Fifth 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 2014 with specific reference to the Ministry of National Security

Recommendations/Issues

RECOMMENDATION	**COMMENT** (Action taken **or** proposed to be taken (inclusive of timelines, etc.), on the Recommendations stated in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for Fiscal Year 2014; system currently in use.
i. The Procurement Policy of the Ministry of National Security.	
To improve the procurement process, serious consideration must be given to the full implementation of the Public Procurement and Disposal of Public Property Act, Act No. 1 of 2015.	The full implementation of the Public Procurement and Disposal of Public Property Act No. 1 of 2015 is deemed an important factor in the reformation of public procurement of goods, services and works and would be given high priority.
The Ministry's procurement department should be made aware of the specific guidelines which need to be followed. Mechanism should be implemented to assist the Ministry with the achievement of value for money ensuring the most efficient use of Government funds.	Pursuant to the Auditor General's report, an updated version of the Ministry's Procurement Guidelines was formulated and disseminated to the various divisions, sections and agencies within the Ministry. The document sought to fuse best practice within the existing legal framework for procurement. However, with the advent of the Public Procurement and Disposal of Public Property Act No. 1 of 2015 it is envisioned that the guidelines will have to be further revisited to ensure consistency with the new legislation. The Ministry has also implemented systems to ensure strict adherence to the new procurement guidelines. The Ministry conducted two (2) sessions for Heads of Divisions and Sections on November 10, 2016 and January 10, 2017 geared towards sensitizing them about the new procurement legislation. Additional workshops will be held for Divisions to ensure that there is clear understanding of the requirements under the new legislation. The Ministry has also established a team to spearhead the transition

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	to the new legislation. The Members of this Team would have benefitted from United Nations Development Programme (UNDP) facilitated workshops hosted by the Ministry of Finance during the period April 24 – May 05, 2017. The Ministry of National Security (MNS) Transition Team will focus attention on: i. Strengthening of the human resource capacity of the Procurement Unit, including staff training in the field of procurement. The Ministry is being guided by the Ministry of Finance with respect to the recruitment of staff, in accordance with the approved structure. A submission detailing the MNS proposed structure is to be submitted to the Ministry of Finance by May 10, 2017. ii. The introduction of electronic procurement, which would facilitate the use of Information and Communications Technology and aid in reducing the transactional costs of procurement. This includes e-tendering and e-reverse auctions, which are provisions in the Procurement Act. iii. The conduct of a prequalification exercise geared towards reducing the time taken to effect the procurement of goods and services. Prequalified suppliers, according to the legislation, would provide a pool of suppliers to choose from when conducting purchases, which would result in faster processing. These activities are all geared at ensuring that the government enjoys value for money, as outlined in Section 5 of the Public Procurement and Disposal of Public Property Act No. 1 of 2015.

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ii. Overpayments within the Ministry and Their Process for Retrieval The Ministry should introduce monthly checks to help curb the occurrence of overpayments. Nos. 83 – 85 of the Financial Regulations clearly outline the steps to be taken once an overpayment in discovered. The Ministry must ensure that in the event that overpayments occur, it can be recovered in a timely manner. A better communication strategy should be implemented between the Human Resources Department and Accounts to further assist with the elimination of overpayments.	A better communication strategy has been implemented between the Accounting Unit and the Human Resource Department to assist with the elimination of overpayments. The Human Resource Department has committed to ensuring that records are submitted to the Accounting Unit on a timelier basis to reduce the incidence of overpayment. Once overpayments are discovered, the steps outlined in Nos. 83-85 of the Financial Regulations are taken to address them. This includes informing the person who was overpaid and immediately stopping the incorrect rate of payment. Steps are then taken to recover the overpaid amount from the officer’s salary, when the proposals have been examined by the Treasury and the repayment terms fixed.
iii. Appropriation Account The Accounting Officer should make proper checks to ensure that the Appropriation Account is constantly updated and every variation accounted for. The timely maintenance of the account will eliminate discrepancies of this nature before the audit.	Systems have been instituted to ensure that the necessary checks are undertaken for reconciling of the Appropriation Account on a monthly basis to account for every variation, in order to eliminate any discrepancies of this nature. This includes the conduct of monthly checks by supervisors to ensure that the required procedures are followed and the accounts are updated on a timely basis.

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iv. Internal Audit The Permanent Secretary should prepare a request for the Treasury to assist with the training of persons currently in the Internal Audit Unit. Proper incentives should also be organized by the Chief Personnel Officer to attract skilled persons to apply to work specifically in this department to eliminate the need for training of this nature in the future.	In March, 2017, the staff of the Ministry's Internal Audit Unit was provided with training by the Financial Management Branch of the Treasury Department in the following areas: **(1)** Introduction to Cash Basis – International Public Sector Accounting Standards (**IPSAS**): **i.** Statement of receipt and imbursement **ii.** Appropriation Accounts **(2)** Different functions of the Sub-Accounts Unit. Further, the Personnel Department has also commenced the process of assessing the existing positions of the Ministry's Internal Audit with a view to restructuring the Unit.
v. Revenue Control (Immigration Division) The Immigration Division of the Ministry of National Security should tighten its operations to ensure that all revenue collected is accounted for so it can be reconciled with the Treasury's accounts.	The Ministry endorses the recommendations with respect to tightening the system of revenue collection. The main challenge faced with respect to this issue is a shortage of trained staff at the various ports of entry. Traditionally, immigration officers at the ports of entry were assigned responsibility for revenue collection and were held accountable for this revenue. However, this approach has proven to be deficient, mainly due to the fact that Immigration officers are rotated regularly to different postings. As a consequence, two options are being pursued to resolve this issue, including the recruitment of Business Operations Assistants to carry out this function and the provision of the requisite training on an ongoing basis, by the Accounting Staff to Immigration Officers at the different ports of entry, to enable them to carry out this function effectively.

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vi. Pension and Leave Pensions and Leave Department should properly maintain the records to ensure a timely distribution of benefits. Through proper maintenance, they would be able to positively add to the whole process. According to regulations these benefits should be ready at least 3 months prior to the person's date of retirement and the Ministry of National Security along with the Treasury should strive to make this possible.	The Ministry of National Security is responsible for the preparation of Pension and Leave Records for both monthly-paid and daily-rated staff in accordance with Comptroller of Accounts Circular Memorandum #6 dated February 21, 1992 and Civil Service Regulations, with respect to processing of retirement benefits. The Ministry of National Security in its attempts to comply with requests to submit particulars of service and pay with respect to all monthly-paid and daily-rated officers, is stymied by the numerous queries and delays in submission of records from other Ministries and Divisions on matters such as: • Outstanding increments • Classification of leave • Periods of service that are unaccounted for in those Ministries and Divisions • Misplaced Records/Files. The Ministry continues to work towards full compliance with the Guidelines and Regulations. To this end, a Business Operations Assistant II (formerly Senior Pension and Leave Officer) with considerable experience in Pension and Leave Management, was engaged in February, 2017, to assist with the preparation and submission of final Pension and Leave Records to the Comptroller of Accounts for processing of pensions and gratuities.