GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO
MINISTRY OF ENERGY AND ENERGY INDUSTRIES
Head Office: International Waterfront Centre, Level 26, Tower C, Energy Trinidad and Tobago
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20 March 2018

Mrs. Jacqui Sampson- Meiguel
Clerk of the House
Office of Parliament
Levels G-9, Tower D
The Port-of-Spain International Waterfront Centre
1A Wrightson Road
Port-of-Spain

Dear Mrs. Sampson- Meiguel

Re: Twelfth 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

I refer to your letter dated 25 January 2018 on the subject matter at caption.

I hereby submit the Ministry's written response to the recommendations in the Report for the consideration of the Committee.

Sincerely,

Mrs. Penelope Bradshaw-Niles
Deputy Permanent Secretary

Response to Twelfth 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.

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i. Rental of Unoccupied Properties

Recommendations:

- There needs to be a coordinated effort between all parties concerned to get the terms of the contractual arrangement negotiated and approved to reduce the lengthy and time-consuming process;
- PRESD should implement a robust system that would be geared towards keeping with up to date trends to improve efficiency by February 28, 2018; and
- The process of entering the contractual arrangement between the Ministry seeking the property, PRESD and the provider of the rental accommodation needs to be mapped out, re-evaluated, and reviewed to identify the key weakness points as a means of eliminating the delays that result in Ministries paying rent for unoccupied properties.
- This should be done by February 28, 2018.

Response:

The MEEI has since surrendered the space located at South Trunk Rd, Gulf View San Fernando on 30^{th}, November 2016.

iii. Lease Agreements not produced

Recommendation:

- A collaborative framework of functional interaction should be established and maintained between the PRESD, the property owners and the relevant Ministries so that the process for renewal doesn't drag on effective immediately so that better results are achieved.

Response:

The MEEI presently pays a monthly rent for the undermentioned properties:

a) Trade Zone Warehouse at El Socorro (Storage)

b) MASKA Building located on the South Trunk road Gulf View, San Fernando. This is for the MEEI's South Office. No current lease agreements exist due to the following:

   With respect to Trade Zone Warehouse, the MEEI is in the process of reducing the amount of items stored at this site and will eventually reduce the need for the present storage area. Further, alternative accommodation for our south office is presently being pursued. There is need for more space due the increase in the number of staff. In addition, maintenance issues related to the present building are numerous.

iv. Lack of proper Maintenance of Inventory Control

Recommendation:

- All accounting officers should ensure that State property is safeguarded at all locations in accordance with Financial Regulations (Stores). This exercise should commence no later than February 28, 2018.

Response:

The MEEI has instituted measures to properly maintain records of the receipt and issue of consumable items in accordance with the Financial Regulations (stores). The inventory of Furniture & Furnishings and Other Minor Equipment has started and this process is still ongoing.

v. Overpayments

Recommendations:

- Monthly checks should be performed by the Ministries and Departments accounting units to ensure early detection of overpayments so that it can be dealt with immediately;
- Ministries and Departments need to review and re-evaluate the whole system of recording the transference of information from outstations or sub-offices to the main offices no later than February 28, 2018;
- IhRIS' capabilities should be fully utilized to ensure the timely record of data and any other information to eliminate the timing differences which give rise to overpayments.

- A fully functional IhRIS system will eliminate this recurring problem entirely; and
- The AGD should submit a report to the Parliament on the status of the initiatives being undertaken to reduce the occurrence of overpayments amongst Ministries and Departments by February 28, 2018.

Response:

All recommendations have been noted and a review of the entire process would be conducted. One immediate initiative will be the strengthening of the relationship between the Accounting Unit and the Human Resource Unit, to ensure that updated records and information are submitted in a timely manner so as to fully utilized the IhRIS system and as a result, reduce the instances of overpayment.

vi. Public Procurement

Recommendations:

- All Ministries and Departments should put systems in place for the implementation of the Public Procurement and Disposal of Public Property Act, No. 1 of 2015 no later than February 28, 2018in the event that the Procurement Regulator is appointed;
- The MOF should put measures in place to ensure that the Ministries and Departments adhere to the procurement process outlined in the legislation when the Act is proclaimed and ensure all staff in the procurement units are offered training in the area of procurement to reduce errors and discrepancies;
- On the establishment of the OPR, the Procurement Regulator should ensure that all AOs and Procurement Units are briefed and aware of steps to be taken during the procurement process to eliminate any instances of error.

Response:

A team comprising the Deputy Permanent Secretary, Administrative Officer V, Director of Human Resource Services and officials from Administration and HR Sections has begun planning process for the MEEI Procurement Unit.

xiii. Pension and Gratuities

Recommendation:

- Ministries and Departments should make every effort to ensure that Pension and Leave records of all officers are updated regularly, and that Pension and Leave files are thoroughly checked and audited internally, before submission to the Comptroller of Accounts or the Auditor General within the stipulated deadlines.

Response:

The following are the processes that are undertaken by the Pension and Leave Records (P& L) Officer in the preparation of pension and leave records:-

A database on P&L record is generated on all staff of the MEEI and for staff who are due to retire in the next five years are given priority in the completion of P&L records. The following steps are actioned in the completion of P&L:

- Step 1. Collates and researches information from the person's personal file(s), confidential personal file (CPF) and pay record cards for acting, increments awarded, vacation leave, extended sick leave, maternity leave, no pay leave taken if necessary and prepares worksheets.

- Step 2. Compiles information from pervious P&L which includes – date of continuous service and date of continuous acting etc.

- Step 3. Prepares P&L on the relevant form A or form B and places it in the officer's circulating personal file and submits to the Accounting Unit for checking.

- Step 4. The Accounting Unit checks the P&L records against salary information and pay record cards and affixes signature.

- Step 5. The P&L Record is returned to the Pension and Leave Officer by the Accounting Unit.

- Step 6. The P&L Record is submitted to the Senior Human Resource Officer (SHRO) for checking and affix signature.

- Step 7. The P&L Record is then submitted to the Internal Audit Unit for auditing of all the
- information recorded on the P&L Record.

- Step 8. The audited P&L Record is returned to the Pension and Leave Officer via the Director, Human Resource Services.

- Step 9. The P&L Record is then submitted to the Director, Human Resource Services for signing on behalf of the Permanent Secretary.

- Step 10. The P&L Record is returned the Pension and Leave Officer to submit to the Comptroller of Accounts.

Attachment I indicates the quantum of Pension and Leave Records that were completed and submitted to the Comptroller of Accounts for the financial year 2016 and 2017.

xiv. Operational Quarries

Recommendations:

- The entire process involved to attain a mining license should be mapped from start to finish, re-evaluated and improvements inserted to speed up the process of granting licenses. This process should be documented and made available to any individual willing to become a quarry operator and done no later than February 28, 2018.
- All quarry operators should have in their possession a license to operate. There should be no unlicensed operators quarrying in Trinidad and Tobago. All licenced operators should pay their fair share of taxes and royalties to the state. The Ministry of Energy and Energy Industries should submit a report to the Parliament on the status of the initiatives being undertaken to have all quarry operators, operating with licence and paying their contribution to taxes by February 28, 2018.

Response:

See **Attachment II and III** for the process of obtaining a licence.

Status of initiatives being undertaken by the MEEI to have all quarry operators paying their contributions of royalties to the state:

Operators are required to submit quarterly quarry returns (mining data) and copies of payment receipts to the MEEI. A report is then generated from the returns by a Service Provider of the Minerals Division. These reports are then referred to the Internal Audit Department of the MEEI for certification. Site visits are arranged and conducted by Internal Audit in conjunction with the Minerals Division whereby operators' books and records are perused, checked and verified to ensure data correlates with the returns.

Where there is liability to the State, the operators are so informed and requested to settle the outstanding amounts.

Additionally, for the grant of a mining licence or renewal of a mining license, the operator is required pay all outstanding royalties.

ATTACHMENT I

STATUS ON P&L RECORDS

FINANCIAL YEAR	P&L RECORDS SUBMITTED TO COA
October 01, 2015 to September 30, 2016	195
October 01, 2016 to September 30, 2017	168
October 01, 2017 to present	20

ATTACHMENT II

GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO
MINISTRY OF ENERGY AND ENERGY INDUSTRIES

GUIDELINES FOR APPLYING FOR A MINING LICENCE

REQUIREMENTS FOR A MINING LICENCE:

The following is a detailed listing of all of the requirements by the Ministry of Energy and Energy Industries (MEEI) for sole traders, partnerships and companies interested in applying for a Mining Licence, and the procedure for processing these applications. All required items are to be submitted in an envelope addressed as follows:

Attn: Permanent Secretary
Chairman, Minerals Advisory Committee
Ministry of Energy and Energy Industries
International Waterfront Centre,
Level 26, Tower C,
#1 Wrightson Road,
Port of Spain,
Trinidad and Tobago

Please note that the MEEI is unable to consider the grant of a Licence unless all requirements are met.

Failure to submit all required documents within the timeframes specified in the Minerals (General) Regulations, 2015 ("Minerals Regulations") will result in the refusal of the application.

THE FIRST PHASE OF THE APPLICATION PROCESS

In accordance with Regulation 5 of the Minerals Regulations, the following four items are required for submission for every application for a licence:

1. APPLICATION FORM

All Applicants must submit a properly completed Application Form as prescribed under Regulation 5 of the Minerals Regulations. All relevant sections of the form must be completed AND the Application Form must be accompanied by the items referred to at 2- 4 below.

This form must clearly indicate who is ultimately responsible for the licence (whether it is a Sole Trader, Partnership, or Company).

For your convenience, the form can be found on the MEEI's website at http://www.energy.gov.tt/application-form-for-a-mining-license/.

2. APPLICATION FEE

The licence application or licence renewal fee is currently TT$ 1,000.00 in accordance with Schedule 4 of the Minerals Regulations.

The fee is non-refundable and is to be paid to the Accounts Unit of the MEEI. A copy of the receipt must be included with the Application Form.

3. EVIDENCE OF THE APPLICANT'S FINANCIAL CAPACITY TO UNDERTAKE THE OPERATIONS

Examples of suitable documentation include a letter from a reputable financial institution indicating that the applicant possesses the financial capacity to undertake the operations for which the licence is being sought (dated within the last six (6) months), or audited financial statements for the past three (3) financial years.

4. EVIDENCE OF THE APPLICANT'S TECHNICAL CAPACITY TO UNDERTAKE THE OPERATIONS

Such evidence may include certificates and other professional qualifications of the Applicant and/ or the proposed Quarry Manager.

The MEEI **strongly recommends** that Applicants submit as many of the other documents listed on page three of the prescribed form at the time of application as possible. Kindly note that Applicants have ninety (90) days from the date of submission of the Application Form to submit all required outstanding documents including the documents listed at 5 – 8 below, in accordance with Regulation 6(4) of the Minerals (General) Regulations 2015, or the application shall be deemed invalid in accordance with that Regulation.

THE SECOND PHASE OF THE APPLICATION PROCESS

5. PROOF OF TITLE

5.1. Title Documents;

This document applies to privately owned land and shows that the Applicant has the right to occupy the surface of the said land. If the title documents are not in the name of the Applicant, then a lease or permit will be required (see 5.2 below).

5.2. Lease / permit (where the Applicant is not the owner or sole owner of the land);

This document applies to land that is not wholly owned by the Applicant. If the land is privately owned, then the Applicant must enter into a legal agreement with the land owner to occupy the land. In the case of State Lands, documentary evidence of a valid lease with the Commissioner of State Lands must be provided. The duration of this agreement must cover the licence processing period and the licence validity period. It is recommended that the first agreement should span at least seven (7) years. The agreement should clearly state that the Applicant has the authorisation to conduct mining operations on the said land.

5.3. Eight (8) Originals of a Survey Plan;

5.3.1. Registered by the Director of Surveys (Private land); or
5.3.2. Approved by the Director of Surveys (State land).

The survey plan reflects the exact acreage that is to be licensed. The survey plan must show the GPS co-ordinates (with the datum specified) for at least four (4) of the survey irons that generally reflect the perimeter of the acreage. This document will form part of the Mining Licence; therefore, it must be a comprehensible plan providing adequate details at an appropriate scale (e.g. 1:5,000). All maps should contain suitable legends and where possible should be printed on 8.5″x14″ or 11″x17″ sized paper.

Applicants are asked to note that no licence can be granted for mining of State Lands without the prior written consent of the Commissioner of State Lands, in accordance with Section 8 (2) of the Minerals Act, Chapter 61:03.

5.4. Proof of Ownership of Mineral Rights

This refers to the ownership of minerals below the surface of the land and is separate from the ownership of the surface area.

If the mineral rights are privately owned by someone other than the Applicant, then the Applicant would need to enter into a legal agreement with the owner of the mineral rights, and provide a copy of this agreement with the application for a licence.

Where the mineral rights are owned by the State, successful Applicants will be required to pay royalties to the State at the rates prescribed in Schedule 5 of the Minerals Regulations. The MEEI will advise of the location for making royalty payments.

6. Company / Business Documents

6.1. Certificate of Incorporation / Certificate of Continuance / Certificate of Business Registration (from Registrar General's Office)

In accordance with the Companies Act, Chapter 81:01, no persons, entities or other groups may engage in any trade or business for gain in Trinidad and Tobago unless incorporated in accordance with the provisions of that Act through registration with the Registrar General or formed under some other written law.

Applicants must ensure that the name on the Application Form exactly matches the name on the Incorporation / Continuance / Registration documents.

6.2. Organisational Structure for Mining operations;

6.3. The most recent Land and building taxes receipt (applicable to private land only); and

6.4. Board of Inland Revenue (BIR) number and Value Added Tax (VAT) Registration number of the Applicant(s) as well as the relevant Income Tax and VAT Clearance Certificates as issued by the BIR, where applicable.

In addition to the company documents explicitly requested on the *Application for a Mining Licence Form*, applicants who are Limited Liability Companies are also required to submit the following documents:

6.5. Articles of Incorporation
6.6. Notice of Directors
6.7. Notice of Secretary
6.8. Notice of Registered Address
6.9. Pay as You Earn (PAYE) File Number
6.10. Form C Income Tax Regulation
6.11. National Insurance Board (NIB) Registration Certificate
6.12. NIB Clearance Certificate

7. Other Regulatory Approvals for Mining (Quarrying) Operations

7.1. Certificate of Environmental Clearance (CEC) (from the Environmental Management Authority (EMA));

All Applicants who do not possess a valid CEC at the time of submission of the application, including those Applicants who were previously issued letters from the EMA indicating that no CEC was needed, are required to apply to the EMA for a CEC to determine whether or not the proposed operations are exempt from the requirement to obtain a CEC.

7.2. Final Planning Permission (from the Town and Country Planning Division (T&CPD)); and

7.3. Water Abstraction Licence (from the Water and Sewerage Authority of Trinidad and Tobago (WASA)).

These documents are required to ensure that the operations are in accordance with the requirements of other State regulatory entities in accordance with section 47(2) of the Minerals Act. Official documentation from each of these entities is mandatory, even if it is to the effect that permission is not required.

8. Technical Documents

8.1. Mine Design Plan (to be completed using MEEI's template);

8.2. In the case where the EMA determines that a CEC as mentioned in 7.1 is not required for the conduct of mining operations by an Applicant, a Rehabilitation Plan must be completed and submitted (using MEEI's template); and

8.3. In the case of 8.2 above, the Applicant must also submit a letter from the EMA indicating that a CEC is not required, to the MEEI, as per 7.1 above. Such letter must be dated within six months prior to the date of the application.

These documents will outline the full scope of the operations. Particular details from these documents will be incorporated in the Mining Licence and shall form a part thereof. Templates for the Mine Design Plan and Rehabilitation Plan are available on the MEEI's website at: <http://www.energy.gov.tt/services/application-forms/>

9. Associated Fees/ Payments

Should the application be successful, the following payments / postings will be required:

9.1 Annual Licence Fee

The Annual Licence Fees are calculated in accordance with Schedule 4 of the Minerals Regulations. The MEEI will advise on the timeline for these payments.

9.2 Royalty payments

These sums are to be paid where the State owns the mineral rights. The rates for royalties are indicated in Schedule 5 of the Minerals Regulations. The MEEI will advise on the timeline for these payments.

9.3 Rehabilitation Bond &

9.4 Performance Bond

The rates for the above bonds are set as per Schedule 4 of the Minerals Regulations. The MEEI will provide templates for the preparation of the bonds and will advise on the duration and deadlines for submission of the bonds. Only bonds that are posted with an institution approved by the MEEI will be accepted.

10. NOTE TO APPLICANTS

Applicants are advised that under **Section 45 (1)** of the **Minerals Act, Chapter 61:03**, it is an offence, *inter alia*, to mine any mineral without a licence issued under the said Act.

You may direct all enquiries regarding applications for Mining Licences to the Minerals Division of the MEEI at 225-4334 - extension 2275. You may also refer to the attached flowchart showing, in diagrammatic format, the above procedure for processing of applications for licences for further information.

Please be guided accordingly.

Ministry of Energy and Energy Industries
June 2017

ATTACHMENT III

GUIDELINES FOR APPLYING FOR A MINING LICENCE

Applications submitted to:

- MEEI: Application for Mining Licence
- COSL: Application for Lease or permission of State Land (where applicable)
- TCPD: Application for Final Planning Permission
- EMA: Application for Certificate of Environmental Clearance (CEC)
- WRA: Application for Water Abstraction Licence

All supporting documents detailed on page 3 of the prescribed Application Form must be submitted within 90 days of the application, failing which the application shall be deemed invalid

FIRST PHASE OF APPLICATION PROCESS

Publication of Notice of application by the Minerals Advisory Committee (MAC) in the *Gazette* and at least two daily newspapers for applicants who have submitted the 4 documents required for the 1st phase of the application process

Four (4) required documents include:

1. Properly completed Prescribed Application Form;
2. Payment of Application Fee of TT$ 1,000.00;
3. Evidence of the Applicant's financial capacity to undertake mining operations; and
4. Evidence of the Applicant's technical capacity to undertake mining operations.

SECOND PHASE OF APPLICATION PROCESS

Applicant submits all other supporting documents

Other supporting documents include:

PROOF OF TITLE
- Title Documents
- Lease / permission
- Eight (8) Originals of a Survey Plan
- Proof of Ownership of Mineral Rights

COMPANY / BUSINESS DOCUMENTS
- Certificate of Incorporation/ Business Registration
- Articles of Incorporation
- Certificate of Continuance
- Notice of Directors
- Notice of Secretary
- Notice of Registered Address
- BIR File No.
- PAYE File No.
- Form C Income Tax Regulation
- VAT Certificate of Registration
- NIB Registration Certificate
- NIB Clearance Certificate
- Land and Building Tax receipt (most recent)

TECHNICAL DOCUMENTS
- Mine Design Plan
- Organisational structure for mining operations
- Certificates and qualifications of the Authorised Blaster

OTHER REGULATORY APPROVALS FOR MINING OPERATIONS
- Certificate of Environmental Clearance (CEC)
- Town and Country Planning Approval
- Water Abstraction Licence

ROYALTIES AND OTHER ASSOCIATED FEES
- Evidence of satisfaction of all outstanding royalties

PROCESSING OF APPLICATION

MAC conducts title searches, company searches, bankruptcy searches and searches for convictions under the Minerals Act or Minerals (General) Regulations

The MEEI advises Applicant of any deficiencies in the application, and gives a deadline for submission of missing documents

If all required outstanding documents are not submitted within 90 days of the submission of the application, the application is deemed invalid

The MEEI conducts a site visit to ensure that the boundaries of the said land are clearly defined and advises the Applicant accordingly

Completed application and site visit report submitted to the MAC for its consideration

The MAC makes a recommendation to the Minister on whether to grant or refuse the application

The MEEI drafts Cabinet Note for the grant or refusal of Mining Licence

Cabinet refuses the application → The MEEI informs the Applicant accordingly

Cabinet agrees to the grant of a licence

MEEI advises the Applicant to post the necessary bonds (Rehabilitation and Performance bonds) and pay the Annual Licence fee for the first year

Applicant fails to submit the required bonds and/or pay annual fee within 90 days → Applicant's right to the licence shall lapse in accordance with Regulation 11

Applicant submits required bonds and pays required licence fee within 90 days

The MEEI prepares the Mining Licence

The Mining Licence document is made available at the MEEI's office for the Applicant's review prior to finalisation for execution

The Minister and the Applicant (or in the case of State Lands and public mining rights, the Minister, the Applicant and the Commissioner of State Lands) execute the Mining Licence