Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE
OFFICE OF THE PERMANENT SECRETARY

F:(EMD): 12/1/4 September 24, 2020

Ms. Jacqui Sampson-Meiguel
Clerk of the House
Office of the Parliament
Parliamentary Complex
Cabildo Building
St. Vincent Street,
Port-of-Spain.

Dear Ms. Sampson-Meiguel,

Re: The Thirtieth Report of the Public Accounts Committee on the Examination of concerns raised in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Years 2016, 2017 and 2018 with specific reference to the Ministry of Energy and Energy Industries (MEEI) and follow up on the implementation of the recommendations in the Fourth, Fourteenth and Twentieth Reports of the Public Accounts Committee

Reference is made to your correspondence, dated June 29, 2020 on the subject at caption and which requires that the Minister with responsibility for the Ministry/Body reported on by a Joint Select Committee, present to each House, a paper responding to the recommendations/comments contained in the Report.

In its report, the Public Accounts Committee (PAC) recalled that it was highlighted that at the hearing the *"Ministry of Finance could help the Ministry of Energy and Energy Industries (MEEI) to accurately record production data."* The PAC therefore recommended that:

- *The Ministry of Finance should submit a list of the ways in which it could assist the MEEI with its production data recording and the improvement of its auditing and accounting systems and indicate the timeline to begin to provide this assistance by August 30, 2020.*

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The below list of the ways in which the Ministry of Finance can assist the MEEI and the respective timelines are accordingly submitted for the consideration of the PAC.

Response to the recommendation of the PAC

MEASURE	TIMELINE	COMMENTS
1. The Ministry of Finance be invited to technical meetings of the MEEI. More specifically, the MoF should be included in the Production Verification Committee of the MEEI to assist in assessing production levels and verifying the numbers, better understand the challenges encountered by the Ministry and provide guidance.	Immediate and has already commenced.	Following a discussion with the MEEI, the MoF was invited and participated in a virtual meeting of the Production Verification Committee on August 21, 2020 in which the procedures for collecting and verifying data were identified, comparisons to international best practices were made and areas for possible improvements were discussed.
2. There should be policy/legislative amendments to facilitate the sharing of information among the Board of Inland Revenue (BIR), Economic Management Division, Budget Division, Customs and Excise Division and the MEEI, regarding production and volume data. This will serve as a means of reconciling and verifying data provided by oil and natural gas producing companies.	Medium Term – 1 to 3 years	A policy paper to be drafted in collaboration with relevant agencies and submitted for the consideration of Cabinet to facilitate the sharing of information regarding production and volume data. The timing of policy decisions and legislative amendments are dependent on the agreement and prioritization of both the Cabinet and the Parliament.
3. It should become mandatory for all Companies to submit their financial audited records to the respective Divisions of the Ministries. Those records can be used to verify data.	Medium Term – 1 to 3 years	A policy paper on the mandatory submission of financial audited records to various Ministries, including any legislative amendment required is to be submitted for the consideration of Cabinet. The timing of policy decisions and legislative amendments are dependent on the agreement and prioritization of both the Cabinet and the Parliament.

MEASURE	TIMELINE	COMMENTS
4. The formulation of legislation to provide for the enforcement of harsh penalties for false declaration of information and data given by oil and gas Companies.	Medium Term – 1 to 3 years	The MEEI and MOF in collaboration with the Office of the Attorney General to review and propose amendments to existing legislation for the consideration of Cabinet.
5. The establishment of an Oil and Gas Audit Committee comprising parties from the MoF, the MEEI and the Auditor General to facilitate ease of deliberations and if required, co-opt the technical expertise of officers. This Committee acting in one accord, can serve as an advisory body to the PS, MoF and the PS, MEEI.	Within the next fiscal year 2020/2021	The MoF and the MEEI to collaborate in the preparation of a note to Cabinet for the establishment of an Oil and Gas Audit Committee.
6. While the Treasury Division is not in a position to validate the value of expected Royalties and Production Revenue inflows which are a direct function of production and sales of energy products, the following measures can be undertaken in accordance with the mandate of the Division as it relates to accounting systems and procedures. a. The Treasury Division can provide training for the officers responsible for the collection of Revenue; and b. Schedule the MEEI for the Revenue Survey in the financial year 2021 to ensure compliance with the systems set out in the Financial Regulations to the Exchequer and Audit Act Chap. 69:01.	Possibly within the next fiscal year (2020/2021) subject to institutional arrangements and developments related to the pandemic	Given the present COVID-19 pandemic and associated restrictions, it would be challenging to host the training session as well as conduct the Revenue Survey at this time, as both activities typically require physical presence at the Ministry. The Treasury Division can however work toward developing and implementing measures to facilitate the training aspect of the proposed support to the MEEI via an online platform. The Treasury Division will continue to monitor the current circumstances and advise the MEEI as soon as it is feasible to perform both activities.

Please note that by email dated August 27, the Ministry of Finance was advised to disregard the date of August 24, 2020 and subsequently by telephone conversation on September 3, 2020 the Ministry of Finance was granted an extension to the end of September, 2020 for the provision of the above response.

Should you require any further information, please contact Mrs. Kimberly Roberts or Ms. Kofi Chapman, Senior Macro Economic Analyst, Economic Management Division, Level 11, Finance Building, Eric Williams Financial Complex. Mrs. Roberts may be reached by telephone at 612-9700 ext. 5137 or email at Kimberly.T.Roberts@gov.tt. Ms. Chapman can also be reached by telephone at 776-4756 or email at Kofi.Chapman@gov.tt.

Sincerely,

Permanent Secretary
Ministry of Finance