

Head 18: Ministry of Finance

A summary of the Ministry'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 Ministry of Finance for the period 2012-2018. It provides the Members of Parliament and stakeholders with an overview of the Ministry's responsibilities. The primary purpose of this guide is to consolidate the information contained within the various Budget Documents pertaining to the Ministry of Finance and provide readers with an analysis of same. This guide is based primarily on the Draft Estimates of Recurrent Expenditure, the Estimates of Development Programme, the Public Sector Investment Programme and the Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago for the fiscal year 2016.

Head 18: Ministry of Finance

Ministry Overview¹

Mission

To efficiently and effectively manage the economy of Trinidad and Tobago through the development and implementation of innovative policies to the benefit of all citizens.

Vision

The Ministry of Finance is a world class organisation that implements balanced macro-economic fiscal policies and initiatives that facilitate the expansion and diversification of the economy, ensures fiscal sustainability; and that is responsive to the global environment.

Minister: The Honourable Mr. Colm Imbert, MP

Minister in the Ministry of Finance: Senator the Honourable Allyson West

Permanent Secretary: Mr. Vishnu Dhanpaul

Permanent Secretary: Ms. Suzette Taylor-Lee Chee

Permanent Secretary (Ag.): Ms. Lisa Phillips

Permanent Secretary (Ag.): Ms. Michelle Durham-Kissoon

¹ Ministry of Finance, Accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/vision-and-mission/mandate/>

The Ministry of Finance is responsible for managing the financial resources of Government. It ensures that Trinidad and Tobago has the necessary legal and financial infrastructure to manage the appropriation of funds among Ministries and Departments. More specifically, it is responsible for managing government financial assets, proposing economic and financial policy, and coordinating and supervising these actions as empowered by law. The Ministry's mandate seeks to facilitate revenue collection and revenue management; budget planning, preparation and management; the formulation and promotion of national fiscal and economic policy; trade facilitation and border control; debt management and the management of the State Enterprises Sector.

Divisions

In order to fulfill the diverse responsibilities that fall under the remit of the Ministry of Finance, there are twelve established Divisions and Units.

1. Valuation Division

The Valuation Division was created by an Act of Parliament, “The Valuation of Land Act” Chapter 58:03 of 1969 to *inter alia* create the functionary of the Commissioner of Valuations who was to be responsible for making valuations of every parcel of land in Trinidad and Tobago (including buildings, plant and machinery) for all purposes required by Government, subject to Presidential exemption from such valuations.²

2. Treasury Division

The major function of the Treasury Division is to ensure that proper accounting can be given to Parliament. This will therefore include the provision of financial accounting services and systems and the production of the Consolidated Accounts of Trinidad and Tobago. The Division is headed by the Comptroller of Accounts and to facilitate its functions the Division is structured into the following Branches: Financial Management, Treasury Management, and Pensions Management.³

3. The Treasury Solicitor’s Division

The role and function of the Treasury Solicitor’s Division of the Ministry of Finance (“the Ministry.”) essentially is to render legal advice on all matters within the portfolio of responsibilities of the Minister of Finance (“the Minister”) and by extension the Ministry.⁴

² Ministry of Finance, Accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/valuation-division/>

³ Ministry of Finance, Accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/treasury-division/>

⁴ Ministry of Finance, Accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/the-treasury-solicitors-division/>

4. **Public Private Partnership Unit**

The PPP Unit was established in the Ministry of Finance, Investments Division, in August of 2011 as part of an initiative to promote public private partnerships for infrastructure in Trinidad and Tobago.⁵

5. **The Investments Division**

The Investments Division of the Ministry of Finance was established in January 1992. In pursuit of its mandate, the Division manages, monitors and advises on the rationalization of Government's equity holdings in commercial enterprises. The Division is also responsible for conducting management/performance audits of State Enterprises, to ensure that they operate in an efficient and effective basis and that they discharge their obligations with respect to public accountability.⁶

6. **The Inland Revenue Division**

The Inland Revenue is a Division of the Ministry of Finance and is administered by a Board consisting of five Commissioners, one of whom is appointed "Chairman". The Board of Inland Revenue develops broad policies and programmes for the administration of the tax laws and directs, guides, co-ordinates, controls and evaluates the activities of the Inland Revenue Division.⁷

7. **General Administration Division**

The role and function of the general administration division is to provide and maintain a comfortable, safe and secure physical working environment and to procure and allocate financial and other resources and to ensure the optimal utilization of such resources.⁸

⁵ Ministry of Finance, accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/public-private-partnership-unit/>

⁶ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/the-investments-division/>

⁷ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/2521-2/>

⁸ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/general-adminstration-division/>

8. Economic Management Division

The Economic Management Division (EMD) was established by Cabinet Minute on June 12, 2008. The work programme of the EMD is segmented under two (2) major areas, Debt Management (Debt Management Unit) and Macro Fiscal Programming (Macro Fiscal Programming Unit).⁹

9. Customs and Excise Division

Customs controls and Customs Services play a key role in assisting Governments to achieve their national and international policy aims. The Customs and Excise Division through the laws under which the Division is empowered to act, seeks to facilitate trade, protect and collect all revenue due to the state, eliminate unfair trade practices and smuggling of illicit drugs, arms and ammunition. Its main objectives are to provide public contact staff with a greater understanding of their role in interfacing with the public and to ensure a professional image for the public service.¹⁰

10. Communications Unit

The Corporate Communications Unit is responsible for planning, coordinating and supporting all communication activities of the Ministry of Finance. This includes the creation, implementation and management of communications programs designed to effectively describe and promote the Ministry and its various Divisions. The department spearheads the development and implementation of appropriate plans and strategies designed to communicate information to relevant stakeholders and is responsible for the development and implementation of the Communication strategy for the Ministry of finance and its divisions.¹¹

⁹ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/economic-management-division/>

¹⁰ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/customs-and-excise-division/>

¹¹ Ministry of Finance, accessed on October 04, 2017 <http://www.finance.gov.tt/about-us/divisions/communications-unit/>

11. Central Tenders Board

The Central Tenders Board was established by Act No. 22 of 1961 (hereinafter referred to as the legislation) to ensure that the proper procedures are followed to obtain the most suitable supplies and services from available sources.¹²

12. Budget Division

The Work of the Budget Division within the Ministry of Finance is derived from the responsibilities assigned to the Minister with responsibility for finance under Section 113(1) of the Constitution and the Exchequer and Audit Act, Chapter 69:01. In assisting the Minister of Finance in the discharge of this responsibility, the Budget Division is responsible for the preparation, administration, control and post evaluation of the annual Estimates of Revenue and Expenditure.¹³

Statutory Boards and Other Bodies

- Betting Levy Board
- National Insurance Appeals Tribunal¹⁴
- National Lotteries Control Board¹⁶
- Central Tenders Board
- National Insurance Board¹⁵
- Trinidad and Tobago Racing Authority¹⁷

¹² Ministry of Finance, accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/central-tenders-board/>

¹³ Ministry of Finance, accessed on October 04, 2017: <http://www.finance.gov.tt/about-us/divisions/budget/>

¹⁴ Ministry of Finance website accessed on October 12, 2017 <http://www.finance.gov.tt/about-us/divisions/national-insurance-appeals-tribunal/>

¹⁵ National Insurance Board website accessed on October 12, 2017 <http://www.nibtt.net/>

¹⁶ National Lotteries Control Board website accessed on October 12, 2017 <http://nlcb.co.tt/>

¹⁷ Trinidad and Tobago Racing Authority website accessed on October 12, 2017 <http://www.ttra.net/>

State Enterprises¹⁸

<p>Wholly Owned Enterprises</p> <p>First Citizens Holdings Limited</p> <p>National Enterprises Limited</p> <p>Clico Trust Corporation Limited (Clico Investment Fund)</p> <p>Portfolio Credit Management Limited</p> <p>Taurus Services Limited</p> <p>Trinidad and Tobago International Financial Centre Management Company Limited</p> <p>Trinidad and Tobago Tourism Business Development Limited</p>	<p>Majority Owned</p> <p>Caribbean Airlines Limited</p> <p>National Enterprises Limited</p>
<p>Less than 50% Ownership</p> <p>Trinidad and Tobago Development Finance Limited ¹⁹</p>	<p>Indirectly Owned Enterprises</p> <p>First Citizens Asset Management Limited</p> <p>First Citizens Bank Limited ²⁰</p> <p>NEL Power Holdings Limited</p>

¹⁸ Ministry of Finance website accessed on September 9, 2017 : <http://www.finance.gov.tt/wp-content/uploads/2016/08/Board-of-Directors-Appointment-Listing-WHOLLY-OWNED-Updated.pdf>

Where the Ministry spends its money

2017-2018 Estimates of Expenditure

The budget allocation for the Ministry of Finance is comprised of:

- The Draft Estimates of Recurrent Expenditure²¹ in the sum of **\$5,608,309,770.00; and**
- The Draft Estimates of Development Programme, Consolidated Fund in the sum of **\$87,300,000.00**

The Estimates of Recurrent Expenditure include:

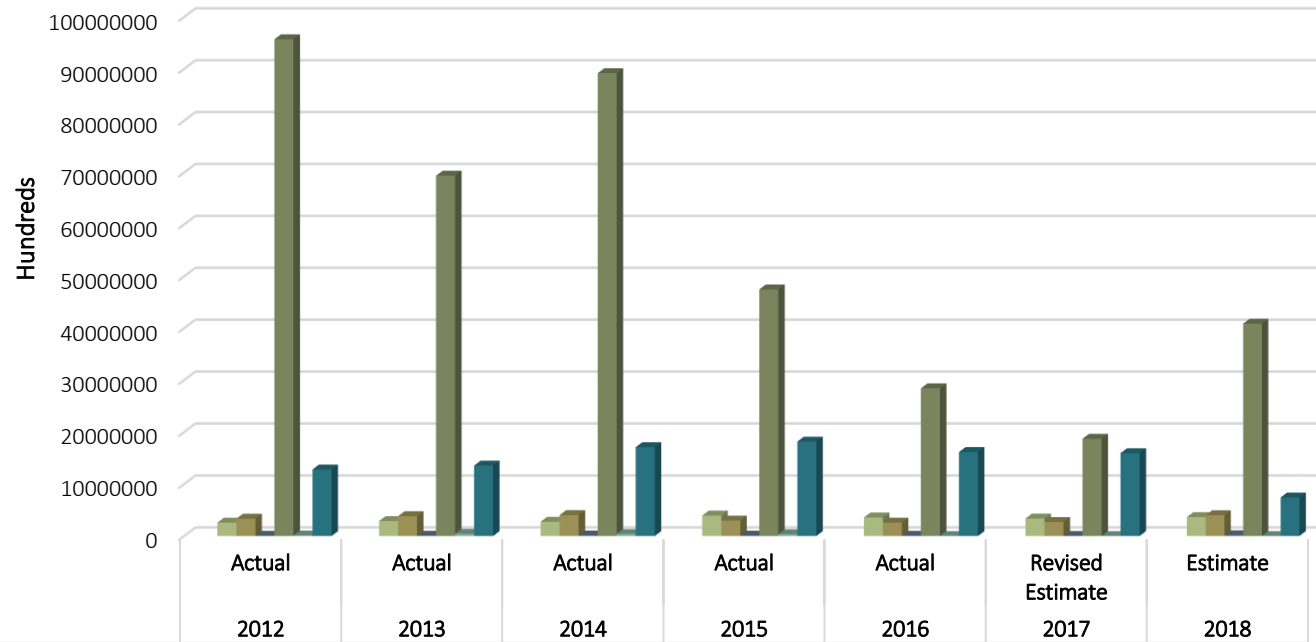
- 01 Personnel Expenditure - **\$363,996,360.00**
- 02 Goods and Services -**\$400,009,750.00**
- 03 Minor Equipment Purchases -**\$15,334,200.00**
- 04 Current Transfers and Subsidies -**\$4,087,681,980.00**
- 07 Debt Servicing -**\$741,287,480.00**

The Ministry of Finance recurrent expenditure and consolidated fund expenditure as a percentage of the total Recurrent Expenditure and total Consolidated Fund respectively were 11%, and 4%.

²¹ Head 18 –Ministry of Finance, Sub-Head 04 – Current Transfers and Subsidies, Sub-Item 11- Infrastructure Development Fund (IDF) (Infrastructure Development Fund allocation is part of the Ministry of Finance recurrent allocation for the financial year. *Therefore, the total recurrent expenditure for the Ministry of Finance include the IDF funding.*

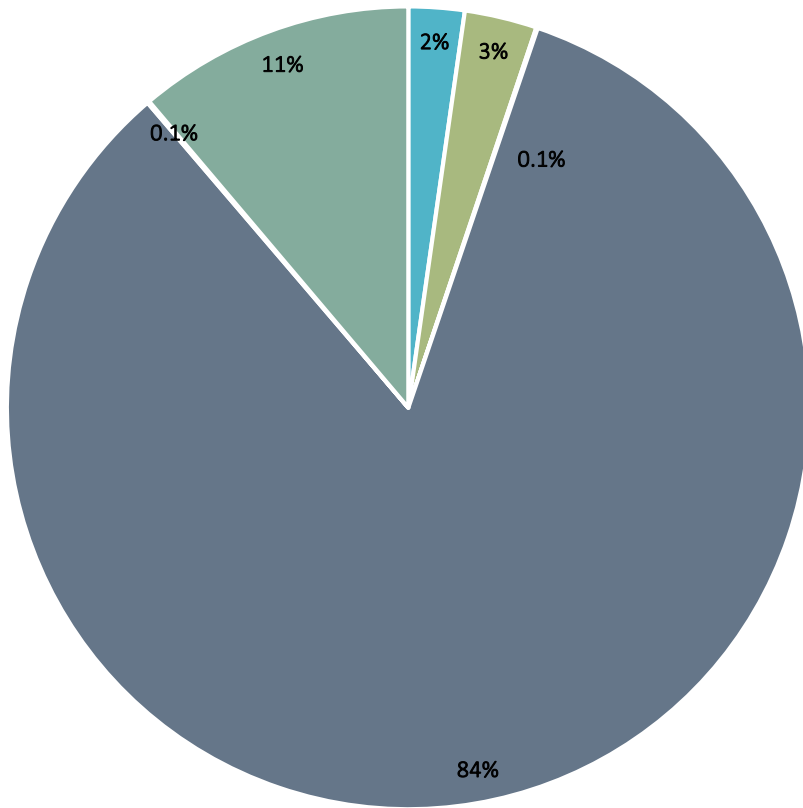
Summary of Recurrent Expenditure for the period 2012-2018

Summary of Recurrent Expenditure for the period 2012-2018



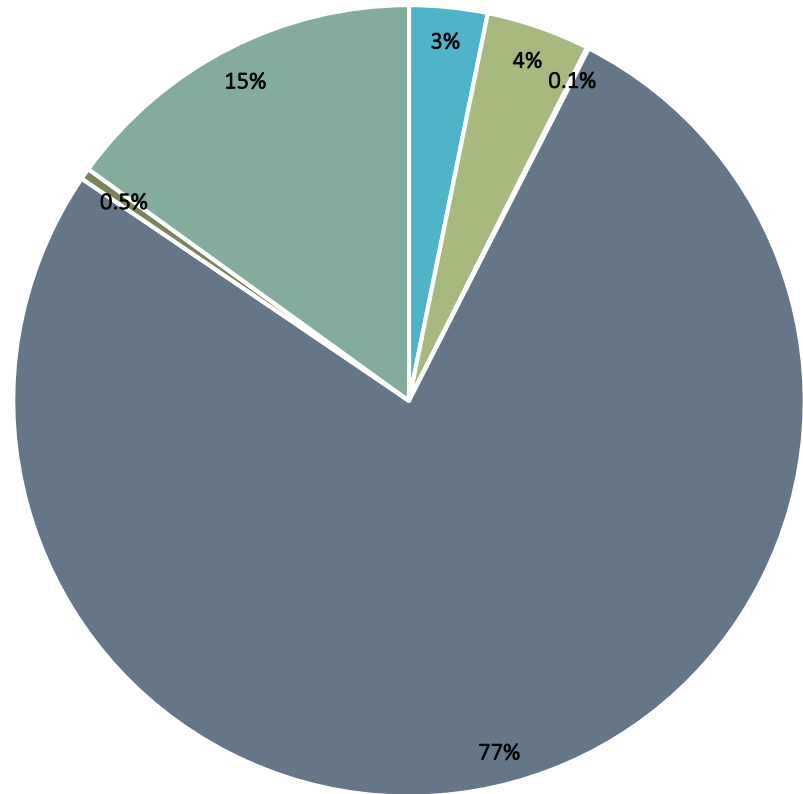
Category	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Revised Estimate 2017	Estimate 2018
01 Personal Expenditure	258,233,313	288,065,307	274,692,093	394,311,484	356,537,787	336,652,880	363,996,360
02 Goods and Services	334,102,613	381,933,712	403,483,671	296,145,053	258,304,859	269,986,170	400,009,750
03 Minor Equipment Purchases	6,683,304	6,944,945	9,619,896	8,473,873	5,740,024	864,330	15,334,200
04 Current Transfer and Subsidies	9,569,929,213	6,940,120,608	8,915,726,675	4,747,677,485	2,841,544,498	1,871,681,510	4,087,681,980
06 Current Transfers to Stat. Brds. and Similar Bodies	9,376,000	42,113,750	39,319,960	36,557,300	0	0	0
07 Debt Servicing	1,280,643,069	1,356,141,109	1,709,228,106	1,816,032,767	1,616,826,268	1,594,525,280	741,287,480

2012 Actual



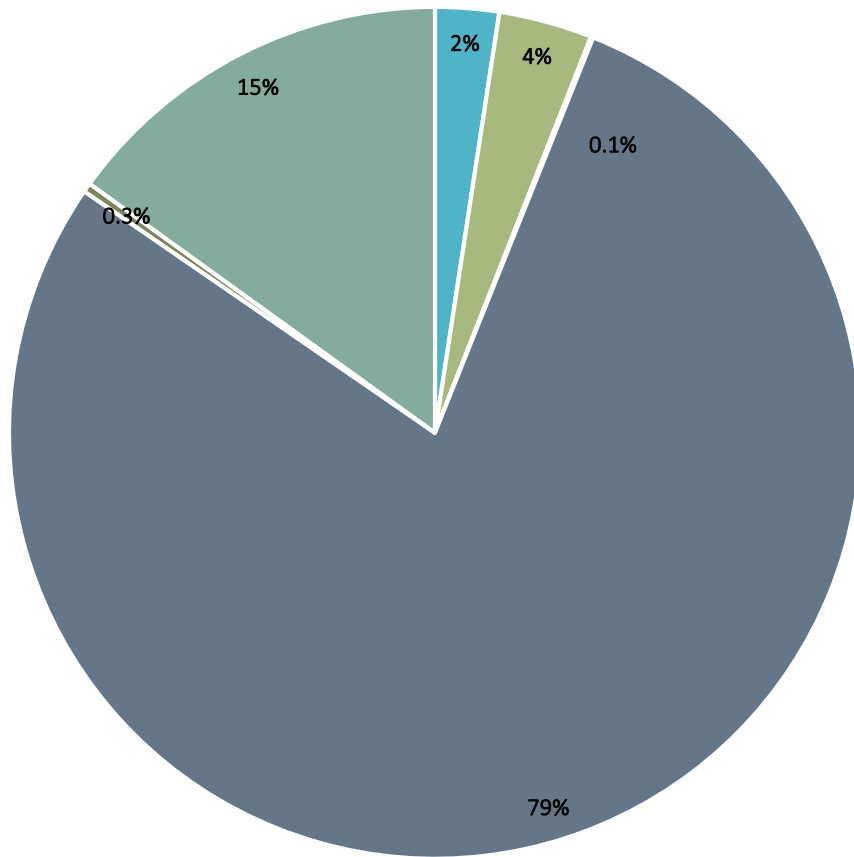
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment
- 04 Current Transfers and Subsidies
- 06 Current Transfers to Stat.Brds.&Similar Bodies
- 07 Debt servicing

2013 Actual



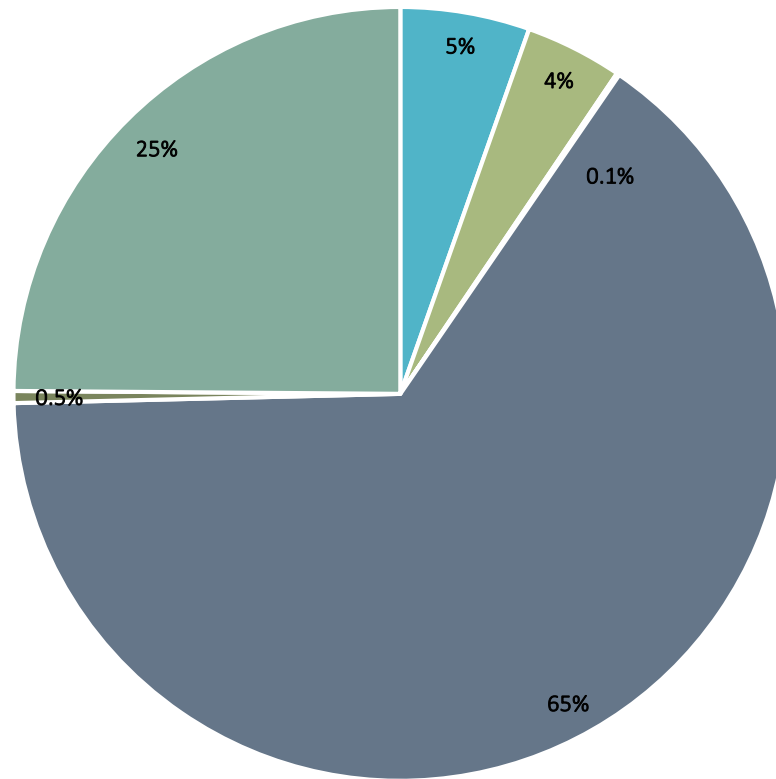
- 01 Personnel Expenditure
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2014 Actual



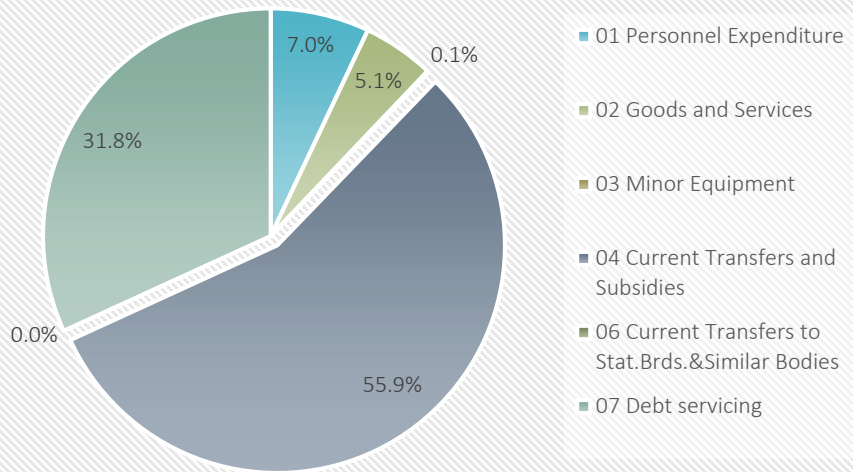
- 01 Personnel Expenditure
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2015 Actual

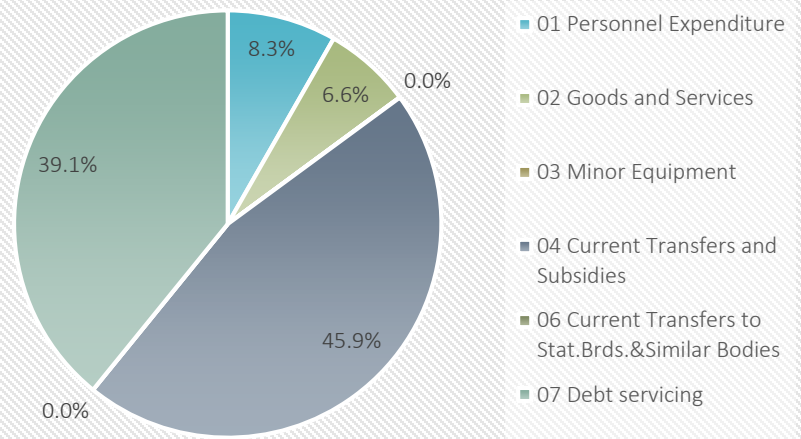


- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment
- 04 Current Transfers and Subsidies
- 06 Current Transfers to Stat.Brds.&Similar Bodies
- 07 Debt servicing

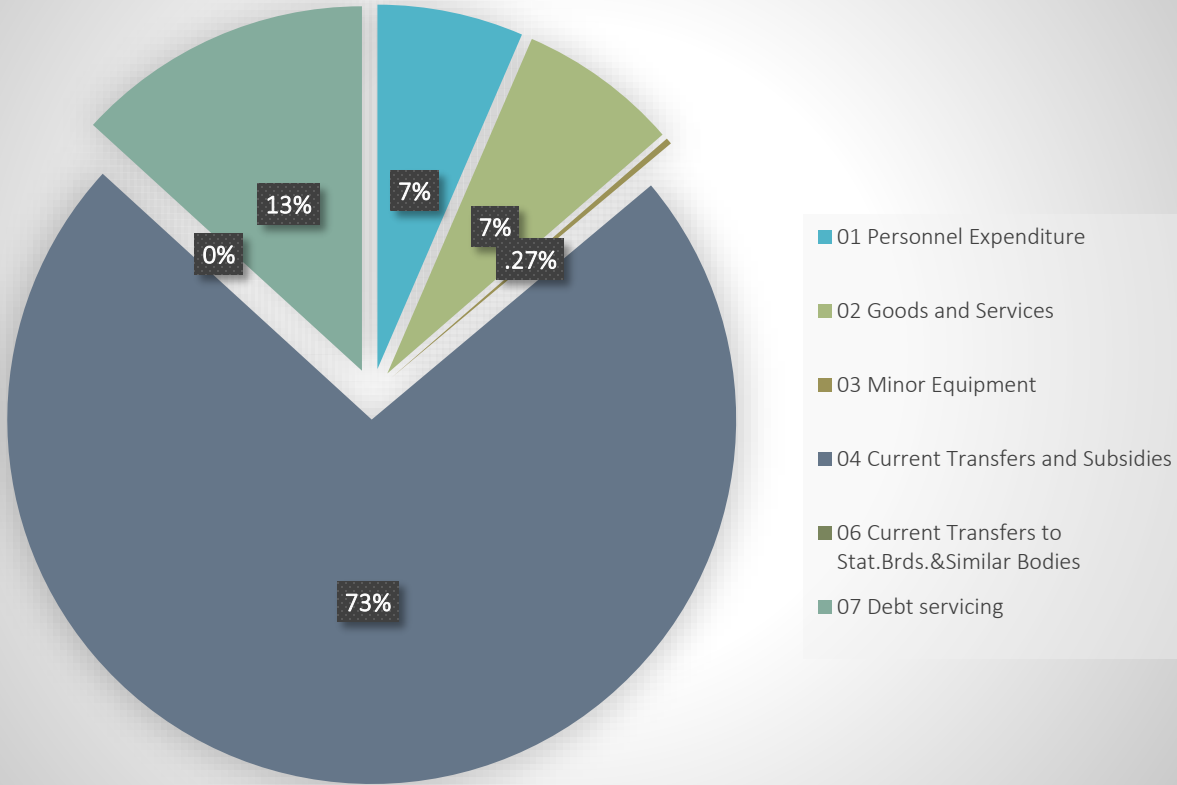
2016 Actual



2017 Revised Estimate

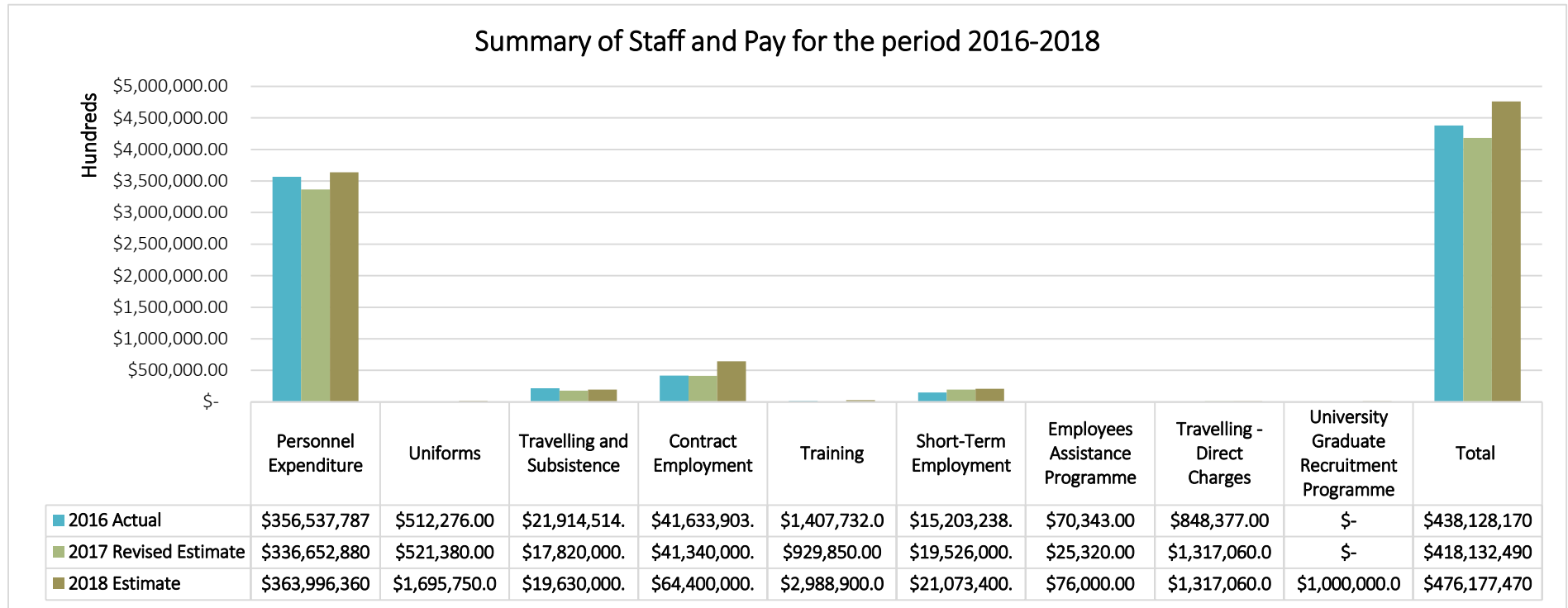


2018 Estimate



Staff and Pay²²

The allocation of staff expenditure for the fiscal year 2017/2018 was **\$474,067,470 .00** which represents an increase of approximately **13%** from the last fiscal year 2016/2017. The following table provides a breakdown of all expenditure related to staff from 2016-2018.



²² Direct charges to the consolidated funds are not included in the appropriation bill. Direct charges are items of expenditure which are charged to the consolidated fund but not required to be included in the Appropriation Act. They are itemized in the draft estimates of expenditure and include salary, allowances, Gov't Contribution to NIS of General Administration, Customs and Excise Division, Inland Revenue Division, Treasury Division, Financial Intelligence Unit and University Graduate Recruitment Programme. Therefore, total appropriation plus direct charges will constitute total budgeted expenditure for the year.

Analysis of Summary of Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred for the day-to-day operations of the Ministry including Personnel Expenditure, Goods and Services, Minor Equipment Purchases, Current Transfers and Subsidies, Current Transfers to Statutory Boards and Similar Bodies, Debt Servicing.

- Recurrent Expenditure for Fiscal year 2017/2018 was estimated at **\$5,608,309,770.00**. This represents **11%** of the total Estimated Recurrent Expenditure for the financial year 2017/2018.
- Recurrent Expenditure for Fiscal Year 2016/2017 was estimated at **\$4,073,710,170.00** (Revised). Comparing this with the allocation in Fiscal Year 2017/2018, there is an increase of **38%**.
- The larger portion of the allocation has consistently gone to Current Transfer and Subsidies for the years 2012-2018. This figure has been fluctuating at an average of **68%** of the total allocation.
- For the years 2012 to 2018, Debt Servicing Expenditure received the second largest of the total allocation of the Ministry of Finance.
- In 2017/2018 Personnel Expenditure will account for **6.5%** of the Ministry's total recurrent expenditure. Comparing this with the allocation in Fiscal Year 2017/2018, there is a decrease of **1.8%**.
- Minor Equipment and Purchases and Current Transfers to Statutory Boards and Similar Bodies received the lowest portion of the Ministry's allocation for the period 2012 to 2018. However, for the years 2016 - 2018 Current Transfers to Statutory Boards and Similar Bodies received no allocation.
- The actual/estimated expenditure for the six (6) sub heads has been fluctuating over the seven (7) year period, with a marginal increase in fiscal year 2018 in comparison to fiscal 2017.

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 areas such as 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.

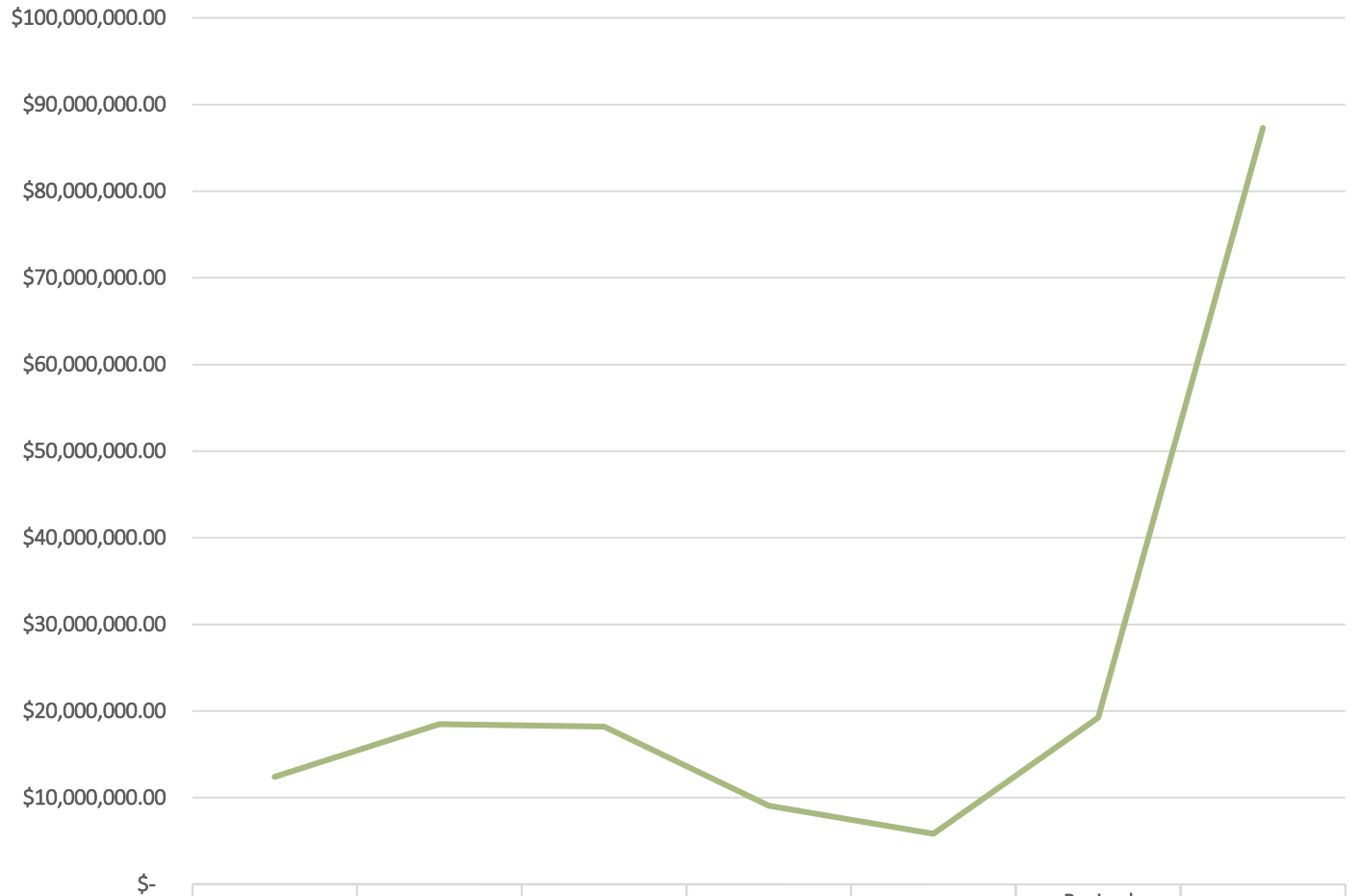
The PSIP budget document provides a detailed description of the programmes and projects and includes a review of the implementation of projects and programmes in the previous financial year and highlights the major projects and programmes to be implemented in the upcoming financial year.

- 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 Expenditure for the period 2012 - 2018



	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Revised Estimate 2017	Estimates 2018
005 Multi-Sectoral and Other Services - Consolidated Fund	\$12,413,132.00	\$18,500,074.00	\$18,208,932.00	\$9,073,102.00	\$5,833,309.00	\$19,220,450.00	\$87,300,000.00

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

<u>Year²³</u>	<u>Total Allocation²⁴</u>	<u>National Budget²⁵</u>	<u>Percentage of National Budget</u>
2012	\$11,471,380,646.00	\$ 55,718,271,573.00	20.59%
2013	\$9,033,819,505.00	\$ 59,174,226,196.00	15.27%
2014	\$11,370,279,333.00	\$ 65,020,886,424.00	17.49%
2015	\$7,308,271,064.00	\$ 61,966,922,675.00	11.79%
2016	\$5,084,786,745.00	\$56,573,913,053.00	9.0%
2017	\$4,092,930,620.00	\$55,598,436,912.00	7.4%
2018	\$5,695,609,770.00	\$54,955,041,591.00	10.4%

- Total allocation to the Ministry as a percentage of the national budget increased by 3% between the period 2016/2017 and 2017/2018.

²³ For the Fiscal Years 2012-2016, actual figures were used to calculate total allocation. However, estimates were used to calculate the total allocation for the Fiscal Years 2017 and 2018.

²⁴ Total Allocation for the Ministry of Finance = Recurrent Expenditure + Consolidated Fund Expenditure

²⁵ The National Budget = Recurrent Expenditure + Development Programme Expenditure Consolidated

Auditor General Report Findings for the Fiscal year 2016

Ref: Auditor General's Report²⁶

18 – MINISTRY OF FINANCE

COMPTROLLER OF ACCOUNTS

Central Tenders Board

Contracts were not seen with respect to the engagement of three contractors for the provision of services valued at \$1,501,014.26.

Expenditure Control

The Vote Book was not updated to reflect the amount of \$1,044,300.00 shown in the Appropriation Account under Goods and Services. Expenditure on these goods and services was not verified.

Schedules of Accounts amounting to \$136,589,903.88 were not produced.

CUSTOMS AND EXCISE DIVISION

Expenditure Control

Variances recorded at Note 1 to the Appropriation Account were not reflective of the actual variance as seen in Section C. The differences amounted to \$32,127,331.49.

²⁶ Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 30, 2016, pgs. 33,49,50,54 - http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202016_0.pdf

Outstanding Commitments

The total commitments of \$38,005,918.00 at Note 2.1.i. to the Appropriation Account differed from the Vote Book figure of \$725,487.05 by \$37,280,430.95, the List of Outstanding Commitments figure of \$25,629,815.53 by \$12,376,102.47 and the Schedule of Accounts figure of \$826,907.64 by \$37,179,010.36.

In addition, examination of the 2016/2017 Vote Books revealed that commitments totaling \$24,908,628.50 had not been committed in the 2015/2016 Vote Books.

INLAND REVENUE DIVISION

Expenditure Control

Nine vouchers totalling \$1,182,469.50 were authorised by the Chairman in excess of the limit of \$25,000.00. This was in contravention of Financial Regulation 8 (f) which requires that no payment is made which is not covered by proper authority.

ACCOUNTS OF RECEIVERS OF REVENUE

Receivers of Revenue are responsible for all aspects of the collection of revenue and for rendering proper account of the sums received under specific Heads of Revenue assigned to them. The Letter of Appointment which is issued to each Receiver of Revenue states *inter alia*:

“In order that there may be no misunderstanding, it is emphasized that under the heading of collection your responsibility covers all the following stages:-

- *Ascertaining the existence of liabilities*
- *Ensuring that correct charges are levied*
- *Establishing written records of sums due and paid*

- *Taking proper steps to secure payment."*

Revenue

Revenue estimated to be collected for the financial year 2016 was \$65,184,694,250.00. This was revised to \$61,100,293,202.00. The Statement of Revenue submitted by the Treasury showed that the total actual revenue collected under the various heads was \$60,313,756,177.00 as shown below. (TS 19 refers)

Classification	Revenue Head	2016 Original Estimates \$000	2016 Actual \$000	Difference \$000
Tax Revenue	01 Taxes on Income and Profits	23,069,199	16,926,229	(6,142,970)
	02 Taxes on Property	203,000	3,248	(199,752)
	03 Taxes on Goods and Services	14,278,113	8,716,179	(5,561,934)
	04 Taxes on International Trade	2,847,760	3,016,349	168,589
	05 Other Taxes	400,000	328,624	(71,376)
	Total Tax Revenue	40,798,072	28,990,629	(11,807,443)

Classification	Revenue Head	2016 Original Estimates \$000	2016 Actual \$000	Difference \$000
Non-Tax Revenue	06 Property Income	7,534,114	7,752,365	218,251
	07 Other Non-Tax Revenue	1,141,021	971,592	(169,429)
	08 Repayment of Past Lending	47,517	2,681,216	2,633,699
	Total Non-Tax Revenue	8,722,652	11,405,173	2,682,521
Capital Receipts	09 Capital Revenue	9,577,870	3,813,716	(5,764,154)
Financing	10 Borrowing	6,086,100	13,605,874	7,519,774
	11, Extraordinary Receipts	0.00	2,498,364	2,498,364
	Total Financing	6,086,100	16,104,238	10,018,138
	GRAND TOTAL	65,184,694	67,695,342	(4,870,938)

CHAIRMAN BOARD OF INLAND REVENUE, MINISTRY OF FINANCE

The Inland Revenue Division could not provide assurance that amounts received from the following Collectors of Revenue were accurate:

- Tax on Transfer of Used Motor Vehicles
- Cinematograph – Arrangement Fee
- Warden’s Search Fees and
- Pension Plan Registration Fee

COMPTROLLER OF CUSTOMS AND EXCISE, MINISTRY OF FINANCE

Total receipts of \$3,303,199,135.74 as reflected in the Statement of Receipts and Disbursements differed from the Cash Book figure of \$4,131,252,188.08 by \$828,053,052.34 and the Treasury Card figure of \$4,137,491,689.63 by \$834,292,553.89.

Noteworthy Development Programme Estimates in 2016-2018

The table below lists the projects that have experienced irregular variances in estimates for funding received under the Ministry of Finance: ²⁷

Development Programme 2018 Projects		2016 Actual	2017 Revised Estimate	2018 Estimate
09/005/06/A017	Development of an Integrated Financial Management Information System (IFMIS)	\$227,326.00	\$2,150,000.00	\$10,000,000.00
09/005/06/A031	Networking of Treasury Building	\$1,143,000.00	-	\$500,000.00
09/005/06/A057	Establish of the Trinidad and Tobago Revenue Authority	-	-	\$15,000,000.00
09/005/06/A059	Implementation of Property Tax Regime	0.00	\$9,200,000.00	\$15,000,000.00
09/005/06/F124	Upgrade of Physical Infrastructure- Finance Building	\$2,447,492.00	\$1,350,000.00	\$5,000,000.00

²⁷ Draft Estimates of Development Programme 2018, accessed on October 03, 2017: <http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf>

Status of New Projects for the Financial Year 2016/2017

The following new projects that received funding in the 2016/2017 financial year²⁸:

Development Programme 2018 Projects		2017 Estimate	2017 Revised Estimate	2018 Estimate
09/005/06/A058	Upgrade of the Integrated Global Payroll System and Integrated Human Resource Information System (IHRIS)	\$54,000,000.00	-	\$15,000,000.00
09/006/06/A059	Implementation of Property Tax Regime	\$25,000,000.00	\$9,200,000.00	\$15,000,000.00
09/006/06/A060	Upgrade of Cheque Clearing System	\$1,000,000.00	-	-
09/006/06/F117	Relocation to IRD Tower Building	\$2,000,000.00	\$600,000.00	-

²⁸ Draft Estimates of Development Programme 2018, accessed on October 03, 2017: <http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf>

New Projects for the Financial Year 2017-2018

The following new projects that received funding in the 2017/2018 financial year²⁹:

Development Programme 2018 Projects		2018 Estimate
09/005/06/A061	Implementation of a File Tracking System	\$500,000.00
09/005/06/A062	Establishment of the Office of Procurement Regulator	\$10,000,000.00
09/005/06/A063	Establishment of the Gaming Commission	\$10,000,000.00

²⁹ Draft Estimates of Development Programme 2018, accessed on October 03, 2017: <http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf>

Major Programmes and Development for the Period 2016 to 2018

The following table shows a list of the significant expenditure items, based on the proportion of the budgetary allocation assigned.

Development Programme 2018	PROJECTS	2016 Actual	2017 Revised Estimate	2018 Estimate
005-06-A017	Development of an Integrated Financial Management Information System (IFMIS)	\$227,326.00	\$2,150,000.00	\$10,000,000.00
005-06-A053	Upgrade of IT Infrastructure at the FIU	\$670,009.00	\$67000.00	-
005-06-A058	Upgrade of the Integrated Global Payroll System and Integrated Human Resource Information System (IHRIS)	-	-	\$15,000,000.00
005-06-A059	Implementation of Property Tax Regime	-	\$9,200,000.00	\$15,000,000.00

Committee Reports related to the Ministry of Finance

SIXTH REPORT ON THE PUBLIC ACCOUNTS COMMITTEE

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.

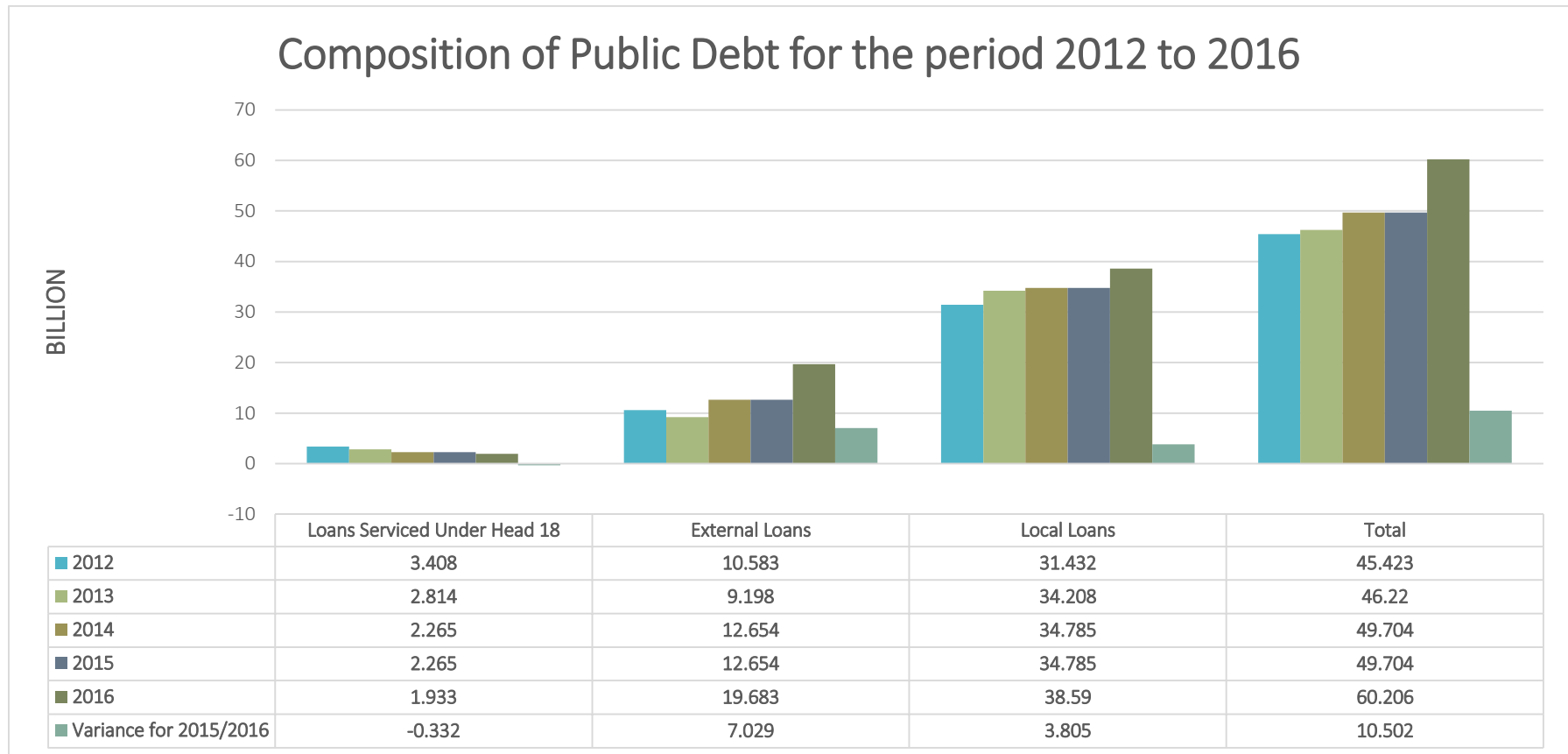
Recommendation No.	Report Recommendations	Ministerial Responses	Area requiring funding or follow-up
<p>1. The Implementation of Integrated Financial Management Information System (IFMIS)</p>	<p>The MOF should continue to make strides in the implementation of the IFMIS. There must be "clear commitment of the relevant authorities to financial reform objectives, ICT readiness, sound project design, a phased approach to implementation, project management capability, as well as adequate resources and human resource capacity allocated to the project.</p>	<p>A. Clear commitment/adequate resources/HR Capacity/Project Management: This is evidenced by an IDB loan which was signed in December 2016 which secures adequate resources, the staffing of the Project Unit in the Ministry of Finance (PFMMU) to hire of long and short term consultants to meet expected operational needs of the project. Also, the demand in the Request for Proposal for the IFMIS, that the vendor has to establish a Project Team to be located domestically for the duration of implementation period, to work together with the PFMMU on overall implementation.</p> <p>B. ICT readiness: The preparation of the defined set of Technical Specification in the RFP, based on leveraging current systems with any potential new software/hardware systems that an IFMIS may bring.</p> <p>C. Phased approach: There must be a phased approach. The system has to be tested at each stage, beginning with initial testing of hardware and software with test data, then tested within pilots, and only after all acceptance tests in the pilots have been satisfactorily completed, will the system then be rolled-out to individual ministries, with acceptances tests at</p>	<p>Status of the IFMIS in terms of HR Capacity/ Project Management, ICT readiness and Phased approach.</p>

Recommendation No.	Report Recommendations	Ministerial Responses	Area requiring funding or follow-up
		<p><i>the end of each specific roll out. The overall system will only be introduced and made fully functional, when all the functional modules are in place and all final acceptance tests are completed.</i></p>	
<p>4. Poor Internal Audit function at the Inland Revenue and Customs and Excise Division</p>	<p>The Inland Revenue and Customs and Excise Divisions and by extension the MOF, should conduct training sessions with the staff engaged in internal audit so as to better equip them for the task. The MOF should also take the appropriate steps to equip the internal audit departments in all its divisions with the requisite number of qualified staff.</p>	<p><i>The Internal Audit Units have their full complement of staff. However, given the scope of work that is required the current level of staffing and skill set is inadequate. A Note for Cabinet is proposed to create one post of Auditor II at the IRD. The Customs and Excise Division is in the process of reviewing their structure.</i></p> <p><i>In financial year 2015, the Ministry of Finance engaged a consultant to examine the robustness of the Internal Audit Function of the Public Service. The Consultant's report identified the weakness of the Internal Audit and made recommendations on the path forward which included a revised Internal Audit Structure. The Consultant prepared an Internal Audit Charter, Draft Internal Audit Practice Guide (Manual) and Internal Audit Standards which were circulated to all Permanent Secretaries for comments. The IDB loan contract for the continuation of Public Financial Management (PFM) reform was signed in December 2016 and a consultant will be hired by September this year to continue the Internal Audit Reform process.</i></p> <p><i>Also, the Comptroller of Accounts is currently liaising with the Ministry of Public Administration and Communications (MPAC) in planning relevant training courses for all Internal Auditors in the Public Service There are very few professionally qualified auditors in the Public Service. The</i></p>	<p>The status of the proposed Cabinet note to create one post of Auditor II at the IRD and the status of the process of reviewing the Customs and Excise Division structure.</p> <p>The status of the Internal Audit Reform process.</p>

<i>Recommendation No.</i>	<i>Report Recommendations</i>	<i>Ministerial Responses</i>	Area requiring funding or follow-up
		<i>Comptroller of Accounts is also liaising with the Chief Personnel Officer (CPO) on revised job descriptions and the Director of Personnel Administration (DPA) and MPAC on relevant training to have persons professionally qualified.</i>	

Statement of the Public Debt

The Statement of the Public Debt reflects the outstanding balances on existing loans. This balance comprised of Local Loans and External Loans, as well as loans and debts serviced under Guarantees and Letters of Comfort.³⁰



³⁰ Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 30, 2016, pgs 86, 87 http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202016_0.pdf

Analysis of the Public Debt³¹

- There was an overall increase of \$9,161,717,875.96 or 17.95% in the balance representing the Public Debt as at 30th September, 2016 as disclosed by the Treasury, due mainly to an increase in External Loans by \$7.3 billion.
- Local loans was \$38,590,292,498.31, which is an increase of 6% when compared to the figure in the financial year 2015. This was as a result of new long-term instruments issued during the financial year.
- External debt for the financial year 2016 was \$19,683,026,369.12 which is an increase of 59% over the previous year 2015. This was as a result of new loans being raised and also the repayment of three loans.
- Loans services under Head 18 was \$1,933,899,472.28 which is an decrease of 18.5% from the previous year's balance as the loans financed under this Head of Expenditure is being repaid by the Government of Trinidad and Tobago.
- External debt has been increasing over the period 2013-2016 and consistently remained below the local debt.

³¹ Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016, Volume 1, Accounts of Treasury and Receiver of Revenues accessed on September 21, 2017, pgs. 14,15,21

http://138.128.179.50/sites/default/files/VOLUME%20I%20-%20Accounts%20of%20the%20Treasury%20and%20Receivers%20of%20Revenue_0.pdf

Public Debt to total revenue

The following table provides a comparison of the Public Debt and the Revenue for the period 2012 to 2016.³²

Financial Year	Public Debt	Total Revenue	% of Public Debt to Total Revenue
2012	42,014,918,040.38	52,312,078,720.47	80%
2013	43,406,153,894.96	53,251,532,934.33	82%
2014	47,439,794,020.47	62,380,634,623.24	76%
2015	48,672,953,634.26	60,519,665,416.97	81%
2016	58,273,318,867.43	60,313,756,177.70	97%

³² Public Accounts of the Republic of Trinidad and Tobago for the financial year 2016, Volume 1, Accounts of Treasury and Receiver of Revenues accessed on September 21, 2017, pg. 24

http://138.128.179.50/sites/default/files/VOLUME%20I%20-%20Accounts%20of%20the%20Treasury%20and%20Receivers%20of%20Revenue_0.pdf

Head 19-Charges On Account Of the Public Debt

Charges on Account of the Public Debt							
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Revised Estimate	2018 Estimate
Principal Repayment							
Local Loans	\$ 257,286,205.96	\$ 715,203,098.61	\$ 684,757,189.36	\$ 1,075,140,921.48	\$2,107,210,812.45	\$ 4,594,068,599.00	\$ 2,892,965,850.00
Foreign Loans	\$ 711,511,400.92	\$ 595,826,186.93	\$ 522,583,192.79	\$ 54,359,746,824.00	\$ 527,107,444.80	\$ 577,734,800.00	\$ 868,075,800.00
	\$ 968,797,606.88	\$ 1,311,029,285.54	\$ 1,207,340,382.15	\$ 1,618,738,389.72	\$2,634,318,257.25	\$ 5,171,803,399.00	\$ 3,761,041,650.00
Interest Payments							
Local Loans	\$ 610,882,997.40	\$ 846,561,924.66	\$ 1,033,662,039.87	\$ 1,099,905,717.86	\$1,169,305,816.88	\$ 1,352,788,352.00	\$ 1,454,684,300.00
Foreign Loans	\$ 398,177,605.27	\$ 371,401,895.20	\$ 460,650,682.46	\$ 522,892,848.84	\$ 562,557,620.54	\$ 916,912,200.00	\$ 1,000,513,600.00
Notes, Debentures and Others	\$ 1,288,154,697.42	\$ 878,241,405.13	\$ 841,807,263.47	\$ 679,167,345.25	\$ 849,353,162.43	\$ 1,139,245,316.00	\$ 743,510,000.00
	\$ 2,288,215,300.09	\$ 2,096,205,224.99	\$ 2,336,119,985.80	\$ 2,301,965,911.95	\$2,581,216,599.85	\$ 3,408,945,868.00	\$ 3,198,707,900.00
Other Payments							
Management Expenses	\$ 9,484,078.84	\$ 15,810,228.68	\$ 21,838,596.02	\$ 21,555,445.14	\$ 39,827,222.03	\$ 30,000,000.00	\$ 30,000,000.00
Sinking Fund Contributions	\$ 1,021,723,250.00	\$ 923,179,770.00	\$ 866,844,300.00	\$ 860,453,655.56	\$ 730,967,250.00	\$ 733,418,300.00	\$ 725,252,000.00
Discounts and Other Financial Instruments	\$ 374,967,846.38	\$ 183,494,425.23	\$ 283,722,082.17	\$ 526,656,595.69	\$1,037,658,896.86	\$ 615,000,000.00	\$ 550,000,000.00
Expenses of Issues	\$ 567,068.68	\$ 780,674.75	\$ 642,010.12	\$ 805,978.65	\$ 677,667.38	\$ 5,000,000.00	\$ 5,000,000.00
	\$ 1,406,642,243.90	\$ 1,123,265,098.66	\$ 1,173,046,988.31	\$ 1,409,471,675.04	\$1,809,131,036.27	\$ 1,383,418,300.00	\$ 1,310,252,000.00
Grand Total	\$ 4,663,655,150.87	\$ 4,530,499,609.19	\$ 4,716,507,356.26	\$ 5,330,175,976.71	\$ 7,024,665,893.37	\$ 9,964,167,567.00	\$ 8,270,001,550.00

Charges on Account of the Public Debt³³ comprise principal repayments, interest and other payments. Expenditure under Head 19 increased by 32% (\$1,694,489,916.66) when compared to the financial year 2015. However, in comparing the year 2017 and 2018 there was a decrease of 17%.

³³ The data for the years 2012 to 2016 were taken from the Public Accounts of the Republic of Trinidad and Tobago for the financial years 2013, 2014, 2015 and 2016, Volume 1, Accounts of Treasury and Receiver of Revenues. The data for the years 2017 and 2018 were taken from the Draft Estimates of Recurrent Expenditure for the financial year 2018.

Head 20-Pensions and Gratuities

Overview

To be accounted for by the Ministry of Finance (Treasury Division)

The Pensions Branch is committed to improving the quality of its operations in order to provide an efficient service to its clientele. The branch is responsible for the administration of Public Service Pension Schemes in accordance with numerous pension laws, regulations and policies. This administration commences with the annual collection and collating of service records in respect of all serving Public Officers and ends with the payment of a monthly pension until the pensioner dies.

In addition to Government Pensions, the Pensions Branch also administers the Widows and Orphans Pension Scheme and the Provident Fund Pension Scheme.

The Widows and Orphans Pension Section maintains the records of eligible male officers who are deemed contributors to the Widows and Orphans Pension Scheme. Payments are calculated in accordance with the existing legislation.

The Provident Fund Pension Section has the responsibility for providing benefits to Government daily-rated employees who are contributors to the Fund.³⁴

³⁴ The Ministry of Finance website, accessed on September 21, 2017: <http://www.finance.gov.tt/services/treasury/pensions/>

Where the Department spends its money

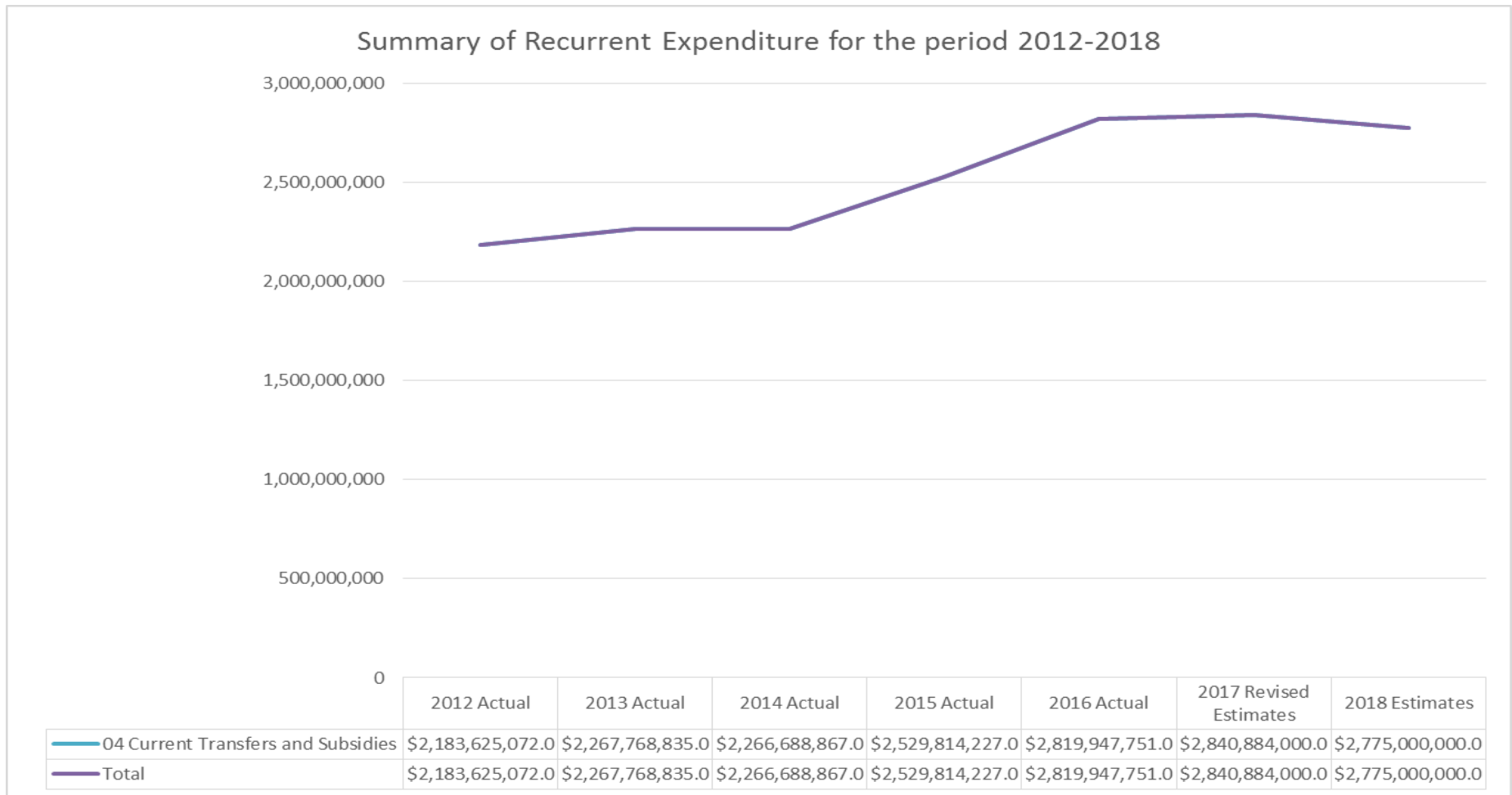
2017-2018 Estimates of Expenditure

The budget allocation of \$ 2,775,000,000.00 for Pensions and Gratuities is as follows:

- 04 Current Transfers and Subsidies of the sum **\$2,775,000,000.00** is comprised of:
 - ✓ 007 Households / to be accounted for by the Ministry of Finance (Treasury Division);
 - ✓ 007 Households / to be accounted for by the Ministry of National Security;
 - ✓ 007 Households / to be accounted for by the Trinidad and Tobago Police Service; and
 - ✓ 007 Households / to be accounted for by the Ministry of Works and Transport.

Pensions and Gratuities' total allocation as a percentage of the total Recurrent Expenditure budget is 5%.

Summary of Recurrent Expenditure for the period 2012-2018



- Recurrent Expenditure for Fiscal year 2017/2018 was estimated at \$2,775,000,000.00. Comparing this with the allocation in Fiscal Year 2016/2017, there is a decrease of **2%**.

Pensions and Gratuities Total Allocation as a Percentage of the National Budget for the period 2012 to 2018.

Year³⁵	<u>Total Allocation³⁶</u>	<u>National Budget³⁷</u>	Percentage of National Budget
2012	\$ 2,183,625,072.00	\$ 55,718,271,573.00	3.9%
2013	\$ 2,267,768,835.00	\$ 59,174,226,196.00	3.8%
2014	\$ 2,266,688,867.00	\$ 65,020,886,424.00	3.5%
2015	\$ 2,529,814,227.00	\$ 61,966,922,675.00	4.1%
2016	\$ 2,819,947,751.00	\$ 56,573,913,053.00	5.0%
2017	\$ 2,840,884,000.00	\$ 55,598,436,912.00	5.1%
2018	\$ 2,775,000,000.00	\$ 54,955,041,591.00	5.0%

- Total allocation of Pensions and Gratuities as a percentage of the national budget decreased by .1% between the period 2016/2017 and 2017/2018.

³⁵ For the Fiscal Years 2012-2016, actual figures were used to calculate total allocation. However, estimates were used to calculate the total allocation for the Fiscal Years 2017 and 2018.

³⁶ Total Allocation for Pensions and Gratuities = Recurrent Expenditure

³⁷ The National Budget = Recurrent Expenditure + Development Programme Expenditure Consolidated.

Auditor General Report Findings for the Fiscal year 2016

Ref: Auditor General's Report³⁸

20 - PENSIONS AND GRATUITIES

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 as stated below:

Monthly Paid Officers and Corporations

- Incorrect data on periods of service, incremental dates or acting rates.
- Computations with respect to the averaging principle are frequently inaccurate due to incorrect periods and salary/acting rates being used.
- Arithmetical errors in the calculation of Gratuity and Pension.
- Pension and Leave records are 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.

³⁸ Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 30, 2016, pgs. 34-35
http://www.auditorgeneral.gov.tt/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202016_0.pdf

Daily Paid Officers

- Records of Service are not submitted for the last year prior to retirement.
- Daily rates used for calculation of benefits are not updated in accordance with current Collective Agreements.

Contracted Officers

- All relevant documents are not submitted.
- Calculation of unutilized leave is not in accordance with the Chief Personnel Officer's guidelines.

Fire Service

- Files for Fire Service Officers are 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 are not thoroughly checked and evidenced with the appropriate ink.

Recent Legislative Development

Act No.	Title	Related Bill	Date of Assent
1 of 2016	The Finance Act, 2016  (46.8 kb) AN ACT to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters	Progression	21-Jan-2016
2 of 2016	The Finance (Variation of Appropriation) (Financial Year 2015) Act, 2016  (45.9 kb) AN ACT to vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2015) Act, 2014 and varied by the Finance (Variation of Appropriation) (Financial Year 2015) Act, 2015	Progression	26-Jan-2016
3 of 2016	The Finance (Variation of Appropriation) (Financial Year 2016) Act, 2016  (45.3 kb) AN ACT to vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2016) Act, 2015	Progression	19-Apr-2016
7 of 2016	The Finance (No. 2) Act 2016  (94.6 kb) AN ACT to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters	Progression	20-Jul-2016
8 of 2016	The Remedies of Creditors (Amendment) Act, 2016  (42.8 kb) AN ACT to amend the Remedies of Creditors Act, Chap. 8:09	Progression	23-Sep-2016
9 of 2016	The Appropriation (Financial Year 2017) Act 2016  (51.7 kb) AN ACT to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2017	Progression	27-Oct-2016
10 of 2016	The Finance (No. 3) Act 2016  (53.3 kb)	Progression	23-Dec-2016

	AN ACT to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters		
2 of 2017	<p>The Finance (Variation of Appropriation)(Financial Year 2016) Act, 2017  (46.3 kb)</p> <p>AN ACT to vary the appropriation of the sum the issue of which was authorised by the Appropriation (Financial Year 2016) Act, 2015 and varied by the Finance (Variation of Appropriation) (Financial Year 2016) Act, 2016</p>	Progression	25-Jan-2017
4 of 2017	<p>The Tax Information Exchange Agreements (United States of America) Act, 2017  (284.9 kb)</p> <p>AN ACT to repeal the Tax Information Exchange Agreements Act and replace it with a Tax Information Exchange Agreements (United States of America) Act which would make provision for the implementation of agreements between Trinidad and Tobago and the United States of America providing for the exchange of information for the purposes of taxation, the validation of the sharing of personal information held by the Board of Inland Revenue or financial institutions and for related purposes</p>	Progression	20-Mar-2017
5 of 2017	<p>The International Financial Organisations (Corporacion Andina de Fomento)Act, 2017  (90.4 kb)</p> <p>AN ACT to provide for the membership of Trinidad and Tobago in the Corporación Andina de Fomento (also known as “the Andean Development Corporation”) and for the raising of loans from the Corporación Andina de Fomento (Andean Development Corporation) by the Government of Trinidad and Tobago for the purposes of financing development projects in Trinidad and Tobago and for matters incidental thereto</p>	Progression	13-Apr-2017
6 of 2017	<p>The Finance (Variation of Appropriation) (Financial Year 2017) Act, 2017  (64.5 kb)</p> <p>AN ACT to vary the appropriation of the sum the issue of which was authorised by the Appropriation (Financial Year 2017) Act, 2016</p>	Progression	22-May-2017

General Useful Information

- Ministry of Finance, INDIA: <http://finmin.nic.in/>
- Ministry of Finance, UK: <https://uk.fm.dk/>
- Department of Finance, AUS: <http://www.finance.gov.au/>
- Ministry of Finance, CAN: <http://www.fin.gc.ca/fin-eng.asp>
- The Treasury, <http://www.treasury.govt.nz/>