



OFFICE OF THE AUDITOR GENERAL

# REPORT OF THE AUDITOR GENERAL

on the

PUBLIC ACCOUNTS

of the

REPUBLIC of TRINIDAD AND TOBAGO

for the Financial Year 2019

(1<sup>ST</sup> OCTOBER, 2018 to 30<sup>TH</sup> SEPTEMBER, 2019)

29<sup>TH</sup> APRIL, 2020





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**for the Financial Year 2019**

**(1<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2019)**



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# **Report of the Auditor General**







## **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE PUBLIC ACCOUNTS OF TRINIDAD AND TOBAGO FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> SEPTEMBER, 2019**

### **OPINION**

1. The Public Accounts of the Republic of Trinidad and Tobago for the financial year ended 30<sup>th</sup> September, 2019 as defined by section 24 of the Exchequer and Audit Act, Chapter 69:01 (the Act) have been audited. These financial statements comprise:

- i) Statements of the Treasury showing the financial position of the country as at 30<sup>th</sup> September, 2019;
- ii) Appropriation Accounts of individual Accounting Officers for the year ended 30<sup>th</sup> September, 2019;
- iii) Statements of Receipts and Disbursements of individual Receivers of Revenue for the year ended 30<sup>th</sup> September, 2019; and
- iv) Financial Statements of individual Administering Officers of Funds for the year ended 30<sup>th</sup> September, 2019.

2. In my opinion, the accompanying financial statements referred at paragraph one above present fairly, in all material respects, the financial assets and liabilities of the Central Government as at 30<sup>th</sup> September, 2019 and the revenue and expenditure of Government Ministries and Departments for the financial year ended 30<sup>th</sup> September, 2019 in accordance with the cash basis of accounting.

### **BASIS FOR OPINION**

3. The audit was conducted in accordance with accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Central Government in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

## **EMPHASIS OF MATTER**

4. Without modifying the above opinion, attention is drawn to the following:

### **CASH BASIS OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

5. The Cash Basis of Consolidated Statement of Assets and Liabilities was restated to the International Public Sector Accounting Standard (IPSAS), Financial Reporting under the Cash Basis of Accounting format. This presentation uses the concepts and accounting standards of the cash basis of Accounting. As a result, the Exchequer Account (the bank account for the Consolidated Fund) which was previously reported under Assets is now reported as a Current Liability due to its overdrawn status. Note 2(ii) to the Notes to the Account, refers.

6. As a result of the adoption of the IPSAS, the Public Debt of \$75,080,932,858.16 (Local and External Loans and Loans serviced under Head 18) is not included in the Cash Basis of the Consolidated Statement of Assets and Liabilities. This amount is reported in the Statement of the Public Debt 2019.

### **EXCHEQUER ACCOUNT – (\$41,380,061,388.10)**

7. The Exchequer Account was overdrawn by (\$41,380,061,388.10), an increase of \$1.134 billion or 2.82% when compared with the previous year's balance of \$40,246,393,438.68. This Account has been consistently in overdraft since 2003.

### **RESPONSIBILITIES OF THE COMPTROLLER OF ACCOUNTS, ACCOUNTING OFFICERS, RECEIVERS OF REVENUE AND ADMINISTERING OFFICERS FOR THE FINANCIAL STATEMENTS**

8. The Comptroller of Accounts, Accounting Officers, Receivers of Revenue and Administering Officers are responsible for the preparation and fair presentation of these accounts and other financial statements in accordance with the accounting framework as prescribed by the Treasury, and for such internal control as management determines is necessary to enable the preparation of accounts and other financial statements that are free from material misstatement, whether due to fraud or error.

9. The Comptroller of Accounts, Accounting Officers, Receivers of Revenue and Administering Officers are responsible for overseeing the financial reporting process of Ministries and Departments.

### **AUDITOR GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

10. The Auditor General's responsibility is to express an opinion on the Public Accounts based on the audit and to report thereon in accordance with section 116 (2) and (4) of the Constitution of the Republic of Trinidad and Tobago and section 25 (1) of the Act.

11. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgement and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtains an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministries and Departments internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

## **SUBMISSION OF REPORT**

14. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of section 116 (4) of the Constitution of the Republic of Trinidad and Tobago.

**29<sup>TH</sup> APRIL, 2019**  
**PORT OF SPAIN**



*Loirelly Pujadas*

**LORELLY PUJADAS**  
**AUDITOR GENERAL**



**STATEMENT OF DECLARATION AND CERTIFICATION**

The following Statements for the Financial Year 2019 which are statutorily due by January 31, 2020 in accordance with Section 24 (1) (a) and (b) and 24 (2) (a) and (b) of the Exchequer and Audit Act, Chapter 69:01 as amended by Act No. 23 of 1998 are submitted:

**Volume 1 (Part 1):**

**Section 24 (1) (a):**

- (i) the Exchequer Account;
- (ii) the Statements of Public Debt;
- (iii) the Statement of Loans from Revenue;
- (iv) the Statement of Revenue showing the sums estimated to be received into the Exchequer Account and the sums actually so received in the period of account;
- (v) the Statement of Expenditure, showing the sums to be issued out of the Exchequer Account and the sums actually so issued in the period of account;
- (vi) the Statement of the Loans or Credits guaranteed by the State
- (vii) the Statement Assets and Liabilities;
- (viii) such other Statements as Parliament may from time to time require:
  - (a) the Statement of Loans from the Funds for Long – Term Development.

**Section 24 (1) (b):**

- Appropriation Accounts
- (i) Head: 18 - Ministry of Finance;
  - (ii) Head: 19 - Charges on Account of the Public Debt, and
  - (iii) Head: 20 - Pensions and Gratuities.

**Section 24 (2) (a): Section 43 (2)**

- (i) Funds.

**Section 24 (2) (b):**

- (i) Other Funds.

**Volume 1 (Part 2):**

**Financial Instructions 1965 Part XIII No. 212**


- (i) Deposit Accounts Financial Statements.

2. The Treasury Division's internal control procedures provide reasonable assurance as to the integrity and reliability of the Financial Statements.

3. As Accounting Officer, I certify that the Financial Statements for the financial year ended September 30, 2019 have been reconciled with the records of the Treasury and in my opinion, these Financial Statements fairly reflect the financial position of the Government of the Republic of Trinidad and Tobago for the year ended September 30, 2019.

  
.....  
Treasury Director (Ag.)  
Treasury Management  
January 31 2020



  
.....  
Comptroller of Accounts

January 31, 2020

  
.....  
Accounting Officer  
Permanent Secretary  
Ministry of Finance  
January 31 2020

**PERMANENT SECRETARY  
MINISTRY OF FINANCE**

4. **Section 24 (1) (c):**  
Statements of Receipts and Disbursements

In accordance with Section 24 (1) (c) of the Exchequer and Audit Act, Chapter 69:01, as amended by Act No. 23 of 1998, the following Statements of Receipts and Disbursements in respect of moneys collected under the particular items of Revenue are submitted by the respective Receivers of Revenue of the Ministry of Finance:-

- (i) Permanent Secretary, Ministry of Finance;
- (ii) Permanent Secretary, Ministry of Finance (Investment Division);
- (iii) Comptroller of Accounts;
- (iv) Comptroller of Customs and Excise, and
- (v) Chairman Board of Inland Revenue.
- (vi) Office of the Supervisor of Insolvency

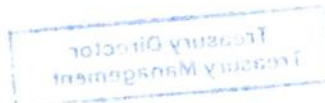
5. **Divisional Appropriation Accounts**

The following Divisional Appropriation Accounts are submitted by the respective Divisional Heads of the Ministry of Finance:-

- (i) Head: 18 (AU 12) Comptroller of Accounts;
- (ii) Head: 18 (AU 13) Chairman Board of Inland Revenue;
- (iii) Head: 18 (AU 14) Comptroller of Customs and Excise, and
- (iv) Head: 20 (AU 28) Pensions and Gratuities.

6. **Provident Fund Act, Chapter 23:57 as amended by Section 2 (b) (ii) of the Finance (Miscellaneous Provisions) Act No. 39 of 2000**

The Report on the working of the Government Employees' Provident Fund for the financial year ended September 30, 2019 is submitted.



**GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO**  
**CASH BASIS CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2019**

(Figures in TT\$)	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2. (ii) (b)	27,996,922,385.53	26,600,707,800.66
Receivables - Treasury Deposits		406,075,395.13	2,980,975.27
Receivables - Advances		104,763,945.90	121,676,291.72
<b>Total Current Assets</b>		<b>28,507,761,726.56</b>	<b>26,725,365,067.65</b>
<b>Non-Current Assets</b>			
Investments - General		41,011,999.69	43,404,470.13
Investments - Special Funds		46,672,418.00	40,887,601.13
Investments - Trust Funds		18,239,941.33	18,122,714.95
Investments - Consolidated Fund		2,607,109.18	2,607,109.18
<b>Total Non-Current Assets</b>		<b>108,531,468.20</b>	<b>105,021,895.39</b>
<b>Total Assets</b>		<b>28,616,293,194.76</b>	<b>26,830,386,963.04</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Overdraft ( Exchequer Account)	2. (ii) (a)	41,380,061,388.10	40,246,393,438.68
Deposit Accounts		5,068,236,165.08	4,526,161,215.00
Special Funds		7,177,719,044.78	7,065,899,277.26
Trust Funds		654,888,018.01	494,843,459.82
<b>Total Liabilities</b>		<b>54,280,904,615.97</b>	<b>52,333,297,390.76</b>
<b>Funds</b>			
Consolidated Fund		(41,345,911,202.92)	(40,212,243,253.50)
Unemployment Fund		7,873,342,785.42	7,780,133,680.56
Infrastructure Development Fund		63,971,599.46	93,277,258.62
NUGFW Training Fund		8,620,981.07	8,586,634.53
Government Assistance for Tuition Expenses Fund		76,374,336.61	72,245,198.85
Green Fund		6,946,131,930.49	6,002,631,525.29
CARICOM Trade Support Fund		0.00	40,574,055.56
CARICOM Petroleum Fund		244,392,748.66	243,419,072.37
National Wastewater Revolving Fund		16,965,400.00	16,965,400.00
Advance Fund		351,500,000.00	351,500,000.00
Contingencies Fund		100,000,000.00	100,000,000.00
<b>Total Funds</b>		<b>(25,664,611,421.21)</b>	<b>(25,502,910,427.72)</b>
<b>Total Liabilities and Funds</b>		<b>28,616,293,194.76</b>	<b>26,830,386,963.04</b>



**EXCHEQUER ACCOUNT AS AT 30TH SEPTEMBER, 2019**

**RECEIPTS AND PAYMENTS FOR THE FINANCIAL YEAR 2018-2019**

**Treasury Card balance as at 1st October, 2018** **(40,246,393,438.68)**

**Add: Receipts into Exchequer Account for 01.10.18 to 30.09.19**

October 2018	3,518,016,140.68
November 2018	4,177,016,545.43
December 2018	4,183,267,468.82
January 2019	4,690,383,271.27
February 2019	2,584,477,527.91
March 2019	3,914,743,455.81
April 2019	5,244,962,602.65
May 2019	3,958,228,994.54
June 2019	2,411,422,107.46
July 2019	5,968,213,666.82
August 2019	3,856,696,671.46
September 2019	8,940,107,192.83

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**53,447,535,645.68**

**Less: Payments from Exchequer Account for 01.10.18 to 30.09.19**

October 2018	1,933,458,817.60
November 2018	4,734,153,811.83
December 2018	5,548,189,659.26
January 2019	4,056,014,989.32
February 2019	4,243,100,732.26
March 2019	4,066,372,395.10
April 2019	3,981,085,435.36
May 2019	5,399,454,174.36
June 2019	3,526,377,090.58
July 2019	4,844,721,452.42
August 2019	4,455,742,685.46
September 2019	7,792,532,351.55

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**54,581,203,595.10**

**Treasury Card balance as at 30th September, 2019**

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**(41,380,061,388.10)**

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THE CONSOLIDATED FUND					
FOR THE FINANCIAL YEAR 2019					
2018			2019		
\$	¢		\$	¢	\$
(36,499,896,433.68)		Balance as at October 01, 2018			(40,212,243,253.50)
		Revenue	53,423,353,341.79		
		Expenditure	54,581,187,114.99		
(3,734,594,025.93)		Excess of Expenditure over Revenue			(1,157,833,773.20)
(40,234,490,459.61)					(41,370,077,026.70)
		(a) Accounting Adjustments re: Previous Years			
		(b) Transfer of Previous Years Unpaid Balances to Consolidated Fund	24,165,823.78		
22,247,206.11			24,165,823.78		24,165,823.78
(40,212,243,253.50)		Balance as at September 30, 2019			(41,345,911,202.92)

**STATEMENT OF THE PUBLIC DEBT OF TRINIDAD AND TOBAGO**

**AS AT SEPTEMBER 30, 2019**

**(A) LOCAL LOANS**

<b>LEGAL AUTHORITY</b>	<b>AMOUNT AUTHORISED TO BE RAISED</b>	<b>PRESENT DEBT</b>
(i) Local Loan Ordinance 15 of 1920 (Chapter 222)	£1,000,000.00 converted at \$4.80 4,800,000.00	480.00
(ii) War Loan Ordinance 3 of 1941 Amendment 2 of 1943 Amendment 4 of 1944	7,000,000.00	18,992.00
(iii) Trinidad Electricity Board (Loan) Ordinances 27 of 1941 and 23 of 1942	2,100,000.00	1,056.00
(iv) Slum Clearance and Housing (Loan) Ordinance 30 of 1944	5,000,000.00	30,144.00
(v) Economic Programme (Loan) Ordinances 36 of 1956 and 18 of 1959	63,500,000.00	67,500.00
(vi) Government Savings Bonds Act Chapter 71:41 Legal Notice #33/87	500,000,000.00	1,768,138.35
(vii) Treasury Bills Act Chapter 71:40 Legal Notice #35/87 Legal Notice #26/03 Legal Notice #182/06	15,000,000,000.00	3,340,000,000.00
(viii) Treasury Bond Act 2008 Chapter 71:43	3,000,000,000.00	2,309,271,000.00
(ix) Development Loans (Amendment) Act Chapter 71:04 Act # 29/94 Legal Notice #15/00 Legal Notice #27/03 Legal Notice #148/08	30,000,000,000.00 (External and Local)	41,300,868,555.41
(x) Public Sector Arrears of Emoluments Act No.7 of 1995	2,000,000,000.00	8,615,238.00
(xi) Treasury Notes Act. No.14 of 1995 Legal Notice #25/03 Legal Notice #182A/06	5,000,000,000.00	0.00
(xii) Act. No.17 of 2011	11,100,000,000.00	2,642,501,000.00
	<b>TOTAL</b>	<b>49,603,142,103.76</b>

**STATEMENT OF THE PUBLIC DEBT OF TRINIDAD AND TOBAGO AS AT SEPTEMBER 30, 2019**

**(B) EXTERNAL LOANS**

LEGAL AUTHORITY	AMOUNT AUTHORISED TO BE RAISED		PRESENT DEBT	
	\$	c	\$	c
(i) Independence Development Loans Act ACT 6 of 1964 Amended 21 of 1981 Chapter 71:03	Amount not specified		\$	1,783,848.00
(ii) External Loans Act ACT 31 of 1967 Chapter 71:05 Legal Notice #111/93	15,000,000,000.00		\$	19,973,903,870.52
(iii) National Development (International Bank for Reconstruction and Development) Loans Act ACT 2 of 1967 Chapter 71:06	Amount not specified			0.00
(iv) National Development (Inter-American Development Bank) Loans Act ACT 32 of 1967 Chapter 71:07	Amount not specified		\$	4,133,699,348.44
	<b>TOTAL</b>		<b>24,109,387,066.96</b>	

**STATEMENT OF THE PUBLIC DEBT OF TRINIDAD AND TOBAGO AS AT SEPTEMBER 30, 2019**

LEGAL AUTHORITY	AMOUNT		VALUE OF		AMOUNT REALIZED	RATE OF INTEREST	AMOUNT REPAYED TO DATE	PRESENT DEBT	
	TO BE RAISED		BONDS OR STOCK ISSUED						
	\$	¢	\$	¢	\$	¢	\$	¢	
<b>Loans Serviced under</b>									
<b>Head 18 - Ministry of Finance</b>									
<b>Tourism Industrial Development Co. of Trinidad &amp; Tobago Ltd</b>									
(1) FCB Fixed Rate Bond (2000-2020)	180,000,000.00		180,000,000.00		180,000,000.00		12.25%	166,500,000.00	13,500,000.00
(2) FCB Trust & Merchant Bank Limited Fixed Rate Bond (2002-2027)	595,000,000.00		707,259,718.00		707,259,718.00		11.85%	450,074,366.00	257,185,352.00
<b>National Maintenance Training and Security Co. Limited</b>									
(3) Unit Trust Fixed Rate Bond (2001-2021)	175,000,000.00		175,000,000.00		175,000,000.00		10.25%	148,076,922.61	26,923,077.39
(4) Unit Trust Fixed Rate Bond (2002-2021)	225,000,000.00		225,000,000.00		225,000,000.00		10.15%	196,153,846.16	28,846,153.84
(5) Citicorp Merchant Bank Ltd Fixed Rate Bond (2000-2020)	174,100,000.00		174,082,278.00		175,614,572.00		11.75%	166,681,402.34	8,933,169.66
<b>Urban Development Corporation of Trinidad and Tobago Ltd</b>									
(6) First Citizens Bank Ltd.	320,000,000.00		320,000,000.00		320,000,000.00		6.35%	234,784,321.69	85,215,678.31
<b>National Insurance Property Development Co. Limited</b>									
(7) RBC Merchant Bank & Finance Ltd Fixed Rate Bond (2006-2018) <b>NOTE 1</b>	286,252,764.00		286,252,764.00		286,252,764.00		8.75%	286,252,764.00	0.00
<b>Carried Forward:</b>									<b>420,603,431.20</b>

<b>Brought Forward:</b>						<b>420,603,431.20</b>
<b>Taurus Services Limited -</b>						
(8) FCB Guaranteed Fixed Rate Loan (2000-2022)	268,000,000.00	335,606,124.00	335,606,124.00	11.50%	285,179,165.99	50,426,958.01
(9) FCB Guaranteed Interest Loan (1993-2022)	362,000,000.00	551,474,838.00	551,474,838.00	11.50%	468,772,524.30	82,702,313.70
(10) FCB Guaranteed Fixed Rate Loan (1994-2022)	101,000,000.00	154,823,310.00	154,823,310.00	11.50%	131,614,576.90	23,208,733.10
(11) FCB Guaranteed Interest Loan (1994-2022)	60,000,000.00	91,518,445.00	91,518,445.00	11.50%	77,810,879.55	13,707,565.45
(12) FCB Guaranteed Rate Loan (1993-2022)	155,000,000.00	236,289,205.00	236,289,205.00	11.50%	200,877,993.58	35,411,211.42
<b>Evolving Tecknologies and Development Co. Ltd</b>						
(13) First Citizens Trustee Services Ltd	148,000,000.00	148,000,000.00	148,000,000.00	4.25%	125,800,000.00	22,200,000.00
(14) ANSA Merchant Bank	488,000,000.00	488,000,000.00	488,000,000.00	3.00%	317,200,000.00	170,800,000.00
<b>First Citizens Holdings Limited</b>						
(15) FCB Guaranteed Fixed Rate Loan (1994-2022)	86,200,000.00	104,281,644.00	104,281,644.00	11.50%	86,032,352.00	18,249,292.00
<b>Restructuring of FCB</b>						
(16) First Citizens Holdings Fixed Rate Loan (2002-2022)	350,000,000.00	350,000,000.00	350,000,000.00	11.50%	297,500,000.00	52,500,000.00
<b>Caribbean Airlines Limited</b>	<b>NOTE 2</b>					
(17) First Citizens Bank Ltd - US \$75Mn	TTD	504,455,772.11	504,455,772.11	504,455,772.11	26,035,533.14	478,594,222.56
	USD	74,663,396.50	74,663,396.50	74,663,396.50	3,834,001.42	70,829,395.08
<b>TOTAL</b>						<b>1,368,403,727.44</b>

**NOTE 1**

RBC Merchant Bank & Finance Ltd Fixed Rate Bond (2006-2018) matured on 06/10/2018. The outstanding balance of \$11,927,198.50 has been adjusted.

**NOTE 2**

Caribbean Airlines balance of USD \$70,833,177.13 has been restated using US 1.00 = TT 6.7570 resulting in a foreign exchange gain of \$173,983.59.

## SUMMARY

### Central Government as at September 30, 2019

	\$	¢
Domestic Loans	49,603,142,063.76	
External Loans	24,109,387,066.96	
Loans serviced under Head 18	<u>1,368,403,727.44</u>	
	75,080,932,858.16	

### Other

Balances on BOLT Projects	<u>105,364,269.28</u>	
	75,186,297,127.44	

### Contingent Liabilities as at September 30, 2019

Balances on Loans assumed by the GORTT	2,106,721.02	
Loans and Credits Guaranteed by the State	12,457,933,805.34	
Letters of Comfort	15,915,400,411.43	
Promissory Notes	5,335,917,827.84	
Open Market Operations re: Treasury Bill	<u>15,493,500,000.00</u>	
	<u><u>124,391,155,893.07</u></u>	

### Conclusion

The issue of the public debt and debt sustainability has long been a concern for policy makers of both fiscal and monetary authority. The Central Government Debt and Contingent Liability must be examined and analyzed in its entirety to ensure present and future debt sustainability. It is important for overall macro-economic policy to manage the debt and it needs to be coordinated closely with fiscal, monetary and other macro-economic and financial policies. For this reason, debt managers and fiscal and monetary authorities should share an understanding of the objectives of debt, fiscal and monetary policies, given the independence among the policy instruments. Close coordination is needed to choose an appropriate mix of financing and policy adjustment to facilitate economic recovery while preventing the build-up of an unsustainable debt burden.

**Catherine Laban**  
**Comptroller of Accounts**

**January 31, 2020**

**SUMMARY OF LOANS FROM GENERAL REVENUE REPAYABLE TO**

**THE GOVERNMENT OF TRINIDAD AND TOBAGO AS AT SEPTEMBER 30, 2019**

TO WHOM MADE	LOANS ISSUED	AMOUNT REPAYED / WRITTEN OFF	BALANCE OUTSTANDING AS AT SEPTEMBER 30, 2019
1. OTHER GOVERNMENTS	389,985,789.24	35,739,357.76	376,106,181.30
2. OTHERS	114,556,974.27	0.00	128,315,430.00
3. STATUTORY BODIES	1,507,797,057.75	1,778,381.96	1,506,018,675.79
<b>TOTAL</b>	<b>2,012,339,821.26</b>	<b>37,517,739.72</b>	<b>2,010,440,287.09</b>

## STATEMENT OF REVENUE FOR THE FINANCIAL YEAR 2019

HEADS OF REVENUE	APPROVED	REVISED	ACTUAL	ACTUAL	ACTUAL
	ESTIMATES	ESTIMATES	REVENUE	(LESS) / MORE	(LESS) / MORE
	FINANCIAL	FINANCIAL	FINANCIAL	THAN ORIGINAL	THAN REVISED
	YEAR 2019	YEAR 2019	YEAR 2019	ESTIMATES	ESTIMATES
	\$    ¢	\$    ¢	\$    ¢	\$    ¢	\$    ¢
<b>TAX REVENUE</b>					
01. TAXES ON INCOME AND PROFITS	21,164,480,200.00	22,207,045,700.00	21,627,815,352.86	463,335,152.86	(579,230,347.14)
02. TAXES ON PROPERTY	252,460,000.00	46,886,500.00	49,552,906.50	(202,907,093.50)	2,666,406.50
03. TAXES ON GOODS AND SERVICES	9,109,849,950.00	8,017,472,823.00	7,330,521,761.01	(1,779,328,188.99)	(686,951,061.99)
04. TAXES ON INTERNATIONAL TRADE	2,574,755,800.00	2,623,122,600.00	2,672,262,231.20	97,506,431.20	49,139,631.20
05. OTHER TAXES	315,000,000.00	348,533,800.00	355,596,147.22	40,596,147.22	7,062,347.22
<b>TOTAL TAX REVENUE</b>	<b>33,416,545,950.00</b>	<b>33,243,061,423.00</b>	<b>32,035,748,398.79</b>	<b>(1,380,797,551.21)</b>	<b>(1,207,313,024.21)</b>
<b>NON-TAX REVENUE</b>					
06. PROPERTY INCOME	8,992,497,200.00	8,637,542,163.00	9,320,069,272.00	327,572,072.00	682,527,109.00
07. OTHER NON-TAX REVENUE	1,027,063,350.00	1,070,537,206.00	1,364,199,160.89	337,135,810.89	293,661,954.89
08. REPAYMENT OF PAST LENDING	167,482,500.00	1,362,368,758.00	1,366,950,308.14	1,199,467,808.14	4,581,550.14
<b>TOTAL NON-TAX REVENUE</b>	<b>10,187,043,050.00</b>	<b>11,070,448,127.00</b>	<b>12,051,218,741.03</b>	<b>1,864,175,691.03</b>	<b>980,770,614.03</b>
<b>SUB-TOTAL</b>	<b>43,603,589,000.00</b>	<b>44,313,509,550.00</b>	<b>44,086,967,139.82</b>	<b>483,378,139.82</b>	<b>(226,542,410.18)</b>
<b>CAPITAL RECEIPTS</b>					
09. CAPITAL REVENUE	3,009,096,000.00	972,782,625.00	979,783,020.80	(2,029,312,979.20)	7,000,395.80
<b>TOTAL CAPITAL RECEIPTS</b>	<b>3,009,096,000.00</b>	<b>972,782,625.00</b>	<b>979,783,020.80</b>	<b>(2,029,312,979.20)</b>	<b>7,000,395.80</b>
<b>SUB-TOTAL</b>	<b>46,612,685,000.00</b>	<b>45,286,292,175.00</b>	<b>45,066,750,160.62</b>	<b>(1,545,934,839.38)</b>	<b>(219,542,014.38)</b>
<b>FINANCING</b>					
10. BORROWING	1,551,200,000.00	7,844,596,392.00	8,356,603,181.17	6,805,403,181.17	512,006,789.17
11. EXTRAORDINARY RECEIPTS	0.00	0.00	0.00	0.00	0.00
<b>TOTAL FINANCING</b>	<b>1,551,200,000.00</b>	<b>7,844,596,392.00</b>	<b>8,356,603,181.17</b>	<b>6,805,403,181.17</b>	<b>512,006,789.17</b>
<b>GRAND TOTAL</b>	<b>48,163,885,000.00</b>	<b>53,130,888,567.00</b>	<b>53,423,353,341.79</b>	<b>5,259,468,341.79</b>	<b>292,464,774.79</b>



## STATEMENT OF EXPENDITURE FOR THE FINANCIAL YEAR 2019

HEAD OF EXPENDITURE	ORIGINAL		SUPPLEMENTARY		TOTAL APPROVED		ACTUAL		VARIANCE		
	ESTIMATES		ESTIMATES AND		ESTIMATES		EXPENDITURE		LESS THAN	MORE THAN	
	FINANCIAL		TRANSFERS		FINANCIAL		FINANCIAL		ESTIMATES	ESTIMATES	
	YEAR 2019				YEAR 2019		YEAR 2019				
	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢	
01 - President	20,000,000.00			0.00	20,000,000.00		17,184,886.47		2,815,113.53		\$ ¢
02 - Auditor General	42,770,455.00			0.00	42,770,455.00		36,433,292.64		6,337,162.36		0.00
03 - Judiciary	456,831,700.00		62,687,800.00		519,519,500.00		459,612,879.66		59,906,620.34		0.00
04 - Industrial Court	41,500,000.00			0.00	41,500,000.00		37,035,619.56		4,464,380.44		0.00
05 - Parliament	126,500,000.00			0.00	126,500,000.00		125,242,206.94		1,257,793.06		0.00
06 - Service Commissions	83,347,000.00		3,932,600.00		87,279,600.00		75,503,070.95		11,776,529.05		0.00
07 - Statutory Authorities' Service Commission	8,000,000.00			0.00	8,000,000.00		7,173,203.93		826,796.07		0.00
08 - Elections and Boundaries Commission	75,000,000.00			0.00	75,000,000.00		70,642,264.05		4,357,735.95		0.00
09 - Tax Appeal Board	8,000,000.00		323,900.00		8,323,900.00		7,768,480.06		555,419.94		0.00
11 - Registration, Recognition and Certification Board	4,300,000.00			0.00	4,300,000.00		3,161,999.59		1,138,000.41		0.00
12 - Public Service Appeal Board	3,500,000.00			0.00	3,500,000.00		2,287,950.80		1,212,049.20		0.00
13 - Office of The Prime Minister	268,153,240.00		12,000,000.00		280,153,240.00		244,825,694.71		35,327,545.29		0.00
15 - Tobago House of Assembly	2,210,630,000.00			0.00	2,210,630,000.00		2,194,344,308.48		16,285,691.52		0.00
16 - Central Administrative Services, Tobago	40,973,000.00			0.00	40,973,000.00		28,273,084.66		12,699,915.34		0.00
17 - Personnel Department	51,000,000.00		2,000,000.00		53,000,000.00		38,239,536.56		14,760,463.44		0.00
18 - Ministry of Finance	5,945,001,890.00		984,556,945.00		6,929,558,835.00		6,644,866,532.99		284,692,302.01		0.00
19 - Charges on Account of the Public Debt	7,511,040,750.00		732,594,368.00		8,243,635,118.00		8,230,354,829.78		13,280,288.22		0.00
20 - Pensions and Gratuities	3,322,500,000.00		68,000,000.00		3,390,500,000.00		3,252,449,260.68		138,050,739.32		0.00
22 - Ministry of National Security	3,747,052,000.00		249,870,900.00		3,996,922,900.00		3,407,898,610.74		589,024,289.26		0.00
23 - Ministry of the Attorney General and Legal Affairs	360,900,000.00		56,221,100.00		417,121,100.00		392,382,842.14		24,738,257.86		0.00
26 - Ministry of Education	5,636,086,000.00		50,000,000.00		5,686,086,000.00		5,431,914,892.08		254,171,107.92		0.00
28 - Ministry of Health	4,961,518,900.00			0.00	4,961,518,900.00		4,755,450,505.89		206,068,394.11		0.00
30 - Ministry of Labour and Small Enterprise Development	371,242,000.00		39,258,000.00		410,500,000.00		375,911,778.87		34,588,221.13		0.00
31 - Ministry of Public Administration	762,005,020.00			0.00	762,005,020.00		682,700,482.87		79,304,537.13		0.00
35 - Ministry of Tourism	80,000,000.00			0.00	80,000,000.00		44,277,391.87		35,722,608.13		0.00
<b>CARRIED FORWARD</b>	<b>36,137,851,955.00</b>		<b>2,261,445,613.00</b>		<b>38,399,297,568.00</b>		<b>36,565,935,606.97</b>		<b>1,833,361,961.03</b>		<b>0.00</b>

<b>BROUGHT FORWARD</b>	36,137,851,955.00	2,261,445,613.00	38,399,297,568.00	36,565,935,606.97	1,833,361,961.03	0.00
37 - Integrity Commission	12,300,000.00	0.00	12,300,000.00	7,918,251.70	4,381,748.30	0.00
38 - Environmental Commission	9,000,000.00	20,400.00	9,020,400.00	7,477,673.12	1,542,726.88	0.00
39 - Ministry of Public Utilities	2,952,369,000.00	(55,369,874.00)	2,896,999,126.00	2,687,575,883.59	209,423,242.41	0.00
40 - Ministry of Energy and Energy Industries	530,403,000.00	0.00	530,403,000.00	336,255,938.55	194,147,061.45	0.00
42 - Ministry of Rural Development and Local Government	2,283,348,980.00	39,000,000.00	2,322,348,980.00	2,085,294,861.51	237,054,118.49	0.00
43 - Ministry of Works and Transport	2,624,200,000.00	65,512,929.00	2,689,712,929.00	2,125,433,975.74	564,278,953.26	0.00
48 - Ministry of Trade and Industry	158,690,000.00	0.00	158,690,000.00	123,688,514.79	35,001,485.21	0.00
61 - Ministry of Housing and Urban Development	1,457,192,000.00	48,000,000.00	1,505,192,000.00	1,419,755,726.09	85,436,273.91	0.00
62 - Ministry of Community Development, Culture and the Arts	375,250,000.00	0.00	375,250,000.00	325,150,766.23	50,099,233.77	0.00
64 - Trinidad and Tobago Police Service	2,176,150,000.00	75,000,000.00	2,251,150,000.00	2,173,353,389.73	77,796,610.27	0.00
65 - Ministry of Foreign and CARICOM Affairs	263,300,000.00	6,000,000.00	269,300,000.00	222,393,935.69	46,906,064.31	0.00
67 - Ministry of Planning and Development	335,851,000.00	0.00	335,851,000.00	265,680,693.59	70,170,306.41	0.00
68 - Ministry of Sport and Youth Affairs	293,800,000.00	0.00	293,800,000.00	261,088,308.94	32,711,691.06	0.00
70 - Ministry of Communications	225,589,480.00	10,000,000.00	235,589,480.00	204,204,076.16	31,385,403.84	0.00
75 - Equal Opportunity Tribunal	4,400,000.00	329,900.00	4,729,900.00	3,855,560.68	874,339.32	0.00
77 - Ministry of Agriculture, Land and Fisheries	777,862,000.00	0.00	777,862,000.00	657,096,112.05	120,765,887.95	0.00
78 - Ministry of Social Development and Family Services	4,965,420,000.00	227,548,500.00	5,192,968,500.00	5,109,027,839.86	83,940,660.14	0.00
<b>TOTAL</b>	<b>55,582,977,415.00</b>	<b>2,677,487,468.00</b>	<b>58,260,464,883.00</b>	<b>54,581,187,114.99</b>	<b>3,679,277,768.01</b>	<b>0.00</b>

LOANS OR CREDITS GUARANTEED BY THE GOVERNMENT				
OF THE REPUBLIC OF TRINIDAD AND TOBAGO AS AT SEPTEMBER 30, 2019				
STATE ENTERPRISE / STATUTORY BOARD	LENDING AGENCY	AMOUNT GUARANTEED	BALANCE AT SEPTEMBER 30, 2018	BALANCE AT SEPTEMBER 30, 2019
<b>Economic Management Division</b>				
<b>Airports Authority of Trinidad and Tobago (AATT)</b>	Citicorp Merchant Bank			
	TT \$300Mn	300,000,000.00	300,000,000.00	0.00
	Republic Finance and Merchant Bank (Paying agent - First Citizens Bank Ltd.)			
	TT \$300Mn	300,000,000.00	30,000,000.00	10,000,000.00
	Republic Finance and Merchant Bank (Paying agent - First Citizens Bank Ltd.)			
	TT \$379.3Mn	426,669,792.00	14,819,100.39	8,891,460.24
	Trinidad and Tobago Unit Trust Corporation			
	TT \$129,121,531	129,121,531.50	23,175,659.50	16,554,042.50
	First Citizens Bank Ltd.			
	TT \$193Mn	193,000,000.00	19,300,000.00	6,433,333.43
	ANSA Merchant Bank (Paying agent - First Citizens Trustee Services Ltd.)			
<b>Note 1</b>	US \$27.2Mn increased to US \$45.3Mn	283,800,000.00	22,954,869.00	0.00
		<b>1,632,591,323.50</b>	<b>410,249,628.89</b>	<b>41,878,836.17</b>
<b>Port Authority of Trinidad and Tobago (PATT)</b>	Citicorp Fixed Rate Bond Issue 2004-2019 (Paying agent - RBC Merchant Bank)			
	TT \$340.4Mn	340,400,000.00	15,355,402.08	0.00
	RBC Merchant Bank			
	TT \$71,515,000	71,515,000.00	3,575,750.00	0.00
		<b>411,915,000.00</b>	<b>18,931,152.08</b>	<b>0.00</b>
<b>Public Transport Service Corporation (PTSC)</b>	Citicorp Merchant Bank- TT \$130.1Mn. Bond	185,240,039.06	6,465,474.07	2,155,157.74
	First Citizens Bank Ltd. TT \$93,645,285.79	93,645,285.79	12,486,038.11	6,243,019.05
		<b>278,885,324.85</b>	<b>18,951,512.18</b>	<b>8,398,176.79</b>

<b>The University of the West Indies (UWI)</b>	<b>Note 1</b>	EEC Loan # 80370			
		EDF €1,640,246	15,056,474.13	6,099,274.87	6,313,447.10
			<b>15,056,474.13</b>	<b>6,099,274.87</b>	<b>6,313,447.10</b>
<b>Water and Sewerage Authority (WASA)</b>		Republic Finance and Merchant Bank (Paying agent - Trinidad and Tobago Central Depository)			
		TT \$343Mn	403,364,940.00	60,504,740.91	20,168,246.80
		Republic Finance and Merchant Bank			
		TT \$330Mn	461,663,500.00	107,720,388.00	76,942,737.37
		Citicorp Merchant Bank (Paying agent - First Caribbean International Bank)			
		TT \$145Mn	153,606,557.00	10,971,896.90	0.00
		Republic Finance and Merchant Bank			
		TT \$500Mn	500,000,000.00	162,500,000.00	137,500,000.00
		Central Bank of Trinidad and Tobago			
		TT \$420Mn plus Capitalized Interest	432,220,000.00	432,220,000.00	432,220,000.00
		RBC Trust (T&T) Ltd.			
		TT \$1,335,900,000	1,335,900,000.00	1,335,900,000.00	1,335,900,000.00
			<b>3,286,754,997.00</b>	<b>2,109,817,025.81</b>	<b>2,002,730,984.17</b>
<b>Trinidad and Tobago Electricity Commission (T&amp;TEC)</b>		Royal Merchant Bank and Finance Co. Ltd.			
		TT \$500Mn	714,292,720.00	105,043,047.09	63,025,828.23
		HSBC			
	<b>NOTE 1</b>	US \$76Mn - 478.8 Mn	478,800,000.00	162,620,816.47	110,573,218.33
		Republic Bank Ltd.			
	<b>NOTE 1</b>	TT \$1,612,590,000	1,612,590,000.00	1,612,590,000.00	1,485,388,354.83
			<b>2,805,682,720.00</b>	<b>1,880,253,863.56</b>	<b>1,658,987,401.39</b>

Housing Development Corporation (HDC)	Central Bank of Trinidad and Tobago Bond TT \$306Mn	306,000,000.00	306,000,000.00	306,000,000.00
	TT \$600Mn	600,000,000.00	600,000,000.00	600,000,000.00
	TT \$475Mn	475,000,000.00	475,000,000.00	475,000,000.00
	TT \$700Mn	700,000,000.00	700,000,000.00	700,000,000.00
	TT \$500Mn	500,000,000.00	500,000,000.00	500,000,000.00
		<b>2,581,000,000.00</b>	<b>2,581,000,000.00</b>	<b>2,581,000,000.00</b>
<b>Total EMD</b>		<b>11,011,885,839.48</b>	<b>7,025,302,457.39</b>	<b>6,299,308,845.62</b>

<u>Investments Division</u>				
<b>Export Import Bank of Trinidad and Tobago Limited (EXIMBANK)</b>	Scotiabank Ltd. Line of Credit (Revolving)			
	TT \$44,680,000	44,680,000.00	0.00	12,880,670.00
		<b>44,680,000.00</b>	<b>0.00</b>	<b>12,880,670.00</b>
<b>Urban Development Corporation of Trinidad and Tobago (UDeCOTT)</b>	First Citizens Trustee Services			
<b>NOTE 1</b>	US \$88Mn	565,866,400.00	178,368,960.00	118,923,200.00
	First Caribbean International Bank			
<b>NOTE 1</b>	US \$81Mn/US \$92.5Mn revised to US \$100Mn	642,570,000.00	202,692,000.00	138,703,566.73
	FCB-\$497,342,684.00	497,342,684.00	99,167,067.63	0.00
	FINCOR-2400FRB	2,563,621,273.26	2,790,119,104.00	2,577,196,708.70
		<b>1,208,436,400.00</b>	<b>3,270,347,131.63</b>	<b>2,834,823,475.43</b>
<b>National Helicopter Services Limited (NHSL)</b>	Republic Bank Ltd. US \$11.5Mn			
<b>NOTE 1</b>		73,895,550.00	42,328,846.00	35,570,814.29
		<b>73,895,550.00</b>	<b>42,328,846.00</b>	<b>35,570,814.29</b>
<b>Trinidad and Tobago Mortgage Finance Company Limited (TTMF)</b>	National Insurance Board			
	TT \$200Mn	200,000,000.00	20,000,000.00	10,000,000.00
		<b>200,000,000.00</b>	<b>20,000,000.00</b>	<b>10,000,000.00</b>
<b>National Insurance Property Development Company Limited (NIPDEC)</b>	Central Bank of Trinidad and Tobago			
	TT \$500Mn 6.25% Fixed Rate Bond 2028	500,000,000.00	500,000,000.00	500,000,000.00
	TT \$682Mn 6.8% Fixed Rate Bond 2022	682,000,000.00	682,000,000.00	682,000,000.00
	Central Bank of Trinidad and Tobago			
	TT \$360Mn 6.1% Fixed Rate Bond 2025	360,000,000.00	360,000,000.00	360,000,000.00
	TT \$750Mn Fixed Rate Bond 2030	750,000,000.00	750,000,000.00	750,000,000.00
	First Citizens Trust (Paying agent - Central Bank of Trinidad and Tobago)			
	TT \$500Mn	500,000,000.00	500,000,000.00	500,000,000.00



## **NOTES TO THE ACCOUNTS**

### **1. GENERAL**

The Statement of Revenue, Statement of Expenditure as well as the Statement of Assets and Liabilities constitute the annual statements as identified in Section 24(1) (a) iv, v, and vii respectively of the Exchequer and Audit Act Chapter 69:01 as amended by Act No. 23 of 1998.

### **2. ACCOUNTING POLICIES**

(i) The accounts are kept on a cash basis. Accordingly, transactions are recorded when moneys are actually received and paid.

(ii) Cash Basis Consolidated Statement of Assets and Liabilities

(a) As we move towards the full implementation of Cash Basis International Public Sector Accounting Standards (IPSAS), the Consolidated Statement of Assets and Liabilities is now being restated in the cash basis IPSAS format. This presentation uses the concepts and accounting standards of the Cash Basis of Accounting. As a result, the Exchequer Account which was previously reported under Assets is now being reported as a Current Liability due to its overdrawn status.

(b) Cash and Cash Equivalents

Cash and Cash Equivalents consists of the following accounts:	
Treasury Deposits Account	12,408,320,414.05
Treasury Funds Account	352,223,023.73
Treasury Suspense Account	3,700,864.23
Unemployment Fund	7,873,342,785.42
Infrastructure Development Fund	63,971,599.46
NUGFW Training Fund	8,620,981.07
Government Assistance for Tuition Expenses Fund	76,374,336.61
Green Fund	6,946,131,930.49
CARICOM Petroleum Fund	244,392,748.66
National Wastewater Revolving Fund of T&T	16,965,400.00
Exchequer Suspense Account	2,878,301.81
<b>CASH AND CASH EQUIVALENTS TOTAL</b>	<b>27,996,922,385.53</b>

(iii) For the financial year 2019, the Public Debt (Local and External Loans and Loans serviced under Head 18) totaled \$75,080,932,858.16. However, the Statutory Sinking Funds for the Public Debt in the sum of \$7,133,658,890.83 are incorporated in the Special Funds totaling \$7,177,719,044.78. The Public Debt does not include the arrears of emoluments owed to Public Sector Employees which have not yet been satisfied by the use of any mechanism.



### **3. UNEMPLOYMENT FUND**

In accordance with the Unemployment Levy Act, Chapter 75:03 Section 15, the balances of the Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules C (i) and (ii) to the Statement of Assets and Liabilities.

### **4. INFRASTRUCTURE DEVELOPMENT FUND**

In accordance with the Exchequer and Audit Act, Chapter 69:01 Section 43 (2), the balances of the Infrastructure Development Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules D (i) and (ii) to the Statement of Assets and Liabilities.

### **5. NATIONAL UNION OF GOVERNMENT AND FEDERATED WORKERS (NUGFW) TRAINING FUND**

The National Union of Government and Federated Workers (NUGFW) Training Fund was established under Section 43(2) of the Exchequer and Audit, Act Chapter, 69:01 (Legal Notice No. 280 dated September 27, 2004) In accordance with the Exchequer and Audit Act, Chapter 69:01, Section 43(2), the balances of the NUGFW Training Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules E (i) and (ii) to the Statement of Assets and Liabilities.

### **6. GOVERNMENT ASSISTANCE FOR TUITION EXPENSES (GATE) FUND**

The Government Assistance for Tuition Expenses Fund was established under Section 43(2) of the Exchequer and Audit Act, Chapter 69:01 (Legal Notice No. 329 dated December 09, 2004). In accordance with the Exchequer and Audit Act, Chapter 69:01, Section 43(2), the balances of the GATE Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules F (i) and (ii) to the Statement of Assets and Liabilities.

### **7. GREEN FUND**

The Green Fund was established by Section 65 (1) of the Miscellaneous Taxes Act as amended by Part VI Section 8(b) of the Finance Act No. 5 of 2004 dated January 30, 2004. In accordance with Section 67(1) of the Part XIV of the Miscellaneous Taxes Act, the balances of the Green Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules G (i) and (ii) to the Statement of Assets and Liabilities.

### **8. CARICOM TRADE SUPPORT FUND**

The CARICOM Trade Support Fund was established under Section 43(2) of the Exchequer and Audit Act, Chapter 69:01 (Legal Notice No. 13 dated January 12, 2005). In accordance with the Exchequer and Audit Act, Chapter 69:01, Section 43(2), the balances of the CARICOM Trade Support Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules H (i) and (ii) to the Statement of Assets and Liabilities. By letter dated September 27, 2018 a request was made by the Comptroller of Accounts to close the bank account held at the Central Bank of Trinidad and Tobago (CBTT). The account was closed on October 03, 2018 and the funds were transferred to the Exchequer Account.

## 9. **CARICOM PETROLEUM FUND**

The CARICOM Petroleum Fund was established under Section 43(2) of the Exchequer and Audit Act, Chapter 69:01 (Legal Notice 302 dated November 23, 2006). In accordance with the Exchequer and Audit Act, Chapter 69:01, Section 43(2), the balances of the CARICOM Petroleum Fund are shown in the general accounts. The accounts of the Fund are presented as Schedules I (i) and (ii) to the Statement of Assets and Liabilities.

## 10. **NATIONAL WASTEWATER REVOLVING FUND**

The National Wastewater Revolving Fund was established under Section 43 (2) of the Exchequer and Audit Act, Chapter 69:01 (Legal Notice No. 255 dated December 11, 2013). In accordance with the Exchequer and Audit Act, Chapter 69:01, Section 43 (2), the balances of the National Wastewater Revolving Fund are shown in the General Accounts. The accounts of the Fund are presented as Schedules J (i) and (ii) to the statement of Assets and Liabilities.

## 11. **CONTINGENT LIABILITIES**

### (i) **Loans or Credits Guaranteed by the Government of Trinidad and Tobago**

The Contingent Liabilities in respect of Loans or Credits Guaranteed by the Government of Trinidad and Tobago as at September 30, 2019 amount to \$12,457,933,805.34. The details are reflected on the Statement submitted in accordance with Section 24 (1) (a) vi of the Exchequer and Audit Act, Chapter 69:01 as amended by Act No. 23 of 1998.

### (ii) **Letters of Comfort issued by the Government of Trinidad and Tobago**

The Contingent Liabilities in respect of Letters of Comfort issued by the Government of Trinidad and Tobago as at September 30, 2019 amount to \$15,915,400,411.43. Details are reflected in the Statements of the Public Debt.

### (iii) **Promissory Notes**

The Contingent Liabilities in respect of outstanding Promissory Notes issued by the Government of Trinidad and Tobago as at September 30, 2019 amount to \$5,335,917,827.84. Details are reflected in the Statements of the Public Debt.

### (iv) **Arrears of Emoluments owed to Public Sector Employees**

An amount of \$15,493.50 was paid towards the settlement of the Public Sector Liability during the financial year ended September 30, 2019. To date, the sum of 1,608.7 million of the Public Sector employees' liability has been satisfied.

(v) **Open Market Operations**

As notified by the Central Bank, the amount of Treasury Securities outstanding for the purpose of Open Market Operations (OMO) as at September 30, 2019 was \$15,493.5 million. The face value of the Open Market Bills stood at \$14,061.50 million, Treasury Notes \$1,432.0-Mn, and the value of rolled over Treasury Bills rolled was \$3340 million.

12. **BALANCES OUTSTANDING ON BUILD, OPERATE, LEASE AND TRANSFER (BOLT) PROJECTS**

The balances outstanding on Build, Operate, Lease and Transfer (BOLT) Projects as at September 30, 2019 amount to \$105,364,269.28. Details are reflected in the Statements of the Public Debt.

13. **BALANCES ON LOANS ASSUMED BY THE GOVERNMENT OF TRINIDAD AND TOBAGO**

The balances outstanding in respect of Loans Assumed by the Government of Trinidad and Tobago as at September 30, 2019 in respect of Companies in which Government has/had a shareholding amount to \$2,106,721.02. The details are reflected on a Statement in the Accounts.

14. **PRODUCTION SHARING CONTRACTS**

Under the provisions of the Production Sharing Contracts, the Government of the Republic of Trinidad and Tobago is entitled to a share of the production of natural gas and crude oil from the operations of the contractors. The moneys received are placed in the Deposit Account Head 111/570 (Production Sharing Contract). From this share of production, the Minister of Energy and Energy Industries is responsible for meeting the respective Contractor's tax and similar financial obligations to the Government. Total Payments made to the Board of Inland Revenue in respect of the financial year 2019 is \$2,521,465,625.00. Revenue collection increased by 179% when compared to the receipts collected in the financial year 2018. Details of payments made in the financial year 2019 are shown below:-

<b>DATE</b>	<b>AMOUNT</b>
31/12/2018	\$259,987,562.00
14/05/2019	\$439,889,230.00
08/07/2019	\$450,087,473.00
24/07/2019	\$303,251,143.00
26/09/2019	\$283,475,608.00
26/09/2019	\$574,817,968.00
26/09/2019	\$209,956,641.00
<b>TOTAL</b>	<b>\$2,521,465,625.00</b>

**15. PETROLEUM SUBSIDY PAID TO CONTRACTORS**

In accordance with Sub-section (2) of Section 5 of the Petroleum Production Levy and Subsidy Act 1974, Chapter 62:02, the total advances made in the financial year 2019 from the Petroleum Products and Subsidy Fund, for the purpose of subsidizing the prices at which Petroleum Products are sold by persons carrying on marketing business is \$55,066,294.40 The details are available for Audit scrutiny.

**16. ACCIDENTS VICTIMS COMPENSATION FUND**

In the 2008 Budget Statement the Prime Minister and the Minister of Finance proposed to use the proceeds of the Insurance Premium Tax to establish an Accident Victims Compensation Fund to compensate victims of accidents caused by uninsured drivers.

17. There were no deposits or withdrawals made for the financial year 2019.

**18. HERITAGE AND STABILISATION FUND**

The Heritage and Stabilisation Fund (HSF) was established by Act No. 6 of 2007 which was assented to on March 15, 2007. This Fund is denominated in the currency of the United States of America. The purpose of the Fund is to save and invest surplus petroleum revenues derived from production business in order to cushion the impact on or sustain public expenditure capacity and generate an alternate stream of income so as to support public expenditure capacity during periods of revenue downturn and provide a heritage for future generations.

19. As at September 30, 2019 the balance in the HSF stood at USD \$6,250,343,073.29 (approximately TT\$ 42,233,568,146.22). There were no withdrawals or deposits were made for the financial year 2019.

**20. CONTINGENCIES FUND**

The Exchequer and Audit Act, Chapter 69:01 Part IV No.16 provides for the establishment of a Contingencies Fund not exceeding in aggregate \$1.5 million or such greater sum as Parliament may by resolution approve. The Contingencies Fund now stands at \$100 million. Over the years there have been increases to the Fund with the most recent being \$75 million. Legal Notice No. 203 of 2006 is relevant.

21. The purpose of the Fund is to defray unforeseen expenditure which has not been provided for by the Appropriation Act relating to that year and where the circumstances are such that the expenditure cannot, without injury to the public interest be postponed until adequate provision is made by Parliament. Supplementary funding must be provided in the same financial year to clear all expenditure incurred in respect of advances from the Contingencies Fund.

22. There were no Advances from the Contingencies Fund for the financial year 2019.

# **CHAPTER 1**

## **GENERAL MATTERS**



# CHAPTER 1

## GENERAL MATTERS

### THE PUBLIC ACCOUNTS

#### CONSTITUTIONAL AND LEGAL BASIS

1.1 The Auditor General's mandate for the audit of the Public Accounts and the right of access to all documents as well as the independence of the Office are enshrined in the Constitution of the Republic of Trinidad and Tobago as follows:

- S116. (2) *“The public accounts of Trinidad and Tobago and of all officers, Courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.”*
- S116. (6) *“In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority.”*

1.2 The Exchequer and Audit Act, Chapter 69:01 (the Act) expands this right of access to include explanations and information as well as access to all State property as follows:

- S10. (1) *“In the exercise of his duties under this Act the Auditor General shall be entitled –*
  - (a) to call upon any officer for any explanations and information which the Auditor General may require in order to enable him to discharge his duties;*
  - (b) to authorise any officer on his behalf to conduct any inquiry, examination or audit, and such officer shall report thereon to the Auditor General;*
  - (c) to send for and have the custody of any books, accounts, vouchers or papers under the control of any officer relating to or in any wise concerning the public accounts, and to keep such books, accounts, vouchers or papers for such time as he may require them; ....”*
- S10. (2) *“In the exercise of his duties under this Act the Auditor General, or any person duly authorised by him in writing, shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other State property in the possession of any officer.”*

1.3 Section 24 of the Exchequer and Audit Act, Chapter 69:01 (the Act) provides for the submission of the various financial statements comprising the Public Accounts of the Republic of Trinidad and Tobago to be submitted to the Auditor General within four months of the financial year-end of 30th September. These are:

- Section 24(1)(a) – Accounts of the Treasury
- Section 24(1)(b) – Appropriation Accounts of Accounting Officers
- Section 24(1)(c) – Statements of Receipts and Disbursements of Receivers of Revenue
- Section 24(2) – Accounts of Administering Officers of Funds or Trusts.

## **AUDIT SCOPE AND APPROACH**

1.4 For the financial year 2019, audit examinations were conducted at various Ministries and Departments of Government. The audit process entailed a review of the internal control systems applicable to the Public Accounts (including, in certain instances, the internal audit function) and examination of subsidiary books and records in order to verify the correctness of amounts shown in the financial statements submitted by Ministries and Departments as well as to determine compliance with legislation and/or financial directives in accordance with section 9 (2) of the Act which states:

*“The Auditor General shall satisfy himself that -*

*(a) all reasonable precautions have been taken to safeguard the collection of public moneys and that the laws, directions and instructions relating thereto have been duly observed;*

*(b) all issues and payments were made in accordance with proper authority and that all payments were properly chargeable and are supported by sufficient vouchers or proof of payment;*

*(c) all money expended has been applied to the purpose or purposes for which the same was granted by Parliament and that such expenditure conforms to the authority which governs it and has been incurred with due regard to the avoidance of waste and extravagance; ...”*

1.5 Sample testing using both manual and electronic selection together with physical verification, cash surveys and site visits were employed as considered necessary within the constraints of available human resources.

1.6 Where possible, audit observations were discussed with accounting personnel and/or accountable officers (Accounting Officer/Receiver of Revenue/Administering Officer) at Exit Meetings. Findings were communicated in writing and/or via electronic communication by way of memoranda addressed to Permanent Secretaries of Ministries and Heads of Departments.



## **LIMITATION OF SCOPE/INDEPENDENCE**

### **Limitations of the Audit of Statement of Revenue**

1.7 A scope limitation is a restriction on an audit caused by the deliberate or unintentional actions of the client or caused by issues that are beyond the control of both the client and the auditor. Other events that do not allow the auditor to complete all planned audit procedures in a timely manner may also restrict the scope of the audit assignment.

1.8 Section 4 of the Income Tax Act, Chapter 75:01 is the provision that sets out the official secrecy requirements relating to the income or items of the income of any person. To this end, the interpretation and application by the Board of Inland Revenue of the secrecy provisions of section 4 of the Income Tax Act, have continued to pose a challenge to the audit of revenue at the Inland Revenue Division.

1.9 The Attorney General in 2015, assured the Auditor General that the necessary steps were being taken to ensure that the Auditor General's access to the information could be facilitated.

1.10 Following the recommendations of the Public Accounts Committee in the first quarter of 2017, the Chairman of the Board of Inland Revenue and the Auditor General met on several occasions during the course of the financial years 2017 and 2018 under the auspices of the Ministry of the Attorney General and Legal Affairs. The Auditor General submitted proposals for the consideration of the Attorney General. However, these proposals were not accepted by the Board of Inland Revenue. The Auditor General has always maintained that it has a legal right to access the information and due to the inability of the parties involved to come to a consensus, the Auditor General in 2019 and 2020 requested the Attorney General to file an interpretation summons for the interpretation of section 4 of the Income Tax Act. To date, the matter remains unresolved.

1.11 The emergence of Novel Coronavirus in Trinidad and Tobago and the resultant Public Health [2019 Novel Coronavirus (2019-nCoV No.5)] Regulations, 2020, hampered the Department's audit of the Appropriation Accounts to some extent. In an effort to ensure the safety of the staff, the scope of some of the audits had to be curtailed in order to reduce potential exposure to the virus.

## **AUDIT OF THE PUBLIC ACCOUNTS**

### **GENERAL OBSERVATION**

#### **ACCOUNTING STANDARDS**

1.12 Standards and detailed guidance exist with respect to internal control and maintenance of accounting records in the form of:

Exchequer and Audit Act, Chapter 69:01 and the Financial Regulations<sup>1</sup> made thereunder;  
Financial Instructions 1965<sup>2</sup> (issued by the Treasury);  
Financial Regulations (Stores) (issued by the Treasury); and  
Circulars issued by the Treasury.

1.13 These requirements are intended to safeguard State property and to ensure the collection and use of State resources in the public interest.

#### **Recent Developments**

##### **Cash Basis International Public Sector Accounting Standards (IPSAS)**

1.14 The International Federation of Accountants (IFAC) issues International Public Sector Accounting Standards (IPSAS) which are considered to be best practice guides and are being adopted by governments worldwide in an effort to increase transparency and accountability and so to facilitate better governance. The Treasury's progressive move from generally accepted cash accounting procedures to Cash Basis IPSAS was initiated by issuance of Minister of Finance Circular No. 3 dated March 20, 2017 along with the associated Procedures Manual which introduced Cash Basis IPSAS in the Public Service.

1.15 Since March 2017 Ministries/Departments have been preparing and submitting monthly Cash Basis IPSAS compliant Statement of Receipts and Payments for consolidation by the Treasury Division. The Treasury Division in producing the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2019, has prepared and presented the Consolidated Statement of Assets and Liabilities (now the Cash Basis Consolidated Statement of Assets and Liabilities) using the concepts and accounting standard of the IPSAS Cash Basis of Accounting.

##### **Finalizing the Revisions of the Chart of Accounts (CoA)**

1.16 The current Chart of Accounts is not consistent with international standards of recording and reporting on government financial statistics. In late 2019, a short term consultancy was initiated to review the previous draft of the new Chart of Accounts with an objective to create a new Chart of Accounts that can be incorporated into the Integrated Financial Management Information System (IFMIS).

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<sup>1</sup> Hereinafter referred to as Financial Regulations

<sup>2</sup> Hereinafter referred to as Financial Instructions

## **AUDIT FINDINGS**

1.17 The findings as set forth in Chapters 2 to 4 include examples of weaknesses in the internal control systems, as well as non-compliance with legislative requirements and/or financial directives. Comments also cover the lack of proper maintenance of the relevant subsidiary books and records. Chapter 5 contains summaries from two Special Audit Reports. Treasury Statements for accounts managed by the Treasury such as the Exchequer Account, the Public Debt and Loans Receivable are analysed in Chapter 6.

### ***Payments made out of public moneys to a Member of Parliament in accordance with section 25 (2) of the Act.***

1.18 Section 25(2) states: *“The Auditor General shall set out in his annual report all payments made out of public moneys to a member of each House of Parliament (other than the salary and any allowances paid to him as a Minister, President or Deputy President of the Senate, Speaker or Deputy Speaker of the House, Parliamentary Secretary or as a member, and any pension paid to such member) by stating the name of the member receiving the payment, the total amount which he has received and the service or services in respect of which the payment was made.”*

1.19 During the financial year, Senator John Heath received the sum of \$100,000.00 in respect of services rendered for a court matter. Paragraph 2.65 of this Report, refers.

### ***Typographical and Others Errors from Appropriation Accounts***

1.20 Comptroller of Accounts Circular No. 7 dated August 12, 2019 provided detailed instructions with respect to the preparation and submission of Appropriation Accounts for the year ended 30<sup>th</sup> September, 2019. Nonetheless, typographical and other errors as well as omissions continue to be evident in certain Appropriation Accounts submitted for audit.

1.21 Errors/omissions noted have been referred to the respective entities and have no material effect on the truth and fairness of the Public Accounts except as otherwise stated in this Report. Accounting Officers are reminded of their responsibility to ensure that the statements submitted are thoroughly checked for errors and omissions before submission to the Auditor General by the statutory deadline.



# **CHAPTER 2**

## **ACCOUNTS OF ACCOUNTING OFFICERS**

## CHAPTER 2

# ACCOUNTS OF ACCOUNTING OFFICERS

### ACCOUNTING FOR EXPENDITURE

#### SUBMISSION OF APPROPRIATION ACCOUNTS

2.1 Under section 4 (3) of the Exchequer and Audit Act, Chapter 69:01 (the Act), the Treasury is required to “...so superintend the expenditure of public monies as to ensure that proper arrangements for accounting to the House for such expenditure are made.” The Minister of Finance appoints Accounting Officers who are charged with the duty of accounting for the use of public monies.

2.2 In accordance with section 24 (1) (b) of the Act, Accounting Officers are required to submit Appropriation Accounts to the Auditor General within four months of the financial year-end of 30<sup>th</sup> September.

#### EXPENDITURE VARIANCES

2.3 During the financial year 2019 expenditure was incurred under 42 Heads of Expenditure as detailed on the Statement of Expenditure included with the Treasury Statements<sup>3</sup>. Overall variances as well as prior year comparatives are as follows:

	2019	2018	Increase/(Decrease)
	\$	\$	\$
Appropriations	45,512,110,705.00	43,066,342,711.00	2,445,767,994.00
Direct Charges	12,748,354,178.00	13,771,901,207.00	(1,023,547,029.00)
<b>Total Expenditure Authorized</b>	<b>58,260,464,883.00</b>	<b>56,838,243,918.00</b>	<b>1,422,220,965.00</b>
Total Actual Expenditure	54,581,187,114.99	54,211,711,301.52	369,475,813.47
Unspent Allocations	3,679,277,768.01	2,626,532,616.48	1,052,745,151.53

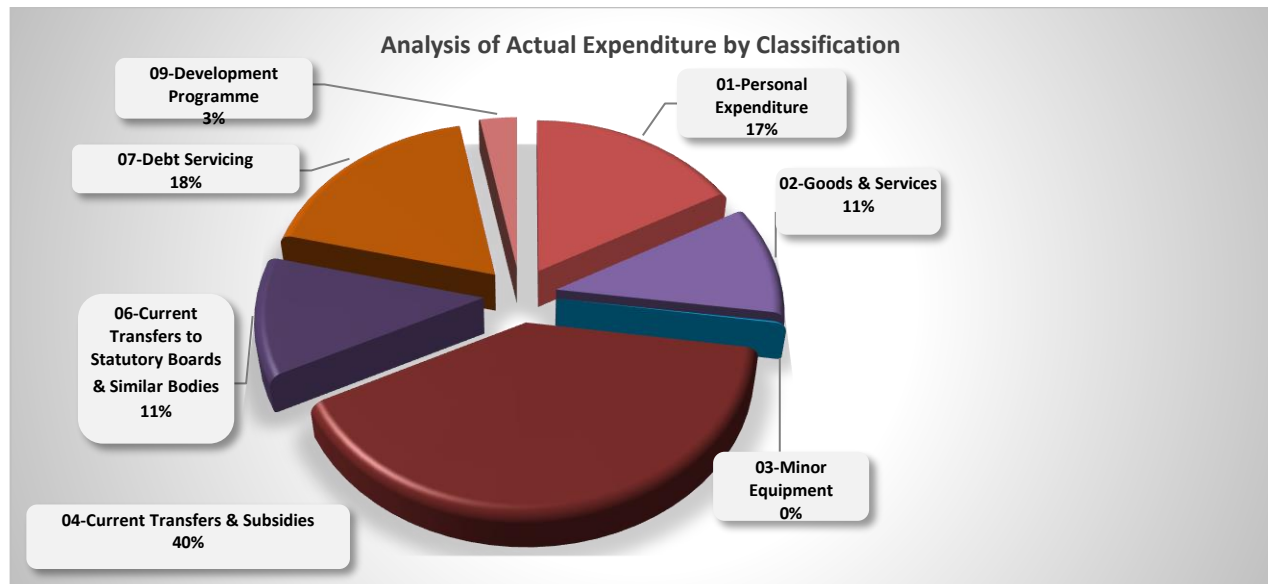
<sup>3</sup> Details of certain Treasury Statements are reproduced at the end of Chapter 6 of this Report.

## TOTAL EXPENDITURE INCURRED - \$54,581,187,114.99

### EXPENDITURE BY CLASSIFICATION

2.4 A break down by Sub-Head of total actual expenditure for the financial year 2019 is shown at **Chart 2.1**.

**Chart 2.1: Analysis of Actual Expenditure by Classification**



## THE AUDIT OF EXPENDITURE

2.5 The paragraphs which follow include comments relating to areas where improvements are needed across several Ministries and Departments.

### INDIVIDUAL AREAS OF CONCERN

2.6 The audit findings recorded in this section focussed on accounting for expenditure items by Ministries and Departments and the related allocations approved by Parliament in respect of the financial year.

### FLEET MANAGEMENT

#### Procurement of Fuel and Lubricants

#### Ministry of National Security

2.7 In March 2015, a fleet card facility for the procurement of fuel and lubricants was established by the Minister of Finance. This facility allowed Ministries and Departments to purchase fuel and

lubricants from the Trinidad and Tobago National Petroleum Company Limited (NP) service stations using a coded debit card facility.

2.8 From a sample of vouchers examined, two vouchers totalling \$491,305.41 in favour of NP were not produced.

2.9 Documentary evidence of the authority for the Fire Services Division, Ministry of National Security to purchase fuel and lubricants totalling \$541,647.58 from United Independent Petroleum Company Limited (UNIPET) instead of the NP, the approved supplier, was not provided for audit examination.

2.10 A formal agreement between the Ministry of National Security and the UNIPET for the supply of fuel and lubricants to the Fire Services Division was not produced for audit examination.

## **VEHICLE CONTROL**

### **Ministry of National Security**

2.11 Details as per Certified Copies of Ownership differed from those recorded in the Vehicle Listing Register for twelve vehicles of the Fire Services Division.

2.12 Vehicle Log Books, which are used to monitor and control vehicle usage, were not maintained according to financial directives, in that:

- The particulars of the vehicle required to be filled in at the front of the Log Books were not inserted;
- The signature and post of the authorizing officer was not affixed in the Log Books;
- The column to record total and progressive mileage for the vehicle was not filled in; and
- The records of fuel and oil supplied for the vehicles were not inserted by the drivers.

### **Ministry of Agriculture Lands and Fisheries**

2.13 A physical verification of vehicles was conducted at the Ministry's Head Office and the following issues were identified:

- The Ministry's Logo was not affixed to one vehicle assigned to the Head Office
- Discrepancies pertaining to the chassis number for seven vehicles were noted between the Certified Copies of Ownership and the Vehicle Listing Register.

### **Ministry of Health**

2.14 Inspection Certificates for 98 vehicles were not provided for audit examination. It was reported that most of these vehicles were not functional but this status was not reflected in the remarks column of the Motor Vehicle Listing Register.



## **EXPENDITURE CONTROL**

### **Grant of Credits**

2.15 A Grant of Credit as defined at section 18 of the Exchequer and Audit Act is the necessary authority to issue from the Exchequer Account the amount specified in the Credits. It was noted that total expenditure exceeded credits granted for the following entities.

#### **Environmental Commission**

2.16 The total expenditure of \$7,477,673.12 at the Environmental Commission exceeded credits granted of \$7,463,737.00 for the year 2018/2019 by \$13,936.12.

#### **Judiciary**

2.17 At the close of the financial year, expenditure of \$459,612,879.66 plus commitments of \$8,590,509.95 totalling \$468,203,389.61 for the year 2018/2019 exceeded releases and credits granted of \$463,976,905.00 by the amount of \$4,226,484.61.

## **VOTE BOOK**

2.18 Ministries and Departments are required to ensure that proper systems of accounting exist and transactions are properly recorded in the relevant accounting records. Presented below are instances of discrepancies observed in their respective Vote Books. The Vote Book is the main record for expenditure and accounting for commitments.

#### **Ministry of National Security**

2.19 The Vote Books were not properly maintained, in that,

- Entries pertaining to cancellation of invoices in the Vote Books were neither initialed nor dated by the person making the entries as required by financial directives.
- Contrary to financial directives which require Accounting Officers to ensure that all books are correctly posted and kept up to date, it was noted that certain outstanding commitments which were brought forward from previous years were recorded as being cancelled in the current year's Vote Book and which were described in the Vote Book as having been paid in previous fiscal years.

## **EXTRAORDINARY EXPENDITURE**

2.20 The Detailed Estimates of Recurrent Expenditure identifies Extraordinary Expenditure as unforeseen expenditure that is not likely to recur. However, the sample selected for examination showed monthly payments amounting to \$431,916.25 to three contractors for janitorial services and rental of vehicles which were charged against the Extraordinary Expenditure Vote. It was also noted that several unpaid invoices relating to previous years for monthly janitorial services and vehicle rentals to the same service providers were also charged against the Extraordinary Expenditure Vote.

### **Ministry of Agriculture, Land and Fisheries**

2.21 Examination of the Ministry's Vote Books revealed several weaknesses in the maintenance of the Vote Books due to non-adherence of the regulatory and financial guidelines governing maintenance of these accounting records. As a result, there were numerous instances of erroneous calculations and inaccurate balances (i.e. commitments, outstanding commitments, balance of provision, and uncommitted balance of provision, expenditure and releases) reflected in the Vote Books contrary to stipulated directives that the Vote Book should always reflect the true financial position of the Ministry.

2.22 Vouchers to support three payments for janitorial services totalling \$37,303.24 recorded in the Vote Book were not provided for audit examination.

### **Ministry of Community Development, Culture and the Arts**

2.23 Part B of the Vote Books was not properly maintained in accordance with financial directives in that,

- The dates on which invoice orders were committed in the Vote Books were not inserted in column 1 as required, for commitments brought forward totalling \$308,543.00 pertaining to four sub-items of expenditure.
- The Balance of Provision and the Uncommitted Balance of Provision (Columns 14-15) was not filled in when the brought forward commitments were recorded in the 2018/2019 Vote Books.
- Entries pertaining to cancellation of invoice orders in the Vote Books were not initialled by the person making the entries as required by Financial Instruction paragraph 257(3).
- Outstanding commitments from 2017/2018 totalling \$56,473.61 from two sub-items were not seen to be brought forward in the 2018/2019 Vote Books as stipulated by financial directives but were paid in November 2018 and January 2019.
- Some commitments dated as far back as the 2010/2011 financial year were brought forward in the 2018/2019 Vote Books contrary to financial directives which require that all times votes are sufficient to meet all commitments.
- Schedules of Accounts to reflect the adjustments due to cancellation of invoice orders in the Vote totalling \$283,363.00 under three votes were not provided for audit examination.
- Several previous year's invoices from three votes totalling \$225,493.61 were not brought forward in the 2018/2019 Vote Books as required by financial directives as follows:

	\$
Rent/Lease –Vehicles and Equipment	169,020.00
Other Contracted Services -	
Community Development Division	47,616.11
Janitorial Services -	
General Administration	8,857.50
	<u>225,493.61</u>

## CARIFESTA XIV 2019

2.24 Items purchased by the Information Technology Department (IT) for CARIFESTA namely, 60 Wi-Fi dongles and two other items of inventory as seen in the Vote Book were not recorded on the listing of items returned to the Ministry nor was it seen to be recorded in the Inventory Register.

2.25 There were three laptop computers and four TAB E tablets recorded on the Asset Register (IT) and also on the list of items returned to the Ministry. However, the Vote Book showed no evidence of payment or record of these items being committed.

2.26 There appeared to be a lack of control with regard to the issuing of Invoice Orders for payments under CARIFESTA. A sample of 12 invoice orders examined revealed the following:

- i. Information on the invoice orders such as name and address of supplier, description of goods were not fully entered on all the invoice orders.
- ii. There were five instances where all three copies of invoice orders were seen in the Invoice Order Book. These were not cancelled and were subsequently paid using an ‘Other Charges Voucher’.
- iii. There were three instances where invoice orders were committed in the Vote Book, without sufficient releases to cover the committed expenses.
- iv. Outstanding invoices were seen however, commitments were not seen recorded in the Vote Book.

2.27 Total Expenditure of \$28,381,830.44 added to bills on hand of \$12,355,316.35 was in excess of the 2018/2019 Allocation of \$28,400,000.00 by an amount of \$12,337,146.79.

## COMMITMENTS

2.28 The accounting for commitments requires Accounting Officers to maintain such books and records to ensure that at all times budgetary provisions are sufficient to meet all commitments. It was observed that a number of Ministries and Departments failed to bring forward, outstanding commitments at the end of the financial year 2017/2018 in their Vote Books for the financial year 2018/2019.

### Ministry of Agriculture, Land and Fisheries

#### Unpaid Invoices

2.29 Unpaid invoice orders totalling \$5,916,612.94 relating to the 2017/2018 financial period which were paid in 2018/2019 were neither committed in the 2017/2018 nor the 2018/2019 Vote Books to reserve funds as required by financial directives. These directives require that a potential liability be recorded at the time a commitment is made and any outstanding commitments at the end of a financial period to be carried forward in the Vote Books of the subsequent period.

### Ministry of Labour and Small Enterprise Development

2.30 A Listing of liabilities as at 30<sup>th</sup> September 2019, reveal amounts in the sum of \$3,626,804.00 were owed to several suppliers. It was noted however that these amounts were not recorded as commitments in the 2018/2019 Vote Books.

### Ministry of National Security

2.31 Commitments recorded in the Vote Books were not properly maintained, in that:

- Outstanding commitments totalling \$21,289,564.89 recorded in the Vote Book in respect of Goods and Services as at 30<sup>th</sup> September, 2018 were brought forward in the 2018/2019 Vote Book. However, some of these commitments under Goods and Services which were brought forward in the 2018/2019 Vote Books, were from the financial period 2014/2015. A reason for their continued non-payment was not provided.
- The sample selected for examination in April 2019, showed brought forward commitments totalling \$7,319,277.74 and commitments valued at \$1,410,949.38 were cancelled in the Vote Book. The Schedules of Accounts which should have provided evidence of the reasons for the cancellations were not provided by the Ministry.

2.32 Schedules of Accounts pertaining to commitments brought forward in the 2018/2019 Vote Books under several votes totalling \$1,777,531.88, were not provided by the Ministry.

### Trinidad and Tobago Police Service

2.33 From the sample examined under four votes, unrecorded invoices (liabilities) totalling \$15,948,148.49 relating to the 2017/2018 financial period were only entered in the Vote Books for 2018/2019 at the time of payment, in contravention of the financial directives. These Votes are:

	\$
Rental of Vehicles and Equipment	1,376,231.25
Janitorial Services	13,429,160.39
Maintenance of Vehicles	1,046,926.28
Other Contracted Services	<u>95,830.57</u>
<b>TOTAL</b>	<b><u>15,948,148.49</u></b>

### **Ministry of Education**

2.34 Commitments totalling \$1,142,213.50 were noted, some dating as far back as 2002. Prior year commitments represented 51% of the total outstanding commitments under General Administration as at 30<sup>th</sup> September, 2019.

### **Ministry of Community Development, Culture and the Arts**

2.35 A Schedule of Outstanding Commitments as at 30<sup>th</sup> September, 2019 which was requested from the Ministry was not provided for audit examination. As a result, it could not be ascertained if the balances brought forward in the Vote Books for 2018/2019 were accurate.

2.36 Commitments (invoice orders) brought forward from the 2017/2018 Vote Books to the 2018/2019 Vote Books under four votes, totalling \$308,543.00 were seen cancelled in the 2018/2019 Vote Books in May, January and July, 2019. These invoice orders were seen to be dated as far back as 2011.

### **Judiciary**

2.37 The accounting for commitments by the Judiciary was not in keeping with the financial directives which requires that Accounting Officers maintain such books and records to ensure that at all times budgetary provisions are sufficient to meet all commitments. The main discrepancy was the failure to accurately bring forward in the 2018/2019 Vote Book (which is the primary record for expenditure and accounting for commitments), outstanding commitments at the end of the 2017/2018 financial year.

### **RECONCILIATION OF ACCOUNTING RECORDS**

2.38 Reconciliation of underlying accounting records ensures completeness, accuracy and reliability of the Appropriation Accounts.

### Ministry of Education

2.39 In two instances, the Abstract of Payments did not agree with other accounting records namely the Vote Book and the Schedules of Accounts by a difference of \$372,390.10.

### Trinidad and Tobago Police Service

2.40 It was seen that three commercial bank accounts are held in favour of the TTPS. Monthly Bank Reconciliation Statements for these bank accounts were not provided. Bank statement in respect of two of the three bank accounts totalled \$2,831,743.76 at 30<sup>th</sup> September, 2019 were provided. Bank statements for one account were not provided.

## CONTRACTS

### Ministry of National Security

2.41 Formal contracts/agreements were not produced for:

- Electrical and refurbishment works at the Infantry Battalion and the Administrative Building, La Romaine (Defence Force) paid to two contractors totalling \$748,676.25.
- Janitorial services provided by a service provider for certain stations of the Fire Services totalling \$1,497,418.97.

### Trinidad and Tobago Police Service

2.42 Services listed hereunder in respect of expenditure totalling \$20,334,789.83 as at 30<sup>th</sup> April 2019, between the service providers and the Trinidad and Tobago Police Service :

	\$
Rent/Lease of Vehicles and Equipment	1,517,631.25
Janitorial Services	18,627,928.01
Other Contracted Services	<u>189,230.57</u>
<b>Total</b>	<b><u>20,334,789.83</u></b>

2.43 Documents in support of tender procedures for selection of vendors for good and services totalling \$1,690,431.25 under the item entitled 'Rent/Lease of Vehicles and Equipment' were not provided for audit examination.

### Ministry of Education

2.44 Neither a formal agreement nor a Memorandum of Understanding between the Ministry of Education and the Public Transport Service Corporation was provided for the School Transport System.

### Ministry of Agriculture, Land and Fisheries

2.45 Formal contracts/agreements for service providers of janitorial and security services and sanitation works at various locations of the Ministry with expenditure totalling \$1,676,993.57 were not provided for audit examination .

2.46 Employment contracts for six officers, terms and conditions of employment from the Chief Personnel Officer for three contract employees, copies of birth certificates for three contract employees and a pay record card for one Short-Term contract employee were not provided for audit examination.

### Ministry of Community Development, Culture and the Arts

2.47 Formal contracts/agreements between the Ministry and several service providers in respect of expenditure totalling \$477,713.56 were not provided for audit examination.

	\$
Janitorial Services	199,898.56
Other Contracted Services	<u>277,815.00</u>
<b>Total</b>	<b><u>477,713.56</u></b>

### Ministry of National Security

2.48 Cabinet/Ministerial approval for the employment of 92 Fire Wardens under a short-term arrangement and documented procedures for hiring of persons under Short Term Employment were not provided for audit examinations.

### CURRENT TRANSFERS AND SUBSIDIES

2.49 Line Ministries are required to ensure that documentation of annual financial statements, as well as documentation of other types of monitoring and evaluation evidence and records of expenditure are submitted by these entities as required by the State Enterprises Performance Monitoring Manual.

2.50 Based on the work done, it was found that entities did not submit the required documentation on a regular and consistent basis. In addition, it was seen from the Line Ministries sampled, that there were certain Ministries which did not follow up on the non-submission of key documents required from the entities.

2.51 Presented below are the findings for the Ministry of Works and Transport.

### Ministry of Works and Transport

State Enterprises/ Statutory Bodies	Strategic Plan	Annual Budget	Annual Financial Statement	Annual Performance Appraisal Report	Administrative Report	Board Minutes	Monthly Cash Statements of Operations
Port Authority of T&T (PATT)	Draft 2017/2020	Estimates 2018/19	2014	Not provided	2015/2016	07/2019	4/2019
Vehicle Management Corporation of T&T (VMCOTT)	2017-2020	Not provided	Not provided	2016-2017	2018	12/2018	12/2018
National Infrastructure Development Company Limited (NIDCO)	2017-2020	2018/2019	2017	Not provided	2017	06/2019	02/2019
National Helicopter Services Limited (NHSL)	Not provided	Not provided	2014	Not provided	Not provided	Not provided	Not provided
Public Transport Service Corporation (PTSC)	2017-2020	Not provided	2017	2016-2017	2018	December 2018	December 2018

### NIDCO – Repayment of \$1.5Bn Loan re: Sir Solomon Hochoy Highway Extension to Point Fortin

2.52 A payment of \$824,961.09 was made in respect of default interest charges for late payment of principal and interest which was due on December 14, 2017 but was paid on January 4, 2018 (21 days after the due date), and a payment due on June 14, 2018 which was paid on July 5, 2018 (22 days after the due date). Evidence seen indicated that these payments were remitted late as a result of late receipts from the Ministry.

### Ministry of Community Development, Culture and the Arts

2.53 Verification of the monitoring and evaluation systems by the Ministry was seen to be done through review of Reports and Statements submitted by the recipient entities and reports of the Planning and Implementation Unit of the Ministry.

2.54 The following are the findings for Export Centres Company Limited (ECCL), National Commission for Self-Help (NCSHL) and National Carnival Commission (NCC).



DOCUMENT/ REPORT	OUTSTANDING		
	ECCL	NCSHL	NCC
Monthly Management Accounts	July to September 2019	September 2019	None Seen
Financial Statements	2012 to 2018	2017 and 2018	2015 to 2018
Annual Performance Appraisal Report	2013-2018	2008 to 2018	2010 to 2018
Board Minutes	September 2019	August and September 2019	June to September 2019
Monthly Cash Statement of Operations	August and September 2019	July to September 2019	Up to date
Monthly Status and Progress Report	None Seen	August to September 2019	None Seen

### Office of the Prime Minister

2.55 The 2018/2019 Annual Work Plan of the Internal Audit Unit of the Office of the Prime Minister, had scheduled internal audit reviews of the operations at St. Mary's Children's Home and St. Dominic's Children's Home to be undertaken. At the time of audit scrutiny in September 2019, evidence was not seen that the scheduled audits had been undertaken.

2.56 Evidence was seen that the last Internal Audit Reports submitted for the Homes were as follows:

- St. Mary's Children's Home Report was in respect of the period October 2017 to May 2018, and
- St. Dominic's Children's Home Report was in respect of the period October 2016 to September 2017.

## DEVELOPMENT PROGRAMME

### Internal Audit

#### Ministry of Agriculture, Land and Fisheries

2.57 There was limited evidence of internal audit checks on the records examined.

## APPROPRIATION ACCOUNTS

### Certification

2.58 An uncertified Appropriation Account Statement from the Environmental Commission was submitted to the Auditor General. It was reported that a Letter of Appointment authorising an Accounting Officer was not received from the authorising body.

## Notes to the Appropriation Accounts

### Note 2 (c)(i) Overpayments discovered during the financial year

#### Judiciary

2.59 There was a difference of \$295,826.40 between the Schedule of Overpayments provided by the Judiciary totalling \$1,005,352.24 and the amount of \$1,301,178.64 as disclosed in the Notes to the Appropriation Account.

### Note 2 (j) - Particulars of Trust and Other Moneys Held

#### Judiciary

2.60 A Statement of Trust Fund Accounts was not submitted to the Auditor General's Department which contravenes Exchequer and Audit Act Section 24 (2) (b) which states "*any officer administering any trust or other fund or account not provided for in this section shall if so directed by the treasury, prepare, sign and transmit to the Auditor General an account in such form as the Treasury may from time to time direct*".

2.61 The Value of Funds held in Trust for the undermentioned Magistrates' Courts as disclosed in the Notes to the Accounts, differed from the amounts reflected in the Summary Report for the Value of Funds which was prepared by the Accounts and Investment Unit of the Judiciary. Details are as follows:

Magistrate's Court	As per Appropriation Account/Schedule \$	Summary Report for the Value of Funds \$	Difference \$
Sangre Grande Magistrate's Court	1,821,517.16	3,373,734.00	(1,552,216.84)
Siparia Magistrate's Court	1,212,680.29	1,259,209.45	(46,529.16)
Hall of Justice ,Port of Spain	<u>88,347,904.56</u>	<u>82,214,035.85</u>	<u>6,133,868.71</u>
<b>Total</b>	<b><u>91,382,102.01</u></b>	<b><u>86,846,979.30</u></b>	<b><u>4,535,122.71</u></b>

### Note 2 (l) Commitments as at 30<sup>th</sup> September, 2019

#### (i) A Statement showing total outstanding commitments in respect of each Sub-Head of Expenditure

##### Ministry of Education

2.62 The figure for Goods and Services of \$2,706,356.75 in the Notes to the Accounts and the figure of \$6,181,430.03 in the accounting records (Vote Books and Schedule of Commitments) maintained by the Ministry were both understated by \$41,905.00.

**Judiciary**

2.63 The amount recorded in the Vote Book of \$8,565,813.73 was not in agreement with the Schedule of Commitments submitted by the Ministry and the Note to the Appropriation Account of \$8,590,509.95, a difference of \$24,696.22.

**Note 2 (I) (ii) - Particulars in respect of Contracts entered into but not yet completed****Ministry of the Attorney General and Legal Affairs**

2.64 Disclosure of \$4,265,600.00 to a service provider did not include the sum of \$533,200.00 being an amount representing value added tax (VAT) as the total contract price was \$4,798,800.00 (VAT inclusive).

**Note 4 – Statement of Payments out of Public Moneys to Members of Parliament - Section 25 (2) of the Exchequer and Audit Act Chapter 69:01****Ministry of the Attorney General and Legal Affairs**

2.65 A fee schedule provided for audit examination reflected an amount of \$100,000.00 paid to former Senator John Heath instead of \$60,000.00 as disclosed in the Notes to the Appropriation Statement.



# **CHAPTER 3**

## **ACCOUNTS OF RECEIVERS OF REVENUE**



## CHAPTER 3

# ACCOUNTS OF RECEIVERS OF REVENUE

3.1 Receivers of Revenue are responsible for all aspects of the collection of revenue and for rendering proper account of the sums received under specific Heads of Revenue assigned to them. The Letter of Appointment which is issued to each Receiver of Revenue states *inter alia*:

*“In order that there may be no misunderstanding, it is emphasized that under the heading of collection your responsibility covers all of the following stages:-*

- *Ascertaining the existence of liabilities*
- *Ensuring that correct charges are levied*
- *Establishing written records of sums due and paid*
- *Taking proper steps to secure payment.”*

### REVENUE

3.2 Revenue estimated to be collected for the financial year 2019 was \$48,163,885,000.00. This was revised to \$53,130,888,567.00. The Statement of Revenue submitted by the Treasury showed that the total actual revenue collected under the various Heads was \$53,423,353,341.79 as shown below.

	REVISED ESTIMATES \$	2019 ACTUAL REVENUE \$	REVENUE MORE/(LESS) THAN REVISED ESTIMATES \$	%
<b>TAX REVENUE</b>	<b>33,243,061,423.00</b>	<b>32,035,748,398.79</b>	<b>(1,207,313,024.21)</b>	<b>(3.64)</b>
01. TAXES ON INCOME AND PROFITS	22,207,045,700.00	21,627,815,352.86	(579,230,347.14)	(2.61)
02. TAXES ON PROPERTY	46,886,500.00	49,552,906.50	2,666,406.50	5.69
03. TAXES ON GOODS AND SERVICES	8,017,472,823.00	7,330,521,761.01	(686,951,061.99)	(8.57)
04. TAXES ON INTERNATIONAL TRADE	2,623,122,600.00	2,672,262,231.20	49,139,631.20	1.87
05. OTHER TAXES	348,533,800.00	355,596,147.22	7,062,347.22	2
<b>NON-TAX REVENUE</b>	<b>11,070,448,127.00</b>	<b>12,051,218,741.03</b>	<b>980,770,614.03</b>	<b>8.86</b>
06. PROPERTY INCOME	8,637,542,163.00	9,320,069,272.00	682,527,109.00	7.94
07. OTHER NON-TAX REVENUE	1,070,537,206.00	1,364,199,160.89	293,661,954.89	27.44
08. REPAYMENT OF PAST LENDING	1,362,368,758	1,366,950,308.14	4,581,550.14	0.34
09. CAPITAL REVENUE	972,782,625.00	979,783,020.80	7,000,395.80	0.72
<b>FINANCING</b>				
10. BORROWING	7,844,596,392.00	8,356,603,181.17	512,006,789.17	6.53
<b>GRAND TOTAL</b>	<b>53,130,888,567.00</b>	<b>53,423,353,341.79</b>	<b>292,464,774.79</b>	<b>0.55</b>

## STATEMENTS OF RECEIPTS AND DISBURSEMENTS

### AUDIT OF REVENUE

3.3 Observations arising from the examination of the systems and procedures for revenue accounting, as well as the Statements of Receipts and Disbursements of the Receivers of Revenue are highlighted in the subsequent paragraphs.

#### EB1 – CHIEF ELECTION OFFICER, ELECTION AND BOUNDARIES COMMISSION

- 3.4 Weaknesses in the maintenance of the Revenue Register resulted in the following:
- Carried forward and brought forward totals were not seen for consecutive months.
  - There was no evidence that the Register was checked by a Senior Officer.
  - Deposits totalling \$56,464.00 were not recorded in the Register but accounted for in the Statement of Receipts and Disbursements.

#### ED1 – PERMANENT SECRETARY, MINISTRY OF EDUCATION

3.5 An amount of \$250,219.70 was erroneously included as a revenue item in the Statement of Receipts and Disbursements. However, this was identified as an item of revenue assigned to the Ministry of Finance – Comptroller of Accounts.

#### ET1 – REGISTRAR, EQUAL OPPORTUNITY TRIBUNAL

3.6 An uncertified Statement of Receipts and Disbursements was submitted. It was reported by the Equal Opportunity Tribunal that at the time of signing, a Letter of Appointment for the Receiver of Revenue was not provided by the authorising body. The amount collected as per Statement of Receipts and Disbursements was in agreement with the records of the Treasury.

#### FN3 – COMPTROLLER OF CUSTOMS AND EXCISE, MINISTRY OF FINANCE

3.7 Differences totalling \$392,979,308.12 were noted between the total receipts as per the Statement of Receipts and Disbursements and the Electronic Cash Book. Details are as follows:

Particulars	Amounts (\$)
Statement of Receipts and Disbursements inclusive of IDAs	3,661,475,461.55
Digital Cash Book inclusive of IDAs	4,054,454,769.67
<b>Difference</b>	<b>392,979,308.12</b>



3.8 The difference of \$392,979,308.12 between the Electronic Cash Book and the Statement of Receipts and Disbursements was due to variances in cash and Interdepartmental Adjustments (IDA) under seven sub-items.

3.9 The Customs and Excise Division did not submit a Statement of Arrears of Revenue as required by financial directives.

## HE1 – PERMANENT SECRETARY, MINISTRY OF HEALTH

### Security of Cash

3.10 Cash was not stored in a fireproof vault as required by financial directives.

### Deposits

3.11 Cash was not deposited on a daily basis as required by financial directives. For example, revenue collected between the periods 26<sup>th</sup> October 2018 to 29<sup>th</sup> November, 2018 was not deposited until 30<sup>th</sup> November 2018, twenty-one working days later.

3.12 The number of deposits per month is reflected in the table below:

**Table: Details of Daily Deposits per Month**

Months deposited	No. of deposits per month	Totals for the month \$
October 2018	4	175,305.00
November 2018	2	84,580.00
December 2018	3	93,835.00
January 2019	5	71,440.00
February 2019	7	67,040.00
March 2019	4	144,315.00
April 2019	3	59,540.00
May 2019	2	29,364.18
June 2019	2	32,275.00
July 2019	3	90,805.00
August 2019	2	27,810.00
September 2019	3	16,155.03
<b>Total</b>	<b>40</b>	<b>892,464.21</b>

3.13 Reconciliation Statements of revenue collected were not seen for the period October 2018 to August 2019. As at August 2019, revenue received at the District Revenue Services on behalf of the Ministry of Health in the amount of \$786,790.00 could not be verified as the relevant documents were not provided for audit examination.

### **MJ1 – CHIEF MAGISTRATE, MAGISTRACY – JUDICIARY**

3.14 At the time of the audit examination in August 2019, Reconciliations which account for differences between the records of the Judiciary and the Treasury Department were not provided with respect to 13 revenue items totalling \$6,155,946.25.

### **STATEMENTS OF RECEIPTS AND DISBURSEMENTS**

3.15 A Reconciliation Statement for MJ 1 Magistrate’s Court was not produced for audit examination.

3.16 A difference of \$1,411,239.00 was noted between Section A and Section B of the Statement of Receipts and Disbursements as follows:

<b>Description</b>	<b>Section A</b>	<b>Section B</b>	<b>Difference</b>
07- Other Non -Tax Revenue	\$ 67,435,260.14	\$ 68,846,499.14	\$ 1,411,239.00

### **SP1 – PERMANENT SECRETARY, MINISTRY OF SPORTS AND YOUTH AFFAIRS**

3.17 Revenue collected at two locations of the Ministry of Sport and Youth Affairs was not deposited in a timely manner. For instance, revenue collected at one location between the periods 1<sup>st</sup> May to 22<sup>nd</sup> May, 2019 and at the other location, between the periods 1<sup>st</sup> June to 14<sup>th</sup> June, 2019 respectively was still on hand at the time of the survey in June, 2019.

3.18 A number of instances of non-compliance with financial directives was noted as follows:

- The fireproof safe/vault at one location was not securely attached to the building or built into the wall.
- There was a lack of segregation of duties with respect to revenue collection, receipting, depositing, recording and custody at both locations visited. Adequate supervisory controls to be implemented in the absence of segregation of duties were not evident in the records examined.
- The cashiers’ functions at both locations were performed by contract employees for whom the prior approval of the Treasury was not sought.
- The cash books were not certified on a daily basis by a Senior Officer.
- The cash books were not balanced daily nor were brought forward and carried forward balances reflected.

- At the time of the survey in June, 2019, at one location, entries in the Remittance Register were not properly verified by the Checking Officer in that, a signature was affixed but no date inserted and the last entry certified was dated 26<sup>th</sup> October, 2018.

3.19 At one location, the last check by Internal Audit in the Remittance Register was dated August, 2018.

### CONSOLIDATED STATEMENT OF ARREARS OF REVENUE

3.20 A Consolidated Statement of Arrears of Revenue at 30<sup>th</sup> September, 2019 submitted by the Permanent Secretary, Ministry of Finance on the basis of Statements of Returns of Revenue received showed Arrears of Revenue totalling \$32,056,748,995.00. A decrease of \$2,417,157,233.00 or 7 % from the previous year's balance of \$34,473,906,228.00. The Consolidated Arrears reported by the Ministry is comprised of:

Head	Arrears Reported \$	Main Components \$
01-Taxes on Income and Profits	27,764,475,994.00	Oil Companies - 9,753,726,982.00 Other Companies - 10,361,902,185.00 Individuals - 1,478,606,284.00 Withholding Tax - 6,086,613,469.00
02-Taxes on Property	57,703,081.00	Land and Building Taxes - 57,703,081.00
03-Taxes on Goods and Services	4,086,183,617.00	Value Added Tax - 4,019,759,932.00
06-Property Income	318,141.00	Min. of Sport: West P.O.S Regional Park Proceeds - 110,485.00
07- Other Non –Tax Revenue	148,068,162.00	Magistrates' Courts - 147,154,542.00 Auditor General: Corporations and Other Authorities - 863,479.00
<b>Grand Total</b>	<b>32,056,748,995.00</b>	

3.21 The Inland Revenue Division has informed the Permanent Secretary, Ministry of Finance of the following reasons for the reduction of arrears of revenue:

- a) The Tax Amnesty 2019 project, which collected approximately \$2.3 billion
- b) Debt management initiatives
- c) Application of risk analysis to prioritise collectible arrears.

3.22 Returns of Arrears of Revenue for certain accounts were not received by the Ministry from 15 Receivers of Revenue for 2019. The Permanent Secretary, Ministry of Finance stated that Receivers have been written to and reminded of their obligation to submit the outstanding returns.

**SC1 – DIRECTOR OF PERSONNEL ADMINISTRATION, SERVICE COMMISSIONS DEPARTMENT**

**Authority of Signatory**

3.23 The Statement of Receipts and Disbursements was signed by an officer for whom the required approval as Receiver of Revenue was not seen.

# **CHAPTER 4**

## **FUNDS AND ACCOUNTS OF ADMINISTERING OFFICERS**



# CHAPTER 4

## FUNDS and ACCOUNTS OF ADMINISTERING OFFICERS

### FUNDS

4.1 Funds were established under section 43 of the Exchequer and Audit Act, Chapter 69:01 (the Act) and/or other legislative authority. Administering Officers are appointed by the Minister of Finance to administer all moneys disbursed from the following Funds:

- Unemployment Fund
- Infrastructure Development Fund
- National Union of Government and Federated Workers (NUGFW) Training Fund
- Government Assistance for Tuition Expenses (GATE) Fund
- Green Fund
- CARICOM Trade Support Fund
- CARICOM Petroleum Fund
- National Wastewater Revolving Fund of Trinidad and Tobago

4.2 Administering Officers are required to keep separate books of account and separate bank accounts in respect of each Fund and to ensure that a proper system of accounting as approved by the Treasury is established and maintained. This responsibility includes monitoring disbursements from the Infrastructure Development Fund for projects that have been contracted out to Special Purpose State Enterprises.

4.3 Administering Officers are also required *inter alia* to:

- Prepare financial statements in a format approved by the Treasury for submission to the Auditor General within a period of four months after the close of the financial year in accordance with section 24 (2) (a) and (b) of the Act; and
- Ensure that the funds entrusted to their care are properly safeguarded and applied only for the purposes specified on the Schedule to the Warrant for withdrawal from the Funds.

### **FUNDS AUTHORIZED FOR WITHDRAWAL**

4.4 During the financial year ended 30<sup>th</sup> September, 2019, the Minister of Finance, by Warrants, authorised withdrawals totalling \$2,939,527,991.00 from four Funds. Total disbursements of \$2,911,038,892.73 were made from these Funds during the year as shown below:

Fund	Total Disbursements 2019 (\$)
Unemployment Fund	281,472,095.85
Government Assistance for Tuition Expenses (GATE) Fund	434,966,837.18
Green Fund	13,649,273.00
Infrastructure Development Fund	2,180,950,686.70
<b>Total</b>	<b>2,911,038,892.73</b>

## FINANCIAL STATEMENTS

4.5 The Comptroller of Accounts Circular No. 8 dated August 12<sup>th</sup> 2019, provided Administering Officers with guidelines for the preparation and submissions of Financial Statements. Administering Officers were required to submit certified Financial Statements for the financial year ended September 30, 2019, for each Fund to the Comptroller of Accounts by 30<sup>th</sup> November, 2019 to enable the Comptroller of Accounts to examine, consolidate and transmit the Statements to the Auditor General, on or before 31<sup>st</sup> January, 2020.

### UNEMPLOYMENT FUND - \$7,873,342,785.42

4.6 The Unemployment Fund was established by section 14 (2) of the Unemployment Levy Act, Chapter 75:03 which provides that the Fund shall be administered by the Minister of Finance.

4.7 Section 14 (3) authorises the Minister of Finance to make advances from the Fund for stipulated purposes. Section 17 provides that all monies collected pursuant to the Act shall be paid into the Unemployment Fund. Advances made to the Unemployment Relief Programme from the Unemployment Fund is done pursuant to decisions made by Cabinet from time to time.

4.8 The Unemployment Fund balance of \$7,873,342,785.42 presented on the Cash Basis Consolidated Statement of Assets and Liabilities showed a decrease of \$93,209,104.86 or 1.2% over the previous year's balance of \$7,780,133,680.56.

4.9 Receipts to the Fund comprised Unemployment Levy collected by the Board of Inland Revenue amounting to \$343,256,191.11 as well as interest of \$30,940,378.88 on cash balances and Recoveries of Overpayment for previous years of \$484,630.72.

4.10 Records show that responsibility for administration of this Programme was changed over the years to and from the Office of the Prime Minister through various ministries such as the Ministry of Local Government, the Ministry of Works and Transport, the Ministry of Labour, the Ministry of Public Utilities, and effective October 2013, to the Ministry of Works and Transport. One aspect of the Programme is also administered by the Ministry of Agriculture, Land and Fisheries.



4.11 Amounts were appropriated to the following Administering Officers for administration of the Unemployment Relief Programme as follows:

	<b>2019</b> \$	<b>2018</b> \$
Permanent Secretary, Ministry of Works and Transport	180,292,071.98	167,098,547.28
Permanent Secretary, Ministry of Works and Transport – Tobago House of Assembly	18,000,000.00	18,000,000.00
Permanent Secretary, Ministry of Agriculture, Land and Fisheries	<u>83,180,023.87</u>	<u>87,056,234.50</u>
	<b><u>281,472,095.85</u></b>	<b><u>272,154,781.78</u></b>

### INFRASTRUCTURE DEVELOPMENT FUND - \$63,971,599.46

4.12 Comptroller of Accounts Circular No. 12 dated 9<sup>th</sup> November, 2005 on the subject “Accounting Arrangements for Disbursement of Funds from the Infrastructure Development Fund” sets out guidelines to ensure accountability and transparency with respect to projects undertaken under the Infrastructure Development Fund.

4.13 The Fund balance presented on the Cash Basis Consolidated Statement of Assets and Liabilities as at September 30, 2019 of \$63,971,599.46 decreased by 31.42% or \$29,305,659.16 from the balance of \$93,277,258.62 as at September 30, 2018.

4.14 Receipts and Payments comprised the following:

#### INFRASTRUCTURE DEVELOPMENT FUND

#### STATEMENT OF RECEIPTS AND PAYMENTS

	<b>2019</b> \$	<b>2018</b> \$	<b>Difference</b> \$	<b>% change</b>
Transfers from the Consolidated Fund	2,150,000,000.00	1,600,000,000.00	550,000,000	34.38
Interest earned for the financial year	1,645,027.54	2,907,867.91	(1,262,840.37)	(43.43)
<b>Total Receipts</b>	<b>2,151,645,027.54</b>	<b>1,602,907,867.91</b>	<b>548,737,159.63</b>	<b>34.23</b>
<b>Total Payments</b>	<b>2,180,950,686.70</b>	<b>1,839,902,245.92</b>	<b>341,048,440.78</b>	
Excess of Payments over Receipts	(29,305,659.16)	(236,994,378.01)	207,687,618.85	87.64
<b>Balance brought forward from previous year</b>	<b>93,277,258.62</b>	<b>330,271,636.63</b>	<b>(236,994,378.01)</b>	<b>(71.7)</b>
<b>Total</b>	<b>6,3971,599.46</b>	<b>93,277,258.62</b>	<b>(29,305,659.16)</b>	<b>(31.42)</b>

4.15 Expenditure by Ministries and Departments from the Fund was \$2,180,950,686.70 from total Warrants issued of \$2,205,693,238.00.

### **NATIONAL UNION OF GOVERNMENT AND FEDERATED WORKERS (NUGFW) TRAINING FUND - \$8,620,981.07**

4.16 The NUGFW Training Fund was established under section 43 (2) of the Exchequer and Audit Act, Chapter 69:01 and Legal Notice No. 280 dated 27<sup>th</sup> September, 2004 to provide training and re-training of hourly, daily and weekly-rated workers of Central Government, the Tobago House of Assembly and certain Municipal Corporations where NUGFW is the certified bargaining agent.

4.17 The Chief Personnel Officer was appointed Administering Officer for the Fund with effect from 28<sup>th</sup> July, 2015.

4.18 The Fund balance of \$8,620,981.07 as presented on the Cash Basis Consolidated Statement of Assets and Liabilities as at September 30, 2019 increased by \$34,346.54 or 0.4% over the previous year's figure of \$8,586,634.53. Receipts of \$34,346.54 was comprised of interest received on cash balances for the financial year 2019.

4.19 There were no withdrawals from the Fund during the year.

### **GOVERNMENT ASSISTANCE FOR TUITION EXPENSES (GATE) FUND - \$76,374,336.61**

4.20 The GATE Fund was established under section 43 (2) of the Exchequer and Audit Act, Chapter 69:01. Legal Notice No. 329 dated 9<sup>th</sup> December, 2004, refers.

4.21 The balance presented on the Cash Basis Consolidated Statement of Assets and Liabilities of \$76,374,336.61 as at September 30, 2019 increased by \$4,129,137.76 or 5.72% from the prior year balance of \$72,245,198.85. Receipts and Payments are presented below:

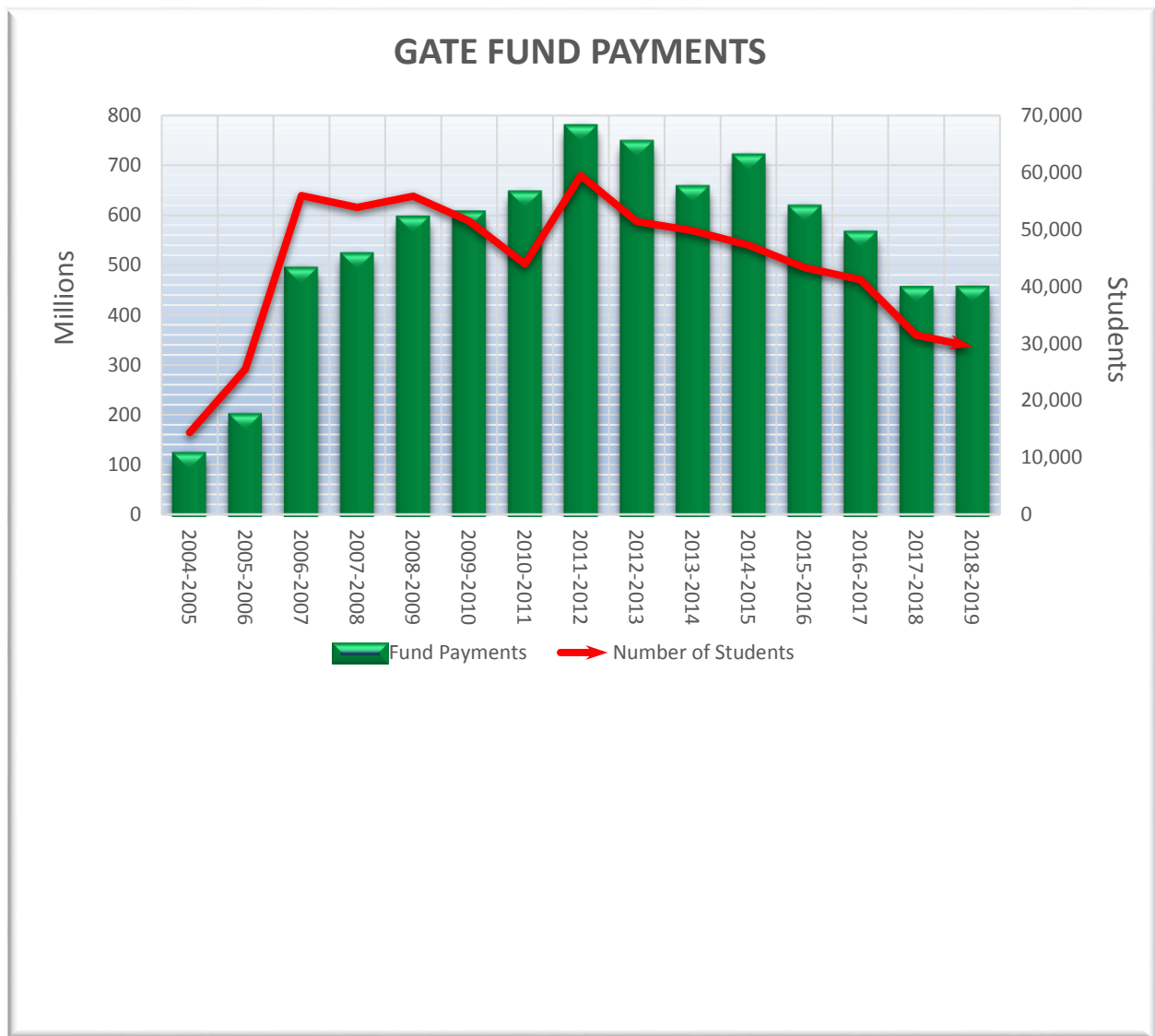
#### **GOVERNMENT ASSISTANCE FOR TUITION EXPENSES STATEMENT OF RECEIPTS AND PAYMENTS**

<b>GATE</b>	<b>2019 \$</b>	<b>2018 \$</b>	<b>Difference \$</b>	<b>%</b>
Amount transferred from Consolidated Fund	435,000,000.00	434,300,000.00	700,000.00	1.6
Add Misc. Receipts	3,652,715.65	6,007,192.00	(2,354,476.35)	(39.19)
Interest received	443,259.29	604,711.35	(161,452.06)	(26.70)
Payments to Ministry of Education	(434,966,837.18)	(434,182,754.85)	784,082.33	1.77
Excess of receipts over payments	4,129,137.76	6,729,148.50	(2,600,010.26)	(38.6)
Balance b/fwd	72,245,198.85	65,516,050.35	6,729,148.50	1.02
<b>Balance</b>	<b>76,374,336.61</b>	<b>72,245,198.85</b>	<b>4,129,137.76</b>	<b>5.72</b>

4.22 The Financial Statement submitted by the Administering Officer did not include Notes to the Statements which would have provided a brief description of the activities financed by the Fund as required by financial directives.

4.23 Evidence of Internal Audit checks on the Accounting records was not seen.

4.24 Information supplied by the Ministry of Education (Tertiary Education and Skills Training) shows total spending on the GATE Programme to date to be \$7,869,970,549.00 as follows:



## GREEN FUND - \$6,946,131,930.49

4.25 Section 65 (1) of the Miscellaneous Taxes Act, Chapter 77:01 established a fund known as the Green Fund. The purpose of the Fund is to financially assist organisations and community groups that are engaged in activities related to the remediation, reforestation, environmental education and public awareness of environmental issues and conservation of the environment.

4.26 This Act also established a Green Fund Levy at a tax rate of 0.3 % on the gross sales or receipts of a company carrying on a business in Trinidad and Tobago, whether or not such a company is exempt from the business levy which is to be paid to the Board of Inland Revenue.

4.27 Section 65 (3) places the management of the activities financed by the Fund under the Minister with responsibility for the environment. The responsibility for the Green Fund now lies with the Minister of Planning and Development. Disbursements however, in accordance with section 65 (2) is the responsibility of the Minister responsible for finance.

4.28 The Fund balance presented on the Cash Basis Consolidated Statement of Assets and Liabilities as at September 30, 2019 of \$6,946,131,930.49 is an increase of \$943,500,405.20 or 15.72% from the previous year's balance of \$6,002,631,525.29.

### GREEN FUND

#### STATEMENT OF RECEIPTS AND PAYMENTS

GREEN FUND	2019	2018	Difference	% change
	\$	\$	\$	
BIR Receipts	931,849,910.93	791,294,447.31	140,555,463.62	17.76
Interest received for financial year 2019	25,299,767.27	21,850,879.05	3,448,888.38	15.78
Payments Ministry of Planning and Development	(13,649,273.00)	(767,315.00)	12,881,958.00	1,678.84
Excess of Receipts over Payments for the financial year 2019	943,500,405.20	812,378,011.36	131,122,393.84	16.14
Balance b/fwd	6,002,631,525.29	5,190,253,513.93		
<b>Balance as at September 30</b>	<b>6,946,131,930.49</b>	<b>6,002,631,525.29</b>	<b>943,500,405.20</b>	<b>15.72</b>

### **CARICOM TRADE SUPPORT FUND - \$0.00**

4.29 The CARICOM Trade Support Fund was established under section 43 (2) of the Exchequer and Audit Act, Chapter 69:01. Legal Notice No. 13 dated 12<sup>th</sup> January, 2005, refers. The purpose of the Fund was to alleviate the adverse impact of the recessionary conditions on the economies of the Member States and to improve regional trade.

4.30 Cabinet in June, 2016 had taken a decision to close the CARICOM Trade Support Programme of Trinidad and Tobago under the Ministry of Trade and Industry. The bank account for this Fund was closed on October 03, 2018 and the residual balance of \$40,574,055.56 the Fund were transferred to the Exchequer Account. As at September 30, 2019, the balance of the Fund on the Cash Basis Consolidated Statement of Assets and Liabilities was zero.

### **CARICOM PETROLEUM FUND - \$244,392,748.66**

4.31 Cabinet in September, 2006 agreed *inter alia*, “to the creation of a CARICOM Petroleum Fund under section 43 (2) of the Exchequer and Audit Act, Chapter 69:01 to provide relief to CARICOM States in accordance with the criteria agreed to between the Heads of Government and the CARICOM Secretariat.”

4.32 The criteria for disbursement were poverty alleviation, disaster mitigation, disaster recovery efforts in emergency cases, national security and infrastructure development programmes in the Organisation of Eastern Caribbean States in very special circumstances.

4.33 The Fund balance of \$244,392,748.66 as presented on Cash Basis Consolidated Statement of Assets and Liabilities as at September 30, 2019 increased by \$973,676.29 or 0.4% from the previous year’s figure of \$243,419,072.37. The increase was due to interest received on the fund balance.

### **NATIONAL WASTEWATER REVOLVING FUND OF TRINIDAD AND TOBAGO - \$16,965,400.00**

4.34 The National Wastewater Revolving Fund was established under section 43 (2) of the Exchequer and Audit Act, Chapter 69:01. Legal Notice No. 255 dated 11<sup>th</sup> December, 2013, refers.

4.35 The purpose of the Fund is for depositing of grant resources for financing the first generation project for the refurbishment and connection of pumps, at the Scarborough Wastewater Treatment Plant under the Caribbean Fund for Wastewater Management, as well as other possible future wastewater projects. The then Minister of Finance and the Economy was appointed to serve as the Fund Manager/Executing Agency and mandated by Cabinet to appoint a Board of Directors to manage the Fund. To date, no Board has been appointed.



# **CHAPTER 5**

## **SPECIAL AUDIT REPORTS**

- **INFORMATION TECHNOLOGY ASSESSMENT**
- **SUMMARY REPORT ON A SPECIAL AUDIT OF THE CARIBBEAN ADVANCED PROFICIENCY EXAMINATION (CAPE) SCHOLARSHIP PROGRAMME**







## CHAPTER 5

### INFORMATION TECHNOLOGY ASSESSMENT

#### INTRODUCTION

5.1 An Information Technology (IT) audit is defined as an “examination and review of IT systems and related controls to gain assurance or identify violations of the principles of legality, efficiency, economy and effectiveness of the IT systems and related controls<sup>4</sup>.”

5.2 An IT audit aims to determine the reliability and relevance of computer-generated information used for the production of financial statements and for decision making. The audit may cover an organization's ability to protect its information assets and to properly dispense information to authorized parties. It measures the effectiveness of the organization's technical and procedural controls in minimizing risk and may also evaluate whether the IT resources are procured economically and are being used effectively and efficiently in achieving the organization's goals<sup>5</sup>.

#### BACKGROUND

5.3 The Vision of the National ICT Plan is ultimately to support the National Development Strategy 2016–2030, Vision 2030, which outlines the country's aspiration to attain “first world nation status” by 2030. Whilst supporting Vision 2030, the Plan is also expected to meet the country's anticipated social and economic needs. Converging these needs with the potential of ICT, five Strategic Thrusts are proposed to realise the National ICT Vision. They are: Improving Connectivity, Increasing Human Capacity, Digital Government, Fostering Economic Development and Advancing the Environment for Societal Benefit. Successful implementation of the National ICT Plan requires collaboration among all stakeholders, particularly in the public and private sector<sup>6</sup>.

5.4 The Ministry of Public Administration (MPA), with responsibility for the administration and execution of the Government's enterprise-wide ICT strategy will require having proper structures in place to ensure that all Ministries and Departments have the necessary IT infrastructure to support the successful implementation of the National ICT Plan.

5.5 Reports of the Auditor General on the Public Accounts of Trinidad and Tobago for the years 2016/2017 and 2017/2018 included a Chapter on IT assessment. The pervasive issues identified among Ministries and Departments related to IT general controls, IT governance and business continuity management. Follow-up reviews were conducted at selected Ministries/Departments to determine the status of implementation of the recommendations. Audit found that some Ministries and Departments had commenced initiatives to address certain deficiencies identified as stated in the abovementioned Audit Reports.

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<sup>4</sup> International Standard for Supreme Audit Institutions ISSAI 5300 – Guidelines on IT Audit, paragraph 3.1

<sup>5</sup> International Standard for Supreme Audit Institutions ISSAI 100 – Fundamental Principles of Public Sector Auditing

<sup>6</sup> [http://mpac.gov.tt/sites/default/files/file\\_upload/publications/NICTPlan 2018-2022](http://mpac.gov.tt/sites/default/files/file_upload/publications/NICTPlan%202018-2022)

## ABOUT THE AUDIT

### Objectives and Scope

5.6 The IT audit assessment focussed on the following areas:

- Analysis of information submitted by Ministries and Departments on additions to IT resources, IT staffing and expenditure on IT during the period October 2017 to September 2019;
- To determine whether there was any collaboration among the Ministries and Departments in the acquisition of new information systems in order to achieve economy;
- To determine whether there was any interface and integration between systems to achieve synergies thereby increasing efficiencies in service delivery;
- Follow up on the status of implementation of recommendations made in the 2017 Report of the Auditor General on the Public Accounts with respect to the MPA's responsibility for the administration and execution of the Government's enterprise-wide ICT strategy;
- Follow up on the status of implementation of recommendations on IT General Controls at selected Ministries and Departments as stated in the 2016 Report of the Auditor General on the Public Accounts;
- Ascertain the status of the Integrated Financial Management Information System (IFMIS), the Electronic Funds Transfer (EFT) and Internal Audit Reform, and
- Ascertain the status of Business Continuity Management Policy and Strategy for the Public Service.

### AUDIT CRITERIA

5.7 The following international IT standards and framework and legislation were used as system evaluation criteria in the conduct of the audit:

- ISO/IEC 27001 – 'Information Technology - Security Techniques – Information Security Management Systems – Requirements.' This Standard provides a model for establishing, implementing, operating, monitoring, reviewing, maintaining and improving an Information Security Management System (ISMS).
- ISO/IEC 27002 – 'Information Technology - Security Techniques Code of Practice for Information Security Controls.' This Standard provides best practice recommendations and guidance for organizations selecting and implementing information security controls within the process of initiating, implementing and maintaining an ISMS.

- COBIT – an IT management framework developed by the ISACA<sup>7</sup> for the governance and management of enterprise IT. It helps organizations create optimal value from IT by maintaining a balance between benefits and risk levels and use of resources.
- Various Acts of the Parliament of Trinidad and Tobago relating to IT:

The Computer Misuse Act, Chapter 11:17

Data Protection Act, Chapter 22:04

The Electronic Transactions Act, Chapter 22:05.

## **IT ASSESSMENT AT MINISTRIES AND DEPARTMENTS**

5.8 Auditor General’s Circular Memorandum No. 12 of 2019 dated 12<sup>th</sup> November 2019 on ‘Request for Updated Information on ICT and Data Resources’ was issued to all Ministries and Departments together with an ICT questionnaire. Information was requested on additions to IT assets (hardware and software), current status of IT staffing and expenditure on IT for the fiscal years 2017 to 2019. Responses to the Auditor General Circular were received from 22 of the 51 Ministries and Departments circularized which represents 43% of the Public Service.

## **LIMITATIONS**

5.9 Audit was unable to verify the responses submitted by some Ministries and Departments due to the measures undertaken by the Government because of the COVID-19 pandemic. This restricted the amount of fieldwork conducted. The six ministries and departments are as follows:

- Ministry of Finance - Treasury Division – status of IFMIS and EFT.
- Ministry of National Security - Immigration Division.
- Ministry of Education – Funding and Grants Administration Division – GATE.
- Ministry of Works and Transport - Licensing Division.
- Ministry of Health.
- Ministry of Public Administration.

5.10 The non-submission of information relating to 57% of the Public Service limited the analysis that could be performed to obtain information on the IT resources that exists in the Public Service and how it can be optimized to increase efficiency in service delivery.

5.11 Audit was therefore, unable to determine:

- the number and type of applications in use throughout the Public Service;

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<sup>7</sup> The independent association which engages in the development, adoption and use of globally accepted knowledge and practices for information systems.

- areas where IT resources can be shared;
- total expenditure on IT, and
- whether IT staffing was adequate to support the needs of the respective Ministries and Departments.

5.12 The absence of the abovementioned information can result in improper planning, uninformed decisions, sub-optimal use of resources, and improper staff planning. This information, if available, will assist the MPA and the MPD in their oversight and monitoring roles regarding IT.

## **AREAS OF CONCERN**

### **IT Governance**

5.13 IT Governance is the overall framework that guides IT operations in an organization to ensure that it meets the needs of the business including the organization's future plans. IT Governance plays a key role in determining the control environment and sets the foundation for establishing sound internal control practices and reporting at functional levels for management oversight and review.

5.14 International IT standards require an organization to have an IT Strategic Plan which provides a roadmap for an organization in the use of IT to facilitate delivery of its objectives over a three to five-year period. Planning strategically allows for the development of relevant IT policies, standards and procedures for guidance and regulation of IT activities and for the implementation of the necessary controls.

5.15 The following were observed at Ministries and Departments selected for review:

- The MPA had not yet developed an IT Governance Framework to guide Ministries and Departments in implementing and monitoring IT governance to support the organization in achieving its strategic objectives. IT governance was lacking at most of the Ministries and Departments audited, IT strategic plans were being developed or in draft at some Ministries/Departments.
- An IT governance framework, for example, COBIT or ITIL, was not adopted by the MPA for use at all Ministries and Departments. Adoption of a governance framework would assist Ministries and Departments in implementing best practices.
- The MPA has not issued an updated IT policy for use by Ministries and Departments. The last policy was approved in July 1997. In the interim, some Ministries/Departments have developed individual policies and guidelines for its use.
- Some Ministries and Departments had adopted International IT Security Standards ISO 27001 and 27002 for its use to aid in achieving confidentiality, integrity and availability of its information.

## Recommendations

5.16 The MPA needs to develop an IT strategy that is aligned to the strategic objectives outlined in the National ICT Plan 2018 – 2022.

5.17 The MPA should adopt and implement an IT governance framework in order to guide the Ministries and Departments in the adoption of this framework.

5.18 An overarching IT policy along with guidelines should be developed by the MPA for use at Ministries and Departments. This would aid in standardization of policies across the Public Service.

5.19 The MPA should adopt international IT security standards for use at all Ministries and Departments to assist in achieving confidentiality, integrity and availability of its information. Guidelines should also be developed to ensure compliance with the policy.

## COLLABORATION AND INTEGRATION

5.20 The information from the twenty-two Ministries and Departments was analysed to determine whether:

- any collaboration in acquiring these systems occurred among Ministries and Departments;
- any integration or interface of systems among Ministries and Departments were effected to increase efficiency, effectiveness and economy;
- the information systems were being used to support the Ministries and Departments in achieving its strategic objectives;
- the Ministries and Departments received value for money, in terms of, value received from the investment in IT, and
- IT staffing was adequate to support the IT activities of the Ministries and Departments.

5.21 An analysis of the responses received and reviews conducted at selected ministries and departments revealed the following:

- There was collaboration among some ministries/departments in the use of IT which resulted in increased efficiencies. These included:
  - the Ministry of Social Development and Family Services with the Registrar General's Department (Death Registry),
  - the Licensing Division with Customs and Excise Division and the Judiciary,
  - the Elections and Boundaries Commission with the Registrar General's Department (Death Registry).
- Evidence of collaboration among ministries and departments in the acquisition of information systems was not seen in that, the same application was acquired separately by different

ministries/departments. For example, both the Ministries of National Security and Health independently procured the Statistical Product and Service Solutions (SPSS) system.

- Ministries/Departments continued to use different applications to perform similar functions. This was evident in the number of standalone systems in use, there were 71 standalone systems in use at 12 Ministries and Departments. Additionally, the Ministry of Health was using twenty standalone systems for various functions, most requiring the same personal data from patients.
- Ministries and Departments continued to operate in silos which resulted in duplication of effort and lack of synergy. This was evident at the Ministries and Departments that used personal bio data (name, date of birth, address etc.), of clients to produce their desired output. For example, the Elections and Boundaries Commission collects, processes and verifies personal bio data information of citizens to produce a national identification card. This same information is required by the Immigration Division when applying for a passport. It is also required by the Ministry of Social Development and Family Services when applying for a social grant. However, each of these Ministries and Departments maintained separate databases for the personal bio data information and conducted various procedures to collect, process and verify this information. Once the information is verified at source, for example, bio data verified by the EBC, then there is no need for further verification and the information can be relied upon by all relevant stakeholders.
- IT resources were not being used at its maximum capacity resulting in value for money not being achieved from the money spent on IT resources. This was evident at certain Ministries and Departments where information systems acquired were not in use, such as the Biometric System at the Ministry of Social Development and Family Services and the financial system at five Regional Corporations. In some instances application modules were purchased but not being used.
- Evidence was not seen that Ministries and Departments consulted with the MPA on IT initiatives being undertaken as required by Cabinet<sup>8</sup> on coordination of ICT Initiatives by the National Information Communication Technology Company Limited (NICTC). The NICTC has been replaced by the National Information and Communications Technology Company Limited (iGovTT) which is the implementation arm of the MPA.
- In some instances feasibility studies were not undertaken prior to the acquisition/development of information systems.

5.22 The Ministry of Planning and Development (MPD) approves, monitors and evaluates projects/programmes in the Public Sector Investment Programme (PSIP), including IT projects being undertaken by Ministries and Departments. The MPD also provides technical support, guidance and

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<sup>8</sup> Cabinet Minute Number 2847 of 20<sup>th</sup> October 2011  
*Auditor General's Report*  
*Public Accounts of Trinidad and Tobago 2019*

advice to Ministries and Departments in preparing, managing and evaluating their projects and programmes.

### **Recommendations**

5.23 The MPA should maintain a database of all applications in use in the Public Service. This database should be shared with the MPD to ensure that the information is readily available when decisions are being made to approve projects. This would be beneficial in situations where the MPD needs to prioritize projects due to limited funding or prioritize projects based on Government's ICT initiatives.

5.24 The MPA and the MPD need to streamline the approval and selection process of IT projects including the procurement of IT systems, agreements for licenses, support and maintenance to achieve economies in purchasing.

5.25 All ministries and departments should be reminded that they are required to consult with the MPA prior to undertaking IT initiatives. This is in keeping with Cabinet's decision on coordination of ICT initiatives by NICTC to ensure alignment with Government's ICT strategic agenda.

5.26 A shared database on personal bio data of citizens and residents should be maintained and made accessible to the relevant ministries/departments requiring the same information. This would enable Government services to be more accessible, thereby increasing efficiency and enhancing service delivery whilst minimizing duplication of effort and reducing errors.

5.27 If a shared database is maintained emphasis should be on the protection of individual's personal data. Consideration should be given to develop procedures and guidelines to ensure that ministries and departments comply with the Data Protection Act No. 13 of 2011.

5.28 Consideration should be given to sharing of IT resources – support and maintenance, infrastructure, storage systems. This would ensure that fit for purpose systems are procured which will enable the optimum use of limited resources.

### **EXPENDITURE ON ICT**

5.29 From the twenty-two responses received, only fourteen included the amounts spent on IT. The analysis revealed the following:

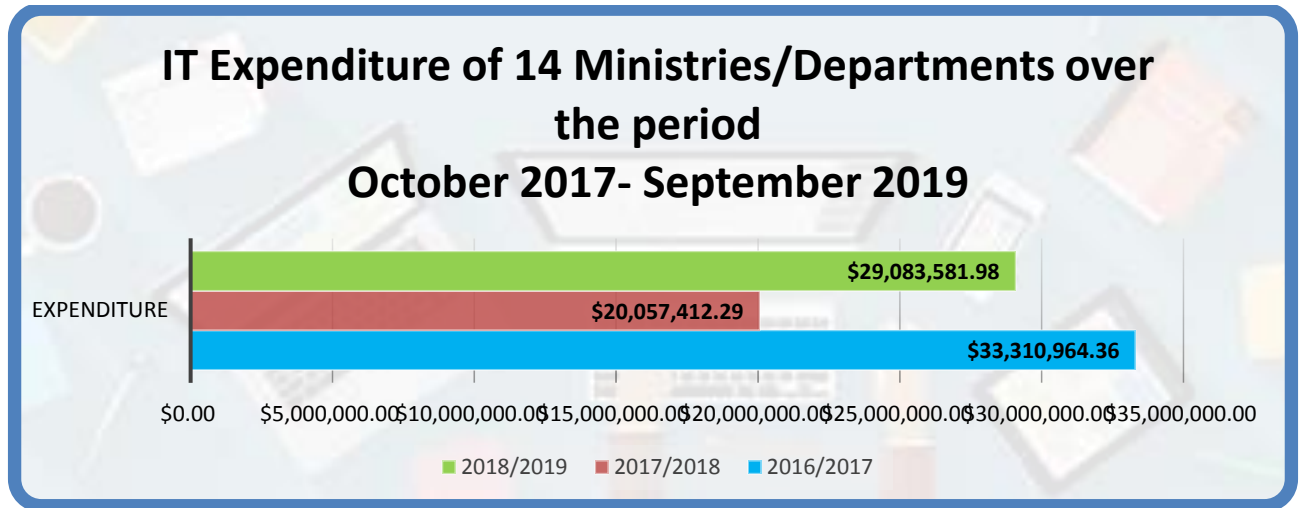
- For the fiscal years 2017 to 2019, expenditure on ICT for fourteen (14) Ministries and Departments totalled \$82,451,958.63 of which approximately 10% related to payments made for the acquisition of software.
- Recurrent expenditure on ICT was not separately classified in the Estimates of Expenditure or the accounting votes; therefore, it was difficult to determine the actual amounts by categories, for example, expenditure on training, consultancy services, license fees, support and maintenance and staffing. This can result in not properly identifying IT needs, thereby



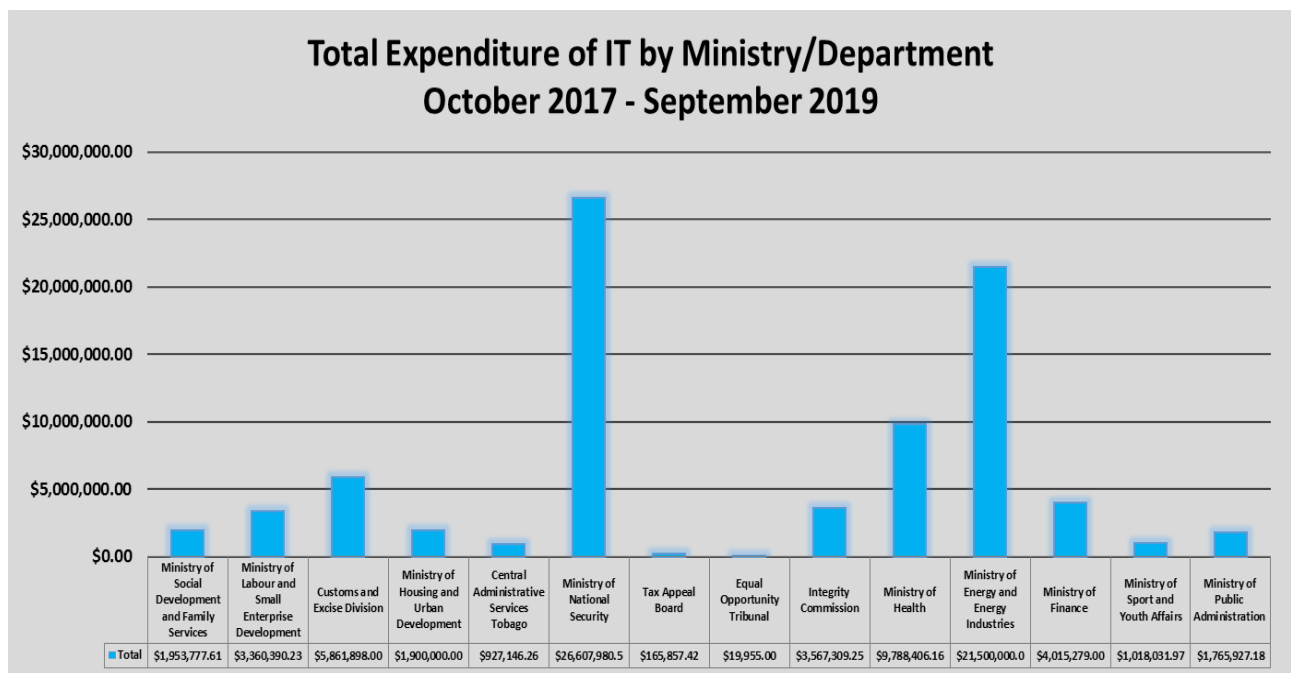
not properly budgeting for IT. Funds allocated may not always be used in the most efficient way.

5.30 Charts 5.1 depicts IT expenditure for 14 of the 22 ministries and departments over the fiscal years 2017 to 2019. Chart 5. 2 depicts Total expenditure incurred by 14 ministries and departments.

**Chart 5.1 IT Expenditure at Twenty-Two Ministries/Departments for the period October 2017 to September 2019**



**Chart 5.2 Total expenditure on IT for Fourteen Ministries/Departments**



5.31 The figure of \$82,451,958.63 representing expenditure on IT for the years 2017 to 2019 from 14 ministries and departments excluded some significant expenditure on acquisition of information systems. These purchases were as follows:

- Ministry of the Attorney General and Legal Affairs (MAGLA) - contract price for the design and implementation of the Property Business Registration System (PBRs) between MAGLA and IGN FI was \$38,739,349.00.
- Licensing Division - Vehicle Registration System and the Drivers' Permit System at the approximate cost of TT\$300,000.00 and TT\$700,000.00 respectively.

5.32 These ministries/departments did not submit the amounts spent on IT, therefore, the figures are not reflected in the sum of \$82,451,958.63. The information stated at paragraph 5.31 was extracted during the verification of the Appropriation Accounts.

### **Recommendations**

5.33 The Ministry of Finance should consider creating a separate accounting vote for IT expenditure which would facilitate:

- The availability of complete costing information on IT acquisition and projects for planning, budgeting and resource allocation;
- Transparency and value for money with respect to IT expenditure, and
- Effective decision-making with respect to the best or most efficient use of limited IT resources.

5.34 There should be a strategic approach to procurement of IT systems, licenses, support and maintenance across Ministries and Departments to achieve value for money.

### **HUMAN RESOURCES**

5.35 As reported previously in the 2017 Auditor General's Report on the Public Accounts, the staff composition of IT Units was not yet standardized across ministries and departments and the IT positions were filled to a large extent by contracted officers.

5.36 Based on the responses received and follow-up reviews conducted, Audit found that the situation remained unchanged. Some of the contracted IT positions are critical to the functioning of the IT Units, these include, ICT Director, Network Specialist, Database Specialist, ICT Technical Officer and ICT Security Specialist.

5.37 Further reviews revealed the following:

- Four hundred and sixty-six (466) IT positions were identified at 17 Ministries and Departments. Approximately 51% or 237 positions were filled and the other 49% or 229 positions remained vacant.

- Four hundred and six, that is, 87% of the IT positions at the twenty-two Ministries and Departments were contract positions and 15 were established positions. Information on the remaining 45 was not submitted to determine if they were either contract or established positions.
- The Ministry of Social Development and Family Services reported 42 IT positions. Fifteen or 36% of these positions were vacant. Nine On-the-Job Trainees were also assigned to the IT Department providing IT services.
- At some Ministries and Departments, all the IT positions on the establishment were vacant and the IT Units were staffed by contracted officers.

5.38 The risk of not having adequate staff with knowledge and experience to ensure continuity of operations of the IT Units increases when these Units comprised mostly contracted officers, particularly when they hold critical IT positions. There is also loss of institutional knowledge if a person leaves or contracts are not renewed. It is also not beneficial to these officers who are retained on short terms contracts (3 – 6 months), since they derive no benefit from this arrangement.

### **Recommendations**

5.39 Every effort should be made to standardize the composition of the staffing at the IT Units/Departments. The composition of the IT Units should be aligned to the functions and projects to be undertaken by the Ministry/Department.

5.40 Collaboration with the Public Management Consulting Division (PMCD) and other relevant stakeholders to create established positions for the critical IT functions should be undertaken. This would ensure the retention of skilled, knowledgeable IT staff to effectively support the business of the Ministries/Departments.

5.41 Procedures should be developed to ensure knowledge transfer when persons leave the Ministry/Department to retain the skills and knowledge required for the efficient functioning of the Department.

5.42 Proper staff planning including succession planning, should be practiced to ensure there is no disruption in services provided by IT when certain officers leave the Ministry/Department.

### **STATUS OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS)**

5.43 The loan for IFMIS was approved by the IDB in May 2015. The original estimate was US \$40 million, of which the IFMIS itself was estimated at US\$29 million. This estimate was revised to US\$26 million due to the contract awarded for the IFMIS being approximately \$14 million less than originally estimated. The project commenced in October 2016 with the expected completion date in 2021. The project is behind schedule and the Treasury Division expects to negotiate an extension of the loan period by one year.

5.44 The current status of the implementation of IFMIS as reported by the Treasury Division is as follows:

- “In August 2019, a vendor was contracted to deliver and install the IFMIS.
- The Change Management consultant has completed a Change Management Strategy and is now in the midst of implementing the recommendations.
- A draft of the new Chart of Accounts was submitted to the Permanent Secretary of the Ministry of Finance for review.
- A Short-Term Consultant for Treasury Reform matters (cash management and bank reconciliation) is being negotiated with the Treasury Department of the US Government.
- The business process review of four divisions of the Ministry of Planning and Development (MOPD) was concluded in March 2019.
- The Business Process Workshops and the process flow maps with respect to Treasury operations are ongoing.
- An electronic version of the business processes of the THA was completed and was presented to the THA, in August 2019, for review and discussion.
- Hardware for the IFMIS Project was purchased, but for technical reasons not installed “on-site” at the Ministry, as originally intended, but at the vendor’s local office. The vendor’s premises offered a more secure environment for an offsite location for storage.
- The review and verification of the software supplied, and the licenses attached to the software, was completed in March 2019.
- A review of IT Governance structure of Ministry of Finance (MOF), was completed, and it was determined that a full IT Governance policy is required. The Terms of Reference (TOR) for an IT Governance consultancy was completed.
- A TOR for the consultancy to determine a Cyber Security Strategy for the overall GovNet system, inclusive of developing a Cybersecurity Policy- has been completed and approved by the Inter-American Development Bank (IDB).
- The Cashiering processes at the District Revenue Offices (DROs) are being reviewed from initiation of a transaction to bringing to account by the Treasury Division. The purpose of the exercise was for the vendor to have an overview of the existing process so that at the point of overall system configuration, the cashiering module could be configured to replicate those aspects of the current (manual) system considered to operationally necessary in the new (electronic) system.
- The Internal Audit consultancy has advance the reform of the Internal Audit Function.”

## Recommendations

- 5.45 The Treasury Division should continue monitoring the progress of the project to ensure that deliverables are met within the agreed time plan. It is particularly important for IT projects since the environment changes at a rapid pace. This would also prevent cost overruns and scope creep.
- 5.46 User acceptance testing should be conducted and results documented prior to signing off the project.
- 5.47 All stakeholders should be included in training conducted relevant to the implementation of IFMIS including internal audit and external audit.
- 5.48 Procedures should be developed by the Treasury Division to ensure that knowledge transfer occurs when the project is completed and handed over to the Treasury Division.
- 5.49 The IFMIS should be compatible with other critical systems e.g. ASYCUDA, GenTAX, Licensing - U-Turn etc. This would facilitate the availability of real time data to allow for better planning and decision making
- 5.50 The Treasury Division should pursue and follow up on the expectation that IFMIS is interoperable with existing software and hardware systems, particularly with respect to the revenue collection and debt management.
- 5.51 A separate sub item for ICT expenditure should be included in the new Chart of Accounts.

## STATUS OF THE IMPLEMENTATION OF THE ELECTRONIC FUNDS TRANSFER (EFT)

- 5.52 The Treasury Division has reported as follows:

“The Government of the Republic of Trinidad and Tobago (GoRTT) embarked on an initiative to facilitate Electronic Funds Transfer (EFT) in the public service for the improvement of efficiencies in its payments and receipts systems with the aim of providing the public with more convenient and safe options for transacting business with GoRTT with due regard to issues of consumer and data protection.

- 5.53 The Exchequer and Audit Act, Chapter 69:01 was amended in June 2014 to facilitate EFT. The related Exchequer and Audit (EFT) Regulations, 2015 were then made by the Minister of Finance. Subsequently, the Treasury prepared Instructions for both LINX Debit Card and Online Credit Card, to give effect to these Regulations.
- 5.54 The Ministry of Attorney General and Legal Affairs has successfully implemented Online Credit Card payments at its Intellectual Property Office and Registrar General Department. The Treasury Division is in communication with other Departments of Government who are seeking to implement Online Credit Card payments.
- 5.55 The Treasury Division will continue its efforts to fulfil its obligations under the EFT Regulations for the conduct of EFT by Departments of Government in a safe and secure environment.

Ministries that are ready to proceed with these EFT methods of payment, i.e.; LINX Debit Card and Online Credit Card will utilise these Instructions.”

### **Recommendations**

5.56 The Treasury Division needs to ensure that robust IT general and application controls exists and are working to adequately protect the information, that is, at source, during transmission and storage.

5.57 The users of the system should be made aware of information security requirements.

5.58 Ensure adequate training of officers in the operations of the EFT.

5.59 Guidelines should be developed to ensure user’s compliance with the Exchequer and Audit (EFT) Regulations and Instructions on EFT issued by the Treasury Division.

5.60 Procedures to ensure that revenue is properly accounted for in terms of proper classification and posting to the correct account.

5.61 To develop and implement a business continuity plan in the event there is a disruption or failure of the system.

### **STATUS OF THE INTERNAL AUDIT REFORM**

5.62 The consultancy to reform the Internal Audit Function began in March 2019. The following aspects of the reform process have been completed by the consultants as reported by the Treasury Division:

- The Internal Audit Charter and Internal Audit Standards were developed in compliance with the Institute of Internal Auditors (IIAs), Internal Professional Practices Framework (IPPF).
- An Internal Audit Operating Manual was completed and a Foundation Workshop on its use was held for all the senior persons in the Internal Audit Units.
- Discussions have been taking place between the Public Financial Management Modernization Unit (PFMMU) and personnel from the UWI’s Open Campus Department to develop a formal or informal certification such as a Government Certificate in Internal Auditing. At present, the proposal has been submitted to the relevant UWI committees for review and approvals.

### **Recommendations**

5.63 The Internal Audit Units in Ministries/Departments should be strengthened to include staff with the requisite competencies to audit information systems.

5.64 Qualifications in the audit of information systems should be considered in addition to the Government Certificate in Internal Auditing currently being developed for the Treasury Division.

## **BUSINESS CONTINUITY MANAGEMENT**

5.65 The importance of Business Continuity Management (BCM) came to the fore with the emergence of the COVID-19 virus globally. The world including Trinidad and Tobago was severely impacted in the manner in which business is routinely conducted on a normal day. The Ministries and Departments examined lacked proper infrastructure to facilitate business continuity and disaster recovery due to lack of funding. In most instances only a ‘cold’ or ‘warm site’ was in existence to facilitate business continuity and recovery.

5.66 In 2015, Cabinet took a decision to establish a Business Continuity Management Policy and Strategy for the Public Service. A Business Continuity Plan (BCP) was developed in 2014 by an external consultant. More than four years has elapsed and a BCP has not yet been rolled out to date.

5.67 In the event of a disruption or a disaster, the information systems may not be restored within the recovery time and recovery point specified when there is not a Business Continuity Management System (BCMS) in place. This increases the risks of financial and reputational loss, data breaches and severe downtime.

### **Recommendations**

5.68 The MPA and Ministries and Departments should be guided by international standards such as ISO 22301 Business Continuity Management System (BCMS) which specifies the structure and requirements for implementing and maintaining a BCMS and also that information security continuity should be embedded in the organization’s BCMS.

5.69 All Ministries/Departments should conduct a business impact assessment to identify its mandate and critical services; rank the order of priority of services for continuous delivery or rapid recovery; and identify internal and external impacts of disruptions.

5.70 In addition to the procedures to be followed in the event of a natural disaster or system crash, the BCMS should include the implementation of a remote access infrastructure and procedures. This would facilitate persons accessing their work servers remotely in order to sustain business operations.

5.71 To ensure reliability of the BCP, ministries and departments should conduct periodic testing of the plan with the appropriate personnel to ensure that all role players fully understand their roles in the event that the BCP is activated. This would ensure that recovery can occur in keeping with their recovery time objective and recovery point objective of the entity. This type of advanced planning will mitigate the impact of any loss and downtime while simultaneously creating its best and fastest chance to recover after a disaster.

5.72 The MPA should update and roll-out the existing Cabinet’s Business Continuity Policy and Strategies to all ministries and departments.

## FOLLOW-UP REVIEW ON AUDIT OF GENERAL CONTROLS AT SELECTED MINISTRIES AND DEPARTMENTS

5.73 A follow-up review was conducted to ascertain the status of the implementation of corrective action taken to address the issues highlighted in the 2017 Auditor General's Report. Reviews were conducted at the following ministries/departments:

- Ministry of Social Development and Family Services (MSDFS) - Biometric System
- Ministry of Energy and Energy Resources - MEER
- Regional Corporations – financial application
- Inland Revenue Division (IRD)
- Treasury Division (TD)

5.74 The results of the reviews conducted are listed in the table below:

**Status of Corrective Actions to address Deficiencies in IT General Controls**

CONTROL	MEER		MSDFS		IRD		TD	
	2017 Status	Current Status	2017 Status	Current Status	2017 Status	Current Status	2017 Status	Current Status
IT Strategic Plan	WIP	N	X	N	✓	✓	X	X
Formal IT Steering Committee	X	✓	X	N	✓	✓	X	X
Approved ICT Policy	✓	✓	WIP	N	✓	✓	✓	N
International IT Security Standards adopted	WIP	N	WIP	N	✓	✓	X	X
Confidentiality agreements with IT personnel on contract	✓	✓	X	N	✓	✓	✓	N
Security roles defined in contracts or terms of employment of IT personnel	✓	✓	X	N	✓	✓	X	X
Process for vetting new employees or third-party service providers	✓	✓	✓	✓	✓	✓	X	X
Approved training plan for IT staff	WIP	N	X	N	✓	✓	✓	N



CONTROL	MEER		MSDFS		IRD		TD	
Formal disciplinary procedure for contracted staff	✓	✓	✓	✓	✓	✓	X	X
Succession planning	✓	✓	X	N	✓	✓	WIP	WIP
Staff made aware of new IT threats	✓	✓	WIP	✓	✓	✓	X	X
Documented procedure for activating and deactivating users	✓	✓	WIP	N	✓	✓	✓	N
Staff required to report security weaknesses or threats	✓	✓	✓	✓	✓	✓	X	N
Formal procedure to document IT security weaknesses or threats	✓	✓	X	✓	✓	✓	X	N
Process to log and/or monitor actions in the event of security breach or software malfunction	✓	✓	X	✓	✓	✓	WIP	WIP
Guidelines on the consumption of food and beverages in proximity to the information processing facilities	✓	✓	X	N	✓	✓	✓	N
Formal procedures for the secure disposal of removable storage media and IT equipment	✓	✓	X	N	✓	✓	WIP	WIP
Clean desk and clear screen policy	✓	✓	X	N	✓	✓	✓	N
Policy or guidelines to ensure compliance with the Computer Misuse Act, Electronic Transactions Act and Data Protection Act	WIP	✓	X	WIP	✓	✓	✓	N

CONTROL	MEER		MSDFS		IRD		TD	
Directives to ensure compliance with software copyrights	WIP	✓	WIP	N	✓	✓	WIP	WIP
Audit of information systems included in Internal Audit mandate and work plans	X	N	X	N	✓	✓	WIP	WIP
Internal Audit staff possess certification, training or experience in IT Auditing or the use of CAATs	X	N	X	N	X	N	WIP	WIP
Internal Audit access to IT systems	X	✓	✓	✓	WIP	✓	WIP	WIP
Business Continuity Plan	WIP	N	WIP	N	✓	✓	✓	N
Business Impact Analysis (BIA)	X	N	X	N	X	✓	✓	N
IT assets ranked based on their criticality	X	N	X	N	WIP	WIP	✓	N
Evidence of backup testing	✓	✓	✓	✓	✓	✓	✓	WIP
Approved Backup Policy	✓	✓	WIP	N	✓	✓	✓	WIP
Offsite backup in a different geographic location	X	N	✓	✓	✓	✓	X	WIP

**Key:**

X	Deficiency identified
N	No change
WIP	Work in Progress
✓	Corrective Action taken

5.75 The following additional findings relate to the Ministry of Social Development and Family Services.

- The Biometric Smart Card System was no longer being used at the Ministry of Social Development and Family Services. The total expenditure at the end of the contract period, October 15, 2015, amounted to \$67,442,439.94.

- Approximately 58,000 persons were enrolled in the biometric system, of these; only 5.9% or 3,412 persons were transitioned into the payment platform.
- The Ministry ceased using the Biometric system with effect from June 30, 2016.
- The Ministry has reverted to using manual and standalone systems to process applications and payments for persons applying for the food card and other social grants. The Ministry has not received any benefit from the significant investment made in the acquisition of the biometric system due to its non-implementation.

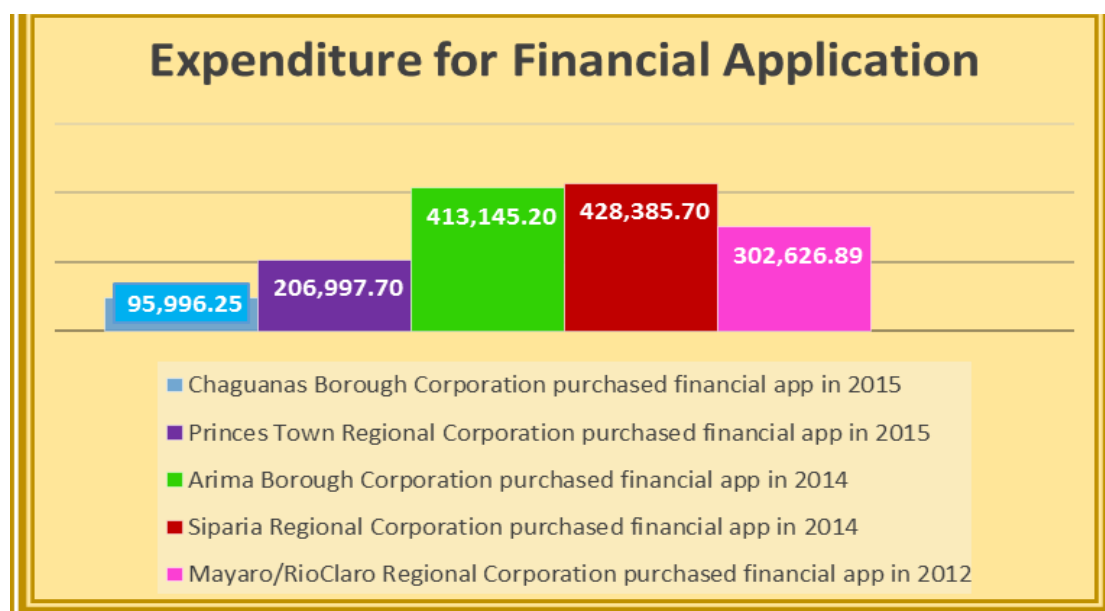
### Regional Corporations

5.76 A follow-up review on the audit of the information systems in use at the municipal corporations was conducted in February 2020. Audit found that the five Corporations that purchased a financial application and were in various phases of implementation had all ceased using the system. The corporations are Mayaro/Rio Claro, Princes Town, Siparia Regional Corporations and Arima and Chaguanas Borough Corporations.

5.77 There appeared to be no collaboration among the corporations prior to the acquisition of the financial application. This was evident in the fact that although the system was not fully implemented at the first corporation, due to some issues, other corporations went ahead and procured the same application at a higher cost.

5.78 The total cost of acquiring the financial application by the five corporations was \$1,447,151.74 and is shown at Chart 5.3. The corporations received no value for its investment in the new system since the five corporations have reverted to using manual processes for their accounting function.

**Chart 5.3: Expenditure on Financial Applications Acquired by Five Regional Corporations**



5.79 The total cost of the financial application for the Chaguanas Borough Corporation was \$191,992.50. However, the corporation only paid \$95,996.25 since the application was never properly installed due to technical issues.

5.80 Audit was informed that the vendor of the financial application ceased operations in Trinidad in 2017. Persons interested in acquiring the financial application were advised to contact the parent company in the United States of America. The regional corporations have limited recourse in recovering any monies from the vendor and this has therefore resulted in a loss to the corporations.

### **Recommendations**

5.81 The Ministries of Social Development and Family Services, Energy and Energy Industries and the Treasury and Inland Revenue Divisions are commended for the initiatives taken to address some of the deficiencies identified and are encouraged to continue in their efforts. This would ensure the IT assets are protected whilst ensuring confidentiality, integrity and availability of data to increase efficiency and effectiveness.

5.82 The Ministry of Social Development and Family Services should consult with the MPA and the MPD prior to undertaking any IT initiatives. The MPA and the MPD, in their monitoring and oversight role of IT projects, should ensure that proper procedures and feasibility studies are undertaken by the Ministry prior to the procurement of any new system.

5.83 The Ministry of Local Government and Rural Development should ensure that its role of oversight and monitoring of the Corporation's activities is carried out to prevent an occurrence of the issues with the acquisition and implementation of the computerized financial system at the Corporations.

5.84 The Ministry should hold discussion with personnel from the fourteen municipalities to find a fit for purpose application that can be used at all municipalities to carry out its accounting function. This would facilitate the standardization of the accounting processes across all municipalities to enable increased transparency and accountability.

5.85 The municipalities should be advised that the MPA and the MPD should be consulted prior to undertaking any IT initiatives.

5.86 The Ministry should also monitor the use of subventions from Central Government to these entities to ensure that monies are expended on services that are beneficial to the burgesses.

### **FOLLOW-UP ON AUDIT OF IT GOVERNANCE AND GENERAL CONTROLS AT REGIONAL HEALTH AUTHORITIES**

5.87 The following is the status of the implementation of the corrective actions taken by the Ministry of Health (MoH) in resolving the issues identified by the Auditor General of IT General Controls.

### Responses as reported by the Ministry of Health

Recommendations as per 2017 Audit Report	Corrective Action
<p>The Ministry of Health (MoH) should take an active role in monitoring the selection and implementation of standardized IT solutions at the RHAs in order to achieve value for money and to allow for comparability and analysis of data by the Ministry and RHAs.</p>	<p>In February 2019, the Ministry of Health (MoH) reconvened the Health ICT Committee. This Committee proactively looks at the business needs of the Regional Health Authorities (RHA), identifies gaps and develops intervention plans to address the gaps. The Committee is also standardizing ICT Systems, Policies, Procedures, Structure, etc as well as collaborates on ICT solutions being implemented across the RHAs.</p>
<p>A feasibility study should be conducted prior to the acquisition of any new information system.</p>	<p>Through the Health ICT Committee, a notification will be sent to the RHAs that a feasibility study must be conducted prior to the acquisition of any new information system.</p>
<p>The Ministry of Health and the RHAs should collaborate to ensure the effective integration of information systems across the RHAs to achieve synergies and efficiency in the delivery of services to its clients.</p>	<p>Through the Health ICT Managers Committee, the MoH and RHAs will collaborate and provide feedback on the implementation of new systems and advice will be given as required.</p>
<p>The MoH should ensure that IT controls and structures are properly implemented across the RHAs to protect the integrity and confidentiality of data, safeguard the IT assets and to secure continuity of operations.</p>	<p>Through the Health ICT Committee, the standardization of the Policies, Procedures and Guidelines to ensure data confidentiality, data security, Business continuity as well as safeguarding ICT Assets has begun.</p>
<p>The respective RHAs should develop/update their IT Strategic Plan to ensure that IT risks and resources are managed appropriately.</p>	<p>Through the Health ICT Committee, the MOH will assist the RHAs with the development of their ICT Strategic Plan.</p>

<b>Recommendations as per 2017 Audit Report</b>	<b>Corrective Action</b>
The RHAs in collaboration with the Ministry should develop policies and procedures which adhere to international IT standards.	Through the Health ICT Managers Committee, the MOH and the RHAs has started developing policies and procedures to ensure adherence to international Health ICT standards such as HIPAA, GDPR. The Ministry of Health will rely on the Ministry of Public Administration to ensure adherence to ICT Standards such as ISO 27001, 27031, etc.
Efforts should be made to have a standardized structure with established positions for the IT Units in order to retain qualified and experienced IT staff.	Through the Health ICT Committee, a standardized structure was developed on November 29 <sup>th</sup> 2019 and was submitted to RHAs for review and non-objection.
The RHAs, in collaboration with the MoH, should develop Business Continuity and Disaster Preparedness Plans after identifying critical IT assets and processes through a Business Impact Review.	Through the Health ICT Committee, an ICT Service Continuity Plan for MoH and RHA will be developed as it relates to ICT in the RHAs.
The RHAs should develop guidelines to make staff aware and ensure compliance with IT-related legislation.	The Ministry of Health and the Regional Health Authorities will use the intranet for promotion of IT-related policies and legislation.
The Internal Audit Units of the RHAs should be strengthened with the required skills and resources so that regular reviews of IT security and controls are undertaken.	The Ministry of Health through the Health ICT Committee will recommend training for RHA and MoH staff on Certified Information System Auditor.
The Ministry in collaboration with the RHAs should consider the development of a similar system for the management of pharmaceuticals at the RHAs.	The Ministry of Health is currently implementing a Logistics Management System to all public Health Pharmacies. This integrated system will link C40 and the pharmacies of the public health facilities providing visibility across the supply chain.

## Recommendation

5.88 The Ministry of Health is commended for the initiatives taken to address some of the deficiencies identified and is encouraged to continue in its efforts. This would ensure the IT assets are protected whilst ensuring confidentiality, integrity and availability of data to increase efficiency and effectiveness in delivering services to its clients.

## FOLLOW-UP REVIEW ON THE MINISTRY OF PUBLIC ADMINISTRATION

5.89 The MPA is responsible for the administration and execution of the Government's enterprise-wide ICT strategy. In this regard, the Ministry had commenced a number on initiatives based on the issues identified in the 2016 and 2017 Auditor General's Report. The responses as reported by the MPA are given below:

### RESPONSES FROM THE MINISTRY OF PUBLIC ADMINISTRATION

Audit Recommendations	Corrective actions as at March 2020
<p>The MPA should ensure that overarching IT Governance structures such as an IT Strategic Plan and an IT Policy are instituted for the Public Service. These structures should define the parameters within which Ministry and Department-specific IT Policies and Procedures should be developed and should require adherence to international IT standards.</p>	<p>The National ICT Plan – ICT Blue Print has been approved by Cabinet in 2018. Moreover, there was the establishment of the NICT Division with the mandate of implementing the Plan. The main functions of the Unit are:</p> <ul style="list-style-type: none"> <li>• ICT Governance, Policy and Strategy;</li> <li>• Public Sector ICT</li> <li>• ICT Regulatory and Standards Compliance</li> </ul> <p>ICT Policies eGIFS and EGOTS are currently under review by GILAC Sub Committee.</p>
	<p>Re-introduced the Government Information Technology Leadership Advisory Council (GILAC) September 2018 focusing on encouraging and supporting meaningful participation within the ICT sector of government to promote development.</p>
	<p>Through the establishment of three Sub Committees, discussions on how does GoRTT respond to technology and socio economic trends would be addressed:</p> <p>1. Governance -The Enterprise Architecture (EA) Committee is reviewing the draft to propose its adoption as GoRTT ICT Policy. The subcommittee would map, define and standardize technology, data and business processes through the draft position paper.</p>

Audit Recommendations	Corrective actions as at March 2020
	<p>2. The GILAC Information Security Subcommittee reviews the global cybersecurity landscape, updates existing, or introduces new Information Security Policies in keeping risk and threat developments.</p> <p>3. The GILAC Communications sub Committee with the assistance of MPA created an online SharePoint Platform for all GILAC members for easier and collaboration on files. A code of conduct was also created.</p>
<p>The MPA should liaise with the Ministry of Finance to develop and implement guidelines and procedures for the proper disposal of IT equipment including storage media.</p>	<p>The National ICT Company Ltd (iGovTT) prepared a Green ICT policy for use within the Company. This is under review for a proposed adoption within GoRTT.</p>
<p>The MPA should guide and monitor the IT activities of Ministries and Departments to ensure that robust IT Governance and controls exist to secure the economical, efficient and effective procurement and use of IT to improve service delivery and accountability.</p>	<p>POLICY COMMITTEE Created and amended Whole of Government ICT Policies i.e. eGIFs and eGoTS.</p> <p>INFRASTRUCTURE COMMITTEE - This committee reviewed the current cloud policy that is being submitted to Cabinet. Commenced work on the 2006 Cabinet approved policy – Email and Internet Usage – updated 10 June 2019. Completed draft 12 September 2019</p> <p>COMMUNICATIONS COMMITTEE Responsible for assisting the establishment of a communication mechanism for ALL GILAC members. Launched Communications GILAC Site on 4th July 2019. Created Code of Conduct Initiated collaboration with UWI and Public Services Academy on ongoing training and development at no or minimal cost for ICT practitioners within GoRTT. Drafted a MoU to enable this collaboration. Also created 4 new sub committees:</p> <ul style="list-style-type: none"> <li>• Information Security</li> <li>• Enterprise Architecture</li> <li>• Enterprise Services</li> <li>• Digital Signatures</li> </ul>



Audit Recommendations	Corrective actions as at March 2020
<p>The IT Units in Ministries and Departments should be adequately resourced with permanent staff possessing the specialist IT skills necessary to ensure the continuity of business operations.</p>	<p>The Draft Note was completed and submitted to Cabinet for its consideration.</p>
<p>Ministries and Departments should ensure that the information processing facilities are secured and conform to international best practice. The design of new office buildings should also include specifications for IT facilities.</p>	<p>The GoRTT Office Outfitting Policy was revised and is to be submitted to Cabinet shortly. The revision includes standards for Server Rooms.</p> <p>The Ministry will circulate these standards via GILAC.</p>
<p>Procedures and guidelines should be instituted to ensure that Ministries and Departments comply with IT related legislation.</p>	<p>The Ministry of Communications (MOC) is in the process of reviewing the Data Protection Act. In January 2019 the MPA collaborated with the Trinidad and Tobago Bureau of Standards for its expertise to lead and coordinate the development of ICT standards. The following three (3) information security standards were reviewed and recommended for adoption as National Standards pursuant to the Standards Act:</p> <ul style="list-style-type: none"> <li>• TTS/ISO/IEC 27001 – Information Technology – Security Techniques - Information security management systems</li> <li>• TTS/ISO/IEC 27002 – Code of practice for information security controls.</li> <li>• TTS/ISO/IEC 27003 – Information Security Management System Implementation Guidance.</li> </ul> <p>The MPA has created a repository of Cabinet-approved ICT policies that was shared with GILAC since August 2018 and continues to be updated and accessible to GILAC. Note: TTBS Approved</p> <ul style="list-style-type: none"> <li>• TS/ISO/IEC 17788:2020, Information technology – Cloud Computing – Overview and vocabulary;</li> </ul>

Audit Recommendations	Corrective actions as at March 2020
	<ul style="list-style-type: none"> <li>• TTS/ISO/IEC 17789:2020, Information technology – Cloud computing – Reference architecture.</li> </ul> <p>These standards will be submitted for adoption across the MDAs.</p>
<p>The Internal Audit Units in Ministries/Departments should be strengthened to include staff with the requisite competencies to audit information systems.</p>	<p>As of 2019, there are no specialized courses related to IT-based Auditing. However, the Public Service Academy has conducted the following courses related to the general training of Internal Auditors:</p> <ul style="list-style-type: none"> <li>• Audit Report Writing</li> <li>• Fundamentals of the Internal Audit Function</li> <li>• Audit Tools &amp; Techniques for Internal Audit Managers Risk-Based Auditing</li> </ul>
<p>Disaster Recovery and Business Continuity Plans should be developed and implemented to ensure continuity of operations in the event of a disaster or disruption.</p>	<p>The realignment of Ministerial portfolios in September 2015 resulted in a review of various initiatives under the MPA including BCM. Subsequently, staff involved in the BCM initiative were transferred from or left the Ministry.</p> <p>A BCM Advisor was recruited and an Implementation Team was reconstituted in August 2018. The main selection criteria was readiness and available capacity. The objectives were to develop capacity, conduct Business Impact Assessments, develop BCPs, DRPs and ERPs and test and implement the various plans. BCM was successfully implemented in the five agencies/units.</p> <p>The MPA is in the process of pursuing ISO-certified BCM training for its Implementation Team. Following this, engagement of selected Ministries and Departments will take place in December 2020 with a view to implementing BCM at those agencies in fiscal 2020.</p>

## Recommendation

5.90 The MPA should continue its initiatives aimed at advancing the Government's National ICT Agenda and guide Ministries and Departments in aligning their IT strategies to the Government's overall IT strategy to ensure that the delivery of IT investments align with and support its strategic objective.

## SUMMARY REPORT ON A SPECIAL AUDIT OF THE CARIBBEAN ADVANCED PROFICIENCY EXAMINATION (CAPE) SCHOLARSHIP PROGRAMME

### INTRODUCTION

5.91 The Caribbean Advanced Proficiency Examination (CAPE) Scholarship Programme is an on-going scholarship programme that is at present administered through the Ministry of Education to Advanced Level students who have excelled at CAPE. Prior to 2016, the management of the Scholarships Programme was the responsibility of the Scholarships and Training Division (SATD) Ministry of Public Administration. In 2016, the SATD was realigned to the Ministry of Education (Gazette No. 97 of September 23, 2015) and continues with its responsibility for the administration of scholarships offered through the Government of the Republic of Trinidad and Tobago (GoRTT) under the said Ministry.

5.92 The programme is awarded to eligible students for “*the purpose of pursuing a stated course of study for a specified duration at an accredited academic institution locally or abroad.*”<sup>9</sup> Whilst this programme is geared towards the developmental and educational needs of the scholars, one of the underlying objectives of the programme is to provide an avenue for the development of the human resource capacities, skills and competencies required for the national development of Trinidad and Tobago.

5.93 The CAPE Scholarship programme which is funded by GoRTT programme under the Development Programme vote of the Ministry of Education provides financial assistance to scholars.

5.94 This scholarship programme are awarded in ten (10) subject groupings for a multitude of disciplines including business studies, environmental studies, natural sciences and mathematics. CAPE Scholarships are granted for tertiary level, under-graduate and post-graduate studies in three (3) categories, namely:

- President’s Medal
- Open National Scholarship
- Additional National Scholarship

5.95 The awards are granted for each of the categories as follows:

- i. **The President’s Medal Award:** Two scholarships are awarded to the two highest performing students in the CAPE examinations in two categories :
  - a. **Category 1** – Environmental Studies, Information and Communication Technology, Mathematics, and Natural Sciences and;

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<sup>9</sup>Ministry of Education’s Policies  
*Auditor General’s Report*  
*Public Accounts of Trinidad and Tobago 2019*

- b. **Category 2** - Business Studies, Creative and Performing Studies, General Studies, Humanities, Language Studies, and Technical Studies.

The period of funding is for a maximum of seven (7) years where the recipient of the award will be eligible for funding for the pursuit of studies from undergraduate to postgraduate studies.

- ii. **Open National Scholarship:** Scholarships are awarded for the pursuit of undergraduate studies at any accredited institution of the scholars' choice and full cost of tuition and compulsory fees associated with the course of study are met by the GoRTT. The scholar has an option of studying internationally, regionally or locally.
- iii. **Additional National Scholarship** - Scholarships are awarded for the pursuit of undergraduate studies. This award is intended for studies at any locally accredited institution. The scholar can choose to study regionally or internationally however, the costs covered are based on the fees that are equivalent to a similar programme of study at the University of the West Indies, Trinidad. All additional costs incurred for the programme of study are to be met by the scholar and or the guarantor

5.96 Scholarships offered are based on the National Development Human Resources Needs List of Trinidad and Tobago.<sup>10</sup> Recipients of these scholarships must pursue areas of study identified on the Needs List. The most recent 'Needs List' was approved in 2015 by the Cabinet of the Republic of Trinidad and Tobago (the Cabinet).

5.97 In February 2016, a ceiling of four hundred scholarships<sup>11</sup> was established by the Cabinet.

### AUDIT OBJECTIVE

5.98 The Audit Objective was to obtain reasonable assurance in the system for the selection, funding, monitoring (governance) and subsequent recovery of funds from defaulting awardees of the CAPE Scholarship Programme.

### AUDIT SCOPE

5.99 The subject matter of this audit was the selection of top A-Levels/CAPE students who were eligible for grants via the government scholarship programme during the period 2012 to 2018.

### LIMITATIONS ON THE AUDIT SCOPE

5.100 During the course of the audit there were several limitations that hindered the progress of the audit. Retrieval of information from backup files was not easily understandable. In addition, retrieval of certain files stored offsite was also an issue as these files were damaged due to water saturation. Also the information contained in the physical copies of the scholars' files were incomplete.

<sup>10</sup> Ministry of Education Website

<sup>11</sup> Cabinet Minute No.213 dated 2016/02/11

## SELECTION OF SCHOLARS

5.101 The management of the selection and administration of the CAPE Scholarship Programme falls under the remit of the Permanent Secretary, Ministry of Education. Within this ambit of responsibility, a CAPE Scholarship Selection Committee was established. In February 2016, Cabinet approved the reconstitution of this committee to comprise six officers within various designations within the Ministry of Education. Recommendations for members of this Committee are made by the Office of the Chief Education Officer and thereafter approved by the Permanent Secretary.

5.102 Cabinet approves the criteria to be utilized for the selection of eligible candidates for the CAPE awards. The CAPE Scholarship Selection Committee is responsible for submitting recommendations to the Minister of Education for the Cabinet's consideration after an evaluation of the CAPE results.<sup>12</sup>

5.103 Before a student becomes eligible for a CAPE scholarship, the following conditions must be met:

- Submission of evidence of citizenship of Trinidad and Tobago;
- Attaining eight units at Grades I – II over a period not exceeding two consecutive years in Form 6<sup>13</sup>;
- Identification of compulsory subjects required for each category of scholarship by each cognate grouping;

## AWARD OF PRESIDENT'S MEDAL

5.104 The President's Medal winners are adjudged from all Open scholarship winners by using the highest total T-Score (Standard Score). The T-Score represents the total of the actual marks each student obtains at the examinations.

## CHANGE IN THE CRITERIA FOR THE SELECTION OF NATIONAL SCHOLARS

5.105 Historically, the criteria for the selection and ranking of the CAPE national scholarship award would have been communicated to the secondary schools in sufficient time for the students and teachers to adjust their course of study and their subject selection. Students are required to make their subject selection from as early as two and one half years prior to sitting the first Caribbean Secondary Education Certificate (CSEC) examinations or Form 3. The choices made at this early level determines the subjects selected for CAPE.

5.106 On 15<sup>th</sup> February, 2018, the Chief Education Officer through the MOE issued a Circular Memorandum to School Supervisors III and Secondary School Principals. The subject matter of this memorandum was entitled "Review of the Criteria for the Selection and Ranking of National Scholars to include New Caribbean Advanced Proficiency Examination (CAPE) subjects from the

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<sup>12</sup> Overview document of the Ministry of Education

<sup>13</sup> Note to Cabinet re Cabinet Minute No. 2293 of November 18, 2019

2017/2018 Academic Year.” Changes by subjects in the cognate groupings are presented in the table below:

COGNATE GROUPINGS: CHANGES BY SUBJECTS – CAPE

COGNATE AWARD (GROUPINGS)	GROUP A 2017 ( Core Subjects)	GROUP A 2018 (Core Subjects)
Business Studies*	<ul style="list-style-type: none"> <li>• Accounting</li> <li>• Management of Business</li> <li>• Economics</li> <li>• <b>Entrepreneurship</b></li> <li>• <b>Logistics and Supply Chain Operations</b></li> </ul> <p>Any 1 compulsory</p>	<ul style="list-style-type: none"> <li>• Accounting</li> <li>• Management of Business</li> <li>• Economics</li> </ul> <p>Any 2 compulsory</p>
Language Studies*	<ul style="list-style-type: none"> <li>• French</li> <li>• Spanish</li> <li>• Literatures in English</li> </ul> <p>Any two compulsory</p>	<ul style="list-style-type: none"> <li>• French</li> <li>• Spanish</li> <li>• Literatures in English</li> </ul> <p>Any two compulsory</p>
Mathematics	<ul style="list-style-type: none"> <li>• Applied Mathematics</li> <li>• Pure Mathematics</li> <li>• <b>Integrated Mathematics</b></li> </ul> <p>Any 4 Units compulsory</p>	<ul style="list-style-type: none"> <li>• Applied Mathematics</li> <li>• Pure Mathematics</li> </ul> <p>Both compulsory</p>
Modern Studies/Humanities*	<ul style="list-style-type: none"> <li>• Literatures in English</li> <li>• History</li> <li>• Geography</li> <li>• Sociology</li> <li>• Law</li> <li>• <b>Tourism</b></li> </ul> <p>Any 2 compulsory</p>	<ul style="list-style-type: none"> <li>• Literatures in English</li> <li>• History</li> <li>• Geography</li> <li>• Sociology</li> <li>• Law</li> </ul> <p>• Any 2 compulsory</p>
Natural Science*	<ul style="list-style-type: none"> <li>• Physics</li> <li>• Chemistry</li> <li>• Biology</li> </ul> <p>Any 2 compulsory</p>	<ul style="list-style-type: none"> <li>• Physics</li> <li>• Chemistry</li> <li>• Biology</li> </ul> <p>Any 2 compulsory</p>
Environmental Studies	<ul style="list-style-type: none"> <li>• Environmental Science</li> <li>• Geography</li> <li>• <b>Biology</b></li> <li>• Agricultural Science</li> </ul> <p>Any 2 compulsory</p>	<ul style="list-style-type: none"> <li>• <i>Environmental Science with Geography or Agricultural Science*</i></li> </ul>
Creative & Performing Studies*	<p>Art &amp; Design Performing Arts Physical Education and Sport</p> <p>Any 1 compulsory</p>	<p>Art &amp; Design Performing Arts Physical Education and Sports*</p> <p>Any 1 compulsory</p>

COGNATE AWARD (GROUPINGS)	GROUP A 2017 ( Core Subjects)	GROUP A 2018 (Core Subjects)
Technical Studies	<ul style="list-style-type: none"> <li>Electrical and Electronic Technology</li> <li>Building and Mechanic Engineering Drawing</li> <li>Food &amp; Nutrition</li> </ul> <p>Any one compulsory</p>	<ul style="list-style-type: none"> <li><i>Electrical and Electronic Technology with Physics*</i></li> <li><i>Building and Mechanical Engineering Drawing with Physics*</i></li> <li><i>Food &amp; Nutrition with Chemistry*</i></li> <li><i>Agricultural Science with Biology*</i></li> </ul> <p>Any group above compulsory</p>
Information Communication and Technology Studies*	<ul style="list-style-type: none"> <li>Computer Science</li> <li>Information Technology</li> <li><b>Digital Media</b></li> </ul> <p>Any one compulsory</p>	<ul style="list-style-type: none"> <li>Computer Science</li> <li>Information Technology</li> </ul> <p>Both compulsory</p>

(\*) Denotes new subject

The **blue bold** refers to the subjects removed as a core subject

The **red italics** refers to the change in the combination for the core subject

5.107 Interviews conducted with principals and teachers were undertaken from a cross section of denominational and government managed secondary schools in varying locations. From this pool, a sample was selected for the period 2012 to 2018, based on the number of scholarships each of the schools had obtained in 3 broad groupings, that is-

- number of scholarships under 10
- number of scholarship under 20, and
- number of scholarships over 20.

5.108 Stakeholders interviewed had basically the same responses and concerns, namely:

- They were disappointed with the MOE's issuance of Circular Memorandum Number 8 of 2018 dated 15<sup>th</sup> February, 2018 which introduced the Change in the Criteria for the Selection and Ranking of National Scholars with effect from the 2017/2018 academic year, and
- They were not aware of the selection process for awarding the President's Medal Awards.

5.109 During the period 2012 to 2015, evidence was not submitted which would have substantiated whether a ceiling had been established for the number of scholarships to be awarded annually. During the financial years 2012 to 2015, the number of scholarships awarded increased from 376 to 465 or an increase of 23.67%.

5.110 In February 2016, Cabinet took a decision to establish on an annual basis the number of scholarship which were to be awarded; a ceiling of 400 scholarships was established. Presented in the Table below are the annual scholarships issued for the years 2012 to 2019.

**Number of Scholarships issued for the years 2012 to 2019**

Year	Open	Additional	Total
2012	71	305	376
2013	74	359	433
2014	131	327	458
2015	112	353	465
2016	91	298	389
2017	156	223	379
2018	187	190	377
2019	179	221	400

5.111 Cabinet's decision of February 2016, also agreed that quotas for each subject group that are aligned to the List of National Human Resources Developmental needs of the country should be established.<sup>14</sup> To date, evidence that the MOE has implemented subject quotas was not provided.

**FUNDING**

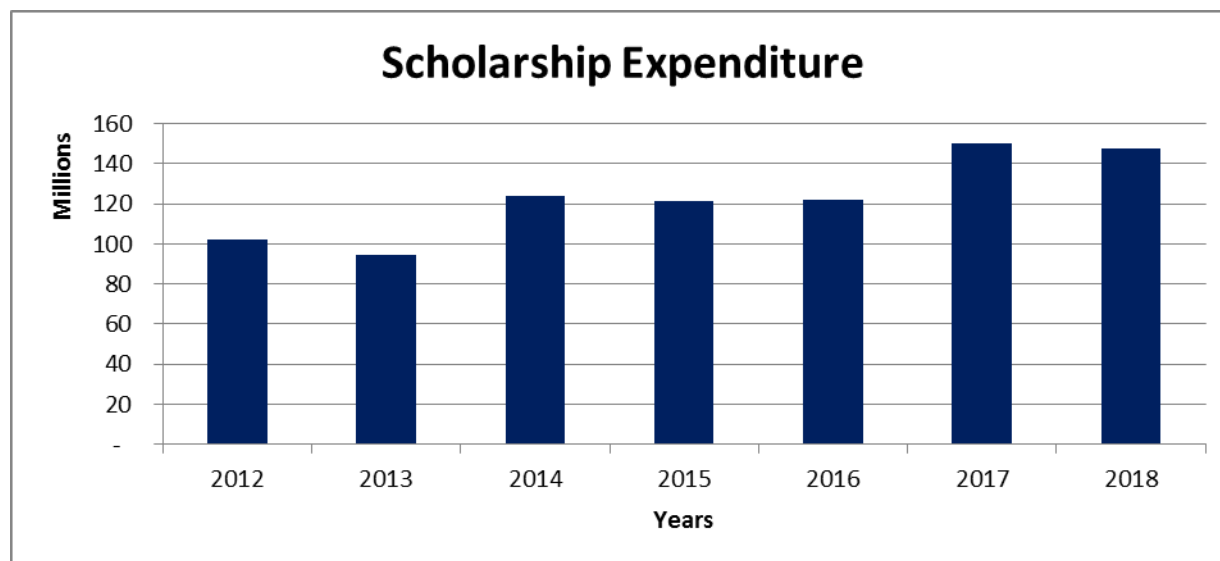
5.112 Funding for the Programme starts with the MOE's annual budgetary allocations included in the Estimates of Recurrent Expenditure and Estimates of Development Programme approved by Parliament.

5.113 The actual cost of the CAPE Scholarship Programme for funding of the scholars ranged from \$102,338,317.00 in 2012 to \$147,868,850.43 in 2018 representing an increase of 44.5%. Over the period 2012 to 2018, the actual expenditure was as follows:

<b>Actual Expenditure for Scholars</b>			
Year	President's Medal (\$)	CAPE – A Levels (\$)	Total (\$)
2012	3,515,241.00	98,823,076.00	102,338,317.00
2013	3,265,457.38	91,065,915.55	94,331,372.93
2014	3,719,902.92	120,531,085.63	124,250,988.55
2015	3,194,116.28	118,413,568.06	121,607,684.34
2016	3,566,971.00	118,282,674.00	121,849,645.00
2017	2,211,076.75	147,896,635.90	150,107,712.65
2018	3,055,124.37	144,813,726.06	147,868,850.43
<b>Total</b>	<b>22,527,889.70</b>	<b>839,826,681.20</b>	<b>862,354,570.90</b>

<sup>14</sup> Cabinet Minute No. 213 of February 11, 2016  
Auditor General's Report  
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5.114 The financial year for Trinidad and Tobago starts in October. The announcement of the CAPE awards are made during October or November of each year. At the time of announcement of the award, a number of scholars would have already opted to commence studies in universities of their choice.

5.115 Continuing scholars pursuing an undergraduate programme in most cases are to commence their studies either late August or early September. Therefore, given the starting periods of the financial year and the scholar's academic year, there is a potential for the payment cycle to the scholar's institution to be negatively impacted. This impact is greatly compounded for those scholars who are studying abroad. There is an increased risk for these students that payments of tuition to these foreign institutions could be late and has the potential to lead to the discontinuation of studies.

5.116 Minimizing delays in the processing of payments to and behalf of scholars is of paramount importance as any late disbursement of funds may result in the scholars inability to attend and remain enrolled in the programme of study.

5.117 The announcement of the CAPE awards are made during October or November of each year. At the time of announcement of the award, a number of scholars would have already opted to commence studies in universities of their choice.

**5.118 The MOE and by extension the Ministry of Finance should revisit the payment cycle for CAPE Scholarships with a view to developing a policy that is mutually beneficial to all parties and is within the State's financial reporting period.**

## **MONITORING (GOVERNANCE)**

5.119 The Ministry has established a number of policies and procedures to guides the management and administration of the Scholarship Programme. These policies include:

- Policy governing the fulfilment of contractual obligation in respect of the President's Medal Award Winners (Cabinet Minute No. 142-2013/01/17 refers);
- Obligatory Service in respect of Scholarships and other Training Awards (Cabinet Minute No.1383-2013/05/15 refers);
- Deferral of Scholarships (Cabinet Minute No.315-2014/01/30 refers);
- Extension of Scholarships (Cabinet Minute No. 316-2014/01/30 refers);
- Placement and Employment of Scholars (Cabinet Minute No. 376-2014/02/06 refers.
- Policy on Business and Entrepreneurial Development for Returning Scholars (Cabinet Minute No. 1429-2015/06/11 refers)
- Policy on Requirements for Scholarships (Cabinet Minute No. 1428-2015/06/11 refers).

5.120 Ministry officials have advised that one of monitoring procedures which is in use for the administration of the CAPE awards is assigning a Support Officer from the Monitoring Performance and Compliance Unit of the Scholarships and Advanced Training Division (SATD) of the MOE.

5.121 The Monitoring Performance and Compliance Unit's main function is to monitor the performance of scholars throughout the scholarship to ensure compliance with the terms and conditions of the Master Scholarship Loan Agreement and approved policies. The Unit also initiates the processing of payments to and on behalf of the scholar (eg. tuition and allowances, and associated travel and other expenses).

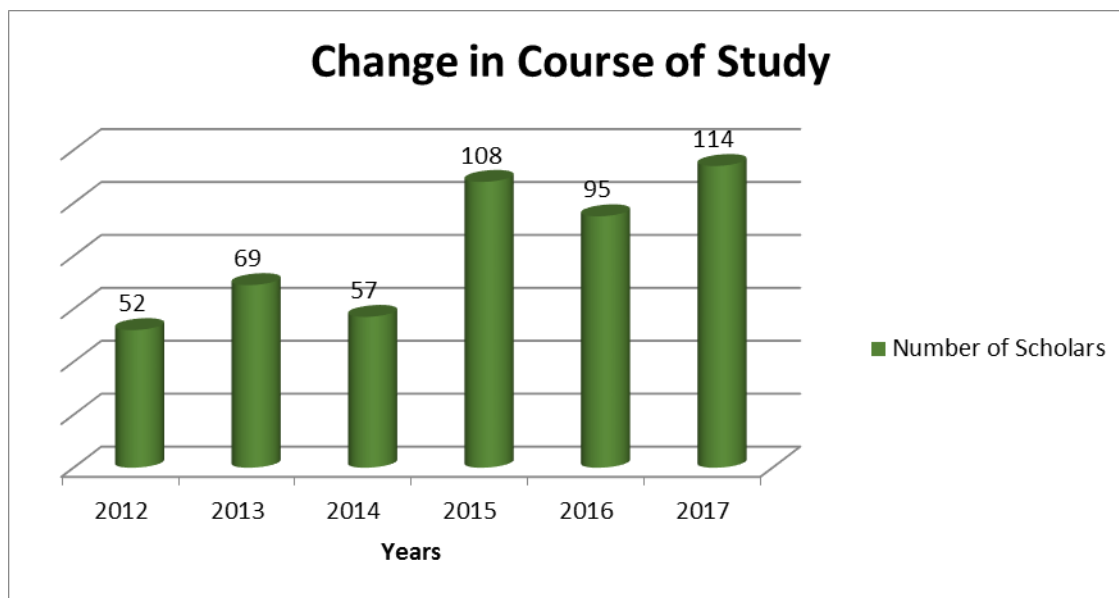
5.122 The Policy on Monitoring of Scholarship Obligations indicated that if a scholar wishes to change the area of study for which the scholarship was awarded, an application must be done and submitted to the Permanent Secretary for approval.

5.123 The Policy did not address the categories to which any changes to the already approved scholarship type would be entertained nor was any Cabinet approval seen for any scholar who had changed the course of study after the issuance of the CAPE Scholarship.

5.124 Based on an examination of a sample of scholar's files, documentary evidence was not seen that scholars had submitted applications to effect change in study. Ministry's officials have stated that request for a change of course of study is governed by the Policy on Monitoring Scholarship Obligations. Consideration for such change is granted based on the following grounds:

- The scholar has not completed more than one (1) academic year in the programme for which the scholarship was granted;
- The course of study the scholar wishes to pursue is identified as a Priority one (1) need on the Interim National Human Resource Development Needs List;
- The Scholar covers any additional cost required to complete the course of study they wish to change to;
- The scholar's academic performance is in good standing;
- The scholar has not previously breached his/her scholarship agreement.

5.125 A graphical representation for the period 2012 to 2017, is presented below of the number of scholars who have changed their courses of study. An analysis of the number of courses of study changed by scholars for the fiscal 2018 was not graphically represented as to date, 217 or 57.56 percent of the scholarships awarded have been accepted and thus, inclusion would have presented a skewed result of the findings.



Source: Analysis of Cabinet Minutes against MOE Documents

5.126 The majority of the changes in the courses of study were in favour of the medical, engineering and the legal fields. The period of study for each of the courses identified, surpassed the three years allotted for the scholarships originally received.

5.127 Changes to the courses of study can have funding implications for example, when a scholar switches from a three year programme to a five year programme, the MOE would now be required to source additional funding to cover the additional period of study.

**5.128 The MOE needs to ensure that the established policies set out for the management of the scholarship programme is adhered to and that all parties involved in the process are aware of the implications of not following the set guidelines.**

## MAINTENANCE OF RECORDS

5.129 Prior to 2012, a manual based filing system for storing and retrieving information on each scholar was in use. In 2012, the SATD began to utilise an automated information management system and migrated relevant scholar's information onto an electronic filing system. The backup files for the data base was stored at an offsite location.

5.130 However, if approval of the Permanent Secretary or an action was required from the Ministry's accounting staff then the relevant documentation would have to be printed, placed in a temporary file jacket and forwarded to either the Permanent Secretary or the accounting staff for the

action to be taken. As a result, the Division was faced with a large volume of temporary files, and in many cases, a various number of files for one scholar.

5.131 In September 2018, the Director of SATD reported that the files were not properly maintained and as a result reintroduced manual permanent files. The several temporary files for the same scholar were merged into one file. This was to ensure that the correspondence was placed in the files in a timely manner.

5.132 The MOE with effect from 21<sup>st</sup> August, 2019 took a decision not to renew the license for the electronic document filing system. This lead to the Ministry not having access to the software and to the backup files. The Ministry has advised that the in-house IT personnel were in the process of developing a software for data management of the scholarship programme. At the time of audit examination, there were approximately 8,000 records that had not been formatted.

5.133 A sample of 257 of the scholar's files for the period 2012 to 2017 was requested. Of that number, the Ministry only provided 192 files or 74.7 percent of the sample.

5.134 Of the files examined, in most cases, documentation which would have provided information on a scholar's history and academic progression was not seen, such as:

- Letter of acceptance from the University;
- Yearly transcript from the University re scholar's grade point average;
- Evidence of Suspension (suspended scholars only);
- Evidence of repayment of grant for breached scholars;
- Request for Deferral of Obligatory Service;
- Letter of Exchange for scholars who have gotten approval to defer Obligatory Service;
- Evidence of Scholars reporting for placement;
- Evidence of placement; and
- Written communication between the scholar and student support officer.

5.135 The MOE informed that the 65 files which were not provided for audit scrutiny were stored at an offsite location in Port of Spain. Documentary evidence between the MOE's senior human resource personnel revealed that there was an existing water element that had directly impacted the safety and integrity of files held in that location. It was further stated that the current condition of the files did not permit the retrieval of requested files.

5.136 Further, investigations confirmed that the files which were stored in cardboard boxes on the floor were damaged. The files could not be retrieved due to the potentially hazardous condition of the of the storage facility.

5.137 **The administrators of the programme should ensure that proper records and the maintenance thereof should be in place to efficiently and effectively monitor the progress of the scholars and by extension lead to the avoidance of wastage (revenue leakage).**

### **RECOVERY OF FUNDS FROM DEFAULTING AWARDEES**

5.138 At the end of the Scholarship period, scholars are required to return to perform their Obligatory Service to the Country. The duration of obligatory service is in accordance with the amount of monies dispensed. Table below refers.

#### **Scholarship agreement executed on or after May 23, 2013**

##### **PERIOD OF OBLIGATORY SERVICE**

<b>Cost of Scholarship</b>	<b>Period of Obligatory Service</b>
Up to \$100,000	One year
Over \$100,000 and up to \$300,000	Two years
Over \$300,000 and up to \$400,000	Three years
Over \$400,000 and up to \$600,000	Four years
Over \$600,000	Five years

5.139 In order for a scholar to qualify for a deferral of obligatory service, one of the following conditions must apply:<sup>15</sup>

- The Scholar wishes to pursue post graduate studies or postdoctoral research that is aligned to the National Development Human Resource Needs of Trinidad and Tobago;
- The Scholar wishes to pursue internships abroad in the medical field. In areas which are necessary for practicing medicine in Trinidad and Tobago, including the Foundation Programme;
- The Scholar wishes to pursue other internships abroad which will add significant value to the Scholar's ability to perform obligatory service within Trinidad and Tobago;
- The Scholar wishes to pursue residency programmes and postgraduate programmes in the medical field that are aligned to the needs of the health sector within Trinidad and Tobago;
- The Scholar wishes to pursue short-term employment, of not more than two (2) years, in foreign jurisdictions, which will provide requisite skills, abilities and work experience in their

<sup>15</sup> Policy on Deferral of Obligatory Service for Recipients of Government Scholarship  
*Auditor General's Report*  
*Public Accounts of Trinidad and Tobago 2019*

particular field of study, enhance the scholar's competencies and allow him/her to perform at a higher level within Trinidad and Tobago;

- Certifiable reasons relating to the Scholar's medical fitness, and
- The Scholar requires additional time to complete the programme of study, thesis or research and /or a request for an extension of scholarship has been declined.

5.139 During the period 2012 to 2019, there were 141 scholars who never performed their obligatory service. From this pool, 120 scholars' indebtedness stood at \$58,196,309.07 of which \$31,631,835.41 was repaid and \$26,594,470.66 or 45.7 percent were amounts owed. The amounts owed by 21 scholars were not provided.

5.140 Further analysis of the 141 scholars' indebtedness, revealed that 71 scholars have completely repaid their debt. The remaining 70 scholars are either in the process of repaying or are negotiating a repayment plan.

5.141 There were three scholars who did not return to perform their obligatory service and have not repaid the full indebtedness. The Ministry sought the advice of the Attorney General and the matters have subsequently been taken to Court. Once the indebtedness of the scholars becomes a court matter, such indebtedness will be handled by the Court and any payments recovered will be addressed by the Court.

5.142 Scholars who do not return to complete their obligatory service denies the State the opportunity to increase the value of the scholar's contribution to the national development of the country.

## **STATUTE BARRED**

5.143 The Limitation of Certain Action Act Chapter 7:09 Section 3(1) states:

*“The following actions shall not be brought after the expiry of four years from the date on which the cause of action accrued, that is to say:*

- (a) actions founded on contract (other than a contract made by deed) on quasi-contract or in tort;*
- (b) actions to enforce the award of an arbitrator given under an arbitration agreement (other than an agreement made by deed); or*
- (c) actions to recover any sum recoverable by virtue of any enactment.”*

5.144 For a scholar to be classified as statute barred, Section 3(1) of the Limitation of Certain Action Act would have to apply. Presently, the number of scholars that are classified as statute barred totals 163.

5.145 Of the 163 statute barred scholars, financial information was received for 54 scholars or 33 percent. The scholars' debt in respect of these 54 scholars totalled \$14,345,290.29 of which the sum of \$717,954.69 was recovered. An amount of \$13,666,928.14 remains outstanding to the State.

5.146 The indebtedness of the remaining 109 scholars could not be determined since documentation was not provided. As a result, the actual indebtedness to the State by scholars who have been classified as statute barred could not be quantified. The monies lost by the State due to scholars classified as statute barred represents significant revenue leakages.

**5.147 The Ministry of Education should ensure that procedures are followed to avoid scholars' debts becoming statute barred.**





# **CHAPTER 6**

## **THE ACCOUNTS OF THE TREASURY**



## CHAPTER 6

### ACCOUNTS OF THE TREASURY

#### TREASURY STATEMENTS

6.1 Section 24 (1) (a) of the Exchequer and Audit Act, Chapter 69:01 requires the Treasury to submit certain statements to the Auditor General within four months of the end of the financial year. Comments on the examination of these Financial Statements follow.

#### TREASURY STATEMENTS

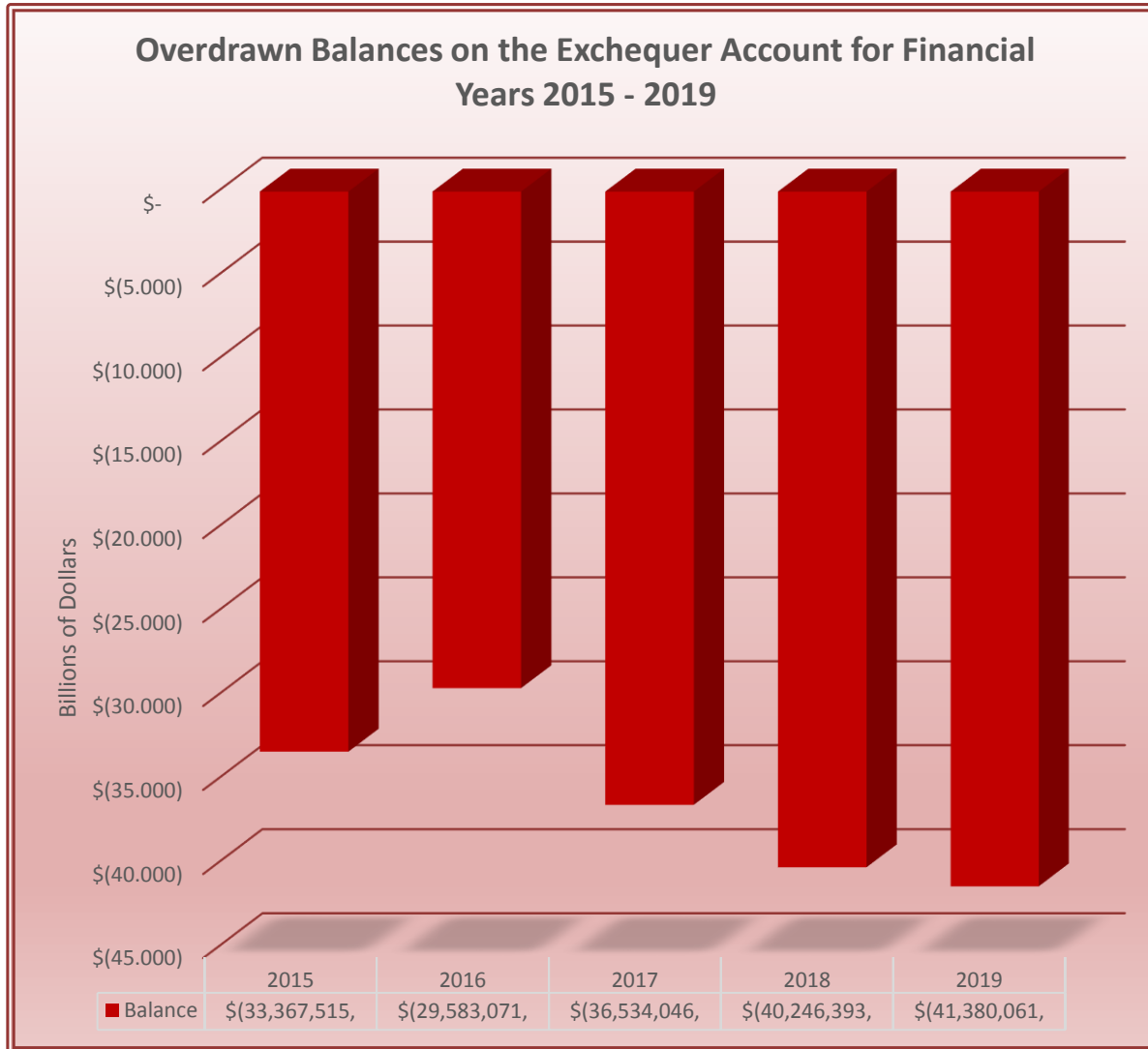
##### THE EXCHEQUER ACCOUNT - (\$41,380,061,388.10)

6.2 The Exchequer Account is the bank account for the Consolidated Fund. Section 20 of the Exchequer and Audit Act allows for a fluctuating overdraft on the Exchequer Account. The Account has been in overdraft since fiscal 2003.

6.3 According to the records of the Comptroller of Accounts as at 30<sup>th</sup> September, 2019, the Exchequer Account was overdrawn by \$41,380,061,388.10 which was an increase of \$1,133,667,949.42 or 2.82% when compared to the previous year's figure of (\$40,246,393,438.68). This occurred because payments exceeded receipts in the financial year 2019 as shown below:

	Financial Year 2019 \$	Financial Year 2018 \$
Receipts	53,447,535,645.68	50,499,371,985.33
Less: Payments	<u>(54,581,203,595.10)</u>	<u>(54,211,718,805.15)</u>
Net Movements	(1,133,667,949.42)	(3,712,346,819.82)
Balance b/f from previous financial year	<u>(40,246,393,438.68)</u>	<u>(36,534,046,618.86)</u>
<b>Balance as at 30<sup>th</sup> September</b>	<b><u>(41,380,061,388.10)</u></b>	<b><u>(40,246,393,438.68)</u></b>

6.4 The overdrawn balance of \$41,380,061,388.10 as at 30<sup>th</sup> September, 2019 according to the records of the Treasury was reconciled with the credit balance of \$40,508,467,148.53 as confirmed by the Central Bank of Trinidad and Tobago. The year-end balances from 2015 to 2019 are depicted in

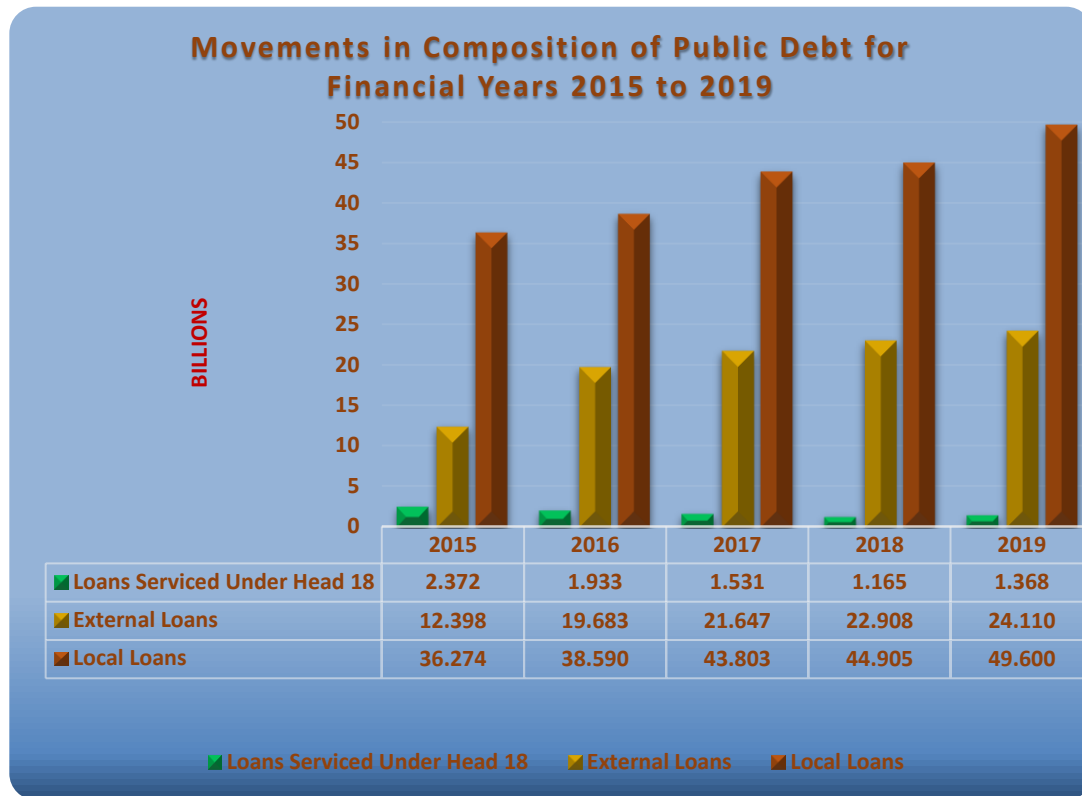
**Chart 6.1: Overdrawn Balances on the Exchequer Account for Financial Years 2015 to 2019**

## STATEMENT OF THE PUBLIC DEBT

6.5 The Statement of the Public Debt reflects the outstanding balances on existing loans. The records of the Treasury showed that as at September 30, 2019 the Public Debt was \$75,080,932,858.16 (2018: \$68,977,535,489.48). This balance comprised Local Loans and External Loans, as well as loans and debts serviced under Head 18.

6.6 Comparisons from 2015 to 2019 are represented in Chart 6.2 below.

**Chart 6.2: Movements in Composition of Public Debt for Financial Years 2015 to 2019<sup>16</sup>**



6.7 There was an overall increase of \$6,103,397,368.68 or 9% in the balance representing the Public Debt as at 30<sup>th</sup> September, 2019 as disclosed by the Treasury.

**Table 6.1: Summary of Changes in the Public Debt**

	Local Loans	External Loans	Serviced Under Head 18	Total
	\$000	\$000	\$000	\$000
Balance as at 1 <sup>st</sup> October, 2018	<b>44,904,821</b>	<b>22,908,204</b>	<b>1,164,510</b>	<b>68,977,535</b>
Add: New Bonds/Loans	7,759,927	1,730,964	504,456	9,995,347
Disbursements	80,589	220,123	0	300,712
Less: Repayments	(2,875,833)	(857,022)	(288,809)	(4,021,664)

<sup>16</sup> Figures shown are those disclosed in the Statement of the Public Debt  
Auditor General's Report  
Public Accounts of Trinidad and Tobago 2019

	Local Loans	External Loans	Serviced Under Head 18	Total
	\$000	\$000	\$000	\$000
Add: Foreign Exchange Adjustment	382	(10,590)	174	(10,034)
Other Adjustments	(266,744)	117,708	(11,927)	(160,963)
Balance as at 30 <sup>th</sup> September, 2019	<b>49,603,142</b>	<b>24,109,387</b>	<b>1,368,404</b>	<b>75,080,933</b>
Net Increase/(Decrease)	4,698,321	1,201,183	(203,894)	6,103,398
% Increase/(Decrease)	10	5	(18)	9

### Local Loans - \$49,603,142,063.76

6.8 The Domestic Debt (Local Loans) in 2019 was \$49,603,142,063.76. This figure when compared to 2018 reflected an increase of \$4,698,320,762.53 or 10%. This was mainly due to new Bonds and Treasury Bills which were issued during the financial year.

6.9 There are three categories of borrowing instruments from the domestic sources. They are Treasury Bills, Treasury Notes and Government Loans raised by Bonds. The Bonds are long-term instruments whilst the Treasury Notes are medium term which span a period of between 3-5 years. The Treasury Bills are short-term borrowing instruments with three different maturities: 91 days, 182 days and 365 days.

### External Loans - \$24,109,387,066.96

6.10 The external debt as at September 30, 2019 was \$24,109,387,066.96. There was an increase of \$1,201,182,624.25 or 5% over the previous year. Three new loan agreements were contracted, two with Corporacion Andina De Fomento (CAF) and the other with Unicredit Bank of Austria AG. Total disbursements on external loans during the financial year was \$1,951,087,099.47.

### Head 18: Ministry of Finance - \$1,368,403,727.44

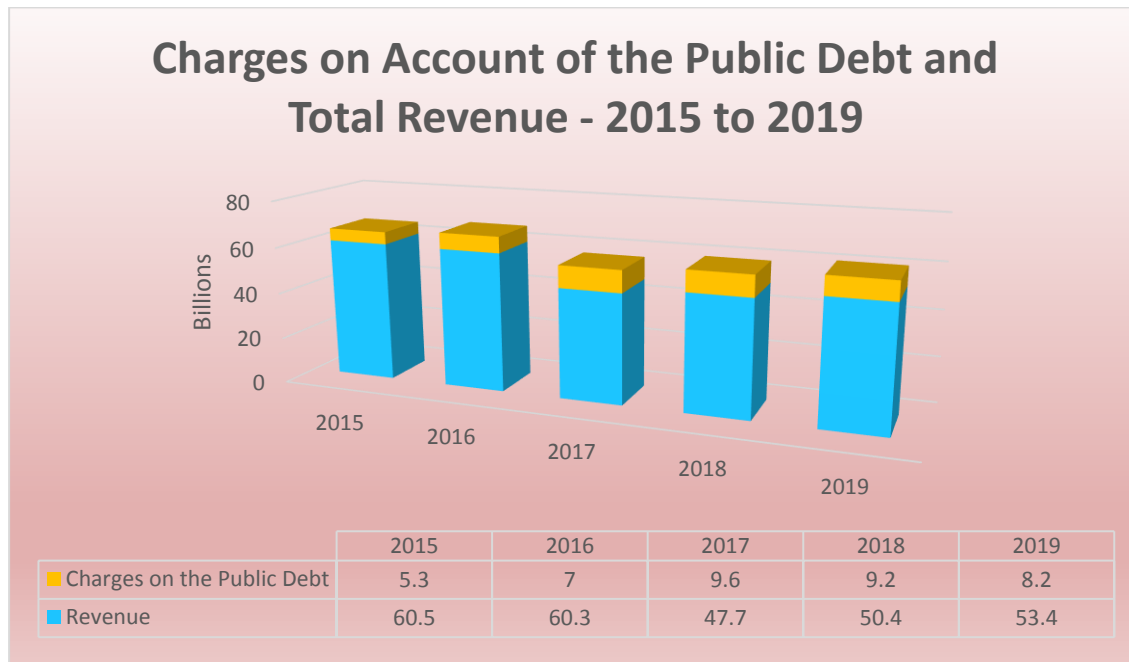
6.11 Loans serviced under Head 18, Ministry of Finance represent loans which were secured by Letters of Comfort or Credits Guaranteed by the State for some State Enterprises and which were not repaid by the entity and are being paid by the Government of Trinidad and Tobago through budgetary allocation under Head 18. The present debt balance recorded for loans serviced under Head 18 - Ministry of Finance was \$1,368,403,727.44. This represents an increase of \$203,893,981.90 or 17.5% when compared to previous year's figure of \$1,164,509,745.54.

### CHARGES ON ACCOUNT OF THE PUBLIC DEBT- \$8,230,354,829.78

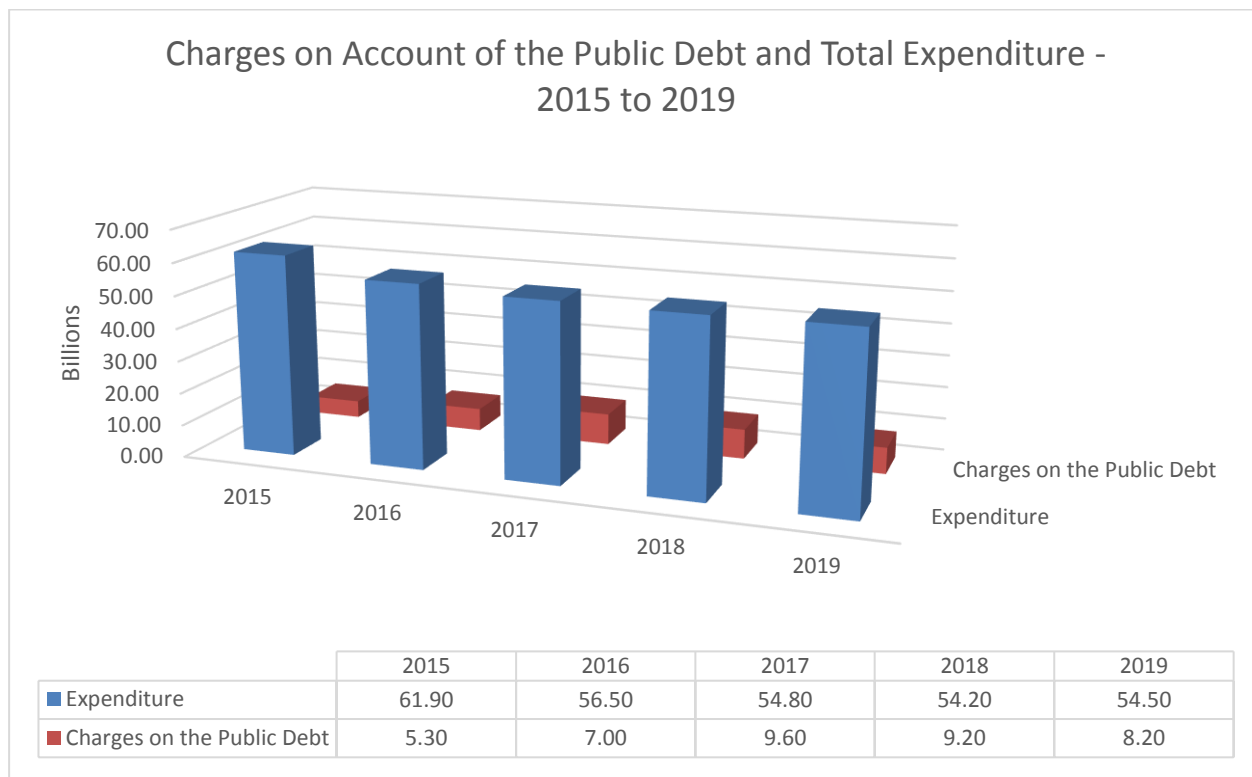
6.12 Charges on Account of the Public Debt is included in this chapter to illustrate the impact of debt servicing on revenue and recurrent expenditure.

6.13 Charges on Account of the Public Debt as a proportion of Total Tax and Non-Tax Revenue and as a proportion of Total Expenditure for the financial years 2015 to 2019 are shown in Charts 6.3 and 6.4 below:

**Chart 6.3**



**Chart 6.4**



6.14 The Charges on Account of the Public Debt decreased by \$990,596,518.13 or 11% when compared with Charges of \$9,220,951,347.91 relating to the previous financial year. Details are given below:

	2019 (\$)	2018 (\$)
<b><u>Principal Repayments</u></b>		
Local Loans	2,275,832,635.95	4,074,163,924.80
Foreign Loans	<u>857,021,694.63</u>	<u>695,924,810.49</u>
<b>Total Principal Loan Repayments (a)</b>	<b><u>3,132,854,330.58</u></b>	<b><u>4,770,088,735.29</u></b>
<b><u>Interest Payments</u></b>		
Local Loans	1,515,911,469.83	1,442,632,924.43
Foreign Loans	1,126,518,313.38	991,206,914.96
Notes, Debentures and Others	<u>972,039,261.70</u>	<u>1,065,781,424.36</u>
<b>Total Interest Payments (b)</b>	<b><u>3,614,469,044.91</u></b>	<b><u>3,499,621,263.75</u></b>
<b><u>Other Payments</u></b>		
Management Expenses	54,998,339.66	31,307,108.36
Sinking Fund Contributions	708,291,100.00	720,860,000.00
Discounts and Other Financial Instruments	719,269,740.66	198,023,664.80
Expenses of Issues	<u>472,273.97</u>	<u>1,050,575.71</u>
<b>Total Other Payments (c)</b>	<b><u>1,483,031,454.29</u></b>	<b><u>951,241,348.87</u></b>
<b>Total Expenditure (a)+(b)+(c)</b>	<b><u>8,230,354,829.78</u></b>	<b><u>9,220,951,347.91</u></b>

## STATEMENT OF OFF BALANCE SHEET FINANCING

6.15 The Statement of Off Balance Sheet Financing represents contingent liabilities at the financial year, 2019. The contingent liabilities reflected in the records of the Treasury were as follows:

CONTINGENT LIABILITIES	AMOUNT \$
Balance on Loans assumed by the GORTT	2,106,721.02
Loans and Credits Guaranteed by the State	12,457,933,805.34
Letters of Comfort	15,915,400,411.43
Promissory Notes	5,335,917,827.84
Open Market Operations re: Treasury Bills/Notes	15,493,500,000.00
<b>TOTAL</b>	<b>49,204,858,765.63</b>



**Loans or Credits Guaranteed by the State**

6.16 Loan repayments to date totalled \$7,098,181,343.12 made by the entities to which guarantees were issued. Loans paid off for 2018/2019 totalled \$2,074,167,642.72.

**Letters of Comfort Issued by the Government of the Republic of Trinidad and Tobago - \$15,915,400,411.43**

6.17 The Government of Trinidad and Tobago issued Letters of Comfort to financial institutions on behalf of state entities, guaranteeing loans totalling \$22,140,618,609.54. These loans will become a liability to the State in the event of the entities defaulting on payments. An amount, \$15,915,400,411.43 represents Contingent Liabilities under Letters of Comfort. Note 11 (ii) to the Accounts, refers.

**Open Market Operations re: Treasury Bills/Notes - \$15,493,500,000.00**

6.18 Contingent Liabilities disclosure include \$15,493,500,000.00 relating to Open Market Operations in respect of Treasury Bills/Notes. The relevant proceeds were invested in 'Blocked Accounts' at the Central Bank of Trinidad and Tobago. This represented a decrease of \$5,564,900,000.00 or 26.4% when compared with the previous year. Note 11 (v) to the Accounts, refers.

**STATEMENT OF LOANS FROM GENERAL REVENUE REPAYABLE TO THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO**

6.19 There was a net decrease of \$8,130,652.79 or 0.4% in this balance from the previous year. Movements during the financial year are summarized below:

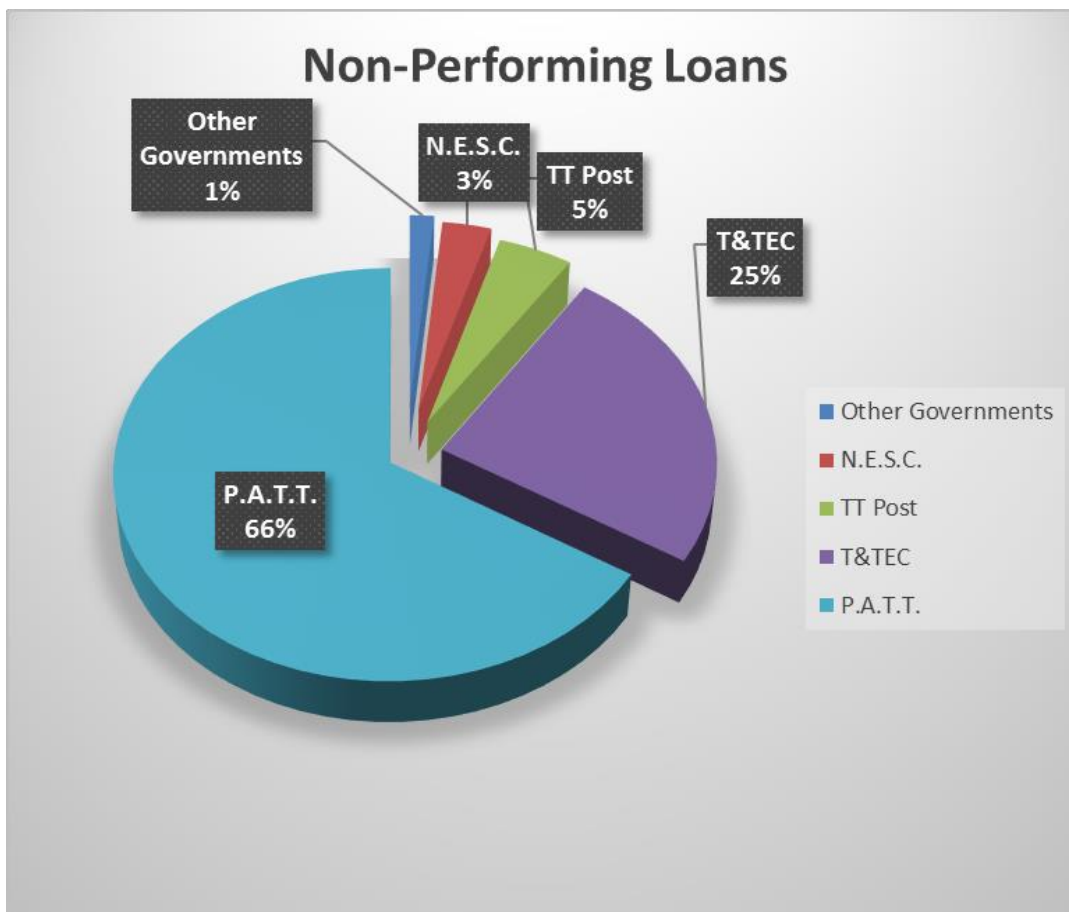
	\$	\$	\$
Balance brought forward 1 <sup>st</sup> October, 2018			2,018,570,939.88
Less: Adjusted Restated Balances 30/09/2019		(1,380,252.79)	
Less: Capital Repayments/write-offs for 2019 (Gov't St. Lucia)		(6,776,800.00)	
Less/Add Foreign Exchange Adjustment for 2019 (Gov't St. Lucia)	26,400		
			<u>8,130,652.79</u>
<b>Total Loans from General Revenue as at 30<sup>th</sup> September, 2019</b>			<b><u>2,010,440,287.09</u></b>

**Non-Performing Loans**

6.20 Several loans totalling \$1,930,751,179.47 which represents 96% of the total reflected on the Statement of Loans from General Revenue are not being serviced by borrowers. These non-performing loans' outstanding balances have been revalued at a rate of US1.00=TTD\$6.7570 and are shown below:

	\$	\$
➤ <b>Other Governments</b>		
- Government of Grenada	206,687,756.30	
- Government of Dominica	25,757,000.00	
- Government of St Lucia	11,055,000.00	
- Government of Antigua and Barbuda	39,923,350.00	
- Government of St. Vincent and the Grenadines	<u>25,113,075.00</u>	308,536,181.30
➤ <b>Others</b>		
- National Energy Skills Centre	50,947,780.00	
- TT Post	<u>77,367,650.00</u>	128,315,430.00
➤ <b>Statutory Bodies</b>		
- T'dad and T'go Electricity Commission	404,291,743.17	
- Port Authority of T'dad and T'go	<u>1,089,607,825.00</u>	<u>1,493,899,568.17</u>
<b>Total</b>		<b><u>1,930,751,179.47</u></b>

CHART 6.5

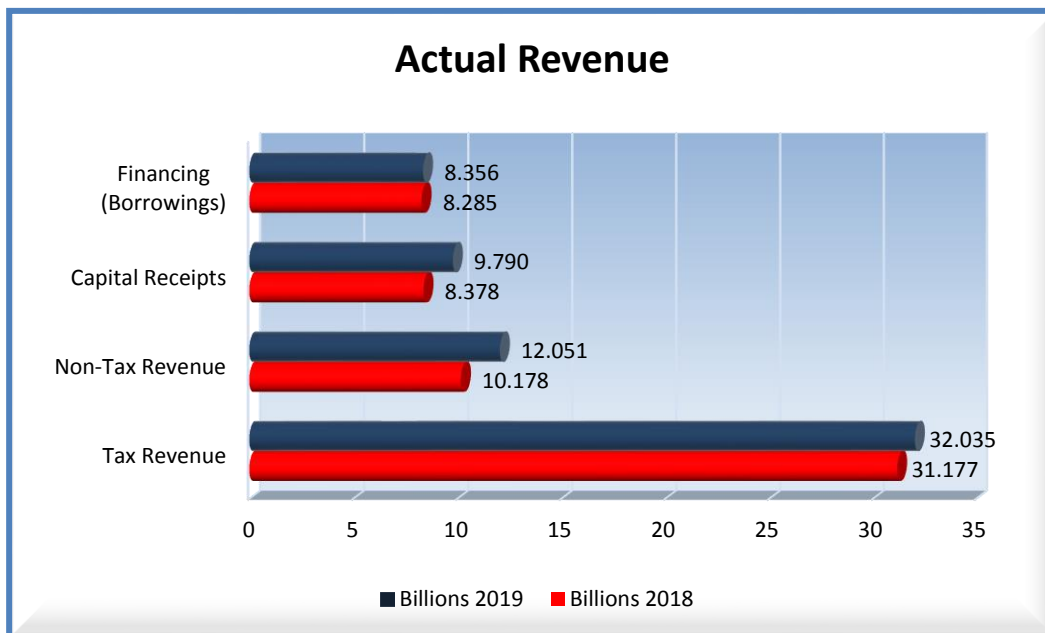


## STATEMENT OF REVENUE

### ***Total Revenue Collected - \$53,423,353,341.79***

6.21 Actual revenue collected for the financial year 2019 as shown by the records of the Treasury was \$53,423,353,341.79. The actual revenue for the financial years 2019 and 2018 when compared revealed an overall increase of \$2,946,236,066.20 or 5.8% in revenue collected. This is represented by the following increases:

	\$
Tax Revenue	858,614,381.96
Non-Tax Revenue	1,873,582,657.66
Capital Receipts	141,939,734.40
Financing	72,099,292.18

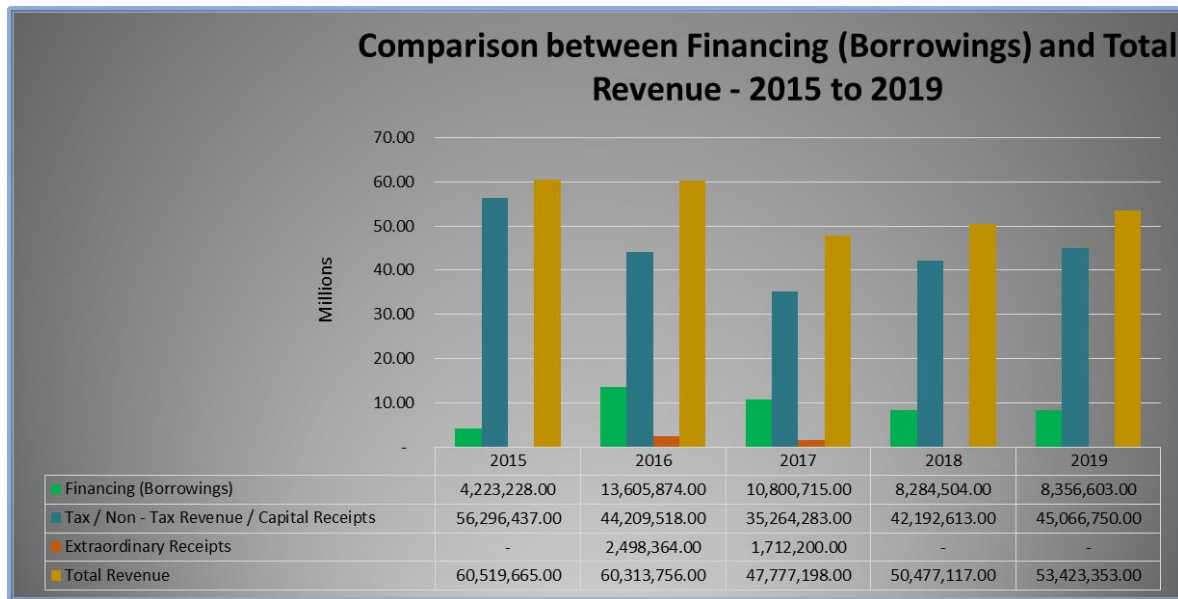


6.22 The main Receivers of Revenue are:

	2019 \$	2018 \$
Ministry of Finance:		
FN 1 – Comptroller of Accounts	13,109,467,458.44	11,020,951,555.28
FN 2 – Chairman Board of Inland Revenue	45,024,122,832.31	27,302,408,844.86
FN 3 – Comptroller of Customs & Excise	6,333,737,692.75	3,815,955,981.24
FN 5 – Permanent Secretary (Investments Division)	2,419,611,772.89	4,265,589,571.35
Ministry of Energy & Energy Industries:		
EN 1 – Permanent Secretary	6,175,501,953.61	3,446,181,733.36

6.23 **Chart 6.6** Shows the relationship between revenue from ‘Financing (Borrowings)’ and Total Revenue over the financial years 2015 to 2019.

**Chart 6.6: Comparison between Financing (Borrowings) and Total Revenue - 2015 to 2019**



## STATEMENT OF EXPENDITURE

### *Parliamentary Appropriations and Direct Charges on the Consolidated Fund*

6.24 For the financial year 2019, Parliament approved funds totalling \$58,260,464,883.00 to meet expenditure for the service of Trinidad and Tobago. Particulars are shown below:

<b>Appropriation</b>	<b>\$</b>
Appropriation (Financial Year 2019)	45,512,110,705.00
Direct Charges	<u>12,748,354,178.00</u>
<b>Total Parliamentary Appropriations</b>	<b><u>58,260,464,883.00</u></b>

6.25 Details of the total approved Estimates for the financial year are given in the Statement of Expenditure.

### **Actual Expenditure**

6.26 The records of the Comptroller of Accounts reflected the actual expenditure for the year ended September 30, 2019 under 42 Heads of Expenditure totalled \$54,581,187,114.99.

6.27 **Table 6.3** highlights those areas where expenditure was in excess of one billion dollars and reflects the percentage of total expenditure incurred.

**Table 6.3: Actual Expenditure in Excess of \$1Bn**

Head of Expenditure	Actual Expenditure \$	Percentage of Total Expenditure
15 Tobago House of Assembly	2,194,344,308.48	4.02
18 Ministry of Finance	6,644,866,532.99	12.17
19 Charges on Account of the Public Debt	8,230,354,829.78	15.24
20 Pensions and Gratuities	3,252,449,260.68	5.96
22 Ministry of National Security	3,407,898,610.74	6.24
26 Ministry of Education	5,431,914,892.08	9.95
28 Ministry of Health	4,755,450,505.89	8.71
39 Ministry of Public Utilities	2,687,575,883.59	4.92
42 Ministry of Rural Development and Local Government	2,085,294,861.51	3.82
43 Ministry of Works and Transport	2,125,433,975.74	3.89
61 Ministry of Housing and Urban Development	1,419,755,726.09	2.60
64 Trinidad and Tobago Police Service	2,173,353,389.73	3.98
78 Ministry of Social Development and Family Services	5,109,027,839.86	9.36
<b>Sub-Total</b>	<b>49,607,720,617.16</b>	<b>90.86</b>
Other Ministries and Departments	4,973,466,497.83	9.14
<b>GRAND TOTAL</b>	<b>54,581,187,114.99</b>	<b>100</b>

### **Revenue Compared with Expenditure**

6.28 Expenditure of \$54,581,187,114.99 incurred for the financial year 2019 exceeded revenue collected of \$53,423,353,341.79 by \$1,157,833,773.20 or 2.2%.

**CASH BASIS CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES****ASSETS****CURRENT ASSETS****CASH AND CASH EQUIVALENTS \$27,996,922,385.53**

6.29 Note 2 (ii) (b) to the Accounts, disclosed that Cash and Cash Equivalents consisted of the following accounts:

	\$
Treasury Deposits Account	12,408,320,414.05
Treasury Funds Account	352,223,023.73
Treasury Suspense Account	3,700,864.23
Unemployment Fund	7,873,342,785.42
Infrastructure Development Fund	63,971,599.46
NUGFW Training Fund	8,620,981.07
Government Assistance for Tuition Expenses Fund	76,374,336.61
Green Fund	6,946,131,930.49
CARICOM Petroleum Fund	244,392,748.66
National Wastewater Revolving Fund of T&T	16,965,400.00
Exchequer Suspense Account	2,878,301.81
<b>Total</b>	<b><u>27,996,922,385.53</u></b>

**RECEIVABLES**

6.30 Receivables represent moneys owed to the State and is comprised of Treasury Deposits and amounts in the Advances Fund.

**RECEIVABLES - TREASURY DEPOSITS - \$406,075,395.13**

6.31 Treasury Deposits totalling \$406,075,395.13 as at September 30, 2019 is as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Advances made to other Governments and Administrations	1,252,786.40	1,252,786.40
Advances i.r.o. payments made on behalf of other Governments	774,322.62	728,188.87
Other:		
Ministry of Housing and Urban Development - Imprest Cash Account for Sugar Workers and Cane Farmers	0.00	1,000,000.00
Ministry of Housing and Urban Development – Interim funding for the development and sale of houses	400,000,000.00	0.00
Purpose of Expenditure Associated with the operations Of the Constituency offices including staff salaries etc.	4,048,286.11	0.00
<b>TOTAL</b>	<b>406,075,395.13</b>	<b>2,980,975.27</b>

### **RECEIVABLES ADVANCES - \$104,763,945.90**

6.32 This figure represents balances on loans made to public officers and Imprests as shown below:

	<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>
Motor Vehicle Loans	73,033,680.48	89,940,040.42
Computer Loans	1,663,659.45	1,723,373.65
Irredeemable Imprests	2,225,451.64	27,190,647.46
Other Advances:		
Study Leave	25,586.65	25,586.65
Health Purposes	(1,583.41)	(1,583.41)
Other Loans to Public Officers	889,270.16	874,270.16
Redeemable Imprests	45,665.69	44,207.12
Clearing Account	<u>1,882,215.24</u>	<u>1,879,749.67</u>
<b>TOTAL</b>	<b><u>104,763,945.90</u></b>	<b><u>121,676,291.72</u></b>

### **NON –CURRENT ASSETS \$108,531,468.20**

#### **INVESTMENTS - \$108,531,468.20**

6.33 The balance on investments reflects an increase of \$3,509,572.81 or 3.34% from the previous year's figure of \$105,021,895.39 and is comprised of the following four categories:

- General Treasury Deposits
- Special Funds
- Trust Funds
- Consolidated Fund.

**GENERAL - \$41,011,999.69**

6.34 These investments comprised fixed deposits held at the Central Bank of Trinidad and Tobago and funds in money market accounts at a financial institution. The investments were held on behalf of the under-mentioned:

	<b>2019</b>	<b>2018</b>
	\$	\$
Administrator General	682,904.42	682,904.42
Pool Betting Deposits	750,000.00	750,000.00
Ministry of Energy and Energy Affairs – Mora Oil Ventures Limited	11,079,095.27	10,971,565.71
Members Club	<u>28,500,000.00</u>	<u>31,000,000.00</u>
<b>TOTAL</b>	<b><u>41,011,999.69</u></b>	<b><u>43,404,470.13</u></b>

**SPECIAL FUNDS - \$46,672,418.00**

6.35 Special Funds and prior year comparative figures are shown below.

	<b>2019</b>	<b>2018</b>
	\$	\$
Local Trustees of the Sinking Fund	25,987,454.26	26,257,435.99
T & T Defence Force Welfare Fund	3,094,425.08	3,053,750.46
Seized Assets Fund	<u>17,590,538.66</u>	<u>11,576,414.68</u>
<b>TOTAL</b>	<b><u>46,672,418.00</u></b>	<b><u>40,887,601.13</u></b>

**TRUST FUNDS - \$18,239,941.33**

6.36 The figure of \$18,239,941.33 represents amounts invested in mutual funds, fixed deposits, fixed rate bonds and foreign securities. The Funds are as follows:

	<b>2019</b>	<b>2018</b>
	\$	\$
Post Office Savings Bank	8,509,597.95	8,509,597.95
Public Trustee	4,396,321.38	4,279,095.00
Sugar Industry Rehabilitation Fund	140,000.00	140,000.00
Sugar Industry Price Stabilization Fund	164,022.00	164,022.00
Cane Farmers' Rehabilitation Fund	30,000.00	30,000.00
Sugar Industry Labour Welfare Fund	<u>5,000,000.00</u>	<u>5,000,000.00</u>
<b>TOTAL</b>	<b><u>18,239,941.33</u></b>	<b><u>18,122,714.95</u></b>



**CONSOLIDATED FUND - \$2,607,109.18**

6.37 The balance on this Fund as at September 30, 2019 remained unchanged for a number of years and comprised mainly fixed deposits with the Central Bank of Trinidad and Tobago.

**LIABILITIES -\$54,280,904,615.97****CURRENT LIABILITIES- \$54,280,904,615.97****EXCHEQUER ACCOUNT - \$41,380,061,388.10**

6.38 The total of Current Liabilities of \$54,280,904,615.97 reflects an increase of \$1,947,607,225.21 or 3.72% from the previous year figure of \$52,333,297,390.76 and is comprised of the following:

- Exchequer Account
- Deposits Accounts
- Special Funds
- Trust Funds.

6.39 The Exchequer Account is the bank account for the Consolidated Fund. Comments on this account have been included at paragraphs 6.2 to 6.5 of this Report.

6.40 Ministries and Departments are given approval by the Comptroller of Accounts to maintain Deposit Accounts. Monies accepted as deposits are lodged with the Treasury for safekeeping and are referred to as “Treasury Deposits”. The amounts in the Treasury Deposit accounts are temporary lodgements and are shown as liabilities in the records of the Treasury.

6.41 The balances of the Deposits and Funds accounts presented hereunder are liabilities as they represent monies held by the Treasury pending application for payment in accordance with the purposes for which the relevant deposits/funds were created. The balances of each of these liabilities together with comparative amount are shown below:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Treasury Deposits (General)	5,068,236,165.08	4,526,161,215.00
Special Funds	7,177,719,044.78	7,065,899,277.26
Trust Funds	<u>654,888,018.01</u>	<u>494,843,459.82</u>
<b>TOTAL</b>	<b><u>12,900,843,227.87</u></b>	<b><u>12,068,903,952.08</u></b>

## TREASURY DEPOSITS (GENERAL) - \$5,068,236,165.08

6.42 The amount of \$5,068,236,165.08 in the Treasury Deposit accounts are temporary lodgements. There was an increase in Treasury Deposits (General) of \$542,074,950.08 or 12% from the previous year. The composition of Treasury Deposits (General) as at September 30, 2019 is as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
General	5,067,145,269.11	4,524,759,945.95
Magistrates'/High Court Maintenance	1,250,453.72	1,560,826.87
Payments by Other Governments and Administrations	<u>(159,557.75)</u>	<u>(159,557.82)</u>
<b>TOTAL</b>	<b><u>5,068,236,165.08</u></b>	<b><u>4,526,161,215.00</u></b>

## SPECIAL FUNDS - \$7,177,719,044.78

6.43 The figure of \$7,177,719,044.78 represents total balances of 11 Special Funds, the details of which are presented at Schedule A to the Cash Basis Consolidated Statement of Assets and Liabilities.

6.44 The balance of the Local Trustees of the Sinking Fund Account is \$7,133,658,890.83 and represents over 99% of the value of the total of \$7,177,719,044.78. There was a net increase of \$111,819,767.52 or 2% from the previous year's balance of \$70,658,899,277.26. This was mainly due to amounts transferred from the Sinking Fund to meet principal repayments of loans under Head 19 of the Appropriation Accounts.

## TRUST FUNDS - \$654,888,018.01

6.45 The figure of \$654,888,018.01 represents the total of balances on 18 Funds as detailed at Schedule B to the Cash Basis Consolidated Statement of Assets and Liabilities. There was an increase of \$160,044,558.19 or 32% from the balance of \$494,843,459.82 recorded from the previous financial year.

## FUNDS - (\$25,664,611,421.21)

### CONSOLIDATED FUND - (\$41,345,911,202.92)

6.46 The deficit of \$41,345,911,202.92 in the Consolidated Fund increased by \$1,133,667,949.42 or 2.81% when compared with the previous year's figure of \$40,212,243,253.50. This increase was due to an excess of expenditure over revenue for the financial year 2019 and net adjustments as follows:

	\$
Revenue for financial year 2019	53,423,353,341.79
Expenditure for financial year 2019	<u>(54,581,187,114.99)</u>
	(1,157,833,773.20)
Add:	
Transfers of previous year's Unpaid balances	24,165,823.78
Prior year adjustments	<u>(0)</u>
<b>Net Increase in Deficit</b>	<b><u>(1,133,667,949.42)</u></b>

6.47 Included in the Revenue of \$53,423,353,341.79 is an amount representing financing (borrowings) of \$8,356,603,181.17.

6.48 The under-mentioned funds presented in the Cash Basis Consolidated Statement of Assets and Liabilities are detailed in Chapter 4:

	\$
Unemployment Fund	7,873,342,785.42
Infrastructure Development Fund	63,971,599.46
NUGFW Training Fund	8,620,981.07
Government Assistance for Tuition Expenses (GATE) Fund	76,374,336.61
Green Fund	6,946,131,930.49
CARICOM Trade Support Fund	00
CARICOM Petroleum Fund	244,392,748.66
National Waste Water Revolving Fund	16,965,400.00

### **ADVANCES FUND - \$351,500,000.00**

6.49 This Fund consists of amounts set aside from the Consolidated Fund to provide loans to public officers for certain purposes as well as to fund Irredeemable Imprests. There were no changes to the Fund balance for the financial year 2019.

### **CONTINGENCIES FUND - \$100,000,000.00**

6.50 The Contingencies Fund was established in accordance with section 16 (1) of the Exchequer and Audit Act from issues out of the Consolidated Fund not exceeding \$1,500,000.00 or such greater sum as Parliament may by resolution approve, to defray unforeseen expenditure. On September 9<sup>th</sup> 2006 Parliament by resolution increased the value of the Fund to \$100,000,000.00. This remained unchanged for the financial year 2019.

**NOTES TO THE ACCOUNTS****NOTE 18 HERITAGE AND STABILISATION FUND – NET ASSETS US\$6,250,343,073.29**

6.51 The Heritage and Stabilisation Fund with Net Assets of US\$6,250,343,073.29 (2018: US\$5,961,505,961.77) was not included in the Cash Basis Consolidated Statement of Assets and Liabilities. The Financial Statements of this Fund are reported on separately in accordance with the requirements of the Heritage and Stabilisation Fund Act, 2007 (Chapter 70:09) (the Act).

6.52 The conditions for mandatory deposits into the Fund were not met during the financial year therefore no deposits were made. Also there were no withdrawals from the Fund.