

# Head 02: Auditor General

A summary of the Auditor General's Expenditure, Divisions and Projects  
Financial Scrutiny Unit, Parliament of the Republic of Trinidad and Tobago

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## About this Guide

This guide provides a summary of expenditure for the Office of the Auditor General for the period 2012-2018. It provides Members of Parliament and stakeholders with an overview of the Department's responsibilities. The primary purpose of this guide is to consolidate the information contained within the various Budget Documents pertaining to the Office of the Auditor General and provide readers with an analysis of same. This guide is based primarily on the Draft Estimates of Recurrent Expenditure, and the Estimates of Development Programme.

# Head 02: Auditor General Department

## Department Overview<sup>1</sup>

### **Vision**

An audit institution of the highest international caliber championing good governance and protecting the interests of the people.

### **Mission**

To effectively review the management and use of state resources by employing a variety of relevant auditing types and techniques and reporting to Parliament on a timely basis.

### **Core Values**

Values are the principles that represent the key ideas and ideals through which the Auditor General's Department is governed. They are the fundamental thoughts that shape behaviour and operations. In this context, and based on its Beliefs and Philosophy, the Department's core values include:

1. Integrity - The Auditor General's Department has built its image on this platform. All staff will contribute to the furtherance of this value.
2. Accountability and Transparency - These values will be foremost in the operations of the Auditor General's Department on a daily basis.
3. Endorsement of open communication - Employee participation and involvement in the business of the Auditor General's Department is a basic principle of its operations.
4. Confidentiality - This is in force at all times.
5. Professionalism - All staff would operate with professionalism at all times.

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<sup>1</sup> Auditor General's Department Overview, Assesed on September 01, 2017: <http://www.auditorgeneral.gov.tt/content/overview>

6. Participatory Leadership - Leadership in the Auditor General's Department goes beyond the 'open door policy.' Key staff are empowered to make decisions.
7. Service Orientation - Superior service to the Government and people of Trinidad and Tobago will be the strongest orientation of the Auditor General's Department.

The Auditor General is required by law to examine and report annually to Parliament on the accounts of Ministries, Departments, Regional Health Authorities, Regional Corporations and such State Controlled Enterprises and Statutory Boards for which the Auditor General is the statutory auditor. The portfolio also includes the audit of:

- The accounts of projects funded partly or wholly by International Lending Agencies;
- All pensions, gratuities and other separation benefits paid by the State in accordance with the Pensions Acts and other Agreements; and
- The grant of credit on the Exchequer Account in accordance with the requirements of section 18 of the Exchequer and Audit Act, chapter 69:01.

The audit services take the form of financial audits, compliance audits and value for money audits intended to promote:

- Accountability;
- Adherence to laws and regulations; and
- Economy, efficiency and effectiveness in the collection, disbursement and use of funds and other resources.<sup>2</sup>

**Auditor General (Accounting Officer): Mr. Majeed Ali**

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<sup>2</sup> Constitution of the Republic of Trinidad and Tobago <http://rgd.legalaffairs.gov.tt/Laws2/Constitution.pdf>

# Where the Department spends its money

## 2017-2018 Estimates of Expenditure

The budget allocation for the Auditor General Department is comprised of:

- The Draft Estimates of Recurrent Expenditure in the sum of **\$38,153,850**.

The Estimates of Recurrent Expenditure include:

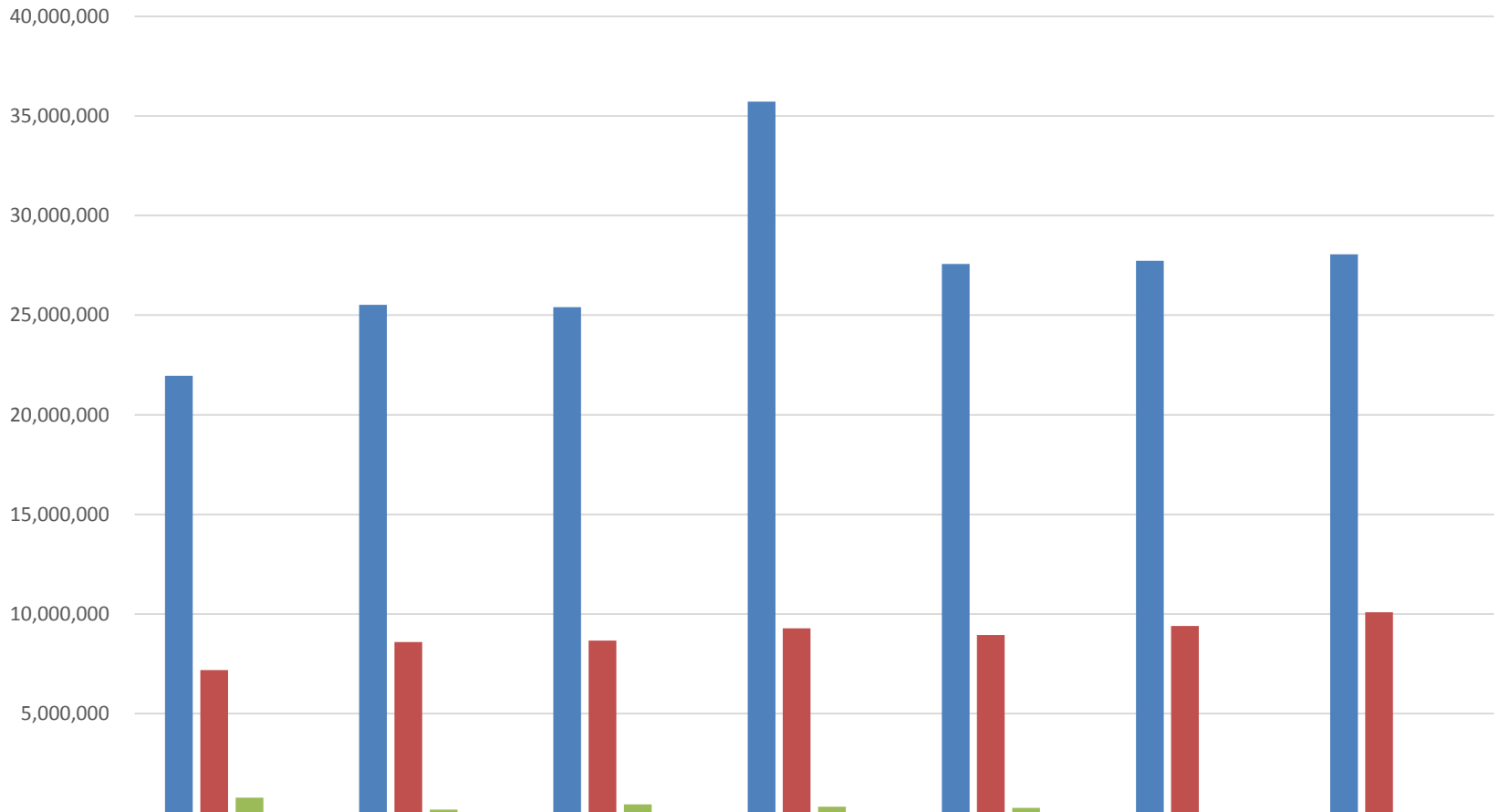
- 01 Personnel Expenditure; - **\$28,053,100**;
- 02 Goods and Services;- **\$10,087,400**;
- 03 Minor Equipment Purchases; **\$0.00**; and
- 04 Current Transfers and Subsidies; **\$13,350**;

The Auditor General Department's:

- Recurrent Expenditure as a percentage of the total Recurrent Expenditure budget is **0.073%**.

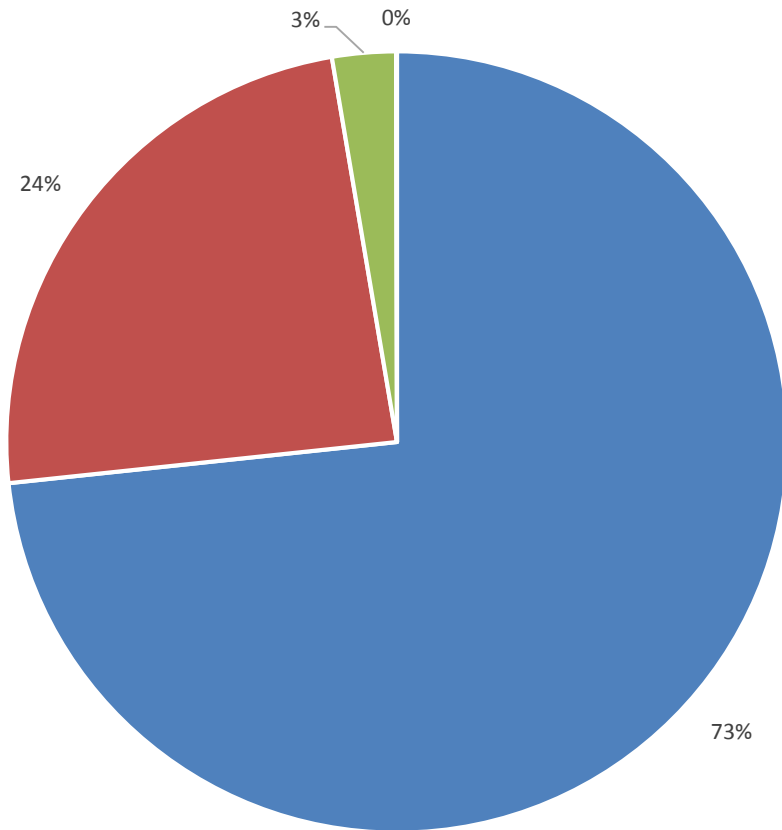
# Summary of Recurrent Expenditure for the period 2012-2018

Auditor General's Recurrent Expenditure for the Period 2012-2018



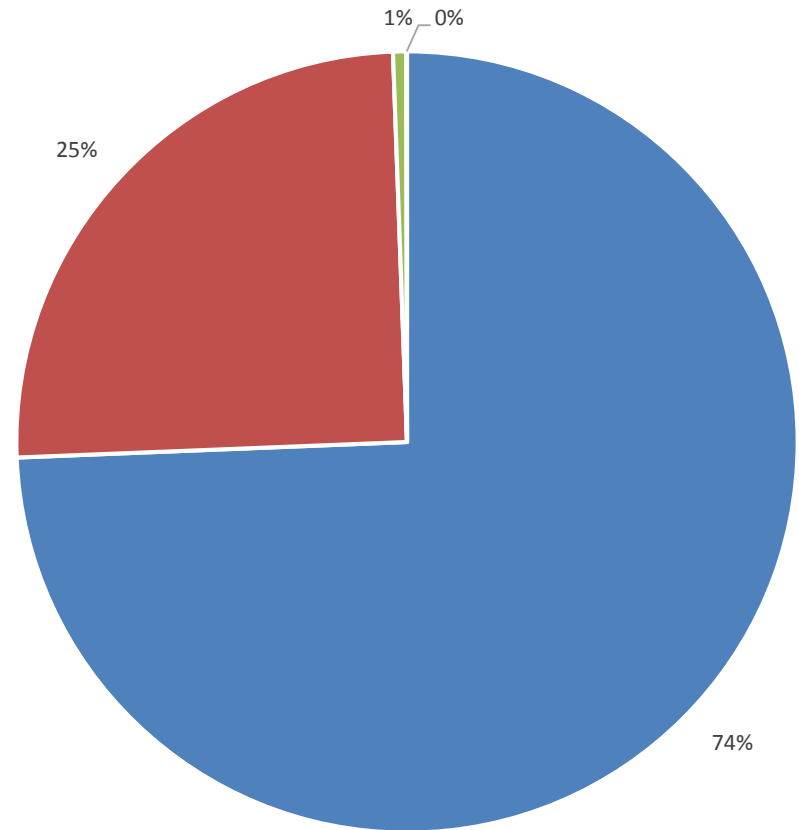
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Revised Estimate	2018 Estimate
■ Personnel Expenditure	21,953,649	25,515,361	25,397,308	35,721,414	27,575,560	27,733,600	28,053,100
■ Goods and Services	7,189,073	8,598,480	8,670,405	9,290,629	8,943,915	9,405,540	10,087,400
■ Minor Equipment Purchases	788,755	187,572	449,766	325,737	267,768	1,550	-
■ Current Transfers and Subsidies	10,973	8,787	7,842	12,335	10,027	13,300	13,350

2012 Actual



- Personnel Expeniture
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

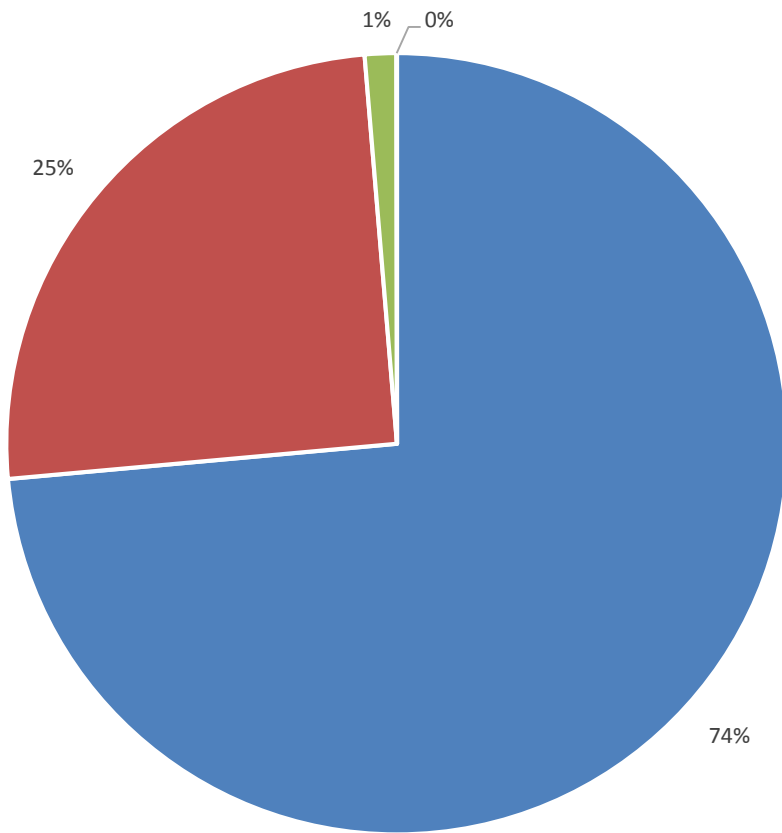
2013 Actual



- Personnel Expeniture
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

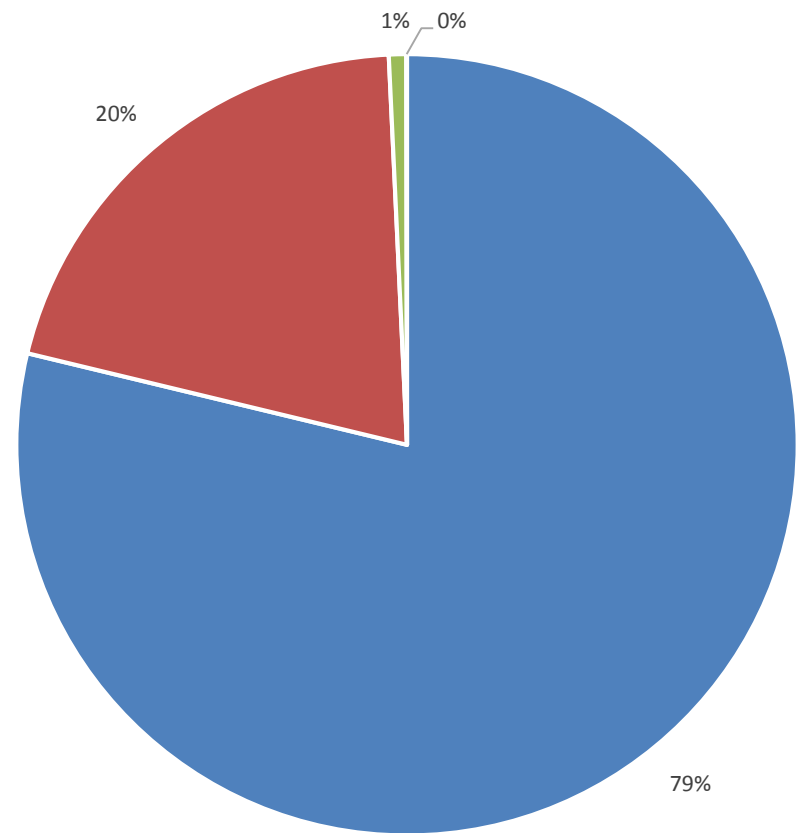


2014 Actual



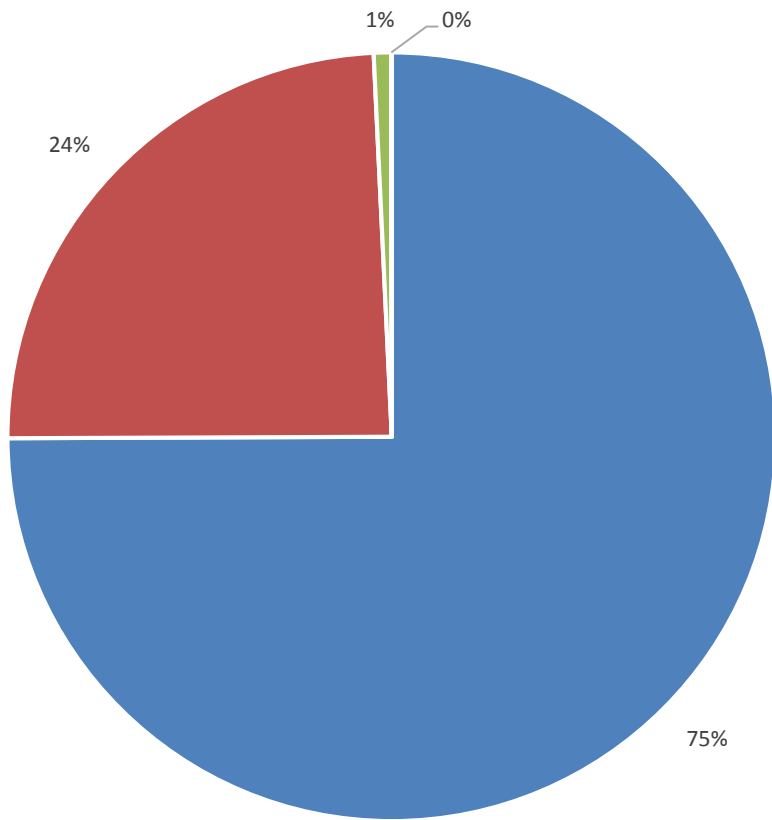
- Personnel Expenditure
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

2015 Actual



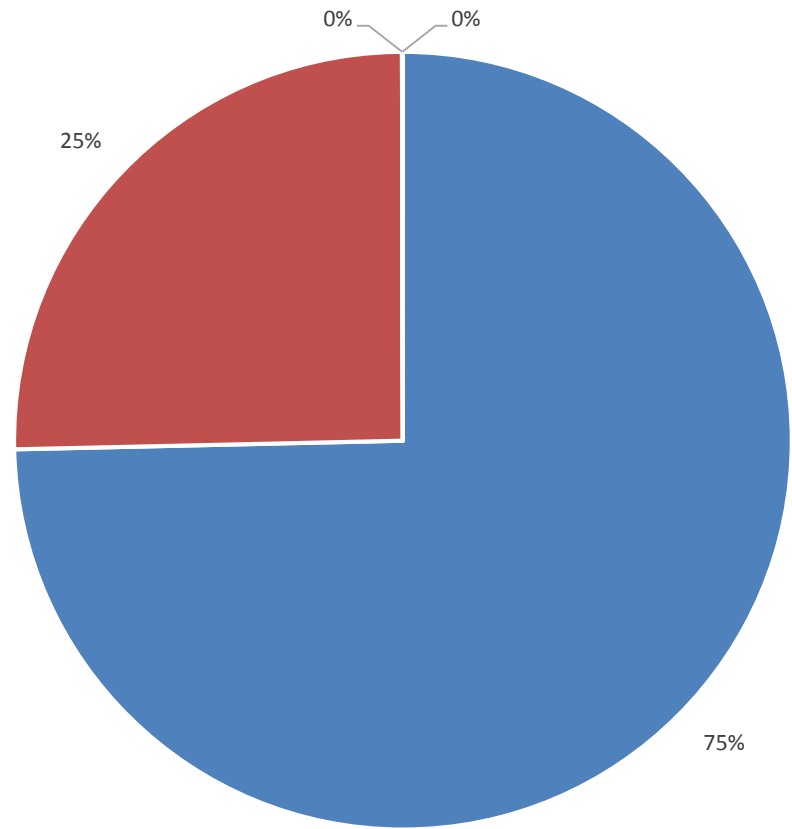
- Personnel Expenditure
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

2016 Actual



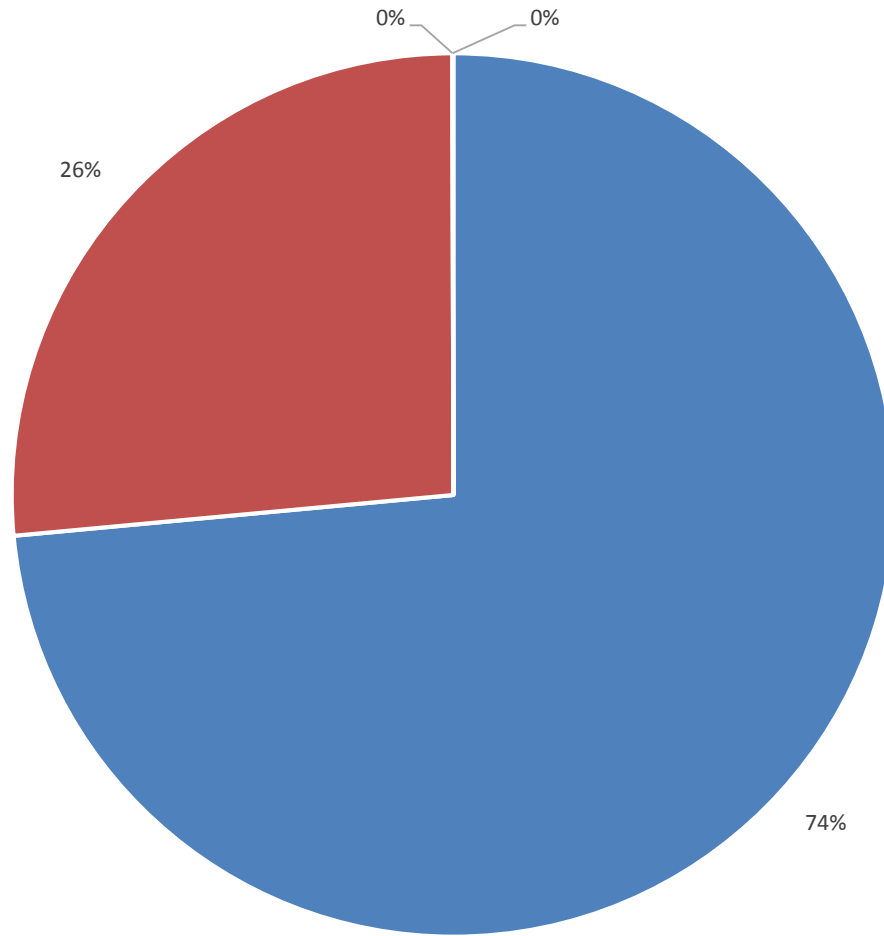
- Personnel Expeniture
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

2017 Revised Esitmate



- Personnel Expeniture
- Goods and Services
- Minor Equipment Purchases
- Current Transfers and Subsidies

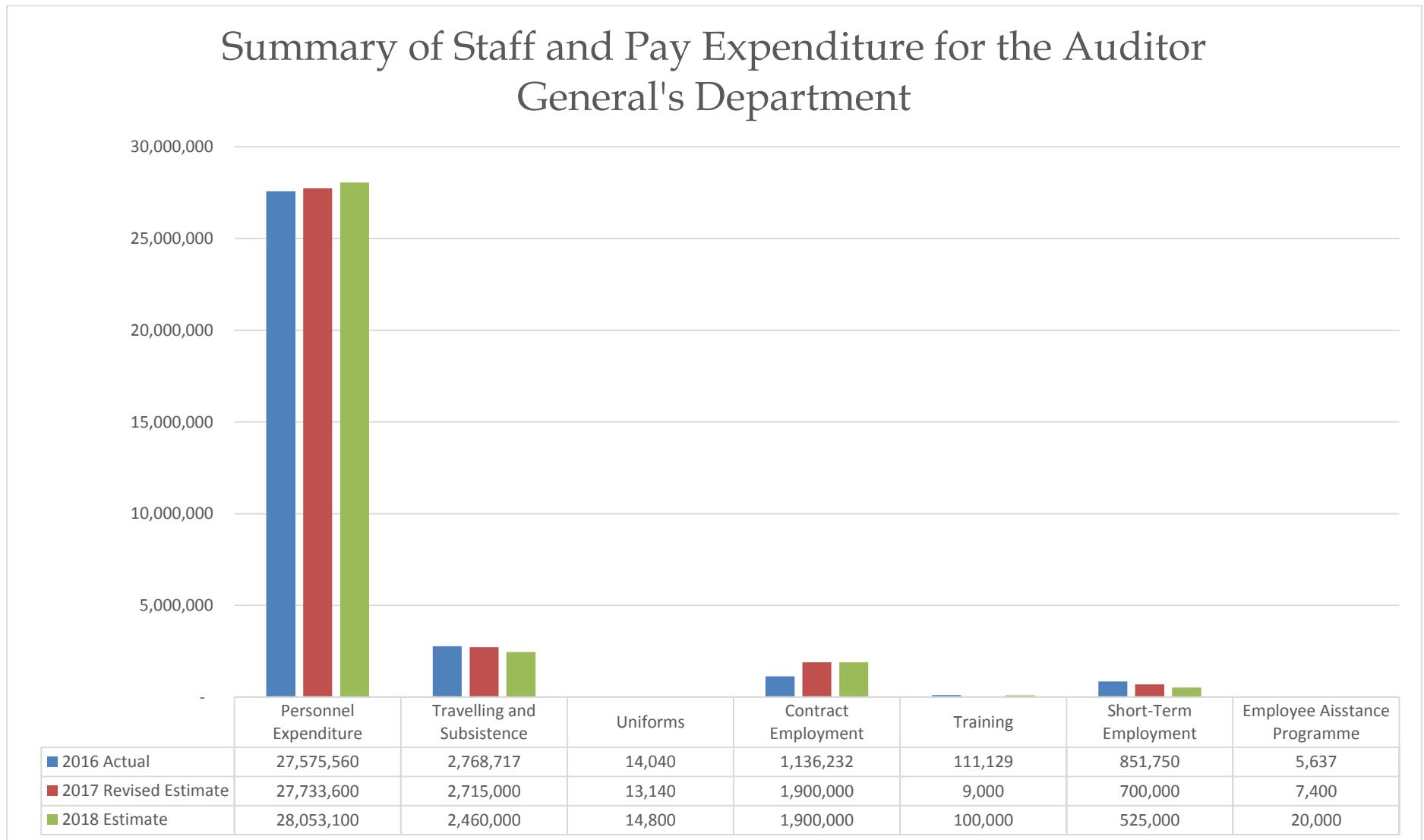
# 2018 Estimate



■ Personnel Expenditure   ■ Goods and Services   ■ Minor Equipment Purchases   ■ Current Transfers and Subsidies

## Staff and Pay<sup>3</sup>

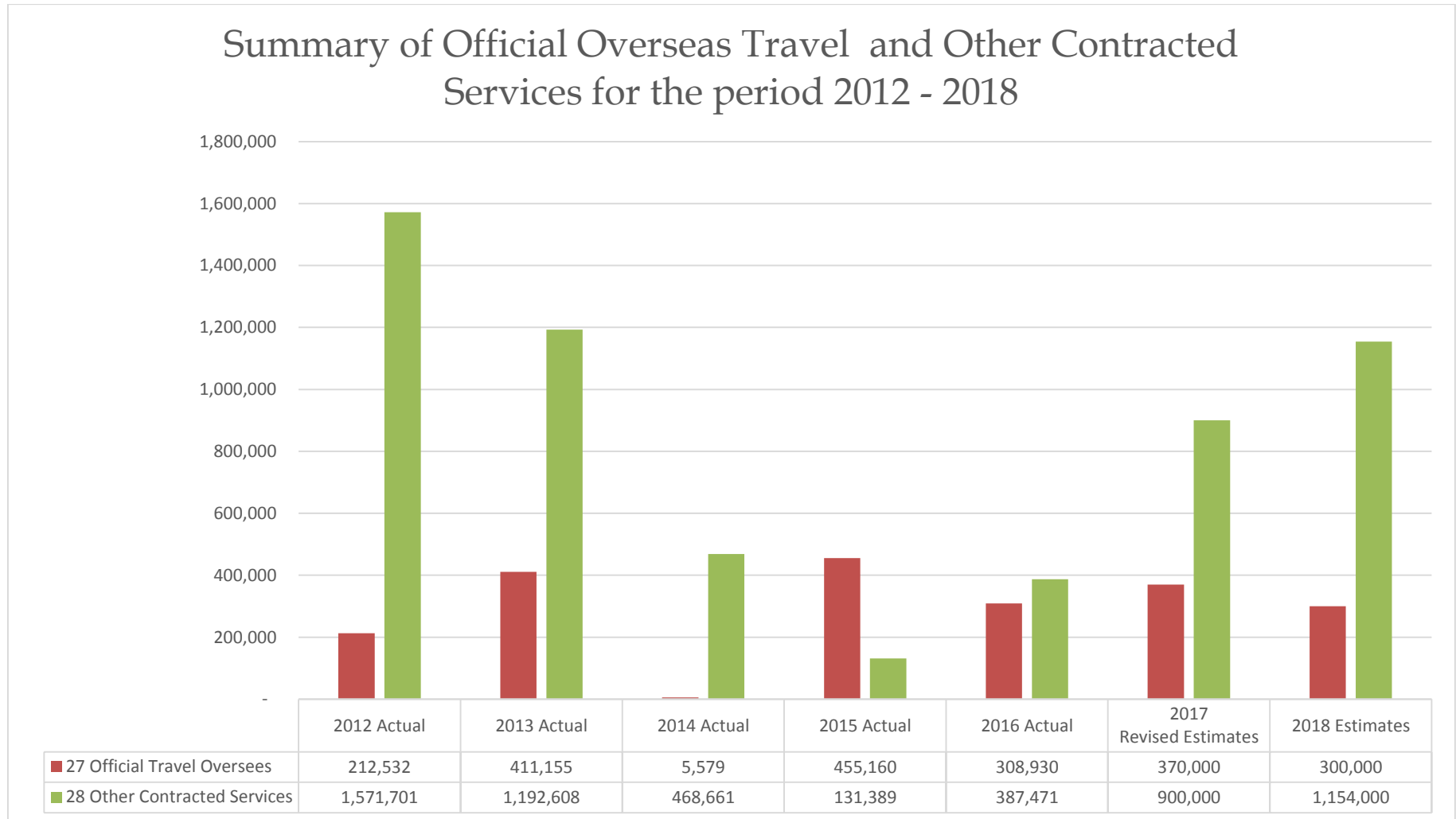
The allocation of staff expenditure for the year 2018 was \$ 33,072,900 which represents a decrease of approximately 0.016% from the last fiscal year 2017. The following chart provides a breakdown of all expenditure related to staff from 2016-2018.



<sup>3</sup> Draft Estimates for Details of Estimates of Recurrent Expenditure for the Financial Year 2018 <http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Recurrent-Expenditure-2018.pdf>

## Expenditure Unique to the Auditor General's Department

Unique Expenditure refers to expenditure items incurred by the Auditor General's Department that may not feature in other ministries or departments. The following graph illustrates the Summary of Official Overseas Travel<sup>4</sup> and Other Contracted Services<sup>5</sup> for the period 2012 to 2018.



<sup>4</sup> The allocations awarded to Official Travel Oversees is intended for the auditing of of the Overseas Missions of the Ministry of Foreign Affairs.

<sup>5</sup> The allocations awarded to Other Contracted Services is used to outsource auditing services.

## According to the 2014 Auditor General's Report<sup>6</sup>:

*“The audits of the Overseas Missions of the Ministry of Foreign Affairs and the Labour Liaison Branch Office of the Ministry of Labour and Small and Micro Enterprise Development, are performed on a rotational basis over the course of a number of years.”*

*“The expenses of the Auditor General’s Department are met from public funds through the budgeting process followed by Ministries and Departments as required by Part IV of the Financial Regulations issued under the Exchequer and Audit Act, Chapter 69:01. This procedure includes obtaining the approval of Cabinet for Official Overseas Travel.”*

*“The request for Cabinet approval of the Official Overseas Travel required for the audit of selected Overseas Missions and the Labour Liaison Branch Office was made via Auditor General’s Note to Cabinet dated 30th June, 2014.”*

*“The requisite Cabinet approval was not confirmed until 15th January, 2015. The audit therefore, could not be performed in time for findings to be included in this Report. This posed a limitation on the scope of the audit which breached the provisions of section 116 (6) of the Constitution as set out above.”*

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<sup>6</sup> Report of the Auditor General of the Republic of Trinidad & Tobago on the Public Accounts of Trinidad & Tobago for the Financial Year Ended 30th September, 2014. <http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%202014.pdf>

## The Department's total allocation as a percentage of the National Budget for the period 2012 to 2018.

Year <sup>7</sup>	Total Allocation <sup>8</sup>	National Budget <sup>9</sup>	Percentage of National Budget
2012	\$ 30,605,608.00	\$ 55,718,271,573.00	0.05%
2013	\$ 35,308,457.00	\$ 59,174,226,196.00	0.06%
2014	\$ 35,569,801.00	\$ 65,020,886,424.00	0.05%
2015	\$ 46,216,729.00	\$ 61,966,922,675.00	0.07%
2016	\$ 37,629,111.00	\$ 56,573,913,053.00	0.07%
2017	\$ 37,653,990.00	\$ 55,598,436,912.00	0.07%
2018	\$ 38,153,850.00	\$ 54,955,041,591.00	0.07%

- Total allocation for the Ministry as a percentage of the National Budget illustrated an equal allocation to the Auditor General's Department between the period 2016/2017 and 2017/2018.

<sup>7</sup> For the Fiscal Years 2012-2016, actual figures were used to calculate the total allocation. However, estimates were used to calculate the total allocation for the Fiscal Years 2017 and 2018.

<sup>8</sup> Total Allocation for the Auditor General's Department = Recurrent Expenditure + Consolidated Fund

<sup>9</sup> The National Budget = Total Recurrent Expenditure + Total Consolidated Fund

## Analysis of Summary of Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for personnel expenditure, goods and services, minor equipment purchases, current transfers and subsidies.

- Recurrent Expenditure for Fiscal Year 2017/2018 is **\$38,153,850**. This represents **0.073%** of the total Recurrent Expenditure for the financial year 2017/2018.
- Recurrent Expenditure for Fiscal Year 2016/2017 was **\$37,153,990** (revised). Comparing this figure with Fiscal Year 2017/2018, there is an increase of **\$999,860** or **2.69%**.
- The larger portion of the allocation has consistently gone to sub-head Personnel Expenditure. This figure has been steady at around **75%** of the total allocation for the years 2012 to 2018.
- In 2016 the Personnel Expenditure percentage was **75%** of the Ministry's total recurrent allocation.
- Minor Equipment Purchases has remained at an average of less than **1%** from 2012 to 2018.
- The percentage allocation of expenditure for the four (4) different sub heads has been **7%** over the period 2015 - 2018.
- Furthermore, current transfers and subsidies has been steady over the period 2012-2018, accounting for approximately less than **1%** of total funding for the Ministry with fiscal year, 2017/2018 receiving the second highest amount of funding of **\$13,350** which takes into account subsidies, grants and other benefits to other government units, local and international organizations and transfers to state enterprises.



# Summary of Development Programme Expenditure for the period 2012-2018

Development Programme is capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago which includes; human resources, economic and social development.

The Public Sector Investment Programme (PSIP), which represents the capital expenditure component of the National Budget, is the instrument used by Government to effect its vision and policies. It is a budgeting and strategic planning tool made up of projects and programmes, designed to realise the goals set out in the Government's overarching policy.

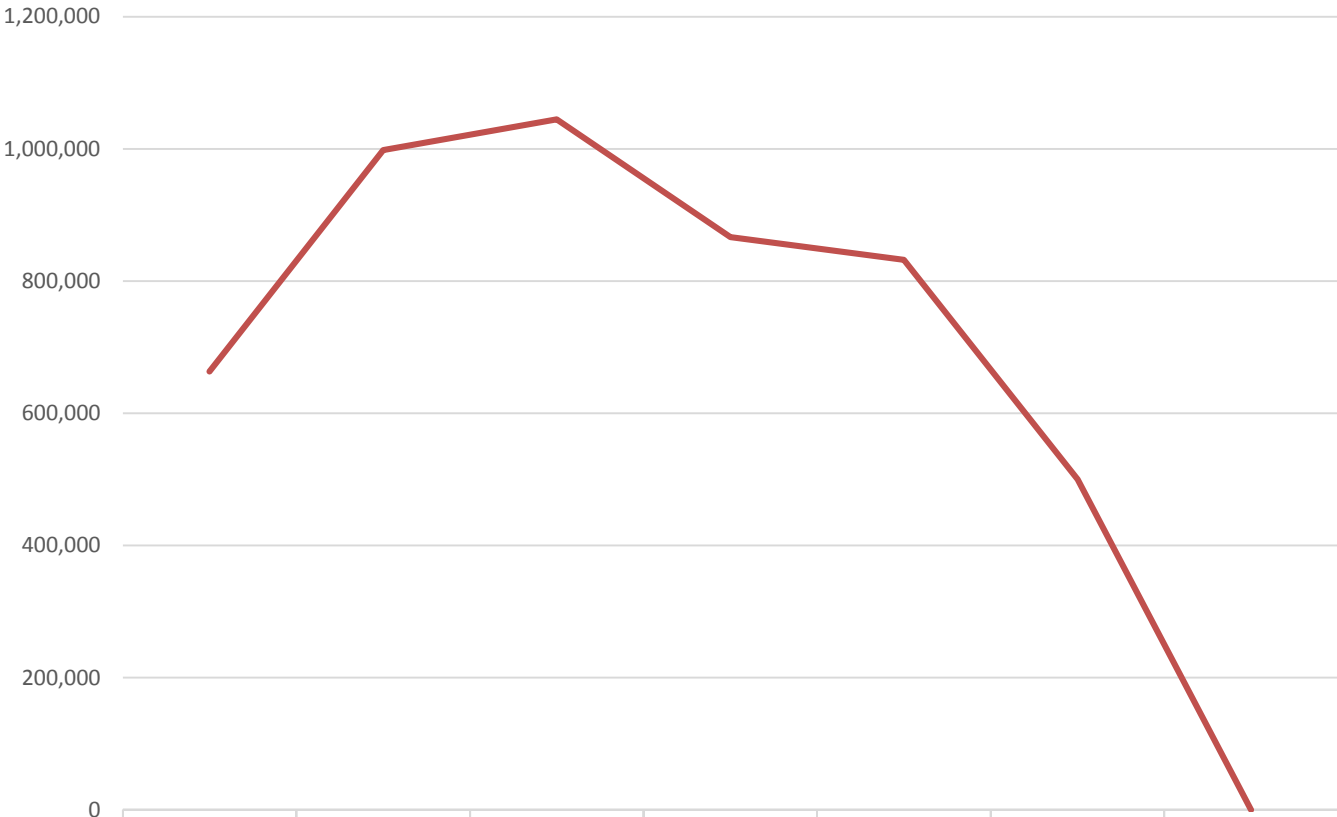
The PSIP budget document provides a detailed description of the programmes and projects and includes a review of the implementation of projects and programmes in the previous financial year and highlights the major projects and programmes to be implemented in the upcoming financial year.

- The Public Sector Investment Programme is intended to achieve:
  - the country's social and economic development goals; and
  - enhance the quality of life of all citizens.

The estimates for the development programme are presented in two parts as follows:

- Funds appropriated by Parliament and disbursed directly from the Consolidated Fund; and
- Funds disbursed from the Infrastructure Development Fund.

# Summary of Development Programme Estimates for the period 2012-2018



	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Revised Estimates 2017	Estimates 2018
005 Multi-Sectoral and Other Services - Consolidated Fund	663,158	998,257	1,044,480	866,614	831,841	500,000	0

## Major Programmes and Developments

The following table illustrates the major programmes and projects under the Auditor General's Department and the actual or estimated expenditures for the last three years.<sup>10</sup>

Head 2, Subhead 9 Development Programme 2017	Programme/Project	2016 Actual	2017 Revised Estimate	2018 Estimate
005-06A-001	Institutional Strengthening of the Auditor General's Department	336,416	500,000	-
005-06A-002	Establishment of a Project Implementation Unit	-	-	-
005-06A-003	Development of ICT at the Auditor General's Department (AGD)	495,425	-	-

<sup>10</sup> Draft Estimates of Development Programme for the Financial Year 2018, <http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf>

## Committee Inquires Related to the Ministry of Education

Inquiry	Report Status	Ministerial Response	Key Recommendations <sup>11</sup>
1. <i>The First Report of the Public Accounts Committee for the First Session of the Eleventh Parliament on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial years 2014 and 2015 with specific reference to the Auditor General's Department</i>	Report Presented H.O.R- 03.02.2017 Senate-31.01.2017	Presented H.O.R - 17.03.2017 Senate - 21.03.2017	<ul style="list-style-type: none"> <li>By strengthening its staff compliment, the AGD will be able to execute more special audits. This will allow for detailed scrutiny of public expenditure in areas that may remain unexamined in a general audit of the Public Accounts. The AGD is encouraged to pursue proposals with the Public Service Commission to increase its staff compliment to 20 qualified persons by March 2017.</li> </ul>

<sup>11</sup> Key Recommendations relate to recommendations that may have a financial impact on the Ministry

## General Useful Information

- Government of India Ministry of Finance (Department of Economic Affairs) Aid Accounts & Audit Division, India  
<http://aaad.gov.in/>
- National Audit Office, UK: <https://www.nao.org.uk/>
- Office of the Auditor General of Canada, CAN: <http://www.oag-bvg.gc.ca/internet/index.htm>
- Australian National Audit Office, AUS : <https://www.anao.gov.au/>