



SUMMARY OF INDIVIDUAL AREAS OF CONCERN



A Summary of the Individual Areas of Concern identified in the Auditor General's Report on the Public Accounts for the financial year 2015

Parliament of Trinidad and Tobago
Financial Scrutiny Unit

Financial Scrutiny Unit

This information is provided for use by Members of Parliament and key stakeholders in Parliamentary Financial Scrutiny. It is a summary of the Individual Areas of Concern identified in the Audit of Expenditure in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2015.

The Summary does not contain the full details of the Report of the Auditor General, nor is intended to represent any particular view or opinion. This document should be used in conjunction with the Report of the Auditor General on the Public Accounts for 2015, which can be accessed on the Auditor General's website at www.auditorgeneral.gov.tt

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Audit of Expenditure

Individual Areas of Concern

01 – President

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Expenditure Control

Incorrect classification of expenditure

There were 85 instances of incorrect classification of expenditure totalling \$2,685,236.90 in contravention of Financial Regulation 65 which stipulates that a vote may not be applied to a purpose for which it was not intended.

Inventory Control

Office Furniture and Equipment not entered in the Inventory Register

Office Furniture and Equipment costing \$129,818.59 and items costing \$300,444.92 sampled from total purchases amounting to \$685,469.22 for the President's household were not entered in the Inventory Register. Office Furniture and Equipment were also not tagged as Government property as required 2.44by Financial Regulation (Stores) 55.

03 – Judiciary

Page 44

Appropriation Account

There were eight instances where the figures disclosed differed from those shown in the underlying records such as the Vote Book, Abstract of Payments and Schedule of Accounts.

A Reconciliation of Monthly Abstract and List of Unpaid Cheques as at 30th September, 2015 was not prepared and submitted to the Auditor General as required by financial directives. As a result, the total of unrepresented cheques of \$49,396,722.14 as stated in the Appropriation Account was not verified.

Development Programme

A contract for Emergency Upgrade of the Magistrates' Court – Rio Claro, at a cost of 2.48\$457,803.50, was not produced for audit scrutiny.

05 – Parliament

Page 45

Internal Audit

Minimal evidence of internal audit review was seen on the accounting records examined at the time of the audit in July 2015.

Documents Not Produced

Constituency Employee Data Forms not produced

Constituency Employee Data Forms required to record details of employees' terms and conditions were not produced at five Constituency Offices visited.

Expenditure Control

Supporting documents were not produced for vouchers totalling \$242,080.73.

08 – Election and Boundaries Commission

Page 45

Unoccupied Property

Registration Area office – total rental of \$2,096,524.19

As reported in the prior year, additional premises were rented for one Registration Area office from 10th May, 2013 at a cost of \$73,025.00 per month. However, the premises remained unoccupied, reportedly waiting to be outfitted and were used temporarily for election purposes in 2015. A total rental of \$2,096,524.19 had been paid from inception to September, 2015. This contravenes Financial Regulation 34 which places the responsibility on the Accounting Officer to eliminate non-essential services and to use public funds to the best advantage. Rent on the existing occupied premises continued at a cost of \$8,500.00 per month.

15 – Tobago House of Assembly (administered by Ministry of Tobago Development)

Page 45

Documents Not Produced

Vouchers to support two transfers totalling \$396,900,677.00 and Schedules of Accounts recording another two transfers totalling \$101,307,055.73 to the Tobago House of Assembly were not produced for audit scrutiny.

17 – Personnel Department

Page 46

Rental of Unoccupied Property

12th Street, Barataria - total rent of \$41,449,861.63

Total rent of \$41,449,861.63 was paid during the period 10th December, 2012 to 30th September, 2015 for unoccupied premises on 12th Street, Barataria which were reportedly waiting to be outfitted. This contravenes Financial Regulation 34 which places the responsibility on the Accounting Officer to eliminate non-essential services and to use public funds to the best advantage.

18 – Ministry of Finance and the Economy

Page 47

Documents Not Produced

A number of accounting records for various Divisions were not provided for audit:

- Schedules of Accounts for 31 of 39 payments selected under two votes
- 35 payment vouchers totalling \$1,767,318.08
- Rent Registers
- Inventory Registers
- Vehicle Registers for two Divisions
- Vote Books for two Divisions
- Overpayment Register for one Division
- Certain other supporting documents.

Accounting records relating to the Office of the Supervisor of Insolvency were not produced.

Cabinet approval was not seen for the renewal of the lease of a property for which monthly rental of \$101,554.11 was paid.

Expenditure Control

Total Expenditure as per Expenditure Notification as at 30th September, 2015 exceeded the total credits on the Exchequer Account granted by the Auditor General by \$209,927,499.65 in contravention of section 18 of the Exchequer and Audit Act.

Maintenance of Records

As at the time of the audit in December 2015, the following were noted:

- The Abstract of Expenditure for the Treasury Division was only updated to June 2015
- There were three instances where transfers of released funds were not recorded in the Vote Book. Releases were therefore understated by \$467,500.00
- Commitments were not properly recorded for certain votes as required by Financial Regulations 66 and 67
- Errors in classification of items costing \$220,814.55
- The Void Cheque Register was not properly maintained in that pertinent information was not recorded on a timely basis.

Inventory Control

A motor vehicle paid for on 30th September, 2015 for the Investments Division at a cost of \$230,000.00 had not been received at the time of the audit in December 2015.

Internal Audit

There was minimal evidence of internal audit checks on the accounting records examined.

Overpayments

No cases of overpayments were reported to the Auditor General during the financial year as required by Financial Instruction 164 (1) and (2) however, 120 cases of overpayments totalling \$415,557.24 were disclosed in the Appropriation Account.

Inland Revenue Division

Pages 48-49

Expenditure Control

A number of vouchers for amounts totalling \$783,739.05 bore no evidence of the necessary controls such as checking, certification or authorization as required by Financial Instructions 3 and 4.

Prior year payments totalling \$285,458.85 were not authorized by the Accounting Officer as required by Financial Instruction 108 (4).

Six payments totalling \$1,041,569.95 were authorized by persons in excess of their respective authorization limits.

Internal Audit

There was limited evidence of internal audit checks on the records examined. In particular, there was no indication of internal audit review on the records relating to revenue at the Head Office and at two outstations visited.

Overpayments

Overpayments totalling \$198,986.56 relating to Personnel Emoluments were not reported to the Auditor General.

Condition of Rented Properties

A number of safety or health issues

Site visits to four outstations revealed a number of safety or health issues. Inquiries revealed that there was no policy for maintenance of premises. In one instance, maintenance of the building was not stipulated in the rental contract.

Response to Audit Requests

The audit was marked with long delays in the provision of documents requiring numerous requests to be made which resulted in valuable audit time being lost.

Customs and Excise Division

Pages 49-50

Internal Audit

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

Documents Not Produced

The following documents requested were not provided for audit scrutiny:

- Personal files for five officers from the sample of 14
- Contracts for six officers with total monthly emoluments of \$81,300.00
- Personal files for seven short-term contract employees sampled
- Short-term contracts for eight officers with total emoluments of \$146,400.00
- Letters of Notification with respect to overpayments or individual Overpayment Reports
- Departmental procedures for the awarding of contracts
- Four contracts relating to payments totalling \$2,758,975.30 under Other Contracted Services.

Maintenance of Records

The Vote Book did not contain particulars for three payments sampled totalling \$1,277,096.34 as well as other payments totalling \$1,398,419.73 under Other Contracted Services.

The Travelling and Subsistence Vote Book was not properly maintained in that pertinent information such as Particulars of Service was omitted.

20 – Pensions and Gratuities

Pages 50-54

Preparation & Pre-Audit

Calculations for the majority of public officers are performed by the Comptroller of Accounts and then submitted to the Auditor General for pre-audit before payments are made. Delays are often due to discrepancies in the documents/computations submitted.

During the financial year, 9,976 (2014: 11,639) files were submitted to the Auditor General for pre-audit. Of these, 9,084 (2014: 10,974) were examined and dispatched. A total of 540 files were queried and returned to the Comptroller of Accounts during the year. Common audit observations/queries related to the following:

Monthly Paid Officers and Corporations

- Incorrect data on periods of service, incremental dates or acting rates
- Calculations of computations with respect to the averaging principle frequently being inaccurate due to incorrect periods and salary/acting rates being used

- Arithmetical errors in calculation of Gratuity and Pension
- Pension and Leave records not signed/stamped by an authorized officer and/or not certified by Internal Audit
- Missing documents/information such as Pension and Leave records with respect to acting and details of vacation leave for three years prior to retirement
- Delays in responding to/addressing queries promptly
- Outstanding increments not paid and Comptroller of Accounts not informing the Ministries/Departments.

Daily Paid Officers

- Records of Service not submitted for the last year prior to retirement
- Daily rates used for calculation not updated in accordance with current Collective Agreements.
- Contracted Officers
- All relevant documents not submitted
- Calculation of unutilized leave not in accordance with Chief Personnel Officer's instructions.

Fire Service

- Files for Fire Service officers submitted to the Comptroller of Accounts months after officers retire, in contravention of the legal requirement of six months before the date of retirement of these officers
- Errors in computation with respect to broken service for auxiliary officers.

Police Service

- Errors in acting Records of Service.

Comptroller of Accounts

- Files submitted by the Comptroller of Accounts not thoroughly checked and evidenced in the appropriate ink.

Delays in Provision of Separation and Pension Benefits

As reported in previous years, concerns continue to be expressed by former public officers with respect to delays in receipt of separation and pension benefits. To minimise such delays, the Ministry of Finance via Circular No. 03 dated 2005 July 29 and Cabinet via Minute No. 390 of February 25, 2010 required that Ministries/Departments prepare and submit to the Comptroller of Accounts, the personal information of employees that is required to determine, among other things, their separation and pension benefits.

The Auditor General via Circular Memorandum No. 14 of 2015 requested information on action taken to bring Pension and Leave Record submissions to the Comptroller of Accounts up to date.

Responses were received from 33 Permanent Secretaries/Heads of Departments which indicated that action was being taken to have Pension and Leave records updated and submitted in a timely manner to the Comptroller of Accounts as required by financial directives. However, at many Ministries and Departments it was found that delays in submitting completed records still occurred.

Ministries and Departments should make every effort to ensure that Pension and Leave records of all officers are updated regularly and that Pension and Leave files are thoroughly checked and audited

internally before submission to the Comptroller of Accounts or the Auditor General within the stipulated deadlines.

22 – Ministry of National Security

Page 55

Development Programme

Contracts were not produced for the following projects:

Project	Cost (\$)
Reconstruction of a Reserve Water System	174,999.24
Upgrade of the Army Learning Centre	995,394.00
Refurbishment of Toilet Partitions and Hand Rails	279,979.00
Total	1,450,372.24

Internal Audit

Evidence of internal audit review was not seen on the accounting records examined. It was explained that the Internal Audit Unit had been involved in the verification of arrears due to public servants and could not complete their work programme.

23 – Ministry of the Attorney General

Page 55

Unoccupied Premises

Pembroke Street, Port of Spain - total rental of \$4,485,000.00

The Ministry leased a building on Pembroke Street, Port of Spain on 6th June, 2012 at a monthly rental of \$115,000.00. The building remained unoccupied until the time of the audit in March 2016. Amounts totalling \$4,348,528.60 were spent on the outfitting of the building. Total rental of \$4,485,000.00 was paid from inception to 30th September, 2015.

24 – Ministry of Legal Affairs

Page 56

Inventory Control

Pertinent information relating to Vehicles, Office Equipment and Cellular Telephones omitted

The Inventory Registers required by Financial Regulation (Stores) 102 were not properly maintained as pertinent information relating to Vehicles, Office Equipment and Cellular Telephones was omitted and the last entry relating to Furniture and Furnishings was dated August 2014. Vehicle Log Books necessary to record details of usage and maintenance of vehicles were also not properly maintained.

Documents Not Produced

The following documents requested were not provided:

- Documents relating to an award of contract for \$170,250.00 to a company for space planning and redesign under Development Programme for the Relocation to the Government Campus Building PK6 project;
- Certified Copies of Registration/Ownership for two vehicles; and
- Returns of Personnel for contract employees.

Commitments

Total Commitments of \$2,982,196.00 disclosed in Note 2 *l.i.* to the Appropriation Accounts differed from the audited figure of \$3,357,622.00, an understatement of \$375,426.00.

25 – Ministry of Food Production

Expenditure Control

Expenditure was incurred in excess of delegated limits

From the samples selected for audit, 20 vouchers for payments totalling \$2,092,631.22 for previous year transactions were not countersigned by the Accounting Officer as required by Financial Instruction 108 (4). Three instances were noted where expenditure was incurred in excess of delegated limits.

Incorrect Classification

Expenditure totalling \$4,343,705.25 under two Development Programme projects were incorrectly posted to Other Contracted Services.

Appropriation Account

Contracts in Progress

Five contracts in progress amounting to \$2,260,555.00 as shown in the Achievement Report as at 30th September, 2015 were not disclosed in Note 2 *l. (ii)* to the Appropriation Account.

A contract for Construction of Ponds at a cost of \$317,515.00 was disclosed in the Note as incomplete, however Ministry records showed that the work was actually completed and fully paid as at 2nd September, 2015.

Bank Balances

Documents were not supplied to verify two bank balances. Further, only one of these was disclosed in Note 5 to the Appropriation Account.

26 – Ministry of Education

Pages 57-59

Documents Not Produced

As reported in the previous year, the agreement with the Public Transport Service Corporation for the provision of transport to students was not provided. Related expenditure for the year was \$47,825,872.07.

Overpayments

Overpayments continue to be a problem at this Ministry. During the year, 107 cases totalling \$9,530,791.03 were discovered as compared to amounts recovered of \$4,348,271.36 which includes amounts discovered in prior years.

Development Programme

Seamless Education System Programme

Construction of Southern Academy SDA Early Childhood Care and Education Centre (ECCEC)

A Memorandum of Understanding with the executing agency, Education Facilities Company Limited was not produced. The total estimated cost of this project was \$8,346,317.43 and the expected completion date was December 2015. In May 2015, a 20% advance payment of \$1,669,263.49 was made to a contractor for the construction works. However, the project was stopped in mid-2015 reportedly due to stakeholder-related matters. The Ministry indicated on 4th April, 2016 that the project is temporarily on hold.

Expenditure Control

At the time of the audit in November 2015, the Daily Abstract of Payments required to be prepared under Financial Instruction 31 (1) was only completed up to August 2015.

Internal Audit

Evidence of internal audit review was not seen on any of the documents examined at the time of the audit in November, 2015. It was explained that the Internal Audit Unit had been involved in the verification of arrears due to public servants and could not complete their work programme.

28 – Ministry of Health

Pages 59-60

Expenditure Control

No evidence of renewal of the contract with NIPDEC

There was no evidence of renewal of the contract with the National Insurance Property Development Company (NIPDEC) for the procurement, storage and distribution of pharmaceutical and other supplies which expired on 31st August, 2014. Payments during the year totalled \$37,796,773.40.

Payment voucher not countersigned by the Accounting Officer

A payment voucher relating to the previous financial year for \$5,396,170.00 in respect of Pharmacy Professional Fees incurred by NIPDEC for the procurement, distribution and storage of Chronic Disease Assistance Programme (CDAP) pharmaceuticals was not countersigned by the Accounting Officer as required by Financial Instruction 108 (4).

Prior year commitments

Prior year commitments relating to payments totalling \$467,069.02 were not brought forward in the Vote Book as required by Ministry of Finance Circular No. 23 of 1959 to reflect the true financial position. A similar finding was reported in the prior year.

Vouchers not initialled as 'Passed for Payment'

Two vouchers for amounts totalling \$128,465.09 under Development Programme – Waiting List for Surgery were not initialled as 'Passed for Payment'.

Daily Abstracts of Payments

At the time of the audit in November 2015, Daily Abstracts of Payments as required by Financial Instruction 31 (1) for expenditure control were not written up for the months of July to September 2015.

Memoranda of Understanding with Non Profit Institutions

Memoranda of Understanding with six Non Profit Institutions and relevant site visit reports required to facilitate verification of use of funds totalling \$10,850,259.00 for intended purposes were not produced.

Development Programme

Physical Investments (Hospitals – District Health Facilities – Health Centres)

Payments totalling \$3,418,771.86 relating to the Hospital Enhancement and Development Programme were incorrectly charged to Physical Investments in contravention of Financial Regulation 65 (1).

Status Reports for the following two projects with expenditure totalling \$1,761,249.80 were not produced:

- Eastern Regional Health Authority – extension of the maternity ward at the Sangre Grande Hospital (\$650,823.80)
- North Central Regional Health Authority – purchase of Ethylene Oxide Sterilizer (\$1,110,426.00)

Two of the projects presented as 100% complete on the overall Status Report as at 30th September, 2015 were shown as ongoing on the individual project status reports.

Internal Audit

Evidence of internal audit checks was not seen on the accounting records examined. Further, from the 20 areas identified in the internal audit work programme, 13 areas were not audited by the Internal Audit Unit.

31 – Ministry of Public Administration

Page 61

Rental of Unoccupied Property

Frederick Street, Port of Spain – Total rent of \$5,375,100.00

Total rent of \$5,375,100.00 was paid during the period 1st May, 2012 to 30th September, 2015 for unoccupied premises on Frederick Street, Port of Spain. Rental of the premises was reportedly

discontinued from April 2016. This contravenes Financial Regulation 34 which places the responsibility on the Accounting Officer to eliminate non-essential services and to use public funds to the best advantage.

34 – Ministry of Transport

Page 61 & 62

Condition of Premises

Licensing Office, San Fernando – unsatisfactory condition

The Licensing Office at San Fernando was in an unsatisfactory condition at the time of the audit visit. A number of faulty or non-operational air-condition units were noted as well as the existence of mosquitoes and flies making it very difficult for officers to operate effectively and in safety. Office space was also restricted.

Pension and Leave Records

As reported in the prior year, Pension and Leave records for the approximately 347 employees are not being updated on a timely basis. The Ministry indicated that the relevant records from the preceding Ministry of Works and Transport had not been received since the separation in July 2011. Further, only one officer on short-term contract was assigned to the Pension and Leave function and only records for officers on first appointment were being processed. It was noted that 47 officers are due to retire in the next four years.

Unoccupied Building

Current Transfers and Subsidies - Establishment of a Motor Vehicle Authority

On 24th June, 2010, Cabinet agreed to the construction of a Head Office and an Access Centre at Frederick Settlement, Caroni for the proposed Motor Vehicle Authority. The National Insurance Property Development Company Limited (NIPDEC) was later appointed as the executing agency and a \$339Mn Fixed Rate Bond was issued to finance the project for construction of the Head Office and six Access Centres. Annual transfers of \$17,458,500.00 from the Ministry were made to NIPDEC with effect from the financial year 2013. A status report as at February 2016 revealed that the total project cost was \$275,957,973.17, that construction of the Frederick Settlement Head Office and Access Centre had been completed and that the keys for the facility were ready for handover to the Ministry.

The Motor Vehicles and Road Traffic Bill, 2014 introduced in Parliament on 19th November, 2014 lapsed on 17th June, 2015 and has not been reintroduced in Parliament to date. As such, the proposed Motor Vehicle Authority has not been legally established via the requisite Act of Parliament and therefore has not yet formally come into existence.

To date, the building remains unoccupied.

37 – Integrity Commission

Contract Employment

Page 63

The response to the Auditor General's request for information on contract employment showed that there were 35 persons employed on contract for the year at a total cost of \$6,867,600.00. However, audit examination revealed that there were 41 employees on contract who received payments totalling \$5,537,184.82 for the year.

39 – Ministry of Public Utilities

Documents Not Produced

Page 63

Contracts with two consultants for services totalling \$163,220.00 were not provided for audit examination.

40 – Ministry of Energy and Energy Affairs

Pages 63 & 64

Documents Not Produced

The following documents were not provided for audit scrutiny:

- Development Programme – a contract with the National Energy Corporation for procurement services in respect of projects relating to Renewable Energy and Energy Efficient Initiatives for which expenditure for the year totalled \$14,397,994.52
- Rent/Lease-Office Accommodation and Storage – Cabinet approval for extended rental of two properties for which monthly payments totalling \$291,570.00 were made
- Completion Certificates for three projects costing \$1,954,540.00.

Expenditure Control

There was no evidence of checking of vouchers and/or verification of authorization on 24 vouchers totalling \$12,607,788.91 from the sample of 30 vouchers selected.

Rental of Unoccupied Property

La Romain – Total rent of \$851,999.90

Total rent of \$851,999.90 was paid for the period 17th December, 2014 to 30th September, 2015 for unoccupied premises located in La Romain, reportedly waiting to be outfitted. Financial Regulation 34 places responsibility on the Accounting Officer to eliminate non-essential services and to use public funds to the best advantage.

42 – Ministry of Local Government

Current Transfers and Subsidies

Pages 64 & 65

Payment vouchers not authorized by the Accounting Officer

Thirty-two payment vouchers totalling \$63,489,984.00 were not authorized by the Accounting Officer. In addition, documents necessary to support these payments were not provided.

Pension and Leave Records

Pension and Leave records were not updated annually. Further, in August 2015, records of two officers who had retired in 2015 had not been submitted to the Comptroller of Accounts.

Documents Not Produced

A Motor Vehicle Register was not produced for audit examination.

Development Programme

Procurement of Major Vehicles and Equipment

There were no invoices to support payments totalling \$5,954,440.00 to the Chief Executive Officers of various Regional Corporations for purchases under this Vote.

56 – Ministry of the People and Social Development

Pages 65 & 66

Social Welfare Division – Senior Citizens Grant

Expenditure Control

Major weaknesses exist in the system for management of Senior Citizens Grants.

- A reconciliation of registered beneficiaries with the actual payments processed by the service provider for printing of cheques has reportedly not been performed since 1983.
- Monthly reconciliation between cheques issued and bank statements are not performed. The actual cash balance available as well as the value of unrepresented and stale-dated cheques could not be assessed.
- Arrangements to receive timely information on deaths from the Registrar General to minimise overpayments have also not been realized.
- The agreement with the National Insurance Board for the printing of cheques expired in July, 2015. As at 17th February, 2016, evidence of renewal was not provided.

A list of persons registered for the Grant was not submitted to the Auditor General as required by Senior Citizens' Pension Regulation 23.

Overpayments

Cheques encashed by persons not entitled to the Grant

Information on the total value of cheques encashed by persons not entitled to the Grant was not available.

Overpayments examined at the Caroni Local Board

A sample of overpayments examined at the Caroni Local Board revealed that four overpayments totalling \$441,125.25 occurred because persons were issued with two file numbers and received two sets of payments.

Non-submission of overpayment reports

A total of 1089 overpayments valued at \$8,281,365.31 were discovered during the year while recoveries amounted to \$8,246,419.66 (includes recovery of prior year amounts). Reports on 1021 overpayments were not received by the Auditor General as required by Financial Instruction 164 (2). The non-submission of overpayment reports was also reported in the previous year.

General

Internal Audit

The Internal Audit Plan not approved by the Accounting Officer

The Internal Audit Plan was not signed by the Head of Internal Audit nor was it approved by the Accounting Officer. In addition, it did not cover high risk areas such as the Multi-Application Biometric Smart Card System or the non-reconciliation of actual payments made with records at the Social Services Division for Senior Citizens Grant. There was no evidence of Internal Audit checks on the accounting records examined.

Rental of Unoccupied Property

1 Alexandra Street, St Clair, Port of Spain - Total Paid 2009 – 2015 \$47,813,544.78

Cabinet in 2009 agreed to the lease/rental of office space in a building located at 1 Alexandra Street, St Clair, Port of Spain to accommodate the Ministry of Local Government. Approvals were later seen for the outfitting of the building. Information received revealed that the lease was transferred to the Ministry of Housing and Urban Development with effect from 1st August, 2014 and then to the Ministry of the People and Social Development with effect from 19th May, 2015. The building remained unoccupied from inception of the lease in December, 2009. No payments were reportedly made after June 2015.

Payments from inception of the lease are as follows:

Ministry	Period	\$
Ministry of Local Government	1 st December, 2009 to 31 st July, 2014	40,223,544.78
Ministry of Housing & Urban Development	1 st August, 2014 to 31 st May, 2015	6,900,000.00
Property & Real Estate Division	1 st to 30 th June, 2015	690,000.00

58 – Ministry of Justice

Pages 66 & 97

Access to State Property

Maximum Security Prison

Access to accounting records at the Maximum Security Prison was arranged on two occasions but was not effected by the Prison authorities. This is in direct contravention of Section 10 (2) of the Act.

Expenditure Control

Five commitments totalling \$485,903.00 were not recorded in the Vote Book to reserve funds as required by Ministry of Finance Circular No. 23 of 1959 and Financial Regulations 66 and 67. From the sample selected under salaries and wages, a voucher for \$2,383,809.27 was not duly completed and authorized.

Documents Not Produced

The following documents were not provided for audit examination:

- List of vacant posts
- Personal files for three employees
- Contract for Director, Justice Protection Programme
- Overpayment Register relating to officers with less than two years' service
- Overpayment Register, Reports and Pay Record Cards for Prison Service
- Certain Overpayment Schedules
- Reconciliation of Monthly Abstract and Unpaid Cheques as at 30th September, 2015
- Insurance and Ownership records for two vehicles at Prison Service
- Contract Completion Reports for the acquisition of four vehicles
- Completion certificate relating to final payment of \$538,021.75 for Improvement Works to Prison Buildings under Development Programme
- Contracts for construction of the Laundry Building and the Sally Port at the Maximum Security Prison Complex costing \$3,205,789.23
- Vote Books for Prison Service and the Forensic Science Centre.

59 – Ministry of Tobago Development

Page 68

Maintenance of Records

A Motor Vehicle Register necessary to maintain control over custody and location of vehicles was not maintained.

Development Programme

Bethel Empowerment and Skills Trade Centre

A Memorandum of Understanding with the Bethel Empowerment and Skills Trade Centre outlining project deliverables was not produced. Payments totalling \$3,831,516.83 were made to this entity for the year.

Appropriation Account

There were 18 instances where figures disclosed differed from those shown in the underlying records such as the Vote Book, Abstract of Payments and Schedule of Accounts.

61 – Ministry of Housing and Urban Development

Page 68

Development Programme

No evidence of monitoring by the Ministry

Expenditure under this vote totalled \$105,516,882.12 during the year. There was no evidence of monitoring by the Ministry of the awarding and executing of contracts by the executing agencies.

63 – Ministry of the Arts and Multiculturalism

Page 69

Unauthorized Expenditure

Rental of premises at Frederick Street, Port of Spain - \$2,067,930.00

Cabinet approval for the rental of premises at Frederick Street, Port of Spain expired in July, 2011. Approval for subsequent periods was not produced. Relevant expenditure for the financial year 2015 totalled \$2,067,930.00.

Inventory Control

Inventory Register was not properly maintained

The Inventory Register was not properly maintained as pertinent information was omitted. Further, items purchased were not tagged as State property in accordance with Financial Regulation (Stores) 55. Weaknesses in inventory control were also reported in the previous two years.

Development Programme

Refurbishment of Queen's Hall

There was no evidence of monitoring to ensure that funds disbursed to this project were used for the intended purposes.

Upgrade of Facilities – Naparima Bowl

A status report for this project was not produced. A letter of award for electrical works costing \$606,186.05 awarded on 15th September, 2014 to one company was not signed by the Accounting

Officer. Further, neither a contract nor a completion certificate for the job was produced. Payments totalling \$455,510.69 were subsequently made to another company for corrective electrical works to rectify certain defects identified by the Electrical Inspectorate.

Maintenance of Records

Register of Contracts

A Register of Contracts as required by Financial Regulation 129 (1) was not produced. As a result, particulars of contracts awarded and amounts outstanding were not established.

64 – Trinidad and Tobago Police Service

Pages 69 & 70

Unauthorized Contract Positions

163 persons on 2-year contracts

Cabinet approval was not seen for the hiring of 163 persons on 2-year contracts with monthly emoluments totalling \$2,330,728.00. This contravenes Personnel Department Circular PD(bm): 12/2/1 (Temp) dated 16th August, 2012 which requires the prior approval of Cabinet for the employment of contract personnel.

Inventory Control

The Inventory Registers at two stations visited were not properly maintained in that pertinent information was either not recorded or recorded incorrectly. Furniture and equipment were also not tagged as Government property as required by Financial Regulation (Stores) 55.

Internal Audit

There was no evidence of internal audit checks on key accounting records examined.

65- Ministry of Foreign Affairs

Pages 70 to 72

Overseas Missions

High Commission, New Delhi

Inventory Control

An Inventory Register as required by Financial Regulation (Stores) 102 was not maintained for Furniture and Fittings at the Chancery. Further, several items were not properly tagged as State property in accordance with Financial Regulation (Stores) 55.

Embassy, Costa Rica

Maintenance of Records

The Register of Counterfoil Books necessary for internal control over receipts and payments was not properly maintained in that pertinent information was not recorded in a number of instances.

High Commission, London

Documents Not Produced

The Passport Register, stock of emergency passports and cancelled passports were not produced for audit examination in contravention of Financial Regulation 8 (A).

Consulate General, Toronto

Maintenance of Records

A Cheque Register as required for control over the usage of blank cheque forms was not maintained.

Internal Control

There was a lack of segregation of duties with respect to the collection of revenue, preparation of receipts and deposits and maintenance of all accounting records. Evidence of regular checking by a senior officer in accordance with Financial Instruction 73 was not seen. This increases the risk that errors and irregularities remain undetected.

High Commission, Ottawa

Internal Control

There was a lack of segregation of duties with respect to the collection of revenue, preparation of receipts and deposits and maintenance of all accounting records. Evidence of regular checking by a senior officer in accordance with Financial Instruction 73 was not seen. This increases the risk that errors and irregularities remain undetected.

Documents Not Produced

The following documents were not produced:

- Cheque Register required for control over usage of blank cheque forms
- Counterfoil Register necessary for control over receipts and payments
- Cash Book for the financial year 2013
- Contracts for five locally recruited officers.

Embassy – Brasilia, Brazil

Inventory Control

The Inventory Register was not properly maintained as pertinent information was omitted. Further, items were not tagged as State property in accordance with Financial Regulation (Stores) 55.

Maintenance of Records

The Vehicle Register and Vehicle Log Books were not maintained in accordance with financial directives.

66 – Ministry of Gender Youth and Child Development

Page 72

Rental of Unoccupied Property

Frederick Street, Port of Spain – Total Rent \$525,718.33

Total rent of \$514,146.60 was paid for the period 1st January, 2015 to 30th September, 2015 for unoccupied premises on Frederick Street, Port of Spain. This rental is ongoing. Rent totalling \$525,718.33 was also paid for the period 8th June, 2014 to 30th September, 2015 for unoccupied premises on High Street, Siparia. The rental continued until 31st December, 2015 after which the arrangement was discontinued, reportedly due to the absence of an elevator. Financial Regulation 34 places responsibility on the Accounting Officer to eliminate non-essential services and to use public funds to the best advantage.

67 – Ministry of Planning and Sustainable Development

Page 73

Void Cheques

Stale-dated cheques

The stale-dated cheques presented bore no evidence of having been voided in accordance with financial directives.

68 – Ministry of Sport

Contract Employment

Page 73

Additional 37 employees on contract

The Ministry's response to the Auditor General's request for information on contract employment showed that there were 52 persons employed on contract for the year at a total cost of \$6,548,148.26. However, audit examination revealed that there were an additional 37 employees on contract who received payments totalling \$2,345,916.00 for the year.

Inventory Control

Items purchased under Development Programme costing \$334,240.00 were not recorded in the Inventory Register.

Expenditure Control

Payment vouchers not signed by the Accounting Office

Nine payment vouchers totalling \$253,294.35 relating to the prior year were not signed by the Accounting Officer as required by Financial Instruction 108 (4).

Payment not supported by an Invoice

A payment of \$861,637.50, made to a company for the purchase of medals and trophies under Current Transfers and Subsidies – Non Profit Institutions, was supported by a quotation and not an invoice as required by Financial Instruction 113 (1).

69 – Ministry of Works and Infrastructure

Page 74

Pension and Leave Records

Pension and Leave records for eight retirees from the sample of 12 selected were submitted to the Comptroller of Accounts after the stipulated deadline date. A similar issue was reported in the prior year.

Documents Not Produced

The following were not produced for audit scrutiny:

- Vouchers to support three payments totalling \$255,500.00 for rental of premises
- Rent Register
- Contract Registers for the Maintenance Division and for Roads and Bridges Rehabilitation under Development Programme
- Vouchers to support three payments totalling \$124,962.34 under Current Transfers and Subsidies
- An agreement with Lake Asphalt of Trinidad and Tobago (1978) Limited for the supply of bitumen.

71 – Ministry of the Environment and Water Resources

Pages 74 & 75

Other Contracted Services

A payment of \$888,892.50 was made for construction of box drains and ten bridge crossings. However, site visits revealed that the box drains and only three bridge crossings were completed.

Documents Not Produced

Development Programme – Major River Clearing Programme

Three payment vouchers totalling \$4,515,889.03 were not provided for audit examination.

Pension and Leave Records

As reported in the prior year, Pension and Leave records were not being updated annually as required by the Comptroller of Accounts.

72 – Ministry of Tertiary Education and Skills Training

Pages 75 & 76

Internal Audit

At the time of the audit in July 2015, there was no evidence of internal audit review on accounting records relating to high risk areas such as Development Programme, Infrastructure Development Fund and Current Transfers and Subsidies.

Vehicle Control

Two motor vehicles were not secured on enclosed government premises as required by Ministry of Finance Circular No. 16 dated 20th November, 1958. These vehicles also did not bear the official logo for identification as State property as required by Financial Regulation (Stores) 55.

Current Transfers and Subsidies

Documents Not Produced

Documents were not produced to support payments totalling \$268,590,000.00 to four agencies. A number of payments were also not authorized by the Accounting Officer. Further, there was no evidence that certain agencies in receipt of subventions submitted detailed statements of expenditure required to ensure that moneys were spent for intended purposes.

Development Programme

Documents Not Produced

Invoices and other documents required to support 20 payment vouchers totalling \$125,452,000.00 were not produced. Further, these payment vouchers were not authorized by the Accounting Officer.

Monitoring and Evaluation

No evidence of internal audit review of projects under Development Programme

At the time of the audit in July 2015, a Monitoring and Evaluation Unit required to monitor the Ministry's large number of projects to ensure timely and successful completion as well as achievement of project objectives did not exist. The Project Implementation Unit was also inadequately staffed in relation to the large number of projects under the Ministry's purview. Further, there was no evidence of internal audit review of projects under Development Programme.

Establishment of a South Campus - UWI

Expenditure - \$462,157,449.00, Project 73% Complete

Expenditure on this project since inception in 2011 to 30th September, 2015 totalled \$462,157,449.00. The Status Report as at September, 2015 revealed that this project is approximately 73% complete.

74 – Ministry of National Diversity and Social Integration

Page 77

Documents Not Produced

Development Programme – Establishment of a Heritage Site at Nelson Island

The following were not provided for audit:

- Four contracts for services at a total cost of \$668,502.51
- A contract for security services costing \$997,629.60.

76 – Ministry of Land and Marine Resources

Inventory Control

Pages 77 & 78

Physical verification of items sampled revealed no evidence of tagging as Government property in accordance with Financial Regulation (Stores) 55.

A Disposal of Assets Register was not provided

The Inventory Register for the Agricultural Land Administration Division was not produced.

The Inventory Register for Office Equipment was not updated.

Vehicle Control

Certified Copies of Registration / Ownership not provided

Certified Copies of Registration / Ownership were not provided for 23 of the 56 vehicles of the Ministry while documents necessary to verify insurance coverage, repairs and other details were not produced for 33 vehicles. Vehicle Registers were not produced for three of the five Divisions visited. Vehicle Log Books were either not used or not properly maintained for control purposes at three Divisions.

Expenditure Control

Service agreements were not provided with respect to four payments totalling \$206,438.78.

Internal Audit

There was no evidence of Internal Audit checks on the accounting records examined.

**Financial Scrutiny Unit
Office of the Parliament
May 3, 2016**