



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE
INVESTMENTS DIVISION

F: (I): 1/15/1

August 7, 2019

Ms. Jacqui Sampson-Meiguel
Clerk of the House
Tower D
International Waterfront Centre
1A Wrightson Road
PORT-OF-SPAIN

Dear Ms. Sampson-Meiguel

The Twenty-First Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of the Trinidad and Tobago Free Zones (TTFZ) Company Limited for the years ended September 30, 2012 to 2017.

I refer to your letter dated June 10, 2019, ref: Parl: 5/4/66 on the subject captioned.

In respect to the recommendation emanating from the Twenty-First Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of the Trinidad and Tobago Free Zones (TTFZ) Company Limited for the years ended September 30, 2012 to 2017, please find enclosed the response from the Ministry of Finance.

Yours sincerely

Permanent Secretary in the
Ministry of Finance (Ag.)

Enclosed: (1)



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The Twenty-First Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Financial Statements of the Trinidad and Tobago Free Zones (TTFZ) Company Limited for the years ended September 30, 2012 to 2017.

The PA(E)C recommendation for written submission in respect of TTFZ.

Recommendation:

The Ministry of Finance, Investments Division should establish a system whereby small State Enterprises below an agreed size can access the services of internal auditors.

Response to the Committee's recommendation:

The Ministry of Finance, Investments Division noted the recommendation of the Public Accounts (Enterprises) Committee that the Ministry should establish a system whereby small State Enterprises below an agreed size can access the services of internal auditors. Further, that the absence of an internal audit function at small State Enterprises is a recurring issue and the reason cited for this was the small size of the company.

The principle for all state-owned enterprises having access to an internal audit function is enshrined in section 2.2.6.3 of the State Enterprises Performance Monitoring Manual (SEPMM) of July 2011, which states that every State Enterprise is required to appoint an Audit Committee. This Audit Committee, as a Sub Committee of the Board, does not have an executive role in audits but is set up to assist in monitoring the deliverables of an Internal Audit function and to appraise the audit efforts of the company. It is therefore inherent in the document, that each and every State Enterprise must have access to an internal audit function.

The Investments Division will consider the PA(E)C recommendation to determine whether a system can be established by the Ministry whereby small State Enterprises below an agreed size can access the services of internal auditors, bearing in mind that the recruitment and procurement function resides with each company's management.

The Investments Division recognises that the existing framework offers transparency, equity and fairness in the recruitment of employees. In the interim, the Division would continue to work with State Enterprises and the Line Ministries to have functioning internal audit departments established at all State Enterprises by offering guidance and assistance as necessary.