Ministry of Foreign and CARICOM Affairs
Republic of Trinidad and Tobago

Responses to the Recommendations outlined in the First Report of the Public Administration and Appropriations Committee on examination into the Current Expenditure of Ministries and Departments under three (3) sub heads: Current Transfers and Subsides, Development Programme-Consolidated Fund and Infrastructural Development Fund

Contents

Pervasive Issues

A. Internal Audit

Recommendations

- The Head of the Public Service develops a training programme to strengthen the Internal Audit function throughout the Public Service, which must include continuous training to ensure knowledge and practices remain up-to-date with International Financial Reporting Standards (IFRS))/ IPSAS.
- Consideration may be given to the use of resources of the Treasury and the Auditor General to assist with the delivery of the programme. Through the strengthening of Internal Audit departments, many issues can be rectified in a timely manner. Records will be properly maintained, issues will be identified and dealt with and there will also be a higher sense of accountability, transparency and value for money.
- The Public Service Commission and the Chief Personnel Officer review the job descriptions and the terms of conditions of employment for all levels of Internal Audit staff, with the objective of making Internal Audit a professional stream in the Public Service.
- The Public Service Commission and the Chief Personnel Officer takes all requisite steps to fill all vacant positions after the review mentioned above, in a timely manner.
- The Public Service Commission and the Chief Personnel Officer must devise and implement retention strategies to minimize loss of Internal Audit personnel in the Public Service.

Response by the Ministry

The Ministry supports the recommendations outlined above with one amendment. With regard to the proposal to transform the Internal Audit stream into a professional stream, the Ministry is of the view that professional grade officers should be included.

The responsibility for development and roll out of the training programme should reside with the Ministry of Public Administration and Communication under which the Public Service Academy falls given the latter responsibility for in-service training and development. Treasury and Auditor General Department should be involved in the design of the programme as well.

B. Fraud

Recommendations

- The Ministry of Finance develops and implements a mechanism to identify and prevent fraud, which is to be applied to all Ministries, Departments, State Enterprises and Statutory Authorities. This will ensure that accountability is maintained.

- Penalties should be introduced to penalize persons found guilty of committing fraud within Ministries, Departments, State Enterprises and Statutory Authorities.

Response by the Ministry

The Ministry supports the recommendations of the Committee.

C. Monitoring and Evaluation

Recommendations

- Ministries and Departments must familiarize themselves with the National Monitoring and Evaluation Policy of Trinidad and Tobago which outlines the system for monitoring and evaluation during the execution of projects, focusing on accountability, transparency, credibility, objectivity, ethics and utility.
- The Ministry of Finance and Ministry of Planning and Development must ensure there is a clear distinction between the functions of the Internal Audit Units and the Monitoring and Evaluation Units.
- Ministry of Planning and Development develops training to ensure the Monitoring and Evaluation Units perform at optimum capacity.
- Ministry of Planning and Development develops Standard Operating Procedures (SOP) for the Monitoring and Evaluation Units.

Response by the Ministry

The Ministry supports the recommendations outlined above. Additionally, an awareness campaign of the National Monitoring and Evaluation Policy should be launched in Ministries and Departments. Further, focus should not only be on training officers in Monitoring and Evaluation Units but on developing monitoring and evaluation competencies throughout all work units in Ministries and Departments.

D. Exclusion of Projects from the PSIP

Recommendations

- The Ministry of Planning and Development identifies and removes long-standing projects and programmes from capital expenditure funding.
- The Ministry of Finance through its Budget Division must ensure that programmes transferred to recurrent expenditure from capital expenditure receive adequate funding.

Response from the Ministry

The Ministry supports the recommendations of the Committee.

E. Project Management

Recommendation

- The Ministry of Planning and Development standardises the project management function across Ministries and Departments. The Ministry may wish to consider identifying existing model Ministries and Departments, which can be used as benchmarks.

Response from the Ministry

The Ministry supports the recommendation outlined above. The Ministry proposes the development of mechanisms to allow for greater resource sharing, procurement management, economies of scale, knowledge sharing and effective communication and coordination between entities throughout the public service.

F. Non-profit Institutions

Recommendations

- The Ministry of Finance establishes and maintains a register of all Non-Profit Institutions receiving funding from the State including the quantum, the source of funding and the purpose. This register should be made accessible to all Ministries and Departments providing funding to Non-Profit Institutions.
- The Ministry of Finance develops specific rules for expenditure control in Non-Profit Institutions. These rules should clearly outline the terms and conditions for the release of funds to non-Profit Institutions and for the accountability for the expenditure of the funds.

Response from the Ministry
The recommendations of the Committee are supported. Additional resources maybe required by Ministries heavily involved in such funding to ensure proper monitoring of funding provided to such non-profit institutions.

G. Sub-Accounting Units in Small Departments

Recommendations

- The Ministry of Finance discontinues the use of Sub-Accounting Units within Ministries and Departments.
- In the interim, where Sub-Accounting Units exist, the Ministry of Finance must ensure there are clear lines of authority for each Accounting Officer.

- The Public Service Commission must ensure that main Accounting Units be adequately staffed both in persons and with the skill set to properly service all Divisions within the Ministry.

Response from the Ministry
The Ministry is concerned with the recommendations of the Committee outlined above. The Ministry understands the intent of this recommendation. However, particularly in large Ministries (e.g. Ministry of Education where a sub-accounting unit exists in each government secondary school) the proposal would result in over-centralization, further bottle necking and delays in the provision of goods and services.

H. Communication Backbone

Recommendation

- The Ministry of Public Administration and Communications mandates that all Ministries and Departments utilize the Government Communication Backbone in keeping with the Cabinet Minute. This will assist in producing economies of scale while demonstrating fiscal prudence.

Response from the Ministry
The Committee's recommendation is noted. The Committee is asked to note that the Government Communication Backbone's domain, electronic mail server and office/electronic mail client provision are out dated compared with those utilized, of necessity, by some Ministries including the Ministry of Foreign and CARICOM Affairs.

In addition, the mailbox and attachment sizes provided by the Government Communication Backbone are also considerably smaller than those required by the Ministry of Foreign and CARICOM Affairs to function efficiently. The size and volume of electronic documents received from and distributed to Overseas Missions and international organizations on a daily basis usually exceeds what is provided to the Ministry by the Communication Backbone.

There are also services required by the Ministry of Foreign and CARICOM Affairs that the Government Communication Backbone does not provide; such as Video Conferencing, VOIP PBX VPN to Overseas Missions and Registration Systems for Nationals Abroad Website. These services are necessary for the carrying out of the Ministry's mandate and for creating efficiency and more economical communication at Headquarters, between Headquarters and Overseas Missions and between Overseas Missions.

However, all software being used by the Ministry was authorized by the Ministry of Public Administration and Communication under the Microsoft Enterprise Agreement.

The Ministry of Foreign and CARICOM Affairs will wholeheartedly utilize the Government Communication backbone once it has the capacity to provide/support the services necessary for our effective functioning.

Head 65- Ministry of Foreign and CARICOM Affairs

Recommendations: Ministry of Foreign and CARICOM Affairs
- Should widen the Internal Audit scope to include:-
    - Analysis of strengths, weaknesses and threats
    - Identification and assessment of risk
    - Identification of conflicts of interest; and
    - Evaluation of the achievement of economy, efficiency and effectiveness in service delivery
- Take immediate steps to implement a fraud policy, this policy should include mechanism for distinguishing between fraud and error.

Response from the Ministry
The Committee's recommendations are noted. The Ministry will continue its efforts, through the Service Commission Department to have the vacancies in the Internal Audit Division filled to ensure that the Internal Audit is properly equipped to carry out its mandate efficiently and effectively. The training proposed by the Public Administration and Appropriation Committee for Internal Audit Staff will go a long way in enhancing performance.

The Ministry is presently drafting a Fraud Policy and the mechanisms recommended by the Committee will be included in the policy.