationalize and implement those guidelines for inventory management control? Would you want to share with us what is the state of play insofar as training is concerned?

Ms. Laban: First of all, thank you for the compliment. Yes, I think that there is the need for additional training. We are looking at two options right now. We are looking at conducting some training using the controls and procedures set out in the circular by between January to probably by March this year, bringing in all the Ministries and training them on the procedures and controls as stated in the circular. We are also liaising with the Ministry of Public Administration and Communications on an inventory management course that they are looking to have take place this financial year as well.

Mr. Mark: May I also ask, as we deal with inventory management control, we did in fact identify that there existed some degree of, or some limitations manifested in breaches to the Exchequer and Audit Act, as well as other financial regulations that governing that whole arrangement, would you care to tell us again what has been the efforts by the Ministry of Finance to look at this whole matter of amending the legislation and regulations so that the appropriate sanctions could be effected on those public officials that run afoul of the legislation as well as the regulations, that is, the proposed amended legislation? Where are we with those matters?

3.15p.m.

Ms. Laban: Currently, no further amendments to the Exchequer and Audit Act have been made at this time. We are looking at various factors that need to be taken into consideration in crafting amendments to the Act, and one of them is the current public financial management reform initiatives taking place at the Ministry of Finance, as well as other reform initiatives such as the Public Procurement and Disposal of Public Property Act. These reforms will have an impact on the role of the accounting officer, so we also have to take into consideration the directives of the consultancies in terms of what areas need to be reformed, and what areas need to be changed which would affect the roles of the accounting officers. As the reform initiative progresses however, the Ministry would be in a better position to be able to indicate with a degree of certainty what specific areas of the Exchequer and Audit Act need to be amended.

Mr. Mark: Finally, would you be in a position to indicate to this Committee, given the urgency of the situation facing the public service and the various limitations outlined by the Auditor General in his various reports—do you want to share with us any anticipated time frame for, let us say, the reform process that is so crucial at this time to be speeded up so that in the not too distant future many of the areas that we have identified could be addressed?

Ms. Laban: There are various stages to the reform processes. For example, the internal audit reform would take between one to two years. The integrated system, it is anticipated that between three to five years this would take place. But while this is happening, of course legislative reform would be happening as well, and there is also the public procurement Act. I cannot speak to the public procurement Act, but that also will have legislative changes.

Madam Chairman: Thank you. I would really like to change the discussion a bit with respect to inventory control and the degree of vacancies, and particularly I would like to direct the conversation to the Ministry of Public Administration and Communications.

My recollection is that in our last conversation it was suggested that to deal with these vacancies, that contract posts be established. There was a lot of delay in the Ministry of Public Administration and Communications fulfilling these requests because of inadequacies in the submissions by the various Ministries.

Public Admin had indicated that they felt to cure the deficiencies they would have embarked on sensitization programmes, and a schedule was given. I think the last sensitization programme was scheduled for July 20, 2017, and this would have been to the Board of the Permanent Secretaries. So my first question to PMCD is whether the sensitization programmes have taken place.

Ms. Balkaran: Good afternoon, Madam Chair, members. Thank you for the question. Yes, the sensitization sessions to the Board of Permanent Secretaries, the Deputy Permanent Secretaries and the heads of human resource personnel have taken place in July and February. So the three sensitization sessions did take place this year, and we intend to continue these sessions here. The next set should take place early next year.

Madam Chairman: I had noticed that after the sensitization in February there was some indication that there was still some dissatisfaction, or let me do not use the as strong as "dissatisfaction", but there continued to be certain deficiencies in information being presented to support the creation of the posts. I wanted to ask whether that was as a result of not sufficient sensitization or not too clear a communication of what your demands were.

Ms. Balkaran: So, Madam Chair and members, we would have realized that after the sensitization sessions, in agreement with what you are saying, yes, we have still received— most of the draft notes that are coming to us do have omissions and pertinent information not coming forward to PMCD in a timely manner. You are asking me—

Madam Chairman: Whether you pinpointed therefore—

Ms. Balkaran: The reason.

Madam Chairman: Yes, basically.

Ms. Balkaran: So we are of the view that the lack of information is mostly because of the lack of proper record keeping at the Ministries and Departments, line agencies, and also lack of staff. We have some issues with vacancies. We also feel at PMCD that one of the reasons would be a lack of trained personnel in the HR units in terms of Cabinet Note writing, process mapping, collection of work load statistics, those kinds of things.

Madam Chairman: Have the observations you have made for these deficiencies been communicated to the Public Service Academy, for maybe their consideration for the design of courses to help alleviate the deficiencies that you all have noted?

Ms. Balkaran: We have not communicated that formally no, but I will do so, because it is a good follow-up to ensure that the HR units are trained.

Madam Chairman: So the fact that you have done the circular and these deficiencies continue, has there been any improvement at all in your timeline and ability to fulfil all of these requests, or are you still suffering from the considerable delays? Has there been a little improvement, no improvement at all?

Ms. Balkaran: Madam Chair, I would say no improvement at all in terms of–generally speaking we still wait on clients to submit the information for very lengthy periods.

Madam Chairman: So then apart from the training, could it possibly be a sort of lack of clarity in your circular in terms of maybe steps need to be broken down a little further, maybe a review of the communication message needs to be considered?

Ms. Balkaran: Madam Chair, PMCD has always facilitated and communicated that to Ministries, that we are available and willing and have the necessary competencies and staff to assist Ministries and Departments in developing and submitting those pieces of information that we require. So we do communicate that with the clients, to the HR units. We also have samples and templates to assist the Ministries in completing and submitting the information, and we also do process mapping—one of the requirements being process mapping. We also assist Ministries in doing their process maps, and we have done many presentations to

Ministries to show them and demonstrate how it is to be done. I believe that PMCD has made efforts and reached out to clients, and we continue to do so and will continue to do so to assist them in any way possible.

Madam Chairman: Might I ask, have you looked and see if there are among the Ministries some more prone to be deficient than others, so that maybe your assistance could be more targeted to those who are the more chronic ones with infractions?

Ms. Balkaran: We can do so, Madam Chair, but what we do when we receive requests for comments and reports from Ministries and clients we would contact—when we receive them we would send a memo to the client stating what information is missing, and we would also have a contact number, an email and so on so that the clients can contact us. What would happen is after a few days the officers at PMCD would contact the Ministry and follow up to get the information, and often they would offer assistance to say, okay, let us help you, if you are having issues in coming up with the information, in preparing the information, in understanding and so on. But we can definitely look and see if there is a pattern, and concentrate on those clients, yes.

Madam Chairman: Thank you very much.

So, therefore, I think I would just like to move a bit to the Public Service Academy, based on just even the conversation that we just had with PMCD. PMCD has identified a certain sort of pervasive issue in terms of ability to write notes and so on. Having learned this, is there need for a formal process for you to consider some development of some programme to cure the deficiency that PMCD just identified?

Ms. Phillip: Madam Chair, firstly I would like to say that the Public Service Academy, we are committed to our task of really developing public officers to ensure that they possess the capacity to really carry out their duties. The Director of PMCD as I recall she mentioned some areas, but I know she spoke of Cabinet Note writing, I think it was business process reengineering—I do not know if I got it right. But in terms of the Cabinet Note writing, this particular programme continues to be a continuous programme on our schedule of activities. In fact, we have already conducted one, I think was it around November, Cabinet Note writing for public officers. That one is based on the assumption that the participants have little or no knowledge or experience in Cabinet Note Writing, and it is a five-day programme which is highly, what I would say, practical. So they are given many instances to really write and develop notes.

In addition to that, there is a post workshop, where they are required to go back to their Ministries, this could be about six to eight weeks later, really submit a Note based on a given situation. Added to that there is also a course I should say that targets senior officers. It is called Cabinet Note writing for senior officers. This one is for officers in their role to be able to vet Notes, because as one moves up the ladder they may not actually write the Notes, but they are required to know what to look for to ensure that a Note is effective, what I can say, is really sound. That too we have; that is a three-day programme. Actually there is one planned for January. I do not have the dates in front me, but I think within the next two weeks or so is that particular programme. These programmes are scheduled for more than once over the next fiscal.

In fact, based on the advice that we were given and based on what is happening in the system, we have dedicated the first three months of this new fiscal to really focus in on the operational issues that confront Ministries and Departments, looking at the HR function, accounting, internal audit and of course Cabinet Note writing. So once we get feedback, although we have a schedule of activities, once there is a dire need we try to adapt our programme because at the end of the day we always remember why we are doing this. It is for the greater good and it is to ensure that public officers do possess the skills necessary.

Madam Chairman: Thank you. In the last conversation we had, you had indicated that you were in a process of doing a needs analysis to come up with the schedule of activities. So I have heard you speaking about a schedule of activities for fiscal 2017/2018, so would I be correct in concluding that that was prepared after you had conducted your needs analysis?

Ms. Phillip: Chair, most certainly. The staff of the Academy did an in-depth needs analysis using focus groups and questionnaires. Of course we also looked into the policy areas or as we like to call it "Government policy agenda", to inform the activities. We really spent a lot of time doing that, and we listened to what the Ministries wanted and based on that, we really developed our schedule of activities.

Madam Chairman: So in listening to the Ministries you would have listened to your own Ministry?

Ms. Phillip: Indeed, yes.

Madam Chairman: And, therefore, how do I marry that with the issue identified by PMCD, which I think falls under your Ministry too, in terms of the deficiency they see, which I think is a need? How do I marry that sort of disconnect?

Ms. Phillip: I would admit that there would have been some disconnect because this needs analysis was done during the June/July period of 2017, and the salient areas, the more, what I would say, highly requested areas, these were the areas that informed our schedule of activities. So I would say that these areas perhaps it means were not highlighted, with the exception of the Cabinet Note writing. What I am saying is that we are willing to have the conversations, and if it is that we need to include them, we will. But as I said, based on the information that was given that is how we proceeded, so I am not sure what happened there.

Madam Chairman: Let me ask something. Your schedule of activities—could you provide the Committee with a copy of your schedule of activities? So this would not just only be programmes, it would also be the scheduled time? Would it have capacity, like the number of people, the cohort that you can capture?

Ms. Phillip: We can include that, but basically when we do it we talk about the courses, the target group and potential dates, but we can provide that information.

Madam Chairman: Okay, thank you.

I want to just be a little more specific now in the conversation. You had indicated that there was supposed to be an inventory management course in September of 2017, did it occur? Yes?

Ms. Phillip: Yes, Chair, we had planned it, but it did not come off as yet, because one of the challenges that we continue to face is really getting, what I would say, an appropriate facilitator. The uniqueness of the public service, when we conduct training we always want to ensure that the officers can really go back to their work places and really, as we say, hit the ground running. And in a lot of the functions of the public service there is a certain uniqueness to it, and because of the dearth of facilitators this has really hindered our ability to really conduct the course. But fortunately we were able to make some progress with that, and for January month we will have the course, Inventory Control and Management. We have planned a meeting with the successful facilitator to fine tune, because we are about tailoring the course to the needs of the public service, and we have invited the Comptroller of Accounts to really be part of that meeting to ensure that the course really targets the areas, or the gaps I should say, and some of the issues that were raised in the Auditor General's report.

Madam Chairman: You know you have a really soft voice, so I am not hearing too well.

Ms. Phillip: Sorry.

Madam Chairman: So the issue identified was facilitators. At first I thought it was facilities, but it is facilitators.

Ms. Phillip: Facilitators.

Madam Chairman: Am I correct that this course was first scheduled for July 17 to July 19, 2017?

Ms. Phillip: Yes.

Madam Chairman: So you had a specific date and time frame and you did not have a facilitator identified then?

Ms. Phillip: Yes we had someone, but based on some of the issues that were raised in the Auditor General's report, we wanted to make this course more current. From the last sitting we did talk about the course that we presently had and was conducted, but based on the information coming out and some of the issues we saw the need to update that course to make it more relevant. And the person that was being used at that time, a retired public officer, the course, we did not think it covered what we needed to address and so we went about looking, expanding the pool to look to see if we could find suitable facilitators. That took some time, but we have finally chosen—a bidder was successful and we will see how it goes from there.

Madam Chairman: So what you had revised—your revision from July to September, you still found was inadequate, so that is why the course did not come off in September?

Ms. Phillip: For September 2017?

Madam Chairman: Yes.

Ms. Phillip: We were still looking at a facilitator, and based on the new procurement legislation we have to ensure that we comply with that, and based on all those factors we saw the need to go back out to ensure that there is transparency, so that took some time.

Madam Chairman: So it is now scheduled for what date you said?

Ms. Phillip: January 9 to 11, 2018.

Madam Chairman: How many Ministries are you targeting?

Ms. Phillip: All the Ministries; however, we intend to give, I would say, special considerations to some of the Departments that were mentioned I think in the third report. I know there were probably one or two, I would say, Departments that were mentioned there.

Madam Chairman: Could you tell us who you are targeting, because, I mean, it is almost January9th in the calendar?

Ms. Phillip: You mean specifically, you want the name of the Ministries, that kind of thing?

Madam Chairman: We would like to know who you are targeting, have they been notified. I take it you do have a facilitator and you do have a venue.

Ms. Phillip: Yes.

Madam Chairman: So we would like to know, because as I said we are already in January in my calendar, so who are these Ministries that you are targeting? How do you intend to sensitize them so that they could be there?

Ms. Phillip: Usually the process is that a circular memo is issued. It is sent to all Ministries and Departments, and they are invited to nominate suitable officers to participate in the programme.

Madam Chairman: I understand, and my recollection might not be very accurate, but my recollection is that you had identified—look, you run courses, people do not come; you do not get the sort of responses from Ministries. But on the other hand we hear Ministries saying they lack training, or they submit names and the names are not chosen. So what you have said is you are specifically tailoring this course to meet needs and challenges that you have identified. You have gone further; you have said, look, in all the Ministries there are certain ones that are priority. So who are these priorities and in light of your experience, how do you get the people there? Because you have done that all before, it is the same thing; circulars, people do not come. What additionally are you going to do to ensure that on the 9th and the 11th of January you have the people there that you have identified that need to be there?

Ms. Phillip: One of the Departments that we have targeted specifically are the public officers from the Office of the President, because I recall in one of the reports they were mentioned as a department that needed training. So I have asked the HR advisor to really ensure that that Department they get the circular. Once they have nominated persons, based on that, what we would try to do is to ensure that they get, what I would say, more than one space on the course so that they can really participate.

What we do, Madam Chair, is that we do repeat these courses frequently, and based on the responses that we get, if we see that the need—based on the responses because that is all we can do. All we can do in this instance is invite Ministries to respond to the circular. Based on the responses that they have given, we would look at the forms and based on their needs we would say, okay we would give priority to Ministry X or Y, and once we keep repeating the course, others would—

Madam Chairman: Has the invitation gone out yet for the 9th to 11th?

Ms. Phillip: Yes they have.

Madam Chairman: They have gone out, okay. I am not going to stretch your memory, you could always send to us who you have targeted, to whom you have sent these invitations and the date.

I would just also like to ask about the Fraud Asset Management course, which is something we spoke about on the last occasion that you all were here.

Ms. Phillip: Fixed Asset Management?

Madam Chairman: Fraud Asset Management course.

Ms. Phillip: What I have here, Chair, is Fixed Asset Management.

Madam Chairman: So you could tell me about the Fixed Asset Management course then?

Ms. Phillip: Yes. That is a new one that we have included based on, as I said, what came out of the reports. This course is in the process of being designed. So somewhere around March2018, we hope to really schedule—the course has been scheduled for March2018, but as I said it is in the design stages. We continue to liaise with the key stakeholders, namely Comptroller of Accounts, to ensure that whatever we design, as I said, is relevant and persons can really go back to their Ministries and improve their processes. So it is still in the design stages.

Madam Chairman: But you expect that by March you would have that finalised?

Ms. Phillip: Yes.

Madam Chairman: And in terms of fraud and fraud policy design, do you have any courses with respect to that, scheduled for this fiscal?

Ms. Phillip: Not in terms of inventory, no

Madam Chairman: Not in terms of inventory. In terms of anything with fraud?

Ms. Phillip: In terms of the internal audit function, yes, we are looking at some of the issues related to fraud.

Madam Chairman: And is that included in your schedule of activities?

Ms. Phillip: Yes it is. These two are in design stages, and we are liaising with the key stakeholders, Auditor General's Department—

Madam Chairman: And you expect your design to be ready, completed by when?

Ms. Phillip: Well, I would say this would be completed the second half of the fiscal.

Madam Chairman: So that would be what, June or that is March?

Ms. Phillip: Yes, around May/June.

Madam Chairman: Do you include anything with risk management in your training? Do you have a schedule of activities, is that included in the schedule of activities?

Ms. Phillip: Chair, yes, we did include risk as well.

Madam Chairman: So that when we get the schedule we would see that?

Ms. Phillip: Yes, you would see those.

Madam Chairman: Let me ask: In terms of the inventory management course that is supposed to happen in January, did you liaised with the Auditor General's Department to ensure that it is, as you say, up-to-date and current with the issues identified by them?

Ms. Phillip: Yes we have, and we continue to do it. So the liaising with them is continuous and it is ongoing. We met with them I think around August or so to discuss the issues raised in the report, and as we design this particular course, as I said previously, they have been invited to the meeting with the facilitator to ensure that the areas targeted are the correct ones.

3.45 p.m.

Madam Chairman: Thank you very much. Member Mark.

Mr. Mark: Thank you, Madam Chair. I wanted to raise the matter and this deals with the whole issue of the central internal audit authority. I know that there was this commitment via the Ministry of Finance in collaboration with public administration and, of course, the Ministry of the Attorney General's Office to work towards the establishment of a central internal audit authority with the sole responsibility of overseeing the internal audit function across the entire public service. I "doh" know if the Ministry of Finance could advise us as to what is the state of play with this particular central internal audit authority?

Ms. Laban: That is one of the activities of the consultancy that we were speaking about that is due to come on board probably by February 2018. One of the recommendations of the consultants in 2015 was the formation of a central internal audit unit to develop all the policies and procedures and oversee the internal audit function of Ministries and Departments.

Mr. Mark: So the consultancy, have we been able to recruit or are we going to have the recruitment process completed in February of 2018? Where are we with the recruitment of the consultancy?

Ms. Laban: The bids were received in November of this year and they are currently being evaluated. So by probably 2018 February, the contract per the consultancy should be signed, he should be hired.

Mr. Mark: But we were supposed to have the consultancy addressed sometime around last month—that took place? Did we begin the process or complete the process or are we going to complete the process in February? Could you clear for us?

Ms. Laban: They are looking right now at evaluating the responses that were received. So that process will be finalised by February.

Mr. Mark: Okay. You have not finalised that as yet? All right. Would you want to indicate to us also what kind of qualifications are we looking for as it relates to this consultancy? Have you worked out that?

Ms. Laban: You mean the qualifications of the consultants?

Mr. Mark: The consultant that you have to bring on board to help you establish and manage this exercise.

Ms. Laban: There is a unit that has been established in 2015, the Public Financial Management Modernization Unit, and that is headed by a coordinator. The coordinator is the one in charge of recruiting—he is in charge of all the reform initiatives and of the recruitment of these consultancies, so he would have been in charge of doing that process.

Mr. Mark: And then they would not have liaised with your department or division to, at least, keep you abreast of this development?

Ms. Laban: Yes. They always keep us abreast of where they are at, the stage that they are at with the recruitment and selection.

Mr. Mark: Okay. So, we expect that this contract for the consultancy to be signed off officially by the end of February, that is what you are telling us.

Ms. Laban: Yes. It should be. Currently, as I said, they are evaluating that right now.

Mr. Mark: Right. And the evaluating process should be completed by then?

Ms. Laban: Yes.

Mr. Mark: Okay. And any idea as to how long this contract would be in effect for?

Ms. Laban: Yes. It would be between one to two years.

Mr. Mark: One to two years. Okay. All right. Well that is an area that is of concern and I am glad to know that, at least, that is being addressed. Now, I also understand that there was—or should I ask whether you have in your system today an internal audit charter? You have that document in existence? Do you have such a document?

Ms. Laban: Well there is a draft internal audit charter that was produced by a consultant two years ago, that charter has to be relooked. When the consultancy restarts, that charter has to be relooked with a view of finalizing.

Mr. Mark: So it is purely a draft?

Ms. Laban: Yes. It is a draft.

Mr. Mark: And then you also had some internal audit standards established by the previous consultancy in 2015 as well?

Ms. Laban: Yes. There were three documents. There was the internal audit charter—

Mr. Mark: Right.

Ms. Laban:—internal audit practices guide and the internal audit manual. These documents were circulated to Permanent Secretaries at the time. When the consultancy resumes this will be the first order of business. They will be looking at the relevant stakeholders and discussing these documents to have their comments and buy-in.

Mr. Mark: Okay. I do not know if the chairperson would have seen a copy of that circular that would have been issued by your Department, the Comptroller of Accounts Department seeking to standardise inventory management control mechanisms. Would you be kind enough to, you know, forward a copy to our Secretariat so that the Committee would be apprised of the contents of that circular because I certainly have not seen it and I do not believe that members of this Committee have had sight of this circular. Would you be kind enough to make it available to us?

Ms. Laban: Yes. We can send it the morning.

Mr. Mark: Yes. Thank you very much.

Madam Chairman: Member Olivierre.

Miss Olivierre: Thank you very much, Madam Chair. I would like to direct my queries to the Public Service Academy. Now, in our previous discussion when we looked at internal audit one of the issues that we found to be pervasive was the competence or lack thereof of the staff assigned to internal audit duties. We understood that it is only the position of Auditor III that has a mandatory requirement for any specific training in audit, and one of the issues that most Ministries and Departments lamented was the limited availability of training being provided by the Public Service Academy to address that deficiency. And the Auditor General, I believe, also indicated that the limited training that was being provided was not done in consultation with them so they were not sure of the adequacy of their training.

Now, following our discussions the last time I know that you have indicated that you have developed and designed about nine new courses related to internal audit, so I must compliment you for that efficiency. Now, what I would like to enquire based on an earlier response, first I have to ask: Do you have facilitators to conduct these courses? And if you do, have any of these courses been conducted to date; or if not, how soon and with what frequency do you intend to start conducting these courses?

Ms. Phillip: Member, firstly I would like to say that in terms of the courses, we met with the Institute of Internal Auditors of T&T chapter, and in our discussions with them they provided, I would say, guidelines as to some of the areas that would be deemed appropriate in order to, as it were, professionalize the audit stream, because presently as it is now, the present function is highly one of compliance, and so we sought the intervention of that professional body, and it is based on their recommendations we shortlisted about nine courses.

Subsequently to that, we met with the Auditor General's Department and we did bring it to their attention of the areas that we are proposing to move forward with, and they are certainly in agreement. Again, these courses are in the design stages because this meeting took place, I think, at the end of October early November. Right. So it is still in the design stages. So, we have given them the commitment as we move forward in terms of, again, there is a procurement process that goes with all of this, that we would consult with them in terms of we would get their opinion if it is the content areas are what would address the issues, and so we are committed to liaising with them as we move forward.

I "doh" want to call any names in terms service providers, but again, for these new areas in terms of professionalizing the stream, again, we have challenges, because presently the only public officer in terms of the audit function that is the Auditor III who really would possess, what I can say, professional audit qualification, and in terms of the public service they are few in number, I think you can count them on one hand the number of positions. We have a challenge. So in terms of getting, say like a retired Auditor III to really conduct these training, that has its limitations.

The other option that we have at this point in time, although it is available, in terms of the financial situation that we are facing at this time, it is presenting a challenge. So what I would say, I have to talk with my principals to see how we could move forward because for one thing that we are sure about is that it is needed, we do need it, it is essential, but at this point in time the option available in terms of the cost of doing that is something that we have to look at, because it is no secret in terms of the, you know, financial situation.

Miss Olivierre: Okay. So, I mean, essentially the courses are well in the design phase, but you have not been able to secure facilitators as yet for various reasons because of the cost constraints.

Ms. Phillip: They are negotiating, trying to see how best we can negotiate, you know, so that, you know, we can get something that I say is affordable.

Miss Olivierre: One of the things I have noted from your responses to previous questions, is it that your first call for a facilitator would be a retired officer?

Ms. Phillip: Well, in instances where, member, in instances where it is one of those areas, the functional areas in the public service, again, usually it is unique. In the public service there are certain things that are unique, that are inherent to the public service. So wherever it is possible that especially in the, say accounting, the auditing, those areas where there are retired public officers available, we usually would—they would be our first call. Okay? Because usually many of them they are more about giving back although they may charge, there is a cost to it, but you know, it is about giving back and, again, they would have that expert knowledge having walked the path. Where that is not available, well then we would seek alternatives. And as I said before, in these new areas to professionalize the stream with the exception perhaps of Auditor III, I can be corrected, but my research is taking me that way, the skill or the knowledge is limited, so there are just few places we can go. So as I said, I "doh" want to call names, there are just few options that we have available, but at this point in time, you know—

Miss Olivierre: If I may make a slight suggestion. Given our Government's call for volunteerism and the importance to the wider public on the efficiency and effectiveness of the public service, I may suggest that if you issue a call for a volunteer professional to come and give back some of their time, you may be surprised of the response that you might get. It is just a suggestion.

But one thing I want to note, now when the Ministry of Finance under their Public Financial Management Modernization Unit and the roles of the consultant, I believe, that developing some sort of internal audit certification is one of the—within the workload, the work programme for the consultant. So given that you are developing some courses, I think, once they get that consultant on board there may be a need then for that consultant to have a review of the courses that you have developed in light of their role in putting together the internal audit charter and the audit standards as well. So just something for you and the Ministry of Finance to take note of going forward.

Ms. Phillip: Noted. Thank you.

Madam Chairman: Member Antoine.

Brig. Gen. Antoine: Good afternoon. The Personnel Department issued a policy on personnel performing duties outside of their area, and in November they should have had discussions with the Service Commissions about this policy, and this policy should have been circulated to the different Ministries and Departments in December. Could you tell us if this circular, this policy was circulated; and what is the feedback so far referenced this situation?

Mr. Riley: Yes. Good afternoon. I need to say that the policy has not yet been circulated. We have had discussions with the Service Commissions Department about the matter. Those discussions were held in November of this year, and while we have a draft document, we believe that there is need for some more discussions with other stakeholders because of the far-reaching nature of the policy being proposed. So we just want to make sure that we, at least, get the buy-in of some key stakeholders before we finalize that. We anticipate that we should be able to complete this though by the end of January of 2018.

Brig. Gen. Antoine: So the draft policy would be completed by the end of January, but could you give me a time frame of when it would be circulated to the various Ministries and Departments?

Mr. Riley: We have the draft policy at present. We want to hold some more discussions with stakeholders including the Service Commissions Department with whom we held some discussions previously, we want to speak with them again, and there are a couple of other stakeholders we would like to liaise with before we finalize the policy and circulate it, disseminate it, hopefully we expect and schedule it by the end of January of 2018.

Brig. Gen. Antoine: Okay.

Madam Chairman: Member Mark.

Mr. Mark: Thank you very much, Madam Chair. As we are with the Chief Personnel Officer, may I continue to seek some clarification? Under the whole issue of inventory or inventory control, we got a ministerial response from your Department where there was need to fill, as you would recall, a vacancy for what was described as an administrative officer. You recall that. Right? And the letter that we got was dated around December 5th of this year. Now, the first thing that I would like to ask on behalf of the Committee: Has this particular vacancy been filled?

Mr. Riley: The vacancy has not yet been filled, member.

Mr. Mark: But could you tell us why has the vacancy not been filled? Particularly, Mr. CPO, when we take into account we are looking at a seven-month period between May of this year to December the 5th. Why has it taken so long? What are the difficulties or challenges you are faced with or are being faced with to fill this vacancy?

Mr. Riley: Yes. Certainly. With respect to filling of vacancies I think that the Chair and members would recognize that the Personnel Department is a receiver of a particular service in this particular regard. And we have been having discussions with the agencies, the state agency that provides the service in terms of the recruitment and selection process. And those discussions have not yet been finalised, but I think the answer would really lie in difficulties around that particular category of staff throughout the public service. There has been, in other words, because of the high mobility and I think I might be speaking a bit for the commission, but there is a high level of mobility among that category of staff, and so it is not always easy to fill those particular positions. So, I cannot really give you precise reasons and say well we have not filled because of this because we are working along with the Service Commissions Department in trying to fill it, but there have been challenges in filling, in finding the suitable person.

Mr. Mark: Would you want to share with us, given those challenges any particular time frame when that need that you have identified would be satisfied?—given the discussions you are having with the Service Commissions Department.

Mr. Riley: Yes. Certainly. What I can say about that is that, and I will share a little bit in terms of the strategy or the difficulty I should say. We hope to fill the position by the end of January, again, because it would not necessarily be with the kind of—it would not be an ideal situation, but we will have to compromise with respect to the level and so on of staff which we would have to place in position. In other words, there is a dearth of persons with the required qualifications and experience to fill the position, and in seeking to obtain the appropriate or suitably qualified personnel there has been a challenge. But because there is a need to fill, we will proceed to go with the next best alternative.

Mr. Mark: Thank you very much. I hope that you would be able to have that vacancy satisfied, as you said, at the end of January.

Now, the question of policy, you have a particular policy that you spoke about as it relates to staff performing tasks outside of their job descriptions, you remember we were talking about that when we last met, and you did give an undertaking that your Department would develop or formulate a particular policy to address that matter. Has that policy been developed and has it been circulated?

Mr. Riley: Member, the policy has not yet been circulated, but there is a draft document and we are seeking to—we have had discussions with the Service Commissions Department on this, and we are seeking to hold further discussions with them as we seek to finalize, to refine the policy position and to circulate it by the end of January of 2018. That is the proposed approach which we are taking.

Mr. Mark: By the end of January2018?

Mr. Riley: Yes.

Mr. Mark: Okay. Thank you very much.

Madam Chairman: I want to ask, I think this might be appropriately asked to the PS of the Ministry of Finance. In terms of IFMIS, would that also be rolled out to the state enterprises sector?

Mrs. Durham-Kissoon: Chair, I would like to defer to the Comptroller of Accounts on this.

Madam Chairman: Thank you.

Ms. Laban: It would be rolled out to Ministries and Departments.

Madam Chairman: So the state enterprise sector would be included? Yes or no?

Ms. Laban: No.

Madam Chairman: No. Is that desirable though to have the state enterprises sector operate on the IFMIS system?

Ms. Laban: Yes. But the roll-out at first would be to Ministries and Departments, but I cannot say right now if there is an intention to roll out the state enterprises.

Madam Chairman: So, when you mean, at first, you mean so far all that has been considered are the Ministries and Departments.

Ms. Laban: Ministries and Departments.

Madam Chairman: All right. So let me just ask a little further about the IFMIS because you are still at the stage of awaiting the IADB feedback?

Ms. Laban: Yes.

Madam Chairman: When is that likely, do you know?

Ms. Laban: Possibly any time soon.

Madam Chairman: Any time soon.

Ms. Laban: Yes.

Madam Chairman: So would I be correct in saying that maybe by about April 2018 the system should be functional in the four pilot Ministries?

Ms. Laban: No. By April 2018, we would have a vendor on board for the purchase and the installation of the IFMIS. The IFMIS itself, to have that rolled out, would take probably about three years.

Madam Chairman: Okay. So, just help me because maybe I misunderstood this report on the status of the implementation. You have already done the evaluation?

Ms. Laban: Yes.

Madam Chairman: Yes?

Ms. Laban: Yes.

Madam Chairman: And therefore, you are awaiting the feedback from the IADB on what, on your evaluation committee report?

Ms. Laban: The report of the evaluation committee would have been submitted to the IDB for non-objection. After that happens then we have to look at finalizing the contract for the potential vendor. After the vendor is hired, which could be probably February2018, then the whole process of acquiring the hardware and software for the IFMIS will begin.

Madam Chairman: So then could you give me a time frame that you—and I understand it would be a sort of guesstimate where you would have it operational in the four pilot Ministries?

Ms. Laban: It could be 2019.

Madam Chairman: 2019. So at best you would say that the IFMIS would be fully functional maybe 2021?

Ms. Laban: Yes. Because it really takes three to five years to fully implement an IFMIS.

Madam Chairman: Yes. And the three to five years starts with your procurement of the hardware and software?

Ms. Laban: Yes. It starts after the procurement.

Madam Chairman: Okay. All right. So that in the meantime, what is happening to improve your whole financial management system?

Ms. Laban: Well, in the meantime we also have accounting reform that is taking place, we have various reform initiatives. One of it is accounting reform and that is also under the IDB loan where we would have another consultant coming in to look at the business process reengineering and changing the accounting structure, looking at the functions of the accounts and seeing where we need improvements in the accounting reform.

Madam Chairman: So, let me ask you another question. So, would I be correct in saying that in your implementation of IFMIS you are somewhat behind in your original schedule?

Ms. Laban: Yes, slightly.

Madam Chairman: Yes? And might I ask, what would have caused that?

Ms. Laban: Well, the main thing that would have pushed that back, it was the IDB loan that we were awaiting, a signing of IDB loan that was eventually signed. When that was done the procurement started this financial year, the procurement started.

Madam Chairman: All right. Well, I only asked that because, I think, we understood that. But I believe and I might be wrong, we would have gotten a report dated the 22nd December from the Ministry of Finance with respect to a status of implementation. I "doh" know if you have that. Okay. Which if I understood it clearly, I would have thought that your total roll-out would have been about two years earlier than this 2021 date. So that is the sort of time lag that I am talking about and the reason for that time lag, because today is December 28th, so this is six days ago.

4.15 p.m.

Ms. Laban: That was how long the procurement process has taken and now that it is almost at the end, the vendors should be on board soon.

Madam Chairman: Yeah. Really I am asking, what happened, what changes took place between the date of this report, December 22nd and today, December 28th that we are now talking of a two-year delay? So it is either I misread what you sent or this does not reflect properly where you are at.

Ms. Laban: I am not sure what you are speaking about. This report would have been sent from the Permanent Secretary.

Madam Chairman: Okay. What I will do Ms. Laban, I think in all fairness, I will ask the Secretariat to just pass a copy to you and then we can continue on this discussion. Okay? In the meantime, I just want to ask the Head of the Public Service, Mr. Suite, in terms of the earlier discussion in the deficiency that was pointed out with PMCD with writing of Cabinet Notes, et cetera, et cetera, as the Head of the Public Service—

Ms. Anmolsingh-Mahabir: Deputy Head.

Madam Chairman: I mean, the Head of the Permanent Secretaries and the Board of Permanent Secretaries, thank you. Do you see yourself in having a role with respect to an issue like that?

Mr. Suite: Thank you, Chair. In terms of the role that the Permanent Secretary of the Prime Minister would play is really in terms of coordinating the efforts among the various Ministries and Departments. So when we have discussions at the level of the board, a lot of these issues would be raised by individual Ministries and Departments and we would have the presence of—well, of course, the Ministry of Public Administration and Communications as well as the DPA and the CPO at that meeting. And in terms of certain critical matters if they come to the fore what we may do is form like a subcommittee to address these matters.

I think—well, based on the discussion that I would have had this afternoon, we would have to have probably some discussion after this meeting on this matter because what we may find is that, okay, if the Public Service Academy goes out to different Ministries and Departments and I ask them for their feedback on where they identify as their critical areas there probably needs to be some distilling of the responses because the responses from the stakeholders may not be the same perception of the central Ministries.

For instance, if persons are not familiar with process mapping, et cetera, and you get that feedback coming from PMCD, but the individual Ministries and Departments they may have other priorities that do not include that. So I think we need to have probably some discussion at the level of the PSs for input into it to really coordinate and distill because you cannot really do like a popular count to determine what their needs are. So we have to take some further action.

Madam Chairman: So when is your next meeting?

Mr. Suite: Our next meeting is scheduled for the third Thursday in January.

Madam Chairman: So would this be something that would make your agenda?

Mr. Suite: Well, yes, I have been taking some notes from this meeting and I think as well, apart from that, I think we need to probably have the Ministry of Finance give some feedback to the rest of the board in terms of what is happening, in terms of financial management reform.

Madam Chairman: Thank you very much. I know earlier we touched on infractions regarding the audit, the Exchequer and Audit Act and there was in your response from the Ministry of Finance a sort of view that there would be discussions with the Ministry of the Attorney General and Legal Affairs with respect to drafting amendments to include sanctions for public officials who breached the Exchequer and Audit Act and the Financial Regulations in accordance with best practice. I want to know if such discussions have in fact been had and if they have been, where they are at? I put that to the Permanent Secretary of the Ministry of Finance.

Ms. Durham-Kissoon: Thank you, Chair. The discussions have not yet started. The sanctions that exist right now in law are in the procurement legislation and we envisage that there has to be some harmonization in the two pieces of legislation to incorporate any sanctions that have to take place. That has not taken place as yet, Chair. Thank you.

Madam Chairman: Okay. So there are sanctions in the procurement legislation which has not yet been proclaimed?

Ms. Durham-Kissoon: Correct, Chair.

Madam Chairman: Okay. Would these sanctions when the legislation is proclaimed, would these sanctions cover all instances of breach by public servants in terms of things like inventory control?

Ms. Durham-Kissoon: As far as I can tell, Chair, the sanctions would be in relation to non-observance of sections in the procurement legislation.

Madam Chairman: So that, therefore if—I mean, I do not want to really carry you to too technical an aspect, but in terms of the harmonization that you speak of that needs to take place in terms of the procurement legislation and the Exchequer and Audit Act, what then would be required?

Ms. Durham-Kissoon: In terms of regulations, in terms of procedures where the regulations and the Exchequer and Audit Act, in terms of stores, conflict with the areas in the Exchequer and Audit Act.

Madam Chairman: So that—we expect that sometime soon that the procurement legislation would come into force. Therefore, when would the discussions take place for this harmonization and for the amendments to be drafted for your Exchequer and Audit Act? When are they likely to take place?

Ms. Durham-Kissoon: As soon as the regulator who is to be appointed makes recommendations to the Minister of Finance, regulations would be proposed and the harmonization would take place at that point.

Madam Chairman: So the whole thing is being delayed by the non-appointment of a procurement regulator.

Ms. Durham-Kissoon: Correct, Chair.

Madam Chairman: All right, thank you very much. And then maybe I can go back to Ms. Laban. I do not know if you got the document as yet.

Ms. Laban: Yes.

Madam Chairman: So as I—maybe it is a misunderstanding by me of the sort of timelines that are set out here. But I have calculated, based on what this is, that mid 2019 in accordance with your timeline, would be an expected date. I am now hearing two years later. So I am just asking for clarification.

Ms. Laban: We would have to go with what the Permanent Secretary had indicated, April 2018—firms were shortlisted in April 2017 and you also have a four to five-year period for it to be fully operational. This would be the more up-to-date version, what the PS had sent.

Madam Chairman: So the implementation of IFMIS and this whole programme, is this being done by the Comptroller of Accounts or by the Ministry of Finance?

Ms. Laban: It would be by the Ministry of Finance under the PFMMU Unit that was established for that purpose.

Madam Chairman: Okay, so that the question, maybe I should not have directed it to you. Maybe I should direct it to the PS of Finance.

Ms. Laban: Yeah and the coordinator of the unit could have answered.

Madam Chairman: PS of Finance, assist us please.

Ms. Durham-Kissoon: Chair, if I may, could we be afforded the opportunity to reconcile the difference that is being presented here at this meeting and could we come back to you, please?

Madam Chairman: I would appreciate it if we could get this in writing and I would think about January8th—that is a working day, should be sufficient time. I think that should be the first working Monday in January.

Ms. Durham-Kissoon: Yes.

Madam Chairman: Thank you very much. Member Mark.

Mr. Mark: Yes. I just want to revert to the CPO on a particular matter. We were told that you had some limitations in establishing a properly functioning internal audit unit and you were supposed to liaise with both the Auditor General's Department as well as the Comptroller of Accounts to provide you with some guidance and support and you did indicate in your response that you had meetings with the Auditor General and the Ministry of Finance. Could you share with this Committee the outcomes of your meetings or consultation on this very important matter and where are you and the Personnel Department with a properly functioning internal audit unit?

Mr. Riley: Thank you, member. We did in fact have discussions with the Comptroller of Accounts, the Treasury Division. In fact, we sought their assistance because I think like—I do not think we are singular with regard to the need to establish more appropriate and effective auditing systems within the internal system, within a Ministry or Department. However, based upon the promptings of this Committee we would have sought the assistance of the Comptroller of Accounts. They in fact met with us. They brought in a team and they worked with us for some time, but they focused more on the accounting systems because that is part of their particular modus operandi.

Having said that though, based upon our own discussions which we were having in attempt to revise the job descriptions for the internal audit function we ourselves were getting more knowledge about the function itself and we were able to make some contact with a prospective vendor to assist us in moving the process forward as far as setting up a proper system for internal audit.

So we have, in fact, we were able to develop our own internal audit charter and programme with the help of the Comptroller of Accounts personnel, as well as, with the assistance of someone external to the public service at this point in time. We hope to have training conducted next year to assist our auditors in developing a more appropriate programme. So I think we have made some progress as far as the development of a more effective internal audit function in the department.

Mr. Mark: You did indicate that you had acquired the services of a provider to assist you in training. I noted that you are working with the Public Service Academy and that there are some working papers that you all are going to be using to conduct training in January of 2018. Am I correct?

Mr. Riley: In part, member. I think to a large extent what we hope to do is to cash in on the programmes which are scheduled to be run by the Public Service Academy in January and I think in April of 2018. But in addition to that, we have identified a prospective provider to do our own internal training so that we would be approaching it from both fronts.

Mr. Mark: Would you care to share with us how many members of staff are expected to benefit from this training from the provider that you have identified?

Mr. Riley: I would say approximately 12 persons because we are targeting both the internal audit staff which has a complement of two persons as well as our accounting units and our HR units, specific persons there.

Mr. Mark: Would you want to share with us as well what will it cost your Personnel Department to recruit this provider and could you share with us, what is the period of time this provider would be recruited for?

Mr. Riley: Thank you, member. Member, with your leave I would prefer if it were possible for me not to discuss this in open forum such as this one. We are still in negotiations with the prospective provider and I would not want to divulge that particular cost information.

Mr. Mark: I am certain that the Chair would facilitate your request but we certainly would appreciate in writing the submission of the final outcome so that at least the Committee would be aware of the name of provider and the cost to your Department for the provision of the provider's services and the period of time that the provider would be engaged for in the provisioning of those services.

Mr. Riley: Certainly, member. We would be happy to share that information once the discussions have been concluded successfully.

Mr. Mark: Well, I would imagine that if you have a time frame as you have identified and you have a targeted audience of a minimum of 12 persons who would benefit from this training and you are looking at January of 2018 and today is the 28th of December, you have to be rushing along to at least conclude those negotiations with this particular provider. So I would really want to proffer that in short order, you would have concluded on that matter and therefore provide this Committee with the required information.

Madam Chairman: Okay, so that I would like to direct some questions to the Service Commissions Department. The Service Commissions Department, in response to the recommendation of this Committee to provide a status update on the efforts made in the filling of vacancies in the internal audit units by November 30th, 2017, provided to the Parliament a table outlining the vacancies that exist in the audit stream and the status of those offices. I do not know if the table is in the possession of the representatives from the Service Commissions Department. And just for the purposes of lending some clarification to us, I have just taken out a couple as a sample. So if I look at the Ministry of the Attorney General and Legal Affairs and say, for instance, under Auditing Assistant where the number of offices are three; the number of vacant office is one; the number of acting incumbents, nil; the number of offices without bodies and then we are told in the remarks, the substantive holders of the office are acting in higher office. Could that be explained so that we can get some clarification, please?

Ms. Anmolsingh-Mahabir: Thank you, Madam Chair, I am sure the DPA has this information prepared for you.

Madam Chairman: Thank you.

Ms. Maraj: Good afternoon, Madam Chair. Yes we would have submitted this table. The topic here was the filling of the internal audit vacancies. Now, what I want to say at the outset is that the filling of vacancies entail a lot of research because when we appoint or promote persons to offices–these are permanent pensionable offices so we do have to do a very in-depth research before we promote.

In terms of the internal audit, what we try to do is to ensure even though a post is vacant, we try to ensure that there is an incumbent in the office, whether there is a temporary person or an acting incumbent.

For the Attorney General's office there is one office without body and as you said, the Auditing Assistant. What this means is that there are three offices of Auditing Assistant, one is vacant. So it means that there are two that are filled. There are no acting incumbents as yet. The substantive holders of those two other offices, they are acting in the higher office. So what is missing from this column is that they also require two Auditing Assistants to act and we are currently looking to get persons to act in those offices.

Madam Chairman: Okay. So number of offices without bodies, should something be there or not?

Ms. Maraj: Yes. There should be two.

Madam Chairman: There should be two?

Ms. Maraj: Yes.

Madam Chairman: Okay. Which are the ones who are acting in higher—

Ms. Maraj: Yes, yes.

Madam Chairman: All right. Okay. So let us go to Agriculture, Land and Fisheries, Auditing Assistant.

Ms. Maraj: All right. So there are five offices, those are established offices, two temporary offices. Now for temporary offices in the public service, they have a life span. In this case, these temporary offices they expired in 2015. The Ministry has indicated to us that they are going to seek approvals to extend these temporary offices. The other offices of Auditing Assistants, well of course, they are permanent offices, but they are not scheduled travelling offices and this Ministry, it is difficult to get persons to go to this Ministry because the offices are not scheduled. So we actually have two offices there that we need bodies for.

Madam Chairman: So those would be offices and then you need two for the temporary?

Ms. Maraj: Yes. Until those offices are extended.

Madam Chairman: So the number of offices without bodies would be what?

Ms. Maraj: Two.

Madam Chairman: Okay. And therefore, really, two offices without bodies and two temporary.

Ms. Maraj: Right. So we have to await the extension of those offices before we put them.

Madam Chairman: Yeah. But really and truly you are looking for four.

Ms. Maraj: Yes. But two initially.

Madam Chairman: All right. So let me ask something and I do not know which is the relevant agency. It seems that in filling the internal audit post sometimes people decline promotion because, as you say, it is not scheduled or it does not have travelling or—is that allowed by the regulations, to decline?

Ms. Maraj: Well, persons are within their right to decline a promotion. We have tried in the past in terms of the acting appointments where we will ask persons before if they are interested. The Commission has made a decision and said, do not ask if they are interested, just give them the appointment and whether they accept or refuse. So the Commission has been approving appointments but persons are still refusing the appointments.

Madam Chairman: So therefore, you are still left with a vacancy?

Ms. Maraj: Yes.

Madam Chairman: Has the Commission looked at any way to address that?

Ms. Maraj: Well, what we have been doing at the SCD itself and the chairman has asked us to look at it, we have never collected that type of information before so this is the first time you are seeing it here. Service Commissions Department is not really interested in what is a scheduled travelling post or not. So we have—these last couple of months we have gone to Ministries and Departments and asking which ones are scheduled so to get an idea where persons would not go.

So take for example, you have an Auditing Assistant who is in a travelling position and the person is in line for promotion to an Auditor I. If that post is vacant we may promote the person, but if that office is not a scheduled travelling office that person is not going to take it up because they may have gotten a motor vehicle loan that they need to repay, they would have gotten an upkeep allowance. So the compensation is going to be less. So they would not accept it. We do not schedule offices, that is, the Personnel Department they would do that based on the Ministries and the requirements of the offices. So we are stymied to some extent because it is only where the vacancies are and whether they are travelling offices or not we will look to promote. So this time around we are going to try but it may not work out how we would like it to work out.

Madam Chairman: If I understand, it is a question of money—

Ms. Maraj: For the individual.

Madam Chairman:—incentive, right? So my question is and I do not know, maybe the Head of the Permanent Secretary, I do not know if it is CPO, I do not know. Has there been any sort of consideration amongst you all, how do we address this? Because it is a pervasive issue. It is always going to be–nobody is going to take a promotion if they are going to end up with less money. How do we address this, if you say the regulations allow me to not take the promotion?

Mr. Riley: Thank you, Madam Chair. I will attempt to answer. With respect—I think what the DPA said is going along the right track to begin with, which is to collect data. Why are people refusing promotions? We need the data. We do not have enough data. Very often we have had to respond to questions which this Committee has asked and often the signal seems to be pointing towards compensation, but we know from our own experience and from the literature that it is not always about compensation. So I think getting the data is the first step.

With respect to the issue of scheduling, in particular, which is the construct which we currently have, in relation to providing some remuneration for a travelling officer. Now we utilize—if there is no need for travelling it would not be appropriate for us to make a post, a scheduling post so that someone can receive a promotion. So we really have to look at both the—we have to get the data from Service Commissions and we need to look at the specific positions and make some determination as to whether in fact the position requires travelling and we can then fast track those particular ones. I do not know if that answers the question, Madam Chair.

Madam Chairman: No, I understand what you are saying. I am just wondering if within your authority, whether as a PS, whether from the CPO's perspective, if there are legitimate ways to at least cure the monetary side. If it is that—let us say, for instance, in the Parliament people are paid a duty allowance because if we are sitting—

Mr. Riley: Correct.

Madam Chairman: Okay. So I am just wondering if there are creative ways which can be explored.

Mr. Suite: If I may. I know in the past there have been some attempts to address the issues of compensation particularly for certain classes of individuals, like Auditors in the Ministry of Energy, IT personnel, et cetera. And what has happened in the past is that once one class of individuals, a case is made for one and then you got other requests coming forward. Eventually after a certain amount of time you got a sort of, I would not say a push back, but the response was that we could not continue to do this on an ad hoc basis and you really needed to have an overall approach in looking at compensation and I know well, currently, the Personnel Department is looking at compensation by doing the job evaluation exercise.

4.45p.m.

But the issue that you are going to continue to have in the public service is because Ministries and Departments are not closed and persons move from one Ministry to Department. These sorts of issues will continue, in my opinion, to arise. For instance, within the Office of the Prime Minister you would have had an internal audit department that worked for the Office of the Prime Minister and therefore it did not need travelling, but when you realign the portfolio and included child and gender affairs, you suddenly need travelling, so you have to go through the process now of scheduling the travelling post.

Now, if later down the line the Ministry is realigned and that is no longer part of the Ministry, you may have persons who are in a travelling post that do not need to travel. And so, because you continue to run an HR system across such a wide and diversified public service, you are always going to have these issues. I mean, we have to continue to look at it but it is a challenging prospect to look at.

Madam Chairman: So, do we agree—no end in sight?

Mr. Suite: No. I think what—I had hinted that the Personnel Department is looking at the compensation throughout the service and I think that some of these matters would be addressed in that exercise because, for instance, the internal audit department, as you do the financial management reform and the whole job description and the qualifications, et cetera, what you need for Internal Auditor would change and of necessity the compensation package would have to be addressed. So I am not seeing a solution in the immediate future but as the compensation exercise continues and unfolds, I think we can have a solution on the horizon.

Madam Chairman: What I would say is, I would agree to accept what you are saying. We will find more questions, but for now, I think we will let that rest because I do not know that it is something that you all find desirable to continue indefinitely. Let me just ask this. In terms of the Public Service Academy and the training that you had said for Internal Auditors, I get the impression from some of the Ministries that we have examined that the role of the internal auditor—the function—is not really appreciated. So while we might be training people in that function, is there anything done to address a wider appreciation of the role and the importance of the internal auditor?

Ms. Phillip: You mean to other stakeholders, Chair?

Madam Chairman: To the wider public service. Because we have met a lot of instances where the Internal Auditor makes certain recommendations; they are ignored or they are scheduled on other desks doing other functions, and therefore it appears that there is a lack of appreciation. We are not talking now about an Internal Auditor not being qualified, we are talking about within a Ministry, the appreciation of the role, function and importance of an Internal Auditor. Is there any sort of training being contemplated to address that?

Ms. Phillip: Well, at this point I can think that, perhaps, that could be part of, what you call an induction programme, whereby the whole key functions of the public service—that exist in the public service—are examined. So if that induction is part of the—what I would say—part of the Ministry's strategy, I can see that some of the key offices, whether it is the Auditor General's Department, the internal audit function, the HR function, all those things, they are put on the front burner, I think that that is a step in the right direction.

Madam Chairman: But is there a role for your academy with respect to understanding and appreciation by the wider public service?

Ms. Phillip: Well, I think that is something that can be examined.

Mr. Suite: Madam Chair—

Madam Chairman: Yes, Mr. Suite. Thank you.

Mr. Suite: Thank you, Chair. Well, I wanted to come in and say that the Internal Auditor really reports to the accounting officer and it is for the accounting officer to understand the role of importance, and once the accounting officer really appreciates and understands and empowers the Internal Auditor, then I think from there the rest of the staff will follow. And I wanted to add that within the recent past the Comptroller of Accounts has been having regular discussions with Permanent Secretaries and Heads of Departments dealing with accounting systems and the role of the internal audit.

Madam Chairman: Because I was about to say then, it comes back to you. All right. Just some follow-up questions again for the Academy. In terms of, you had listed that you were going to do training in Audit Report Writing, Assessing Risk, Ensuring Internal Audits Value, Risk-Based Auditing, a Value-Added Proposition, Fundamentals of IT Auditing, Auditor In Charge, Tools and Techniques, Beginning Auditor Tools and Techniques and so on. Have any of those courses been run as yet for this fiscal?

Ms. Phillip: In terms of the Audit Report Writing, Ensuring Internal Audits Value, which we are proposing to rename Risk-Based Auditing, based on the research, there are some of these programmes here that are already part of our schedule of activities. However, as I mentioned previously, this meeting was held somewhat towards the end of October, early November, so that some of the new areas, if I can say that were suggested, we would have to really include them. But things like the Audit Report Writing, Risk-Based Auditing, the Beginning Auditor Tools and Techniques, we call it fundamentals of internal audit—fundamentals of the internal audit function, but it is the same sort of thing—there are some of those areas that are already being looked at.

Madam Chairman: All right. So, of those nine courses, could you therefore highlight in response to us, which have been scheduled? Okay? And you will give us that in writing. All right? And I just wanted to ask about the institutional strengthening project which ended in March2017, if I am correct, and I think this is to the Service Commissions Department. And I wanted to find out if they began implementing any of the recommendations arising from that institutional strengthening project report.

Ms. Maraj: Yes, Madam Chair. In March2017, the project came to an end with the consultants being there. One of the main—well, recommendations we did so far—and that happened this year—is creating a professional series at the Service Commissions Department for Human

Resource Advisors, rather than Human Resource Officers. Cabinet agreed to that in December and we implemented it this year. So we had a bit of a transition in terms of moving persons and that was one of our main areas.

Now, the other area is electronic, the EDMS. Up to last week we signed a letter of engagement and the RFP should be published early next year. Those are the two main items that we focused on this year. But in terms of the staffing at the Service Commissions Department where we want to professionalize, that has been one of the main focus. We are continuing with our training at the Service Commissions Department for these officers. We also advertise the offices. So even though the incumbents, they would be allowed to apply, we are currently—we did an examination so we have a supplemental examination coming up soon, so we should start our selection process early next year. So that should settle and stabilize the Service Commissions Department for a little while rather than—so closing it in a bit, so we would not have the fluidity of the HR—the Human Resource Officers—moving in and out of the Department.

Madam Chairman: And how would this affect the overall public service?

Ms. Maraj: Well, in terms of—we hope in the long run we would have a more efficient service to the public service as a whole, because when you professionalize, you ramp up your service, is one, and in terms of advising, you need persons to properly advise Ministries and Departments in how they do things. It is not going to happen in the immediate—but in the medium to longer term. Because, as I said, these persons have to undergo training and they all have to become familiar with our regulations, our policies, our procedures in terms of how we do things, and that should happen within the next two to three years. So we are hoping for a more efficient and effective Service Commissions Department which would serve the public service.

Madam Chairman: In the next two to three years?

Ms. Maraj: Yes.

Madam Chairman: Okay. Let me ask. Are there any other recommendations that you all intend to implement coming out of the institutional strengthening project?

Ms. Maraj: Well, there are several. As I spoke, one of it—

Madam Chairman: You spoke of two.

Ms. Maraj:—the foundation is leveraging technology, and the EDMS is going to take us a long way because right now we have a manual record system with almost 200,000 files. So, as you can tell, based on that, it is very difficult to manage. The scanning project has been going on for the last couple years, so we are just waiting on that software to convert, and that should bring us a sense of relief to the Department in terms of records. But we continue with that.

The other one, we have a mentoring programme which we started also in terms of mentoring different levels of staff. So staff with experience at the Service Commissions Department, they have identified persons who were willing to take on that mentorship. So we have that also in train. We started with our filling of vacancies in 2016. We did have some progress in the vacancy reduction. I think we completed about 3,200 in 2016. Because of the staff movements in 2017, we had a bit of a slowing down, but in 2018 we should start back again when the service commission has settled.

In terms of the restructuring of the units, we are working with the PMCD. We have had several meetings and they have given us the assurance that they are going to work closely with us to continue. They had started with us a couple years ago prior to the institutional strengthening, so there was a structure which we implemented part of, but with the institutional strengthening and the recommendations, we have to relook, not to a large extent, but to some extent, to strengthen some of the units, in particular our monitoring and oversight. Because if the commission chooses to delegate more of its functions and which, in principle, it has agreed to, the monitoring will come into play. So we do have a monitoring unit and they do go to Ministries and Departments. We have increased the staff to some extent, but in working with the PMCD, we have to increase, at least that unit for the time being. It was also recommended a project unit, and, again, with PMCD we are also working on that.

Madam Chairman: Thank you. Are there any more questions? Member Huggins.

Mr. Huggins: Thank you, Madam Chair. In terms of the Electronic Document Management System, I know you said that scanning and so Fourth is ongoing, but you have a time frame or a timeline in terms of when that is to be completed? And could you, just for clarity, outline how this will benefit or assist in filling these vacancies and making those activities more efficient?

Ms. Maraj: Okay. As I said before, we have over—well, approximately 200,000 files of officers because it is the entire public service we have files on. In doing any appointments and promotions, we look for files. We have to use the files: the person's personal file; our, what you call, general files; and sometimes they could be misplaced or difficult to get to. You have other people using it at the same time. There may be other persons. So the file could be anywhere within the building or even at our other offices across the street from the head office.

The EDMS, we would have gotten Cabinet approval a couple years ago but the funds were never allocated. The funds were allocated in 2015, fiscal. The amount was not sufficient, but we did, in 2016, restart our scanning project and we continued. Now, this current fiscal, we got money under our PSIP Programme, so we are going full steam ahead to get our software and hardware to continue with the EDMS.

Mr. Huggins: So should the funding be available, what is the timeline in terms of estimation?

Ms. Maraj: When we started, the timeline was five years. So we start from 2015 to 2020. We did not really start in 2015, so I would go to 2021, because the number of files, and then remember we have to update the files as we go along.

Mr. Huggins: Just one more question. You identified that 3,200 vacancies would have been filled in 2016. Am I correct?

Ms. Maraj: Approximately, yes.

Mr. Huggins: And I believe there was a target for 1,500 vacancies by June 30, 2017.

Ms. Maraj: Yes, we did have a target, but as I said, because we changed our staffing structure from the Human Resource Officers to the Human Resource Advisors, we had to do a bit of re-creation in terms of our units and restructuring, so that has slowed down the process. Our target probably for this year might be—the entire year—might be 1,500. We are just completing the final figures because the commission at its last meeting earlier this month, we would have to just compute that lot to get the total figure.

Madam Chairman: Member Mark.

Mr. Mark: Yes, the Permanent Secretary in the Ministry of Finance. The Integrated Financial Management Information System, we know that what you have said and what has been submitted to us represent an element, or a strand, of the overall public financial management reform process. Could you tell me and tell us here, whether that would also lead to a shifting from the cash-based accounting system to the accrual accounting-based system? Would that mechanism that we have been exposed to, the Integrated Financial Management Information

System—would that entail that shift from this cash-based to an accrual-based accounting system in the Republic of T&T within the public service?

Mrs. Durham-Kissoon: Thank you, Member. The Comptroller can take that question. Thank you.

Ms. Laban: Yes. It has the ability to do—it would have the ability to do accrual accounting. The intention is to go accrual accounting from cash based, but on a phased basis.

Mr. Mark: No, I am asking specifically whether that is one of the elements in that system that we are seeking to bring into effect between two and four years from today. Is that going to be an integral part or is it going to just be an accidental part of that exercise? And is the Ministry of Finance committed to really proceeding from a cash-based system of accounting to an accrual-based system of accounting? Would it require a separate system or would that system that we are seeking to introduce that will certainly cost a lot of money to the taxpayers, would that be an integral element in that reform process? That is what I am trying to get from you.

Ms. Laban: Yes, that is one of the functionalities of the system. It has the ability to move towards accrual accounting. So it would no longer be cash basis, as we are accustomed to.

Mr. Mark: And then my final concern, again to the Ministry of Finance's Permanent Secretary, and even to the Permanent Secretary in the Office of the Prime Minister. We would all agree that we are in somewhat an emergency situation, even bordering on crisis as it relates to the breakdown in internal controls within the public service, and this is being manifested every year when the Auditor General submits his report on the financial state of affairs in our country. And Mr.Suite earlier said that a good accounting officer would be able to liaise with this internal auditor and at least provide the necessary inspiration and incentive for that person to continue to do his work without let or hindrance. That is what I heard him to be saying.

But this matter involving the breakdown in internal controls has been happening for the last 10 years, and the role of the Ministry of Finance in this exercise, I am wondering to what extent there are any serious concerns coming from the Permanent Secretary's part of that Ministry as well as the Head of the Public Service liaising with the Comptroller of Accounts to find a solution to that matter before we took it up at the level of this Joint Select Committee.

Have there been any efforts, Madam Permanent Secretary, made in the past to arrest this crisis that we see manifested every year in the Auditor General's Report—that is, the complete weakness, the weaknesses, that the Auditor General outlined in his report as it relates to the internal audit function? Every year for the last 10 years there is almost a ritual in terms of a repeat, over and over. And that is why the Chairman was asking, listen there are difficulties in filling vacancies, but what can we do, what has been done in the past to try to stem this major challenge? I am trying to get some clarification from the Permanent Secretary and maybe Mr. Suite himself.

Mrs. Durham-Kissoon: Yes, Member. We do agree that the internal audit function has broken down over the years. It has been an area that has been neglected, under-resourced, not only in terms of providing financial support but in terms of the skills. We see that the requirements of the human resource to function in that unit, in an internal audit, has not been up to international standard. And the whole system has not functioned as best as it should. In addition to which, as PS Suite has said, I think management has not recognized the value of the internal function in our particular organizations. In fact, the internal audit function is supposed to provide us with that sort of consultancy assurance that we need, that our systems can stand up to scrutiny.

The efforts that the Treasury has made in the past may have, I would admit, would have gone wanting. The consultancy that was presented, we probably did not give it the appropriate attention in terms of commenting on their reports. I do not know if it is, again, a matter of us not recognizing the importance of the function. But we, in the Ministry of Finance, have committed to giving this function the attention that is required for the sake of the accountability and transparency of the resources, particularly in this time where we see that we cannot account for various assets that we may have procured, and there is a renewed commitment in the Ministry of Finance and an effort to really accelerate and to give focus to this—the internal audit function in the public service.

Madam Chairman: Okay. So that I would like at this stage to bring this meeting to an end. I want to thank the various representatives here present: the Permanent Secretary in the Office of the Prime Minister, the Permanent Secretary in the Ministry of Finance, the Assistant Auditor General and the other representative from the Auditor General's Department, the Comptroller of Accounts, the Deputy Comptroller of Accounts, the Chief Personnel Officer, the Acting Deputy CPO and also the Permanent Secretary in the Ministry of Public Administration and Communications, the Acting Director of Public Management, the Director of PMCD and the PMCD Officer II. I would also like to thank the Deputy Chair and the Commissioner of the Public Service Commission and also the Director and Human Resource Advisor III from the Public Service Academy, and the Director of Personnel Administration and the Deputy Director for coming and having this very enlightening conversation with us.

I would like to take the opportunity on behalf of the Committee to wish you all, and the wider Trinidad and Tobago, a transformative, productive and prosperous 2018. I would like to thank the members of the media and the general listening public of Trinidad and Tobago for participating in this meeting here this afternoon, and also to wish Trinidad and Tobago a Happy New Year. Please reach home safely. Thank you very much. This meeting is now suspended.

5.12 p.m.: *Meeting adjourned.*