



Public Hearing Summary
Wednesday November 27, 2019

Inquiry Subject:

Examination of the concerns raised in the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Years 2016, 2017 and 2018 with specific reference to the Ministry of Energy and Energy Industries (MEEI) and follow up on the implementation of the recommendations in the Fourth, Fourteenth and Twentieth Report of the Public Accounts Committee.

Committee Members:

The following Committee Members were present for the meeting:

- Dr. Bhoendradatt Tewarie - Chairman
- Mr. Taharqa Obika - Vice-Chairman
- Mrs. Ayanna Webster-Roy - Member
- Ms. Charisse Seepersad - Member
- Mr. Adrian Leonce - Member
- Dr. Lester Henry - Member
- Mr. Randall Mitchell - Member

Witnesses who appeared:

Ministry of Energy and Energy Industries

- Ms. Sandra Fraser - Permanent Secretary (Ag.)
- Mr. Monty Beharry - Director of Minerals
- Mr. Marc Rudder - Director, Petroleum Operations Management Division
- Mr. Sheldon Butcher - Director, Downstream Petroleum Management Division
- Ms. Susan Durant-Tangwell - Accounting Executive I (Ag.)
- Ms. Menawatie Singh - Director, Human Resource Services
- Ms. Louise Poy Wing - Senior State Counsel

Ministry of Finance

- Ms. Suzette Taylor-Lee Chee - Permanent Secretary
- Ms. Cherry-Ann Legendre - Director of Budgets, Budgets Division

Ministry of Energy & Energy Industries – Auditor General’s Reports

- Ms. Naleisha Bally - Treasury Director, Treasury Division
- Mr. Ravi Taklalsingh - Commissioner, Inland Revenue Division
- Ms. Jeanine Correia - Economist II

Auditor General’s Department

- Ms. Lorelly Pujadas - Auditor General
- Mr. Riaz Ali - Assistant Auditor General
- Mr. Brian Caesar - Audit Executive II (Ag.)

Key Topics Discussed:

1. The importance of oil and gas as a source of national revenue;
2. The degree of accuracy of the production information received from oil and gas companies;
3. The systems in place at the MEEI to scrutinize production data received from companies;
4. The deficiencies in the MEEI’s initiatives to witness meter calibration, specifically regarding offshore meters;
5. The work of the MEEI’s Production Verification Committee (PVC) to improve the Ministry’s existing production verification systems;
6. The status of the PVC Report due to be finalized in January 2020;
7. The plan to establish a Sub-Committee to implement the PVC’s recommendations;
8. The eventual audit of the new implemented system further to a recommendation of the Auditor General’s Department;
9. The World Bank Extractive Industries Value Chain;
10. The lack of a timeframe for the implementation of measures based on the findings of the Production Verification Committee;
11. The staffing challenges faced by the MEEI;
12. The recruitment of Petroleum Inspectors;
13. The calibration of meters by independent companies;
14. The need for a Conflict of Interest Policy at the MEEI for its interaction with all companies;
15. The MEEI’s intention to issue a Request for Proposals (RFP) for a contractor to support the Ministry’s verification activities;
16. The monitoring process regarding extraction of minerals;
17. The spot checks conducted at quarries by the MEEI’s Internal Audit department;
18. The upcoming RFP for the procurement of an Unmanned Aerial System (UAS);
19. The status of progress towards the development of an integrated system to compile the information from the Measurement Unit and the Contract Management Division for the calculation of revenue;
20. The differences between the calculation of royalties for oil and for gas;
21. The method for estimating the revenue generated by a quarry;
22. The estimated number of illegal quarries and the challenges faced by the MEEI in this regard;

Ministry of Energy & Energy Industries – Auditor General’s Reports

23. The lack of data concerning the estimated forgone revenue to the State as a result of illegal quarrying;
24. Collaboration between the MEEI and other State Agencies on the issue of illegal quarrying;
25. The outstanding royalties from licensed quarry operators and the MEEI’s collection initiatives in this regard;
26. The legal challenges concerning the ownership of mineral rights;
27. The scope for and challenges of using weighbridges at quarries to monitor quantities extracted;
28. The total number of recognized quarries in operation;
29. The mining licensing process;
30. The number of quarrying-related complaints lodged over the past 2 years;
31. The licensing status of the Studley Park Quarry in Tobago;
32. The MEEI’s Minerals Advisory Committee;
33. The monitoring of the MEEI’s priority projects;
34. The slow progress of the MEEI in implementing the numerous recommendations of the Auditor General’s Department in its annual Reports;
35. The status of outstanding debt in respect of Petrotrin; and
36. The relationship between the MEEI by the Ministry of Finance and the support that may be provided to the MEEI in the recording and auditing of production data;

View the Hearing:

The hearing can be viewed on our YouTube page via the following link:
<https://www.youtube.com/watch?v=UkcqfTgMcP8>

**PAC Secretariat
November 29, 2019**