



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

FM: 7/1/1

September 1, 2020

Clerk of the House
The Parliament of Trinidad and Tobago
Levels G -8, Tower D
The Port-of-Spain International Waterfront Centre
1A Wrightson Road
Port of Spain

Attention: Mrs. Jacqui Sampson-Meiguel

Thirty-Fourth 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 2019

Reference is made to your letter dated July 23, 2020 on the above subject.

2. The following are responses to the issues and recommendations thereof in the Thirty-Fourth 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 2019 with specific reference to the Ministry of Finance:

Pervasive Issue

Page 15.

The implementation of Integrated Financial Management Information System (IFMIS)

Recommendation:

1. *The Treasury Division should report to Parliament on the following by September 5, 2020:*
 - a) *The scheduled timeline for the start and completion of the work of the short-term consultant from the United States Treasury Department; and*
 - b) *The cost of engaging this consultant.*

2/ Response:

Response:

- a) A contractual arrangement was entered into between the Permanent Secretary, Ministry of Finance and the Assistant Secretary of Technical Assistance Policy at the United States (US) Department of Treasury on July 14, 2020.

This arrangement is for one (1) year in the first instance and is subject to renewal with the consent of both parties.

The US Treasury staff shall liaise with staff of the Treasury Division, Ministry of Finance to develop a programme of work, based on the areas of technical support required by the Treasury Division. The discussion on defining the work programme is expected to begin in August 2020.

- b) The nature of the arrangement is for Technical Assistance and not a for consultancy services. Therefore, there is no cost attached to the Government of Trinidad and Tobago, except for the provision of office space and office services during visits by US Treasury Staff.

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2. Non-Compliance with Financial Directives

Recommendation:

- i. *The Treasury Division should confer with the Public Service Academy (PSA) and report to Parliament on how the Accounting Units of Ministries, Departments and Agencies could be provided with training to enhance compliance with the financial directives, by September 5, 2020:*

Response:

- a) The Treasury Division usually provides Training for Ministries and Departments semi-annually.

The last of such training was conducted during the month of October 2019, at the start of the financial year 2020 on the following systems of government accounting:

- An Overview of the Financial Management and Accounting System;
- Payroll System;
- Voucher System;
- Vote Control System;
- Maintenance of Registers and Ledgers;
- Check Staff System;

- Cheque Preparation and Cheque Despatch System;
 - Reconciliation System; and
 - Storage of Accounting Documents.
- b) Training on the ***System of Accounting for Government Revenue*** was also conducted, specifically for the Customs and Exercise Division in August 2019.
- c) Further, the Treasury Division uses the opportunity when it conducts system surveys at Ministries/Departments to provide one-on-one training to officers on various schedules examined. A Management Letter highlighting the critical areas for improvement and detailing corrective measures is addressed to the Accounting Officer at the end of the survey for continued guidance to the Ministry/Department.
- d) Due to the Covid-19 Pandemic in Trinidad and Tobago, Treasury Division is currently reviewing our approach to training since the traditional classroom method is not feasible at this time. In the past we had initiated discussions with the Public Service Academy (PSA) to assist us in providing training via an online platform. At the time, the resources were not available to the PSA to facilitate this request. However, we shall liaise with the PSA for assistance in developing a virtual /Online Training Programme.

Recurring Issue:

Pages 18 to 19

6. Improper use of the Fleet Card Facility.

Recommendations:

- 3.** (i) *The Treasury should provide Parliament with a copy of the monitoring and control procedures for the fleet card facility by September 5, 2020 ; and*
- (ii) *The Ministry of Finance should assess the possible aspects of the fleet card facility which could be strengthened to ensure greater compliance and report to Parliament by September 5, 2020.*

4/ **Response:**

Response:**Point of clarification**

We wish to clarify certain observations made in respect of the operation of the Fleet Card Facility as it pertains to the Trinidad and Tobago Fire Services Division (TTFS). Under the old credit arrangement that Government held with the National Petroleum Marketing Company (NP), the TTFS purchased bulk fuel from NP, which was stored in facilities maintained for that purpose. In 2016, the Fleet Card Facility was introduced to allow the retail purchase of fuel and lubricants. Ministries and Departments therefore utilize Invoice Orders for bulk purchases. Consequently, fleet cards were not issued to the TTFS to procure fuel since their vehicles obtain fuel from bulk storage facilities.

Further, it should be noted that with effect from October 01, 2017 the Central Tenders Board advised via Circular Memorandum dated November 03, 2017 (See Copy attached), that petroleum products were placed on the open market. There is therefore, no longer any requirement to purchase fuel from the NP Service Station Network.

In response to the Recommendations made, the response is as follows:

- (i) The procedures for the monitoring and control of the Fleet Card Facility is contained in Ministry of Finance and the Economy Circular No. 1 dated March 04, 2015 a copy of which is attached as requested.
- (ii) Aspects of the Fleet Card Facility which could be strengthened to ensure greater compliance are as follows:
 - The operation of the Fleet Card Facility should be included in the Internal Audit Work Programme as stipulated in the Fleet Card Circular. This will highlight areas of non-compliance to the Accounting Officer and remedial action offered in a timely manner;
 - Training of Fleet managers- The Fleet Card Manager in each Ministry/Department is designated by the Accounting Officer and plays a key role in monitoring and controlling the use of Fleet Card Facility. The responsibilities of the Fleet Card Manager are outlined in the attached Circular. The Treasury Division rolled out extensive training to Fleet Managers when the Facility was introduced in 2016 and ran refresher courses in 2017. We will seek to conduct additional training sessions in an effort to enhance compliance. However, the need to observe COVID Protocols require the development of online training methods, which will be pursued further with the Public Service Academy.

3. With respect to the issue highlighted on Page 18 No. 5 – Secrecy provisions of the Income Tax Act Chapter 75:01, see attached response from the Chairman Board of Inland Revenue.

4. Should you require any additional clarification, do not hesitate to contact me.

Respectfully



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Vishnu Dhanpaul
Permanent Secretary
Ministry of Finance

MINISTER OF FINANCE AND THE ECONOMY CIRCULAR NO. 1 DATED MARCH 04, 2015

TO:

PERMANENT SECRETARIES AND HEADS OF DEPARTMENTS

SUBJECT:

**INTRODUCTION OF A FLEET CARD FACILITY FOR THE PROCUREMENT OF FUEL
AND LUBRICANTS BY MINISTRIES AND DEPARTMENTS**

Reference is made to Comptroller of Accounts Circular No. 18 dated August 28, 2014 wherein you were advised of an extension of credit facilities at service stations pending the implementation of a new system for the procurement of fuel and lubricants.

2. This Circular serves to introduce the new system and sets out the procedures to be adhered to.

Background

3. The current arrangements for the procurement of fuel and lubricants from the Trinidad and Tobago National Petroleum Marketing Company Limited (NP) were introduced by Comptroller of Accounts Circular No. 16 dated November 14, 1983 and included the use of an Order Book for Gasoline and Oil (Chit Book) bearing a unique code.
4. On April 01, 2013 NP introduced a Franchise model for its service station network. These service stations are now operated by private dealers. Consequently, credit facilities afforded by NP to Ministries and Departments will soon cease. This arrangement has necessitated a new solution for the procurement of fuel and lubricants from service stations.
5. Consequently, Cabinet by Minute No. 2600 dated September 18, 2014 agreed, *inter alia*, to the implementation of a new Fleet Card Facility for the procurement of fuel and lubricants by Ministries and Departments using a debit card. The Government of Trinidad and Tobago has entered into an agreement with the First Citizens Bank Limited (FCB) for the provision of these cards.

Overview of the Fleet Card Facility

6. The Fleet Card Facility allows Ministries/Departments to purchase fuel and lubricants from any service station outlet in Trinidad and Tobago with Linx or Pay-at-the-pump facilities by means of a debit card. The debit card will be coded to capture transaction details relating to the vehicle fleet of the specific Ministry/Department.

Types of Cards

7. There are various types of cards for specific purposes as detailed below:

a. **Fuel and Lubricants Card**

This card is used for a specific vehicle at any service station and allows for the purchase of fuel and lubricants only up to the pre-determined limit.

b. **Container Card**

This card is used for fuel trucks owned by certain Ministries and allows for the purchase of fuel for generators and machinery. You must request a value on the Card sufficient to fill the fuel truck, stating also the frequency with which the truck obtains fuel.

c. **Rented/Leased/Unmarked Vehicles Card**

This card is used for rented, leased and/or unmarked vehicles.

Each Ministry/Department must select the card/s most suitable to their needs. The cards will be valid for a period of four years from the date of issue.

Card Limit

8. Each card has an approved limit of \$300.00 or \$600.00. This amount will be topped-up automatically by the bank on a daily basis. Ministries/Departments must select the card limit for each vehicle according to the daily gas consumption. Where a Ministry/Department identifies the need for an increase in the card limit, a request must be submitted to the Comptroller of Accounts. The request must include justification and must be signed by the Permanent Secretary or Head of Department.

Arrangements for Acquisition, Use, Recording and Monitoring of the Fleet Card

A. Card Co-ordinator and Fleet Manager

9. The Card Co-ordinator is an officer of the Treasury Division. The Permanent Secretary or Head of Department must designate an officer to be the Fleet Manager. Where there are changes to the Fleet Manager, the Permanent Secretary or Head of Department must provide notification of the change to the Card Co-ordinator. The duties of the Card Co-ordinator Fleet Manager are outlined in *Appendix I*.

B. Request for Fleet Cards

10. Accounting Officers are required to submit a request for cards for each vehicle to the Card Co-ordinator. The request must include:

- a. the name of the Fleet Manager, along with specimen signatures;
- b. the names of District Fleet Managers, where the Ministry/Department has Divisions/Branches/Units that have been assigned vehicles, and

- c. an excel worksheet in the format specified at *Appendix II*. A soft copy must also be submitted to the following e-mail account: TreasuryDiv.FleetCard@gov.tt.

11. *Care must be taken to ensure that the information provided with respect to vehicles must be accurate and up-to-date as this will be used by the bank to create a database to facilitate the issue of the Fleet Cards.* The Accounting Officer will be held responsible for the cost of any unauthorized/fraudulent transaction arising from incorrect information supplied.

12. In respect of rented, leased and/or unmarked vehicles, you are required to assign a unique alpha-numeric code in the column for "Vehicle Registration Number" on the worksheet. This code will be reflected on the card to allow for data capture and monitoring of expenditure patterns.

13. The Card Co-ordinator will notify the Fleet Manager when the cards are ready for collection.

C. Use of the Card

14. A card will be issued for each vehicle. This card must be used by the authorized driver to purchase fuel and lubricants for official purposes only.

15. The card must be used together with the existing coded Order Books for Gasoline and Oil (Chit Book). However, the chits will no longer be retained by the service station but will be returned to the Fleet Manager.

16. The driver must present the Fleet Card together with the coded Chit Book at the service station. He/she must swipe the card at the Point-of-Sale (POS) terminal to effect the purchase and will be provided with a receipt.

17. The service station attendant must then complete the chit, detailing the vehicle registration number, type of supplies received, quantity, cost and POS receipt transaction number. The completed chit must then be signed by the driver and the service station attendant.

18. The driver must promptly submit the POS receipt securely attached to the original chit to the Fleet Manager. The Fleet Manager must ensure that chits are properly completed, verify the information against POS receipt and then "certify correct" the chit. These documents must be retained for reconciliation purposes.

19. The driver will be required to maintain the Vehicle Log Book in the normal manner. The Log Book must be submitted to the Fleet Manager on a weekly basis for verification and reconciliation.

20. Drivers who are authorized to use the card will be held responsible if the card is lost/stolen/damaged or misused whilst in their possession.

D. Recording, Control and Monitoring of Cards

21. Fleet Managers must maintain Registers to facilitate management and control of cards as follows:

- a. A Fleet Card Register must record vehicle registration number, date of receipt of card, type of card and card number. (*Appendix III*)
 - b. A Fleet Card Assignment Register must be maintained to capture details of assignment of the card. (*Appendix IV*)
22. The cards are to be kept in a locked fire-proof cabinet. No unauthorized personnel should have access to the Fleet Cards.
23. The bank will provide daily, weekly and monthly on-line reports to the Treasury Division. The Fleet Manager will be authorized to access reports relating to the Ministry/Department via a secured website. Reports must be analysed in conjunction with the chit books and POS receipts to ensure the validity of the purchase.

Accounting Arrangements

24. The General Ledger Services Section (GLSS) of the Treasury Division, will prepare a Payment Voucher and Schedule of Accounts on a fortnightly basis, for the Ministry/Department based on the charges on the bank statements. The Head of Expenditure for each Ministry/Department will be debited with the expenditure incurred.
25. Upon receipt of the Payment Voucher and Schedule of Accounts by the Accounting Unit, the following steps must be taken:
- Compare the amount on Payment Voucher against the certified bank statement from the Fleet Manager (see paragraph 2, *Appendix I*)
 - Accept the charge and record in the Vote Book as a non-cash transaction (*No cheque is to be prepared*).
 - Complete the Schedule of Accounts and return to the Treasury Division within seven (7) days.

Lost/Stolen/Damaged Cards

26. The Fleet Manager must ***immediately*** report any lost, stolen or damaged cards to the bank. A written report must also be sent to the Card Co-ordinator.
27. A replacement card will be re-issued upon a request from the Fleet Manager to the Card Co-ordinator accompanied by the written report.
28. The cost of replacement of the card as well as any loss arising from the misuse of a card will be borne by the Ministry/Department or the responsible officer where negligence or fraud is ascertained.

Help Desk

29. The Fleet Manager will have access to the bank's 24/7 Help Desk Service to facilitate enquiries.

General

30. You should note that the existing arrangements for the procurement of bulk supplies directly from NP still apply.

31. The Internal Auditor must include the Fleet Card System for the purchase of fuel and lubricants in the Annual Internal Audit Work Programme.

32. All Accounting Officers should ensure that the contents of this Circular are brought to the attention of the relevant personnel.



Larry Howai

Minister of Finance and the Economy

DUTIES OF THE CARD CO-ORDINATOR AND FLEET MANAGER

1. The Card Co-ordinator

The Card Co-ordinator is an officer of the Treasury Division and will act as the conduit between the Ministries/Departments and the First Citizens Bank Limited. The Card Co-ordinator will be responsible for the administration of the Fleet Card Facility as follows:

- Receive requests for cards from Ministries/Departments and forward to the Bank after verifying that cards relate to government owned vehicles;
- Distribute Fleet Cards to the Ministries/Departments;
- Receive notification of change from the Permanent Secretary or Head of Department in respect of the Fleet Manager.

2. The Fleet Manager

This officer will be responsible for the safe custody of the cards and monitoring of the use of the Facility. The Permanent Secretary or Head of Department must designate an officer to be the Fleet Manager whose duties are outlined below:

- Maintain Registers to facilitate management and control of the cards as follows:
 - (a) A Fleet Card Register - to record information on vehicles and Fleet Cards received (see *Appendix III*);
 - (b) A Fleet Card Assignment Register - to record the daily assignment of the card to the driver (see *Appendix IV*), and
 - (c) A Register of the codes assigned to rented, leased or unmarked vehicles. When these vehicles are changed, the information in the Register must be updated and a request for a new card will be submitted to the Comptroller of Accounts, stating which code is to be deactivated and the new code assigned. A card will then be provided for the new vehicle.
- Ensure that cards are returned to Fleet Card Manager when the driver returns from official duties;
- Request the Bank to deactivate cards when vehicles are sent for repairs or are not road worthy. District Fleet Managers must notify Head Fleet Manager in this regard so that action can be taken in a timely manner;
- Prepare a certificate of handing over and taking over of the Fleet Cards where there is a change of Fleet Manager (see sample attached at *Appendix V*);
- Access the secure website through confidential log-in credentials to view and download Reports;
- Perform checks for mileage of vehicles (odometer readings) to establish the reasonableness of gas consumption;

- Analyse transaction reports daily in order to mitigate the risk of fraud and misuse of the card and report any query or suspicious transaction immediately to the bank;
- Certify the bank statement downloaded from the website after verifying amounts against the Point-of- sale (POS) receipts and original chits;
- Submit certified bank statements to the Accounting Unit for processing;
- Store the electronic records in such a manner to ensure the protection of the data and also to facilitate easy retrieval. Access to the data should be limited to authorized personnel only.

[illegible]

APPENDIX IV

[illegible]

CERTIFICATE OF HANDING OVER AND TAKING OVER OF FLEET CARDS

I hereby certify that the following Fleet Cards as detailed on the attached list were handed over to:

..... on
NAME AND POSITION DATE

Fleet Manager Handing Over:
(BLOCK LETTERS) SIGNATURE

Fleet Manager Taking Over:
(BLOCK LETTERS) SIGNATURE



The Government of the Republic of Trinidad and Tobago
Ministry of Finance and the Economy
Central Tenders Board
116 Frederick Street, Port of Spain, Trinidad.W.I
Telephone Nos: 1-868-625-3320/ 4330/1868/3511/3565
Fax No: 1-868- 625-1809; E-mail: mofctb@gov.tt

CIRCULAR MEMORANDUM

CTB: 4/2/6 Vol 1.

From: Deputy Director of Contracts

To: Permanent Secretaries
Heads of Departments
Chief Administrator, Tobago House of Assembly
Chief Executive Officers - Municipal Corporations and Statutory Bodies
Secretaries - Tenders Committees

Date: November 03, 2017

Subject: **Placing on the “OPEN MARKET” of Annual Supplies and Services and Office Machines, Appliances and Furniture (O.M.AF).**

Due to the impending proclamation of the Public Procurement and Disposal of Public Property Act, 2015, Central Tenders Board has not invited tenders for Annual Supplies and Services and Office Machines, Appliances and Furniture (O.M.A.F) for the fiscal October 01, 2017 – September 30, 2018.

As a result, the following schedules have been placed on the “Open Market” with effect from October 01, 2017:-

Annual Supplies and Services:

Schedule 1 – Imported Lumber (Pressure Treated)

Schedule 2 – Hardware (General)

Schedule 3 – Electrotechnical Supplies

Schedule 4 – Raincoat, Tarpaulin, Rope and Safety Wear

Schedule 5 – Water and Sanitary Fittings (other than PVC)

Schedule 6 – PVC Water Pipes and Fittings

Schedule 7 – Frozen Chicken, Frozen Meat and Fresh Eggs (Local)

Schedule 8 – Groceries (Wholesale)

Schedule 9 – Household Articles

Schedule 10 – Tyres

Schedule 11 – Petroleum Products

Schedule 12 – School Furniture

Schedule 14 – Customs Broker to Government

Schedule 15 – Supply and Transport of Materials for Asphalt Mixing Plant at Agua Santa

Schedule 16 – Supply and Transport of Sand, Gravel, Base Coarse, Crushed Stone and Boulders (To all Divisions and Bodies **excluding** Municipal Corporations)

Schedule 17 – Hire of Trucks for the Transport of Materials for the Ministry of Works and Transport

Office Machines, Appliances and Furniture (O.M.AF)

Schedule 1- Electronic Typewriters

Schedule 2 - Photocopying Machines/Multifunction Devices

Schedule 3 - Calculating Machines

Schedule 4 - Digital Stencil Duplicators

Schedule 5 - Stenographer Posture and Typist Chairs

Schedule 6 - Steel filing Cabinets and Steel Cupboard

Schedule 7 - Metal Furniture for Offices and Quarters

Schedule 8 - Air Conditioning Units (Window Type)

Schedule 9 - Air Conditioning Units (Mini Split Type)

Schedule 10 - Gas Cooking Ranges (Pedestal Type)

The Central Tenders Board is currently working on procuring the services of an Auctioneer for the Disposal of Surplus and Unserviceable Articles belonging to the Government.

Please be guided accordingly.



Deputy Director of Contracts
Central Tenders Board

MEMORANDUM

To: Permanent Secretary, Ministry of Finance – Vishnu Dhanpaul
ufs: Savitree Seepersad – Deputy Permanent Secretary, MoF

From: Chairman, Board of Inland Revenue

Date: 28th August 2020

Subject: **The Thirty-Fourth 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 2019**

Reference is made to letter dated 23rd July 2020 from the Office of the Parliament on the above subject and the recommendations directed to the Ministry of Finance, as outlined on pages 15, 16, 18 and 19 of the Committee's Report.

The PAC Report highlighted an issue on Page 18, No. 5 – *Secrecy Provisions of the Income Tax Act, Chapter 75:01* for comments by the Inland Revenue Division.

The Inland Revenue Division has an official duty pursuant to Section 4, to keep the information which the Auditor General Department is requesting, confidential.

Please be guided accordingly,



Ravi Taklalsingh
Chairman, Board of Inland Revenue

