



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016

The accompanying Statement of Recovery of Expenses of the Ministry of Energy and Energy Industries for the year ended December 31, 2016 (the Statement) has been audited. The Statement is supported by Schedules numbered 1 to 5.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

2. The management of the Ministry of Energy and Energy Industries is responsible for the preparation and fair presentation of the financial statement and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on the Financial Statement based on the audit. The audit was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago. The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statement is free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 5 of this Report.

OPINION

5. In my opinion, the Financial Statement as outlined at paragraph one above presents fairly, in all material respects, the amounts recoverable by the Ministry of Energy and Energy Industries in respect of the expenses of the administration of the petroleum industry for the year ended December 31, 2016 as shown by the records of the Ministry of Energy and Energy Industries and according to information and explanations provided by management of the Ministry of Energy and Energy Industries.


SUBMISSION OF REPORT

6. 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 sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

7. The Report has also been submitted to the Minister of Energy and Energy Industries for his attention. A copy of the Report has been sent to the Permanent Secretary, Ministry of Energy and Energy Industries for information and necessary action.

18th SEPTEMBER 2017
PORT OF SPAIN




MAJEED ALI
AUDITOR GENERAL


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15/9/2017

**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

HEAD 40 MINISTRY OF ENERGY AND ENERGY INDUSTRIES	\$
SUB HEAD 01 PERSONNEL EXPENDITURE (Schedule 1)	27,693,334.96
SUB HEAD 02 GOODS AND SERVICES (Schedule 2)	56,395,980.14
SUB HEAD 03 MINOR EQUIPMENT PURCHASES (Schedule 3)	360,413.73
SUB HEAD 04 CURRENT TRANSFERS AND SUBSIDIES (Schedule 4)	4,691,347.43
TOTAL SUB HEADS 01 - 04	<u>89,141,076.26</u>
ADD PENSION CONTRIBUTION (Schedule 5)	4,259,477.47
ADD RENT ASSESSED BY COMMISSIONER OF VALUATIONS (Schedule 5)	20,832,000.00
 TOTAL RECOVERABLE	 <u>114,232,553.73</u>

Made up as follows:

Crude Oil - 26,244,000.00 bbls @ 48.6791608 cts per bbl	12,775,358.96
Natural Gas - 1,208,837,046.21 mcf @ 8.3929588 cts per mcf	<u>101,457,194.77</u>
	<u>114,232,553.73</u>


Permanent Secretary,
Ministry of Energy & Energy Industries.



**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 1

HEAD 40 MINISTRY OF ENERGY AND ENERGY INDUSTRIES

SUB HEAD 01 PERSONNEL EXPENDITURE

\$

001	General Administration	
(a)	Pensionable Officers	17,037,909.89
(b)	Acting Allowance, Non-pensionable Officers, Cost of Living Allowance, Wages, Overtime, Allowances (04 and 24), Other Allowances, Settlement of Arrears and Remuneration to Cabinet Committees	8,708,957.74
(c)	Government's Contribution to National Insurance Scheme	1,742,597.33
(d)	Government's Contribution to Group Health Insurance	203,870.00
	TOTAL PERSONNEL EXPENDITURE	<u><u>27,693,334.96</u></u>

**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 2

HEAD 40 MINISTRY OF ENERGY AND ENERGY INDUSTRIES

SUB HEAD 02 GOODS AND SERVICES	\$
001 General Administration	
01 Travelling and Subsistence	3,605,257.03
03 Uniforms	17,330.00
04 Electricity	192,943.05
05 Telephones	3,206,627.31
08 Rent/Lease - Office Accommodation and Storage	7,115,810.61
09 Rent/Lease - Vehicles and Equipment	8,365.00
10 Office Stationery and Supplies	552,218.91
11 Books and Periodicals	313,656.23
12 Materials and Supplies	256,373.62
13 Maintenance of Vehicles	117,491.22
15 Repairs and Maintenance (Equipment)	139,122.47
16 Contract Employment	5,602,339.32
17 Training	218,137.37
19 Official Entertainment	0.00
21 Repairs and Maintenance - Buildings	508,623.08
22 Short-Term Employment	0.00
27 Official Overseas Travel	1,414,780.85
28 Other Contracted Services	28,467,607.12
37 Janitorial Services	1,351,919.99
43 Security Services	2,003,059.50
57 Postage	3,448.17
58 Medical Expenses	6,482.49
60 Travelling and Subsistence - Direct Charges	158,991.72
62 Promotions, Publicity and Printing	640,443.40
65 Expenses of Cabinet Appointed Bodies	0.00
66 Hosting of Conferences, Seminars and Other Functions	442,712.20
96 Fuel and Lubricants	44,216.98
99 Employee Assistance Programme	8,022.50
TOTAL GOODS AND SERVICES	<u>56,395,980.14</u>

**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 3

HEAD 40 MINISTRY OF ENERGY AND ENERGY INDUSTRIES

SUB HEAD 03 MINOR EQUIPMENT PURCHASES	\$
001 General Administration	
01 Vehicles	0.00
02 Office Equipment	81,160.03
03 Furniture and Furnishings	131,049.01
04 Other Minor Equipment	148,204.69
TOTAL MINOR EQUIPMENT PURCHASES	<u><u>360,413.73</u></u>

**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 4

HEAD 40 MINISTRY OF ENERGY AND ENERGY INDUSTRIES

SUB HEAD 04 CURRENT TRANSFERS & SUBSIDIES		\$
001	Regional Bodies	
01	Contribution to the Caribbean Energy Information System (C.E.I.S)	0.00
004	International Bodies	
01	Trinidad and Tobago Annual Subscription to the Committee of the World Power Conference	83,844.00
02	Commission of the Geological Map of the World	0.00
03	Annual Subvention to Gas Exporting Countries Forum (GECF)	4,373,773.92
05	Contribution to the Latin American Energy Organisation (OLADE)	210,330.76
06	World Petroleum Council (WPC)	22,898.75
07	Annual Subscription to the International Association for Natural Gas Vehicles (IANGV)	0.00
007	Households	
01	Shortfall in Subsidy Re: Sale of Petroleum Products	0.00
02	Contributions of Prime Minister, Ministers and Parliamentary Secretaries to the Children's LIFE Fund	0.00
03	Payment of Interest on Product Liability to Petrotrin	0.00
009	Other Transfers	
06	Contribution to Institutions/Organisations for Education in Petroleum Related Activities	500.00
07	Natural Gas Export Task Force	0.00
08	Petroleum Relief to Caricom States	0.00
011	Transfers to State Enterprises	
01	Establishment of Quarries Authority	0.00
02	Acquisition of Union Estate from Petrotrin	0.00
03	Environmental Indemnity to the PowerGen Company of Trinidad and Tobago	0.00
04	Equity Injection - ALUTECH Limited	0.00
	TOTAL CURRENT TRANSFERS & SUBSIDIES	<u>4,691,347.43</u>

**STATEMENT OF RECOVERY OF EXPENSES OF THE MINISTRY OF ENERGY
AND ENERGY INDUSTRIES FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE 5

NOTE 1 STATEMENT OF RECOVERY OF EXPENSES

Pursuant to Sections 72, 73 and 74 of Chap. 62:01 of the Petroleum Regulations:

- 72 (1) "Every licensee shall pay a petroleum impost in respect of all petroleum won and saved, at such rates as the Minister may determine by the issue of a Rating Order, which shall be published in the *Gazette* least thirty days prior to the date on which the petroleum impost becomes payable."
- 72 (2) "The Rating Order shall specify the rates of petroleum impost payable in respect of crude oil and natural gas won and saved during the year ended on the 31st December preceding the date on which the petroleum impost becomes payable."
- 73 "The rates specified in the Rating Order shall be so calculated and determined as to provide in the aggregate the funds necessary to cover all the annual expenses of the Ministry, including salaries, pension contributions, maintenance and other expenses of or incidental to, the due administration of the petroleum industry."
- 74 "Where a licensee ceases operations before the issue of a Rating Order relating to the year in which he so ceases to operate he shall pay petroleum imposts at the rates specified in the Rating Order of the preceding year."

NOTE 2 PENSION CONTRIBUTION

\$

The figure of \$4,259,477.47 represents 25% of the salaries of pensionable officers of the Ministry of Energy and Energy Industries.

4,259,477.47

TOTAL PENSION CONTRIBUTION

4,259,477.47

NOTE 3 RENT ASSESSED BY COMMISSIONER OF VALUATIONS

\$

The figure of \$20,832,000.00 represents rent assessed by the Commissioner of Valuations for levels 15 & 22-26 occupied by the Ministry of Energy and Energy Industries at Tower C, International Waterfront Centre at #1 Wrihston Road, Port of Spain.

20,832,000.00

TOTAL RENT ASSESSED BY COMMISSIONER OF VALUATIONS

20,832,000.00