MINISTRY OF ATTORNEY GENERAL AND LEGAL AFFAIRS

MINISTERIAL RESPONSE

Thirteenth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2016 with specific reference to the Ministry of Finance.

I. Introduction

The Thirteenth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2016, with specific reference to the Ministry of Finance, was presented in the House of Representatives on December 15, 2017 and in the Senate on January 16, 2018.

Standing Orders 100(6) and 110(6) of the Senate and House of Representatives respectively, require the Minister with responsibility for the Ministry/Body reported on by a Joint Select Committee to present to each House a paper responding to the recommendations/comments contained in the Report.

This paper is the Ministerial Response of the Ministry of the Attorney General and Legal Affairs to the findings and recommendations of the Thirteenth Report.

II. Summary of Issues Identified, Recommendations and Responses

Of the recommendations made in the Thirteen Report of the Public Accounts Committee there are two key issues identified for the attention of the Attorney General and Minister of Legal Affairs.

Issue Identified

iii. Backlog and Delays in Financial Reporting

The backlogs and delays in reporting existed because of the manual system of financial reporting used throughout the public service. Officials from the MOF stated that a high turnover of staff caused by increased promotions also contributed to the backlog and delays in reporting. With such staff turnover, due diligence was not exhibited in the proper maintenance of the relevant subsidiary books and records. The existing legislative framework, as it stands, does not allow for information to be digitally transmitted or electronically collected. To resolve the issue of backlogs and delays in financial reporting, the MOF indicated that reforming and technologizing the financial system through amending existing legislation was necessary. Officials from the MOF indicated that the use of electronic signatures would also allow for faster data transmission between Ministries and would greatly improve the timely receipt of information from the Ministries and Departments.

Recommendations:

- ***The Ministry of Public Administration and Communication (MPAC) should take the initiative and implement automated data collection and reporting systems throughout the public service as a replacement for the paper based manual system used by Ministries and Department;***
- ***The MOF should develop a succession plan by February 28, 2018 so that the organisation can continue to run smoothly after experienced employees are promoted to new positions;***
- ***The MOF and Ministry of the Attorney General and Legal Affairs (AGLA) should review the Exchequer and Audit Act, the Financial Regulations and Financial Instructions to see whether allowing data to be electronically transmitted and collected is plausible; and***
- ***The MOF should implement and promote the use of electronic signatures which will allow for faster transmission of data between Ministries.***

Response:

The Attorney General and Minister of Legal Affairs is in agreement with and supports the recommendation of the Committee in respect of the adequacy and suitability of the current legislative framework, namely the Exchequer and Audit Act, the Financial Regulations Chapter 69:01 and Financial Instructions to allows for data to be electronically transmitted and collected.

The Ministry of the Attorney General and Legal Affairs, through the Office of the Chief Parliamentary Counsel, will undertake to review and prepare the proposed legislative amendments required to the Exchequer and Audit Act and the Financial Regulations and Financial Instructions, Chapter 69:01. This will be accomplished in collaboration with the Ministry of Finance which is the designated authority and responsibility for proposals for amendment to the Exchequer and Audit Act, the Financial Regulations and Financial Instructions Chapter 69:01 for the electronic transmission and collection of all data.

Issue Identified

xi. Documents not Produced

There were numerous instances throughout the 2016 Auditor General's Report where documents requested for audit purposes were not produced. This represents a serious breach both of the Auditor General's constitutional and legal right of access to all documents relating to the Public Accounts and of financial and accountability requirements. Financial Instruction 43 states, "All vouchers, paid cheques and other relevant documents shall on request for Audit examination be made available to the Auditor General or his nominee." The Comptroller of Accounts, as an example, failed to produce documentation in support of a reconciling item of $26,563,427.00 brought forward from October 2013.

Recommendations:

- ***The Comptroller of Accounts should make it a priority to have all required documents ready for submission to the Auditor General by the statutory deadline; and***
- ***The Auditor General, in association with the Attorney General, should introduce a legally binding component to the statutory deadline for the submission of financial statements, making Permanent Secretaries legally responsible for non-submission or late submission.***

Response:

The Attorney General and Minister of Legal Affairs acknowledges the merit in the recommendation made and is of the view that the proposed amended would ensure that there is compliance in a timely manner by Accounting Officers.

The Ministry of the Attorney General and Legal Affairs will work along with the Ministry of Finance, Comptroller of Accounts and the Auditor General to review the Financial Instruction 43 which currently states, "*All vouchers, paid cheques and other relevant documents shall on request for Audit examination be made available to the Auditor General or his nominee*. This will be done with a view to including the recommended provision.

III. Conclusion

The Attorney General and Minister of Legal Affairs recognizes that in addressing the issues identified and challenges faced by the Auditor General, as outlined in the Thirteenth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2016 with specific reference to the Ministry of Finance, there must be a methodical review of the primary legislation (The Exchequer and Audit Act and the Financial Regulations Chapter 69:01).

Such a review will allow for the Auditor General's Department to perform its duties and functions in a more efficient and productive manner and result in greater accountability of the public sector in Trinidad and Tobago.

The Attorney General and Minister of Legal Affairs remains willing to prepare all necessary legislation and collaborate together with the Ministry of Finance and the

Auditor General to remedy all deficiencies to facilitate the functioning of the Auditor General's Department.