



**Special Report of the Auditor General on the  
Public Accounts for the financial year 2023**

# **Special Report of the Auditor General on the Public Accounts for the financial year 2023**

*This Report should be read in conjunction with the  
Report of the Auditor General on the Public Accounts of the  
Republic of Trinidad and Tobago for the financial year 2023*

**Prepared under section 116 of the Constitution of the Republic of  
Trinidad and Tobago and section 25(4) of the Exchequer and Audit Act Chapter 69:01**





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## **PREAMBLE**

### **Supreme Audit Institutions**

Supreme Audit Institutions (SAIs) are public oversight institutions which audit a government's use of Public Funds.

The Supreme Audit Institution of Trinidad and Tobago, The Auditor General's Department, is the public body responsible for the audit of government revenue and expenditure.

It is a critical link in a country's accountability chain through its audits of government's use of public resources.

SAI of Trinidad and Tobago submits its Audit Reports to the Speaker, the President of the Senate and the Minister of Finance.

### **International Auditing and Assurance Standards Board**

The International Auditing and Assurance Standards Board pronouncements govern audits that are conducted in accordance with International Standards.

The pronouncements do not override local laws or regulations that govern the audit of historical financial statements in a particular country.

These are to be adapted as necessary in the circumstances when applied to audits with the exercise of professional judgement in applying them.

The Audit of the Public Accounts of Trinidad and Tobago is governed by the Constitution of the Republic of Trinidad and Tobago and the Exchequer and Audit Act Chapter 69:01.



**AUDITOR GENERAL'S  
COMMENTS**



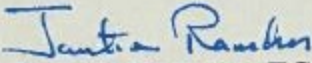


## AUDITOR GENERAL'S COMMENTS

1. The Minister of Finance is responsible for the control and management of the financial affairs of Trinidad and Tobago.
2. The Ministry of Finance is an Executive Agency of the Government of the Republic of Trinidad and Tobago. Its mission is *“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”*.
3. The Ministry of Finance is charged with the major function of ensuring proper accounting can be given to Parliament. This includes production of Public Accounts showing fully the financial position of Trinidad and Tobago each year.
4. On 24<sup>th</sup> April, 2024 the **Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2023** (the Report) was submitted to the Speaker, the President of the Senate and the Minister of Finance in accordance with my constitutional mandate. This Report contained the audit of the original Public Accounts submitted on January 31, 2024 and the Revised Public Accounts submitted on April 16, 2024.
5. The Report outlined major weaknesses which resulted in a Disclaimer of Opinion being given due to not being able to obtain sufficient audit evidence on the Public Accounts for the financial year 2023.
6. The Report was tabled to be laid in the House of Representatives and in the Senate on April 26 and 29, 2024 respectively. The Report however was not laid by the Minister of Finance but instead a Resolution was passed to extend the time for the Ministry of Finance to submit its financial accounts for 2023 to the Auditor General from January 31, 2024 to May 31, 2024.
7. The Resolution also extended the time for the Auditor General to examine and report on the financial accounts to August 31, 2024. The Report was subsequently laid in the House of Representatives on May 24, 2024.
8. A Special Report was commissioned to follow-up on actions of the Ministry of Finance to address its deficiencies which were identified and reported on in said Report.

9. The Auditor General remains committed to working in a collaborative manner with the Ministry of Finance to ensure transparency and accountability and good governance.
10. Sincere thanks and appreciation to all my team members who contributed to the successful completion of this Special Report.

5<sup>th</sup> August 2024  
Port of Spain

  
Jaiwantie Ramdass FCCA, MBA, CISA, CFE  
Auditor General

# CHAPTER 1

## FOLLOW-UP EXAMINATION



## CHAPTER I

### FOLLOW-UP EXAMINATION

#### <sup>1</sup>Background of the Ministry of Finance

- 1.1 The Minister of Finance is responsible for the control and management of the financial affairs of the State.
- 1.2 The Exchequer and Audit Act Chapter 69:01 states that “Treasury” means the “Minister” and includes such officer or officers in the Ministry of Finance as may be deputed by the Minister to exercise powers and to perform duties under the Act”.
- 1.3 Functions of the Ministry of Finance:
  - to facilitate revenue collection and revenue management;
  - budget planning, preparation and management;
  - formulation and promotion of national fiscal and economic policy;
  - trade facilitation and border control;
  - debt management; and
  - the management of the State Enterprises sector.
- 1.4 The Ministry of Finance is organized into 16 divisions one of which is the Treasury.
- 1.5 The operations of the Treasury Division are guided mainly by the:

Constitution of the  
Republic of Trinidad  
and Tobago

Exchequer and Audit  
Act Chapter 69:01

Financial Regulations  
and Instructions and  
various Pensions Acts

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<sup>1</sup> Ministry of Finance Website

- 1.6 The Treasury Division is headed by the **Comptroller of Accounts** and is divided into three Branches with the following core functions for two shown below:

Financial Management Branch	Treasury Management Branch
<p>Reviewing and updating Financial Accounting and Management Systems in Public Service</p> <ul style="list-style-type: none"> <li>• Investigating irregularities in the Financial Accounting and Management Systems in the Public Service</li> <li>• Developing, implementing and monitoring financial management and accounting systems and procedures in the Public Service</li> </ul>	<ul style="list-style-type: none"> <li>• Production of the Consolidated Financial Statements of Trinidad and Tobago</li> <li>• Servicing the Public Debt</li> </ul>

### Scope of Examination

- 1.7 The Public Accounts for the financial year 2023 (1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2023) included over 150 Accounts and Financial Statements received for audit in accordance with section 24 of the Exchequer and Audit Act Chapter 69:01 (the Act). See Annex at the end of Chapter 1 for the full listing.
- 1.8 Amended Public Accounts which were received on April 16, 2024 beyond the statutory deadline from the Ministry of Finance were also audited and a **“Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2023”** dated 24<sup>th</sup> April 2024 was submitted to the Speaker, President of the Senate and the Minister of Finance on said date in accordance with section 25 of the Act and section 116(4) of the Constitution of the Republic of Trinidad and Tobago.
- 1.9 On April 26, and 29, 2024 respectively a Resolution was passed by both the House of Representatives and the Senate to extend the time for the Treasury to transmit to the Auditor General accounts showing fully the financial position of Trinidad and Tobago from January 31, 2024 to May 31, 2024 and the period to submit the Audit Report from April 30, 2024 to August 31, 2024. Paragraph 1.10 refers.

## 1.10 Resolution

LEGAL NOTICE NO. 77

REPUBLIC OF TRINIDAD AND TOBAGO

EXCHEQUER AND AUDIT ACT, CHAP. 69:01

## RESOLUTION

WHEREAS it is provided by section 24 of the Exchequer and Audit Act, <sup>Preamble</sup> Chap. 69:01 (“the Act”) that within a period of four months after 30th September in each year, the Treasury shall cause to be transmitted to the Auditor General accounts (hereinafter referred to as “financial accounts”) showing fully the financial position of Trinidad and Tobago on the said 31st December:

And whereas it is provided by section 25(1) of the Act, that on receipt of the financial accounts prescribed by section 24, the Auditor General shall cause them to be examined and audited, within a period of seven months after the 30th September in each year:

And whereas the said section 24(1) provides that the period provided for the transmission of the financial accounts by the Treasury to the Auditor General may be extended to such longer period thereafter as Parliament may by resolution appoint:

And whereas the said section 25(1) also provides that the period provided for the examination and auditing of the accounts may be extended to such longer period thereafter as Parliament may by resolution appoint:

And whereas it is necessary that in respect of the financial accounts for 2023 that the period of time specified under section 24(1) of the Act and the period of time specified in section 25(1) of the Act be extended for the purposes stated in the said section:

*Be it Resolved:*

*That for the purpose of the financial accounts for 2023 that the period of time under section 24(1) of the Exchequer and Audit Act be extended from the period of four months after the 30th September, 2023 to a period of eight months after the 30th September, 2023; and*

*That for the purpose of the financial accounts for 2023 that the period of time under section 25(1) of the Exchequer and Audit Act be extended from the period of seven months after the 30th September, 2023 to a period of eleven months after the 30th September, 2023.*

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*Resolution*

Passed in the House of Representatives this 26th day of April, 2024.

B. CAESAR  
*Clerk of the House*

Passed in the Senate this 29th day of April, 2024.

K. MOTTLEY  
*Acting Clerk of the Senate*



- 1.11 However the **Resolution came after** the “**Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2023**” (the Report) had been completed and submitted to Parliament on 24<sup>th</sup> April, 2024 in accordance with governing legislation. Subsequently, the Report was laid in the House of Representatives on May 24, 2024.

### **Public Accounts for the financial year 2023**

- 1.12 For the financial year 2023 the Ministry of Finance made five submissions of Public Accounts to the Auditor General for audit. Four of these were received after the statutory deadline date of January 31, 2024.

<b>Date Received</b>	<b>Financial Statements from Ministry of Finance</b>
January 31, 2024	Unsigned Financial Statements received at 7:39 p.m. The CD containing the Public Accounts was not included
February 2, 2024	Signed Financial Statements received
April 15, 2024	Revised Financial Statements sent in TrackPak
April 16, 2024	Recall of the Public Accounts for the financial year September 30, 2023 and Submission of Revised Public Accounts
May 29, 2024	Adjusted Financial Statements resulting from General Ledger Adjustments

### **Follow up Examination**

- 1.13 At the end of every audit, as part of the normal audit process, significant findings are brought to the attention of management via Management Letters.
- 1.14 Follow up examination on responses to Management Letters are done in the subsequent financial year to allow for the audited entities sufficient time to implement corrective action.

- 1.15 Past Management Letters to Ministry of Finance on Final Audit of Appropriation Accounts with date of its responses are shown below:

**MINISTRY OF FINANCE**

**Treasury Division**

<b>Financial Year</b>	<b>Date Report of Auditor General sent to Parliament</b>	<b>Date of Management Letter to Ministry of Finance</b>	<b>Date of Ministry of Finance response received in Auditor General's Department</b>
2022	27 April 2023	1 May 2023	28 July 2023
2021	28 April 2022	6 May 2022	15 July 2022
		27 April 2022	
2020	29 April 2021	10 May 2021	24 June 2021
2019	29 April 2020	No letter issued	-
2018	29 April 2019	14 May 2019	No response

**Inland Revenue Division**

<b>Financial Year</b>	<b>Date Report of Auditor General sent to Parliament</b>	<b>Date of Management Letter to the Ministry of Finance</b>	<b>Date of Ministry of Finance response received in Auditor General's Department</b>
2022	27 April 2023	3 May 2023	7 June 2023
2021	28 April 2022	28 April 2022	No response
2020	29 April 2021	29 April 2021	6 July 2021

### Customs and Excise Division

Financial Year	Date Report of Auditor General sent to Parliament	Date of Management Letter to the Ministry of Finance	Date of Ministry of Finance response received in Auditor General's Department
2021	28 April 2022	13 May 2022	No response
2020	29 April 2021	No letter issued	-
2019	29 April 2020	No letter issued	-
2018	29 April 2019	10 April 2019	No response

1.16 With the extension of time given for the Ministry of Finance to submit Accounts for the financial year 2023 beyond its statutory deadline of 31<sup>st</sup> January 2024 to 31<sup>st</sup> May 2024, the Auditor General received from the Permanent Secretary – Ministry of Finance the following:

May 24, 2024

- Responses to Audit Findings and Management Letters on the Public Accounts of the Republic of Trinidad and Tobago (paragraph 1.18).


May 29, 2024

- Submissions of Adjusted Financial Statements resulting from General Ledger Adjustments (paragraph 1.24).

### Scope

1.17 This follow-up examination focused on the above mentioned at paragraph 1.16 which formed its scope.

1.18




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**Government of the Republic of Trinidad and Tobago**  
**MINISTRY OF FINANCE**  
**OFFICE OF THE PERMANENT SECRETARY**

F (PS)1/3/4

May 24, 2024

MS JAIWANTIE RAMDASS  
Auditor General  
Auditor General Department  
Head Office  
Levels 2-4, Tower C  
International Waterfront  
1 Wrightson Road  
PORT-OF-SPAIN







Dear Madam,

**Response to Audit Findings and Management Letters on the Public Accounts of the Republic of Trinidad and Tobago**

I refer to your several memoranda wherein observations and recommendations were made on the Appropriation Account and other Financial Statements and related documents of the Ministry of Finance for the financial year ended September 30<sup>th</sup> 2023. This includes in particular your memorandum AGD/APPR:12/18/16-2023 (18) dated April 23<sup>rd</sup> 2023 and received by the Ministry of Finance on April 24<sup>th</sup> 2023. The responses of the Ministry of Finance thereto are set out in the annexures to this Letter.

Further, I refer to the undertaking contained in the letter from your attorney at law dated April 28, 2024 that you would “consider the preparation of a special report in accordance with section 25(4) of the Act”. To this end, I am further advised that in reliance to your statement, the Minister of Finance, by letter dated May 15, 2024, has indicated his intention to ask you to prepare such a Special Report having regard to the responses referred to above.

 (868) 612-9700 ext. 1813 - 1814	 (868) 627-6108	 Suzette.Leechee@gov.tt	 www.finance.gov.tt
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Level 8, Finance Building, Eric Williams Financial Complex, 71-73 Independence Square,  
Port of Spain 1000104, Trinidad and Tobago, W.I.

In light of the foregoing, I wish to now formally invite you to consider issuing a special report pursuant to section 25(4) of the Exchequer and Audit Act in light of all the matters set out in the annexures to this Letter and any further information and documentation you may in your discretion request or require. It is my respectful opinion that such a report can and should be read in conjunction with the Auditor General's Report on the Public Accounts dated April 24, 2024 as "one document". Such an approach would provide the most accurate view of the financial performance of the Republic of Trinidad and Tobago in the fiscal year ended September 30<sup>th</sup> 2023.

  
Permanent Secretary  
Ministry of Finance

### **Audit Findings**


- 1.19 Responses to Audit Findings on the Interim Management Letters issued to the Ministry of Finance were verified.

### **Adjusted Financial Statements resulting from General Ledger Adjustments**

- 1.20 Via memorandum dated March 28, 2024 under the caption "Report on Variance in the Statement of Revenue for the year ended September 2023" the Permanent Secretary, Ministry of Finance advised the Auditor General of a variance in the Statement of Revenue submitted on January 31, 2024. A request was made to allow an amendment to this statement as the variance represented a material amount to the value of \$3,379,777,908.00 Appendix 1 refers.
- 1.21 On April 9, 2024 the Permanent Secretary, Ministry of Finance confirmed that the reconciliation process was completed and the variance in the Statement of Revenue was \$2,598,130,761.72 and the variance in the Green Fund Levy was \$1,147,427.01 giving a total variance of \$2,599,278,188.73. A remaining balance of \$780,499,719.27 appeared to be not reconciled. Appendix 2 refers.

- 1.22 By letter dated May 29, 2024 the Permanent Secretary, Ministry of Finance stated... “the amended Financial Statements (which reported the understatement in the original Financial Statements) were submitted to you on April 16<sup>th</sup> 2024. I wish to advise that the General Ledger System of the Treasury Division has since been adjusted to reflect increases in revenue. Consequently, and further to our submission of April 16 and May 24, 2024, the attached Statements have been adjusted to accurately reflect the relevant adjustments made to the General Ledger”. (Paragraph 1.24).
- 1.23 In light of this, a review of the Adjusted Financial Statements from General Ledger Adjustments presented for audit on May 29, 2024 was conducted.

1.24




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Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**  
 OFFICE OF THE PERMANENT SECRETARY

**File No: (PS)1/3/4**

May 29 2024

MS JAIWANTIE RAMDASS  
 Auditor General  
 Auditor General Department  
 Head Office  
 Levels 2-4, Tower C  
 International Waterfront Centre  
 1 Wrightson Road  
 PORT-OF-SPAIN




Dear Madam,

**Submission of Adjusted Financial Statements resulting from General Ledger Adjustments**


Reference is made to my letter (Ref: F(PS) 1/3/4) dated May 24<sup>th</sup> 2024 wherein you were formally invited to consider issuing a special report pursuant to section 25 (4) of the Exchequer and Audit Act which, in my respectful opinion should be read in conjunction with the Auditor General's Report on the Public Accounts dated April 24, 2024 as "one document".

2. The matters leading up to this request concerned an understatement of Revenue in our Financial Statements which were submitted to you on the 31<sup>st</sup> January 2024. Those statements were amended so as to correct the understatement, and the amended Financial Statements (which reported the understatement in the original Financial Statements) were submitted to you on April 16<sup>th</sup> 2024. I wish to advise that the General Ledger System of the Treasury Division has since been adjusted to reflect the relevant increases in revenue. Consequently, and further to our submissions of April 16 and May 24, 2024, the attached Statements have been adjusted to accurately reflect the relevant adjustments made to the General Ledger:


- i. The Introduction  
(Reference pgs. xiii to xvii).
- ii. The Exchequer Account  
(Reference pgs. 9 to 20);
- iii. The Cash Basis Consolidated Statements of Assets and Liabilities  
(Reference pg. 169); and




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- iv. Notes to the Accounts  
(Reference pgs. 173 to 177, paragraphs 7 and 24).
3. As usual, the Ministry extends an invitation to you to inspect these adjustments and all supporting documents.
4. The Ministry awaits your kind response to its invitation and confirms its availability and willingness to discuss with you this and any of our previous submissions to date.

Yours respectfully,

  
.....  
Permanent Secretary  
Ministry of Finance

### Ministry of Finance – Treasury Division

- 1.25 On May 14, 2024 the Treasury Director (Ag.) sought approval from the Comptroller of Accounts to make adjustments to the books of the Treasury to reflect variances in Revenue and Green Fund.
- 1.26 It was seen on Minute (1), approval dated May 14, 2024 was granted by the Comptroller of Accounts:
  - i. To re- open the General Ledger for the financial year 2023;
  - ii. To post the adjusting entries in the production environment;
  - iii. To close off the accounts for financial year 2023.
- 1.27 This decision and approval to re-open the General Ledger and make adjustments was done:
  - approximately two (2) months after the error was discovered in March 2024;
  - seven (7) months after the year end in September 30, 2023; and
  - fifteen (15) months after the largest error of \$2.599 billion occurred in February 2023.



- 1.28 In order for books of the Treasury to reflect the new figures, Interdepartmental Adjustment (IDA) Run 24 dated May 14, 2024 was seen as evidence for reversal of original entries and IDA Run 25 dated May 14, 2024 involved posting adjusted figures to the relevant revenue and expenditure accounts.

### Ministry of Finance – Inland Revenue Division

- 1.29 Four expenditure accounts were decreased by a total of \$ 2,599,278,188.73. Details are given below.

Statement of Revenue	\$2,598,130,761.72
Green Fund Levy	\$1,147,427.01
<b>TOTAL</b>	<b>\$2,599,278,188.73</b>

- 1.30 The Statement of Account from the Central Bank of Trinidad and Tobago (CBTT) revealed that on February 9, 2023 the accounts for four tax types were debited in the amount of \$2,572,796,491.00 and these entries were seen reversed on February 10, 2023. The Inland Revenue Division explained that errors were due to decimal points being in the wrong place which resulted in overstatement of refund expenditure. Table 1 below shows details.

### CBTT Statement of Account

Table 1

Item	Amount \$	Date Posted	Date Reversed	Amount \$	Date Posted
Refund of VAT	2,236,115,807.00	February 9, 2023	February 10, 2023	22,361,158.07	February 10, 2023
Refund of Revenue – Individual	329,826,433.00			3,298,264.33	
Refund of Business Levy	5,707,124.00			57,071.24	
Refund of Green Fund	1,147,127.00			11,471.27	
A	<b>\$2,572,796,491.00</b>			<b>\$25,727,964.91</b>	

- 1.31 A perusal of the CBTT Statement of Account for the financial year 2023 showed duplicate entries in the amount of \$26,481,697.73 were posted and also reversed. Duplicate entries also amounted to an overstatement of refund expenditure. Table 2 refers.

**CBTT Statement of Account**

Table 2

Item	Amount \$	Date Posted	Date Reversed
Refund of VAT	26,178,357.52	May 9, 2023	This figure was posted once however duplicate debit advices were processed by Inland Revenue Division
	77,437.48	July 17, 2023	July 21, 2023
Refund of Revenue – Individual	214,189.46	July 17, 2023	July 21, 2023
	3,342.00	August 26, 2023	August 26, 2023
	6,772.00	September 15, 2023	September 15, 2023
Refund of Business Levy	1,299.26	July 17, 2023	July 21, 2023
Refund of Green Fund	300.01	July 17, 2023	July 21, 2023
B	<b>\$26,481,697.73</b>		
A+B	<b>\$2,599,278,188.73</b>		

**Statement of Revenue**

- 1.32 The amendments shown above were seen reflected in the Actual Revenue figures in the Statement of Revenue:

Revenue Item	Amended Statement of Revenue May 29, 2024	Statement of Revenue April 16, 2024	Difference
	\$	\$	\$
Refund of Revenue - Individuals	5,780,054,392.10	5,450,003,655.64	330,050,736.46
Refund of Business Levy	763,193,306.41	757,484,883.15	5,708,423.26
Refund of VAT	6,613,236,713.33	4,350,865,111.33	2,262,371,602.00
<b>TOTAL</b>	<b>\$13,156,484,411.84</b>	<b>\$10,558,353,650.12</b>	<b>\$2,598,130,761.72</b>

**Note: the word “Amended” was not written on the Revised Statement dated May 29, 2024.**

### Adjusted Financial Statements

#### Green Fund

- 1.33 The balance on the Green Fund Account in the books of the Treasury was increased by \$1,147,427.01 in May 2024. The Green Fund balance moved from \$10,816,846,829.10 (January 31, 2024 Statement) to \$10,817,994,256.11 (May 29, 2024 Statement).

#### Consolidated Fund

- 1.34 Actual Revenue figure of \$ 61,890,373,020.22 for the financial year 2023, as previously audited, increased by \$2,598,130,761.72 to \$ 64,488,503,781.94. There were no changes with respect to total Actual Expenditure figure of \$69,379,928,103.38 for the financial year 2023.

#### Exchequer Account

- 1.35 The Exchequer Account is the bank account for the Consolidated Fund. Adjusted Financial Statements received on May 29, 2024 showed total receipts deposited into the Exchequer Account for the month September 2023 was adjusted to \$11,588,720,312.10, a difference of \$2,598,130,761.72 when compared to \$8,990,589,550.38 as shown on the Exchequer Account Statements dated January 31, 2024 and April 16, 2024.

#### Exchequer Account

Date Statement received in AGD	31/01/2024 02/02/2024	16/04/2024	29/05/2024
	\$	\$	\$
Treasury Card balance as at 1/10/2022	(42,886.671,494.61)	(42,886.671,494.61)	(42,886.671,494.61)
Receipts	61,904,041,694.37	61,904,041,694.37	64,502,172,456.09
Payments	(69,379,928,778.38)	(69,379,928,778.38)	(69,379,928,778.38)
Treasury Card balance as at 30/09/2023	<b>(50,362,558,578.62)</b>	(50,362,558,578.62)	<b>(47,764,427,816.90)</b>
Add: revenue understated for year 2023 (Note 24)		<b>2, 598,130,761.72</b>	
Adjusted balance 30/09/2023		<b>(47,764,427,816.90)</b>	

## Audit Findings

### Authorisation

- 1.36 Evidence was not seen that adjustment vouchers IDAs dated May 14, 2024 were signed by the Comptroller of Accounts to authorise changes to the General Ledger Accounts. All adjustment vouchers to adjust refunds totalling \$2,599,278,188.73 for financial year 2023 were reviewed however it was also noted that none was signed by the Comptroller of Accounts as required.

### Segregation of Duties

- 1.37 Evidence was not seen that Debit Advice Slips, prepared by the Comptroller of Accounts and sent to Chairman Board of Inland Revenue, were examined for unusual or material transactions. Signatures of preparation, checking, reviewing and approving Debit Advice Slips were not seen on the documents examined. As a result, Audit could not determine who prepared, checked and reviewed the Debit Advice Slips.

### Reconciliations

- 1.38 The Exchequer and Audit Act Chapter 69:01 section 12(1) states *“An account styled “The Exchequer Account” shall be kept with such bank or banks as the Treasury shall from time to time determine”*.

Section 13 *“All revenue shall be paid at such times and in such manner as the Treasury may direct, into the Exchequer Account and the revenue shall form the Consolidated Fund, ...”*

- 1.39 Monthly reconciliation statements on the Exchequer Account were not prepared on a timely basis. There was an approximate average time span of five months before its preparation.

### Monitoring and Reviewing

- 1.40 Monthly reconciliation statements on the Exchequer Account were not signed by Internal Audit. The signature to evidence as being certified by the Accounting Officer was not seen on the documents examined. This is in contravention of Comptroller of Accounts directives.

**Reconciliations Statements Exchequer Account (Overdraft)**

<b>Month</b>	<b>Date Prepared</b>	<b>Date Checked</b>	<b>Balance as per Treasury Card \$</b>	<b>Balance as per Central Bank \$</b>
February 28, 2023	July 26, 2023	July 28, 2023	44,959,081,927.38	43,444,911,274.41
March 31, 2023	August 15, 2023	August 18, 2023	47,643,347,572.71	43,163,766,303.94
April 30, 2023	September 19, 2023	September 21, 2023	44,637,958,174.32	40,711,874,020.40
May 31, 2023	October 24, 2023	October 25, 2023	46,325,624,089.89	38,842,849,292.93
June 29, 2023	November 3, 2023	November 3, 2023	45,224,297,285.70	40,385,482,921.88
July 31, 2023	November 8, 2023	November 8, 2023	45,034,650,195.08	42,970,317,011.54
August 31, 2023	December 15, 2023	December 15, 2023	45,860,174,115.89	48,133,508,818.14
<b>September 30, 2023</b>	<b>January 31, 2024</b>	<b>January 31, 2024</b>	<b>50,362,558,578.62</b>	<b>48,151,514,022.14</b>
<b>September 30, 2023</b>	<b>April 15, 2024</b>	<b>April 15, 2024</b>	<b>50,362,558,578.62</b>	<b>48,151,514,022.14</b>
<b>September 30, 2023</b>	<b>May 29, 2024</b>	<b>May 29, 2024</b>	<b>47,764,427,816.90</b>	<b>48,151,514,022.14</b>

**Internal Audit**

- 1.41 Regulation 13(4) of the Exchequer and Audit Act Chapter 69:01 states *“Each accounting unit shall have a check staff and an independent internal audit section”*.
- 1.42 During this exercise Audit noted that evidence of internal audit checks were not seen on any documents examined at both the Inland Revenue and Treasury Divisions. Documents such Vote Books, Credit Advices, Debit Advices, Debit Advice Slips, Adjustment Vouchers, CBTT Statements of Account, Other Charges Vouchers and Cheque Listings bore no signs of examination by Internal Audit.
- 1.43 There was a reported material misstatement of \$2.599 billion in the Statement of Receipts and Disbursements certified by the then Chairman, Board of Inland Revenue and the Statement of Revenue from the Treasury Division. To date there is no Internal Audit Report on this matter.

### Proper Recording of Financial Transactions

- 1.44 The inability to produce accurate and complete accounts showing fully the financial position of Trinidad and Tobago for financial year 2023, by the Ministry of Finance resulted in the Auditor General receiving five versions of Treasury Statements comprising significant material adjustments as large as \$2.599 billion.
- 1.45 Audit noted that the accounting books and records of the Ministry of Finance were finalised on or after May 14, 2024.
- 1.46 With the financial statements being reconciled with the records of the Treasury on May 14, 2024 onwards, the Statement of Declaration and Certification which were previously included with the versions of Financial Statements received on January 31, 2024, April 15, 2024 and April 16, 2024, were **wholly inaccurate**.
- 1.47 The Statement of Declaration and Certification read *“As Accounting Officer, I certify that the Financial Statements for the financial year ended September 30, 2023 have been reconciled with the records of the Treasury and in my opinion, these Financial Statements fairly reflect the financial position of the Government of the Republic of Trinidad and Tobago for the year ended September 30, 2023,”*

It was noted that this Statement was signed by the Accounting Officer, Permanent Secretary, Ministry of Finance, the Comptroller of Accounts and the Acting Treasury Director.

### Audit Conclusion

- 1.48 The breakdown in the system of internal control, together with an ineffective internal audit along with an apparent absence of management oversight are factors which may have contributed to the non-compliance with legislative requirements of the Exchequer and Audit Act Chapter 69:01.

## Recommendation

- 1.49 It is recommended that the Accounting Officer of the Ministry of Finance, who is appointed by a letter addressed personally to him, and signed by the Minister of Finance be reminded of the duties of the Accounting Officer.
- 1.50 Extracts from a Letter of Appointment as Accounting Officer are reproduced below.

### **DUTIES OF THE ACCOUNTING OFFICER**

It is your duty to:-

- i. Ensure that a proper system of accounting as approved by the Treasury is established and maintained;
  - ii. Ensure that there is an effective Internal Audit;
  - iii. Ensure that there is an adequate system of Internal Control;
  - iv. Ensure that the funds entrusted to your care are properly safeguarded and applied only to the purposes intended by Parliament; and
  - v. Ensure that adequate machinery exists for the due collection and bringing to account, whether as Appropriations-in-Aid or as Exchequer Receipts, of all receipts of any kind connected with Votes under your control.
- 1.51 Exchequer and Audit Act Chapter 69:01 further emphasizes the duties as seen at:

**Regulation 8.** It is the duty of an accounting officer to-

- (a) ensure that the proper system of accounting as prescribed by the Treasury is established and maintained;
- (b) exercise supervision over the receipt of public revenue, ensure its punctual collection and bring promptly, to account under the proper heads and sub-heads, whether as revenue or other receipts, all moneys for which he is accountable;
- (j) see that all books are correctly posted and kept up to date and that such financial statements as are required by these Regulations are promptly prepared;
- (k) report to the Treasury any apparent defect in the procedure of revenue collecting or any apparent waste or extravagance in expenditure which comes to his notice;

- (l) produce all books of account, records, paid cheques or vouchers in his charge when required by the Treasury or the Auditor General or their duly authorised officers, and reply promptly and fully to any queries address by them to him.

**Regulation 7.** No accounting officer shall be relieved from responsibility for an act which he is required by the Act, these Regulations or any instructions to perform, the performance of which he has delegated to an officer subordinate to him.

**Regulation 6.** An accounting officer is not absolved from his responsibility for complying or securing compliance with the Act, these Regulations and any instructions given to him, or by him within the scope of his authority, by reason of the responsibility of the Auditor General to check and report any shortcomings in connection with the public accounts or finances.

### **RESPONSE TO MANAGEMENT LETTER BY THE MINISTRY OF FINANCE**

- 1.52 Outlined below are responses by the Permanent Secretary, Ministry of Finance to queries raised by the Auditor General in a Management Letter issued on July 24, 2024.

1.53 **Query**

Kindly indicate the source of the problem with the Electronic Cheque Clearing System (ECCS) or the root cause of the problem causing the understatement of revenue by \$2.6 billion?

1.54 **Response by Ministry of Finance**

**In February 2023, the Central Bank experienced a system malfunction which resulted in erroneously overstated debit advices generated. Subsequently, the CBTT corrected the inaccuracies by issuing reversal credit advices, however the Treasury Division does not have a record of the receipt.**

**As a result, the error was unknown to the Inland Revenue Division and the debit advices were processed to replenish the sum initially debited from the IRD Refund bank accounts.**



1.55 **Query**

Kindly indicate how the problem was rectified? What systems has the Ministry of Finance implemented to ensure the problem will not re-occur?

1.56 **Response by Ministry of Finance**

**The problem was rectified when the reversal credit advices were processed through the General Ledger Control System of the Treasury Division.**

**The Ministry of Finance has implemented a number of measures to prevent a reoccurrence of this incident as follows:**

- **Requesting the monthly Refund bank statements to ensure that all advices listed are received and provided to the Inland Revenue Division.**
- **The establishment of a materiality limit to ensure that any advice received that exceeds the established limit are singled out for further verification and validation.**
- **The Inland Revenue Division now submits a monthly Reconciliation Sheet when submitting the Other Charges vouchers to reimburse the Refund Bank account.**

1.57 **Query**

Please submit any Internal Audit Reports on this Issue?

1.58 **Response by Ministry of Finance**

**Internal Audit reports on the operation and implementation of the ECCS are currently unavailable however, the Internal Audit team is currently conducting an audit of the General Ledger Services Unit and will provide a report on this area of concern.**

1.59 **Query**

Are there any updates on the Internal Audit Department at the Inland Revenue Department (IRD) used risk based approach in its Annual Audit programme?

1.60 **Response by Ministry of Finance**

**The IRD has commenced the compilation of a Risk Register. Once completed, this would be used to assist in the preparation of the Annual Audit Plan. Notwithstanding this, all audits that are included in the Audit Plan cover areas of high risk.**

1.61 **Query**

The Central Bank of Trinidad and Tobago made the error on February 9<sup>th</sup>, 2023. Kindly indicate why it was corrected on May 14<sup>th</sup>, 2024 fifteen (15) months after.

1.62 **Response by Ministry of Finance**

**Although the error occurred in February 9, 2023, the Ministry of Finance only discovered the understatement of Revenue in late February 2024, following the submission of the Public Accounts for the financial year 2023. In March 2024, a comprehensive inquiry into the primary reason for the Revenue understatement was conducted. The Ministry of Finance communicated this anomaly to the Auditor General's Department at a meeting which was held on March 27, 2024. Subsequently, the amended Public Accounts for the financial year 2023 were resubmitted to the AGD on April 16, 2024.**

**Given the unprecedented nature of the error and the age of the General Ledger Control System which is no long supported by the vendor, the Treasury Division sought expert advice and conducted simulation adjustments in a test environment before attempting to reopen the General Ledger. The records in the General Ledger Control System were subsequently amended in May 2024.**

## ANNEX

The **Public Accounts** for the financial year 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2023 included over 150 Accounts and Financial Statements for audit. These are shown below:

<b>Accounts of the Treasury</b>		
*The Exchequer Account	The Statement of Funds from Long-Term Development	<u>Government Assistance for Tuition Expenses (GATE) Fund</u>
The Statement of Public Debt	The Statement of Comparison of Budget and Actual Revenue and Expenditure	Statement of Receipts and Payments
Letters of Comfort		Statement of Assets and Liabilities
Promissory Notes	<u>Funds Financial Statements</u>	
Balances Outstanding on the Build, Operate, Lease and Transfer (BOLT) Projects	Schedule of Special Funds	<u>Green Fund</u>
Balances on Loans Assumed by the Government of the Republic of Trinidad and Tobago in respect of Companies in which Government has/had a Shareholding	Schedule of Trust Funds	Statement of Receipts and Payments
	<u>Unemployment Fund</u>	Statement of Asset and Liabilities
Statement of Loans or Credits Guaranteed by the State	Statement of Receipts and Payments	<u>CARICOM Petroleum Fund</u>
	Statement of Assets and Liabilities	Statement of Receipts and Payments
The Off-Balance Sheet Financing Tables	<u>Infrastructure Development Fund</u>	Statement of Asset and Liabilities
The Statement of Loans from General Revenue	Statement of Receipts and Payments	<u>National Wastewater Revolving Fund of Trinidad and Tobago</u>
*The Statement of Revenue	Statement of Assets and Liabilities	Statement of Receipts and Payments
*The Statement of Expenditure	<u>National Union of Government and Federated Workers Training Fund</u>	Statement of Asset and Liabilities
*The Cash Basis Consolidated Statements of Assets and Liabilities	Statement of Receipts and Payments	
*Notes to the Accounts	Statement of Assets and Liabilities	
*The Consolidated Fund		

\*follow-up examination

### Appropriation Accounts of Ministries and Departments

President	Charges on Accounts of the Public Debt	Ministry of Works and Transport
Judiciary	Pensions and Gratuities	Ministry of Trade and Industry
Industrial Court	<ul style="list-style-type: none"> <li>• Ministry of Finance (Treasury Division)</li> <li>• Ministry of Works and Transport</li> <li>• Trinidad and National Security</li> <li>• Commissioner of Police</li> </ul>	Ministry of Housing and Urban Development
Parliament		Trinidad and Tobago Police Service
Service Commission		Ministry of Foreign and CARICOM Affairs
Statutory Authorities' Service Commissions	Ministry of National Security	Ministry of Planning and Development
Elections and Boundaries Commission	Office of the Attorney General and Ministry of Legal Affairs	Equal Opportunity Tribunal
Tax Appeal Board	Ministry of Education	Ministry of Agriculture, Land and Fisheries
Registration, Recognition and Certification Board	Ministry of Health	Ministry of Social Development and Family Services
Public Service Appeal Board	Ministry of Labour	Ministry of Sport and Community Development
Office of the Prime Minister	Ministry of Public Administration	Ministry of Tourism, Culture and the Arts
Tobago House of Assembly	Integrity Commission	Ministry of Youth Development and National Service
Central Administrative Services – Tobago	Environmental Commission	Ministry of Digital Transformation
Personnel Department	Ministry of Public Utilities	
*Ministry of Finance	Ministry of Energy and Energy Industries	
<ul style="list-style-type: none"> <li>• Comptroller of Accounts</li> <li>• Customs and Excise</li> <li>• Board of Inland Revenue</li> </ul>	Ministry of Rural Development and Local Government	

\*follow-up examination

### Statements of Receipts and Disbursements

Permanent Secretary, Ministry of Agriculture, Land and Fisheries	Comptroller of Customs and Excise, Ministry of Finance	Permanent Secretary, Ministry of Public Administration
Director of Surveys, Ministry of Agriculture, Land and Fisheries	Permanent Secretary, Ministry of Finance (Investments Division)	Permanent Secretary, Ministry of Planning and Development
Commissioner of State Lands, Ministry of Agriculture, Land and Fisheries	Permanent Secretary, Ministry of Finance	Director of Statistics, Ministry of Planning and Development
Chief State Solicitor, Office of the AG and Ministry of Legal Affairs	Supervisor of Insolvency, Office of the Supervisor of Insolvency	Permanent Secretary to the Prime Minister, Office of the Prime Minister
Controller Intellectual Property Office, Office of the Attorney General and Ministry of Legal Affairs	Permanent Secretary, Ministry of Health	Permanent Secretary, Ministry of Public Utilities
Chief Elections Officer, Elections and Boundaries Commission	Permanent Secretary, Ministry of Housing and Urban Development	Revenue Officer V, St. George West, Ministry of Finance
Permanent Secretary, Ministry of Education	Registrar, Industrial Court	Revenue Officer IV, St. George East, Ministry of Finance
Permanent Secretary, Ministry of Energy and Energy Industries	Registrar, Integrity Commission	Revenue Officer IV, Caroni/Chaguanas, Ministry of Finance
Permanent Secretary, Ministry of Foreign and CARICOM Affairs	Permanent Secretary, Ministry of Labour	Revenue Officer IV, St. Andrew/St. David, Ministry of Finance
Comptroller of Accounts, Ministry of Finance	Chief Magistrate, Magistracy – Judiciary	Revenue Officer IV, St. Patrick, Ministry of Finance
*Chairman Board of Inland Revenue, Ministry of Finance	Permanent Secretary, Ministry of National Security	Revenue Officer IV, Nariva/Mayaro, Ministry of Finance
Comptroller of Customs and Excise, Ministry of Finance	Chief Immigration Officer, Ministry of National Security	Revenue Officer IV, Victoria, Ministry of Finance
	Commissioner of Police, Trinidad and Tobago Police Service	Director of Personnel Administration, Service Commissions Department
	Chief Fire Officer, Ministry of National Security	
	Commissioner of Prisons, Ministry of National Security	

\*follow-up examination

### Statements of Receipts and Disbursements (con't)

Permanent Secretary, Ministry of Social Development and Family Services	Registrar, Tax Appeal Board	Director Maritime Services, Ministry of Works and Transport
Registrar, Supreme Court – Judiciary	Permanent Secretary, Ministry of Tourism, Culture and the Arts	Permanent Secretary, Ministry of Youth Development and National Service
Permanent Secretary, Ministry of Sport and Community Development	Permanent Secretary, Ministry of Trade and Industry	
	Transport Commissioner, Ministry of Works and Transport	

### Accounts of Administering Officers for Infrastructure Development Fund

Judiciary	Ministry of Rural Development and Local Government	Ministry of Tourism, Culture and the Arts
Office of the Prime Minister	Ministry of Works and Transport	Ministry of Youth Development and National Service
Ministry of Finance	Ministry of Housing and Urban Development	Ministry of Digital Transformation
Ministry of National Security	Trinidad and Tobago Police Service	<u>Unemployment Fund</u>
Ministry of Education	Ministry of Foreign and CARICOM Affairs	Ministry of Works and Transport (Trinidad)
Ministry of Health	Ministry of Planning and Development	Ministry of Works and Transport (THA - Tobago)
Ministry of Labour	Equal Opportunity Tribunal	<u>Other Fund Statement</u>
Ministry of Public Administration	Ministry of Agriculture, Land and Fisheries	Ministry of Education – Government Assistance for Tuition Expenses (GATE) Fund
Ministry of Public Utilities	Ministry of Social Development and Family Services	Ministry of Planning and Development – Green Fund
Ministry of Energy and Energy Industries	Ministry of Sport and Community Development	
Ministry of Trade and Industry		



# CHAPTER 2

## **ELECTRONIC CHEQUE CLEARING SYSTEM**





## ELECTRONIC CHEQUE CLEARING SYSTEM

2.1 Minister of Finance Circular No. 5 dated August 12, 2022 informed Permanent Secretaries and Heads of Departments on the **Implementation of the Electronic Cheque Clearing System (ECCS) – Introduction of New Cheque Forms.**

2.2 Relevant extracts from this Circular are reproduced below:

*“Reference is made to Comptroller of Accounts Circular Memorandum dated June 18, 2020: Introduction of the Electronic Cheque Clearing System (ECCS), wherein you were informed that the Central Bank of Trinidad and Tobago (CBTT) was in the process of implementing an ECCS in Trinidad and Tobago in conjunction with commercial banks.”*

*“The electronic clearing of cheques will materially change the manner in which cheques are cleared. The main objective is to improve the efficiency of the cheque clearing arrangements, based on the exchange of data and cheque image files by the CBTT and commercial banks through a central operator. As a result, the time frame for the clearing and settling of cheques will be reduced from four (4) days to a maximum of two (2) days.”*

2.3 The Comptroller of Accounts through Circular No. 18 dated October 13, 2023 on the **Implementation of the Electronic Cheque Clearing System - Reconciliation of Paid Cheques** notified Permanent Secretaries and Heads of Departments that with effect from February 6, 2023 the ECCS was operationalised and:

- The new cheques will now be scanned and the images uploaded to the ECCS by the Commercial Banks;
- These images will be electronically transmitted to the CBTT for clearance and subsequently submitted to the Treasury Division for validation and onward transmission to Ministries, Departments and Agencies (MDAs) for completion of the reconciliation process.

### CHEQUE RECONCILIATION SYSTEM

- This system will allow MDAs to have access to a database where they can individually view their respective cleared cheques.
- The Treasury Division will continuously upload the system and MDAs can download the relevant reconciliation reports.
- This System will improve the efficiency, accuracy and timeliness in the preparation of Monthly Cheque Reconciliation Reports.

- The monthly reconciliation statement must be printed and signed as well as certified and audited in accordance with Financial Instructions 1965, Paragraph 32 (a) and (b).
- Accounting Officers are reminded that *“Monthly Reconciliation Statements of Abstract of Payments and List of Unpaid Cheques must be submitted within 14 days after receipt of their Treasury Cards in accordance with Comptroller of Accounts Circular No. 20 dated November 17, 1973 and Comptroller of Accounts Circular No. 11 dated September 04, 2013”*.

### Rationale for Examination

- 2.4 The Permanent Secretary, Ministry of Finance by memorandum dated March 28, 2024, on the subject, “Report on Variance in the Statement of Revenue for the year ended September 2023”, informed the Auditor General of a variance of material amount to the value of \$3,379,777,908.00 in the Statement of Revenue for the financial year 2023 which was submitted on January 31, 2024. Her memorandum further elaborated that

*“... this error is largely attributable to challenges faced with the introduction of the Electronic Cheque Clearing System (ECCS) by the Central Bank of Trinidad and Tobago in February 2023”.*

Appendix 1

- 2.5 By memorandum dated April 5, 2024 from the Permanent Secretary, Ministry of Finance on the subject “Update on Variance in the Statement of Revenue for the year ended September 2023”, the Auditor General was informed

*“... this variance was due to posting errors, including double booking of transactions and decimal point transposition errors which arose as a result of the implementation of the new Electronic Cheque Clearing System at the Central Bank as well as the Go Anywhere Platform...”.*

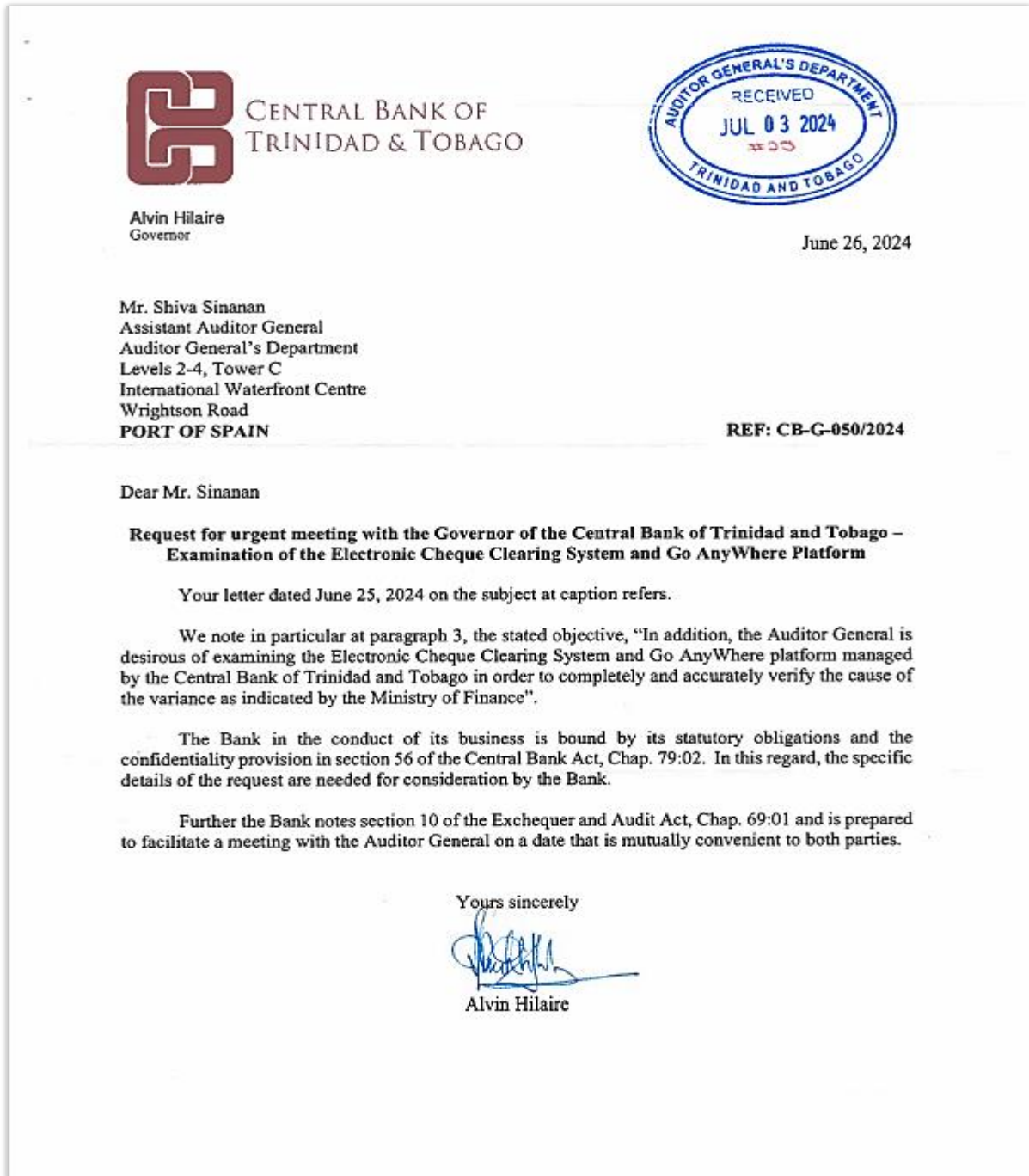
- 2.6 By letter dated April 9, 2024 from the Permanent Secretary, Ministry of Finance on the subject “Update on Variance in the Statement of Revenue for the year ended September 2023”, the Auditor General was informed

*“... this variance was due to posting errors, including double booking of transactions and decimal point transposition errors which arose as a result of the implementation of the new Electronic Cheque Clearing System at the Central Bank as well as the Go AnyWhere shared platform to which cheques and statements are uploaded for reconciliation using the cheque images instead of physical cheques... Specifically, electronic files presented on the Go AnyWhere platform did not differentiate the different tax types.”*

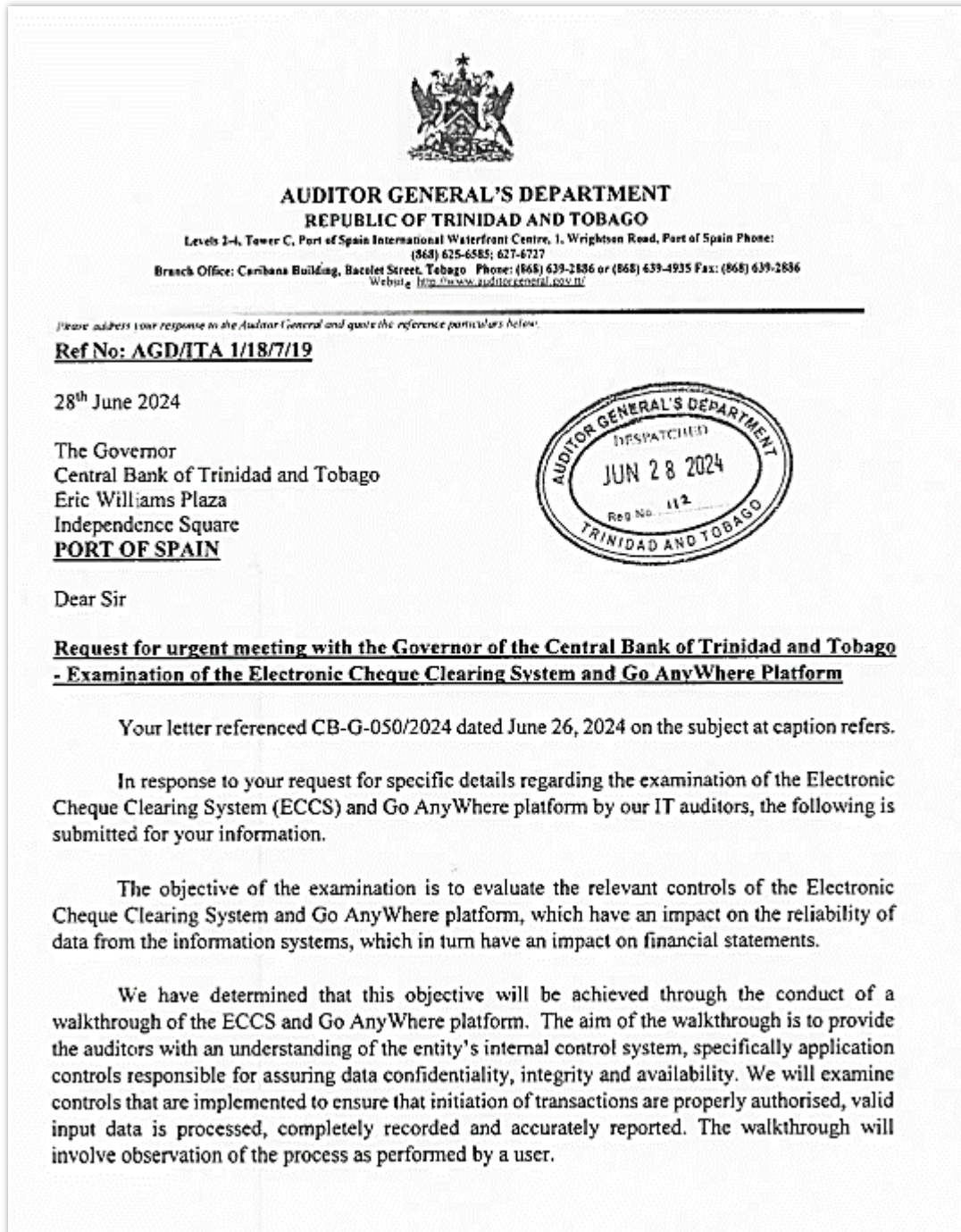
Appendix 2

- 2.7 For that reason Audit deemed it of central importance to perform an examination of the ECCS and Go AnyWhere Platform. As a result, an urgent meeting was requested with the Governor of CBTT by letter dated June 25, 2024.

- 2.8 In response, by letter dated June 26, 2024, the Governor - CBTT while noting section 56 of the Central Bank Act, Chap. 79:02 and section 10 of the Exchequer and Audit Act, Chapter 69:01, sought specific details of the proposed examination and was prepared to facilitate a meeting with the Auditor General.



2.9 Audit subsequently provided details of the examination by letter dated June 28, 2024.



The walkthrough involves the identification of relevant controls, which will be done through the following:

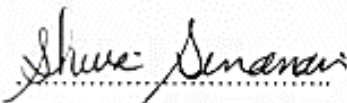
- i. Interview/discussion with the Application Administrator and/or user
- ii. Review of applicable approved documented policies, procedures and manuals
- iii. Observation of activities occurring within the organisation, and
- iv. Completion of a questionnaire

Following this, we will assess the controls based on the gathered evidence and document our findings, which are confirmed by the organisation.

The focus of this examination is limited to government issued cheques only and does not include cheques from commercial banks. Additionally, we would like to clarify that while screenshots of the process are usually requested as audit evidence, the organisation has the option to redact personal information. The fieldwork is estimated to be completed within one week.

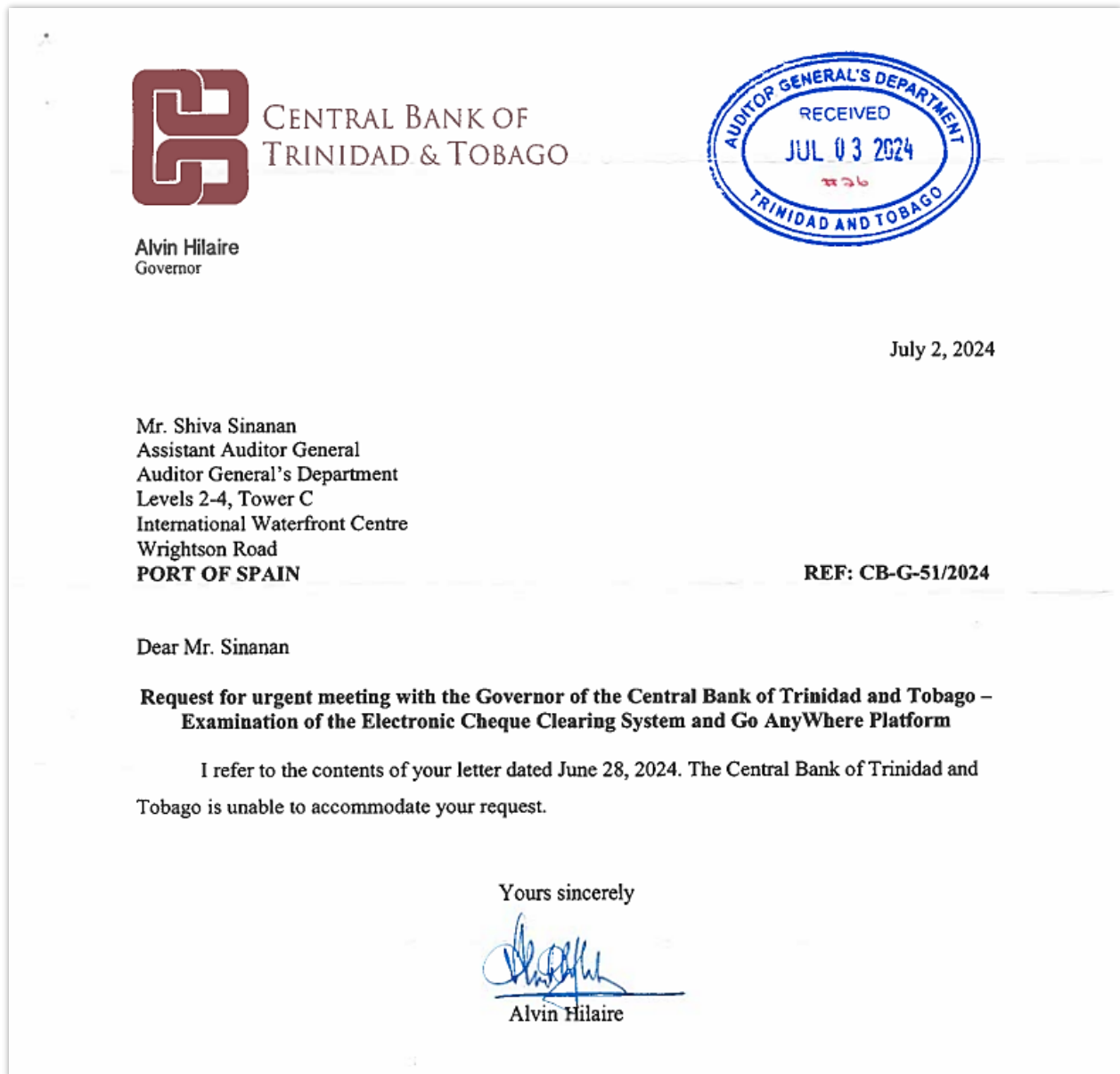
I am prepared to meet with you at your earliest convenience. If you require any further information, please do not hesitate to contact me at 625-6585 ext. 2070 or email [SinananSh@gov.tt](mailto:SinananSh@gov.tt).

Yours faithfully



Shiva Sinanian  
Assistant Auditor General  
**/s/ Auditor General**  
**AUDITOR GENERAL**

- 2.10 By letter dated July 2, 2024 the Governor indicated that “**The Central Bank of Trinidad and Tobago is unable to accommodate your request**”.





## Legislative Powers of the Auditor General

2.11 Section 116(2) of the Constitution states:

*“The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts”.*

2.12 Section 10(1) of the Exchequer and Audit Act, Chapter 69:01:

*“In the exercise of his duties under this Act the Auditor General shall be entitled -  
(a) to call upon any officer for any explanations and information which the Auditor General may require in order to enable him to discharge his duties.”*

## CENTRAL BANK OF TRINIDAD AND TOBAGO

2.13 Central Bank Act, Chapter 79:02

Section 52(2) of this Act states:

*“...The Minister may at any time require the Auditor General to examine and report on the accounts of the Bank and Bank shall provide the Auditor General with all necessary and appropriate facilities for such examination.”*

## Audit Findings

2.14 Despite these legislative powers, the Auditor General was denied access by the Central Bank of Trinidad and Tobago to examine the ECCS and the Go AnyWhere Platform and to test its information processing controls.

2.15 Consequently, Audit was unable to obtain an understanding of the internal control system with regard to the significant change in the use of the technology in financial year 2023.

2.16

Audit could not place reliance:

- on the integrity of data entered whether data received were authorised, accurate, valid and complete;
- that all valid data had been properly processed and only once; and
- that output in its required format was delivered to the authorised users on time.

## MINISTRY OF FINANCE

### Audit Findings

2.17 Requests were made to the Permanent Secretary, Ministry of Finance for documents such as Contracts, Cabinet Minutes and related information linked to the ECCS. None of these documents were received.

2.18

As a result, Audit could not determine for the ECCS and the Go AnyWhere application:

- if and the amount of public moneys spent;
- the relationship responsibilities, contractual terms and conditions of both the Ministry of Finance and the CBTT;
- the extent to which the Ministry of Finance was able to implement controls over its activities undertaken by the CBTT; and
- contingency plans in the event of performance failure.

### Conclusion

2.19 The limitation of scope resulted in Audit being unable to determine whether the controls at the Central Bank of Trinidad and Tobago and the Ministry of Finance were suitably designed and implemented to prevent or detect and correct processing errors that could result in and potentially cause material misstatements in the Public Accounts of Trinidad and Tobago.

2.20 Audit was unable to gain any assurance on the reliability of data from the ECCS and Go AnyWhere Platform and its impact on the completeness and accuracy of the Public Accounts of Trinidad and Tobago.

## RESPONSE TO MANAGEMENT LETTER BY THE MINISTRY OF FINANCE

2.21 Outlined below are responses by the Permanent Secretary, Ministry of Finance to queries raised by the Auditor General in a Management Letter issued on July 24, 2024.

### 2.23 Query

Kindly indicate if there are Cabinet Minutes relating to the Electronic Cheque Clearing System (ECCS)?

### 2.24 Response by Ministry of Finance

**There are no Cabinet Minutes relating to the implementation of the Electronic Cheque Clearing system. The Treasury Division has issued three (3) Circulars regarding the implementation of the ECCS to Ministries and Departments.**

### 2.25 Query

Kindly submit a copy of the contract for the implementation and maintenance of the Electronic Cheque Clearing System (ECCS)?

### 2.26 Response by Ministry of Finance

**There is no contract for the implementation of the Electronic Cheque Clearing System between the Central Bank and the Treasury Division. The system is owned and maintained by the CBTT.**

### 2.27 Query

Kindly submit a copy of the Service Level Agreement (SLA) between the Ministry of Finance and Central Bank in relation to Electronic Cheque Clearing System (ECCS) and Go Anywhere Platform?

### 2.28 Response by Ministry of Finance

**There is no Service Level Agreement between the Ministry of Finance and the CBTT concerning the ECCS and the Go Anywhere Platform. However, the Ministry of Finance is currently reviewing a draft Extranet agreement with the CBTT. This agreement will cover any and all of the Ministry's access to the Bank's Virtual Private Network (VPN).**

2.29 **Query**

Kindly submit any Reports from the Ministry of Finance and Central Bank of Trinidad and Tobago on how they address the problems with the Electronic Cheque Clearing System (ECCS) and Go Anywhere Platform?

2.30 **Response by Ministry of Finance**

**The Central Bank has not issued a report on the how the problem was resolved however, please refer to the attached Understatement of Revenue – Recommendations which outlined how the Ministry of Finance intends to treat with the issue.**

2.31 **Query**

Please indicate what caused the decimal point to move on certain cheques?

2.32 **Response by Ministry of Finance**

**In discussions with the Central Bank it was stated that a malfunction occurred within the system which lead to a processing error.**

2.33 **Query**

Please indicate if there was one thing different about these cheques that caused the errors to occur?

2.34 **Response by Ministry of Finance**

**The error resulted from a systems malfunction.**

2.35 **Query**

Please indicate if there was any of thing different about these cheques that caused the errors to occur?

2.36 **Response by Ministry of Finance**

**There is nothing different about those cheques. They were all from the same batch of cheques issued to the Inland Revenue Department and all were printed by the GenTax System.**

2.37 **Query**

Kindly give any assurance this did not happen to the other cheques?

2.38 **Response by Ministry of Finance**

**This did not occur with the other cheques as the redeemed cheques matched the debit advices processed and the Bank Statements provided during the reconciliation process.**

# CHAPTER 3

## OVERVIEW



## OVERVIEW

1. Section 116 of the **Constitution of the Republic of Trinidad and Tobago, Chapter 1:01** establishes the office and functions of the Auditor General. Sections 116(2) and (6) of the Constitution provide:
  - (2) *“The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts”.*
  - (6) *“In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority.”*
  
2. Section 2 of the Constitution further stipulates as follows:
 

*“This Constitution is the supreme law of Trinidad and Tobago, and any other law that is inconsistent with this Constitution is void to the extent of the inconsistency.”*
  
3. Part V of the **Exchequer and Audit Act Chapter 69:01** (the Act) provides for the Audit of Public Accounts and the Protection and Recovery of Public Property.
 

Section 24(1)(a) under Part V of the Act states:

*24(1) “Within a period of four months after 30th September in each year, or such longer period thereafter as Parliament may by resolution, appoint—*

*(a) the Treasury shall cause to be transmitted to the Auditor General accounts showing fully the financial position of Trinidad and Tobago...*
  
4. Section 25(1) of the Act, in relation to the Annual Report of the Auditor General, specifies:
 

*25(1) “On receipt of the accounts prescribed by section 24, the Auditor General shall cause them to be examined and audited and shall, within a period of seven months after 30th September in each year or such longer period thereafter as Parliament may by resolution appoint, prepare and transmit to the Minister a report upon his examination and audit of all accounts relating to public moneys, stamps, securities, stores and other State property, together with certified copies of each of the said accounts.”*
  
5. The Auditor General received the Public Accounts on Wednesday January 31, 2024 at 7:39 p.m. from the Ministry of Finance.



6. The Public Accounts above was thereafter audited in accordance with Section 25(1) of the Act in preparation for the transmission of the Report of the Auditor General by the statutory deadline of April 30, 2024 to the Speaker, the President of the Senate and the Minister of Finance.
7. Almost two months after the Section 24(1) submission deadline of January 31, 2024, the Permanent Secretary in the Ministry of Finance on March 25, 2024 informed the Auditor General verbally that an error was discovered in the Public Accounts and revenue was understated.
8. Via memorandum dated March 28, 2024 under the caption “Report on Variance in the Statement of Revenue for the year ended September 2023” the Permanent Secretary, Ministry of Finance advised the Auditor General of a variance in the Statement of Revenue submitted on January 31, 2024. A request was made to allow an amendment to this statement as the variance represented a material amount to the value of \$3,379,777,908.00. Appendix 1 refers.
9. Appendix 2 shows an update in variance in the Statement of Revenue from the Permanent Secretary - Ministry of Finance.
10. The Pre Action Protocol letter from the Office of the Attorney General and Ministry of Legal Affairs is at Appendix 3.
11. A response to Attorney General from the Auditor General’s Department is displayed at Appendix 4.
12. A request for Legal Advice from the Auditor General to the Attorney General and the Attorney General’s response are shown at Appendices 5 and 6 respectively.
13. The Auditor’s Report together with its Addendum dated 24<sup>th</sup> April 2024 can be viewed at Appendices 7 and 8.



Appendix 1

Government of the Republic of Trinidad and Tobago  
**MINISTRY OF FINANCE**  
 OFFICE OF THE PERMANENT SECRETARY

## MEMORANDUM

**FROM:** Permanent Secretary, Ministry of Finance

**TO:** Auditor General

**DATE:** March 28, 2024

**SUBJECT:** Report on Variance in the Statement of Revenue for the year ended September 2023

This report serves to advise you of a variance which was discovered in the Statement of Revenue for the Financial Year 2023 which was submitted to your Department in accordance with the statutory deadline of January 31, 2024. It also seeks your concurrence to allow an amendment to this statement as the variance represents a material amount to the value of \$3,379,777,908.00 which, if not correctly reported will have far reaching implications. Currently we have reconciled an amount to the value of \$2,598,130,761.72 as follows: -

VAT	\$2,262,371,602.00
Individuals	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26

In summary this error is largely attributable to challenges faced with the introduction of the Electronic Cheque Clearing System (ECCS) by the Central Bank of Trinidad and Tobago in February 2023.

Page 1 of 3

## Appendix 1

Issue

2. In February 2024, following the Closing of Accounts for the financial year 2023, the Budget Division alerted the Treasury Division to an apparent material understatement in the reported Statement of Revenue for FY 2023.
3. From documents furnished by the Budget Division, it appeared that the revenue figures reported to them for FY 2023 by the Inland Revenue Division (IRD) differed from the figures which were certified and presented in the Statement of Receipts and Disbursements submitted to the Treasury Division.
4. For example, in respect of the Value Added Tax Refunds for the month of February 2023, the Central Bank erroneously posted a Debit Advice in the amount of \$2,236,115,807.00; this amount was subsequently adjusted to the correct figure of \$22,361,158.07. However, there is no record of either the Treasury or Inland Revenue Division receiving the Credit Advice for this reversal.
5. On subsequent examination of the Bank Statement it was observed that there were other debit advices relating to the other Tax Types which would have been issued by the CBTT, for which there were subsequent reversals with no related credit advices.
6. It is instructive to note that, in collaboration with the Electronic Cheque Clearing System (ECCS) the Central Bank also introduced the *Go AnyWhere* shared platform to which cheques and statements are uploaded. This system was meant to replace the previous manual system of reconciliation with an electronic system. However, due to issues encountered with the system, the IRD could not access the full system functionalities until September 2023. Specifically, electronic files presented on the *Go AnyWhere* platform did not differentiate the different tax types. This hampered the reconciliation of the debit advice to the scanned cheques presented.
7. In the process of Closing of Accounts, the IRD's records of Revenue were matched to the Treasury Cards. Subsequently the Statement of Receipts and Disbursements for the Financial Year 2023, was certified and submitted to the Treasury. At the end of the fiscal year, the Abstract Section of the IRD prepared the Return of Revenue (Matrix) which applied the actual refunds granted for the year to the gross tax receipts. In this instance, the actual refunds were based on the hard copy memo from the Ministry of Finance. In both instances the gross collections were the same. So, the discrepancy between the two reports was due to the overestimation of tax refunds in the system.

## Appendix 1

8. After the submission of the Financial Statements for Fiscal 2023, the Budget Division discovered the discrepancy between the Return of Revenue (Matrix) and the Statement of Revenue.

9. Subsequently, a reconciliation process was undertaken in collaboration with the Central Bank which uncovered the source of the discrepancy.

Way Forward

10. The Ministry of Finance will continue to liaise with the Central Bank to complete the reconciliation process. In the interim I attach the amended Statement of Revenue reflecting the reconciled figure of \$2,598,130,761.72.

11. The Treasury Division will work with the Inland Revenue Division in collaboration with the Central Bank to strengthen and improve the processes around the new system.


12. The Internal Audit Department, IRD, using a risk-based approach, will include in their Annual Audit Work Programme more extensive verification checks in this area.

13. Submitted for your consideration please.

  
Permanent Secretary  
Ministry of Finance

14. On April 9, 2024 the Permanent Secretary, Ministry of Finance confirmed that the reconciliation process was completed and the variance in the Statement of Revenue was \$2,598,130,761.72 and the variance in the Green Fund Levy was \$1,147,427.01 giving a total variance of \$2,599,278,188.73. A remaining balance of \$780,499,719.27 appeared to be not reconciled. Appendix 2 refers.

**Appendix 2**



**Government of the Republic of Trinidad and Tobago**  
**MINISTRY OF FINANCE**  
**OFFICE OF THE PERMANENT SECRETARY**

April 9, 2024

**F(PS) 6/2/1**

**ATTN: MS. JAIWANTIE RAMDASS**  
 The Auditor General Department  
 Head Office  
 Levels 2-4, Tower C  
 Port of Spain International Waterfront Centre  
 1 Wrightson Road  
 PORT OF SPAIN

Dear Auditor General,

**Update on Variance in the Statement of Revenue for the year ended September 2023:**

Further to my several memoranda dated March 28, April 5<sup>th</sup> and April 8<sup>th</sup> 2024 on the captioned subject I hereby submit two (2) CDs containing the original collated Public Accounts as well as the amended CD for your consideration.

2. I am hereby confirming that our reconciliation process is complete and the variance in the Statement of Revenue for the Financial Year 2023 is \$2,598,130,761.72 and the variance in the Green Fund is \$1,147,427.01 giving a total variance of \$2,599,278,188.73, comprised as follows: -

VAT	\$ 2,262,371,602.00
Individuals	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26
Green Fund Levy	\$ 1,147,427.01

3. Again, I note that this variance was due to posting errors, including double booking of transactions and decimal point transposition errors which arose as a result of the implementation of the new Electronic Cheque Clearing System at the Central Bank as well as the *Go AnyWhere* shared platform to which cheques and statements are uploaded for reconciliation using the cheque images instead of physical cheques.

(868) 612-9700  
ext. 1813 - 1814

(868) 627-6108

Suzette.Leechee@gov.tt

www.finance.gov.tt

Level 8, Finance Building, Eric Williams Financial Complex, 71-73 Independence Square,  
 Port of Spain 1000104, Trinidad and Tobago, W.I.

## Appendix 2

4. In this regard due to the issues encountered with the system, the IRD could not access the full system functionalities until September 2023. Specifically, electronic files presented on the *Go AnyWhere* platform did not differentiate the different tax types. This hampered the reconciliation of the debit advice to the scanned cheques presented.

5. In the process of Closing of Accounts, the IRD's records of Revenue were matched to the Treasury Cards. Subsequently the Statement of Receipts and Disbursements for the Financial Year 2023, was certified and submitted to the Treasury. At the end of the fiscal year, the Abstract Section of the IRD prepared the Return of Revenue (Matrix) which applied the actual refunds granted for the year to the Gross tax receipts. In this instance, the actual refunds were based on the hard copy memo from the Ministry of Finance. In both instances the Gross collections were the same.

6. After the submission of the Financial Statements for Fiscal 2023, the Budget Division discovered the discrepancy between the Return of Revenue (Matrix) and the Statement of Revenue.

7. Subsequently a reconciliation process was undertaken in collaboration with the Central Bank which uncovered the source of the discrepancy.

8. As a consequence therefore since the original information presented to you was not accurate and if it is presented in your report as being factual, this will create unnecessary complication. I hereby request that you utilize the amended copy of the CD provided. Please do not hesitate to contact the Comptroller of Accounts, Ms Catherine Laban if you have any questions or require any further clarification on this matter.

  
Suzette Lee Chee  
Permanent Secretary

15. On April 9, 2024 and April 11, 2024, Treasury Officers of the Ministry of Finance visited the Auditor General's Department to deliver Amended Public Accounts however they were informed on both occasions that **the Audit of the Public Accounts for the financial year 2023 was completed and that the related Financial Statements were already at the Government Printery for binding.**

16. On April 15, 2024 a **PRE-ACTION PROTOCOL** letter was sent to the Auditor General by the Attorney General (Appendix 3 refers). Extracts of the last paragraph is highlighted below:

*“In the circumstances, we hereby call upon you to undertake in writing by 12 noon on 15<sup>th</sup> April 2024 that you will receive and consider forthwith an electronic copy of the Amended Public Accounts as contained in a CD to be provided to you by the Comptroller of Accounts Ms. Catherine Laban. In the event that you fail such an undertaking by that time or to honor any such undertaking proceedings will be instituted against you seeking amongst other things, an order of mandamus requiring you to accept and consider the Amended Public Accounts.”*

17. On April 15, 2024 the Auditor General received a TTPOST TrackPak from the Treasury Division, Ministry of Finance with its amended statements. As of April 15, 2024 the Auditor General had in her possession for audit the following:

- The Public Accounts for the financial year 2023 with a Statement of Declaration and Certification dated January 31, 2024 showing a Statement of Revenue figure of \$61,890,373,020.22; and
- The Amended Public Accounts for the financial year 2023 with a Statement of Declaration and Certification dated January 31, 2024 showing a Statement of Revenue figure \$64,488,503,781.94

Both the original and amended statements contained a Statement of Declaration and Certification which opened with **“The following Statements for the Financial Year 2023 which are statutorily due by January 31, 2024 in accordance with Section 24(1)(a) and (b) and 24 (2)(a) and (b) of the Exchequer and Audit Act, Chapter 69:01 as amended by Act No. 23 of 1998 are submitted”** and closed with **“As Accounting Officer, I certify that the Financial Statements for the financial year ended September 30, 2023 have been reconciled with the records of the Treasury and in my opinion, these Financial Statements fairly reflect the financial position of the Government of the Republic of Trinidad and Tobago for the year ended September 30, 2023.”**

Both the original and amended statements were dated and signed **January 31, 2024**. This is despite the error, which caused the amendment, being discovered long after January 31, 2024.

## PRE-ACTION PROTOCOL

Appendix 3



Government of the Republic of Trinidad and Tobago  
Office of the Attorney General and Ministry of Legal Affairs

## ATTORNEY'S GENERAL SECRETARIAT

15<sup>th</sup> April, 2024

Ms. Jaiwantie Ramdass  
Auditor General  
Auditor General Department  
Levels 2-4 Tower C  
International Waterfront Centre  
1A Wrightson Road  
Port of Spain

Dear Madam,

**Re: Your refusal to receive or consider the amended Statement of Revenue for the Financial Year 2023 and other related amended statements**

Reference is made to the matter at caption.

This letter is issued pursuant to the Pre-action Protocol.

I instruct Mr. Douglas Mendes S.C. and Mr. M. Simon de la Bastide who act on behalf of the Minister and the Permanent Secretary of the Ministry of Finance.

We are instructed that the Statement of Revenue for the Financial Year 2023 ("the Revenue Statement") which was submitted to you by the Treasury Division of the Ministry of Finance ("the Treasury Division") in January 2024 contains a material understatement, and that although the Treasury Division has brought that fact to your attention and has amended the Revenue Statement and other related financial statements so as to correct errors therein arising from that understatement, you have refused to receive from the Treasury Division, and by extension to consider, the amended Statement of Revenue for the Financial Year 2023 and the other amended financial statements comprising the Public Accounts of Trinidad and Tobago. Our detailed instructions are as follows:

- (i) On the 31<sup>st</sup> January 2024 the Treasury Division submitted to you the Revenue Statement pursuant to section 24(1)(a)(iv) of the Exchequer and Audit Act;

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AGLA Tower, Government Plaza,  
Corner of London and Richmond Streets, Port of Spain  
Tel: 223-AGLA (2452)



## Appendix 3

- (ii) The Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2023 (“the Original Public Accounts”), were prepared by the Treasury Division prior to the discovery of the said understatement (“the understatement”);
- (iii) During the week of 26<sup>th</sup> February 2023 the Treasury Division was informed by the Budget Division of the Ministry of Finance (“the Budget Division”) of an apparent material understatement in the Revenue Statement.
- (iv) The Financial Management Branch of the Treasury Division deferred the submission of the Original Public Accounts upon the discovery of the said understatement (“the understatement”).
- (v) During the period from late February 2024 to early April 2024, personnel from the Treasury Division, the Budget Division, and the Inland Revenue Division carried out investigations in collaboration with each other for the purpose of determining the causes and the quantum of the understatement;
- (vi) Those investigations established that the understatement in the Revenue Statement is \$2,599,278,188.73 and is comprised as follows:

VAT	\$ 2,262,371,602.00
Individual	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26
Green Fund Levy	\$ 1,147,427.01

- (vii) You were informed of the understatement and the circumstances in which it came to be included in the Revenue Statement. In that regard our instructions are as follows:
  - (a) On the 25<sup>th</sup> March 2024 the Permanent Secretary in the Ministry of Finance, Ms. Suzette Lee Chee (“the Permanent Secretary”), spoke to you via telephone advising that there appeared to be a material misstatement in the Revenue Statement. On that occasion you stated you were on your way home and that you would contact the Permanent Secretary the following day;

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## Appendix 3

- (b) On the 26<sup>th</sup> March 2024 the Permanent Secretary, not having heard from you, sent a WhatsApp message to you at 10:11 am. indicating that she wished to follow up on your preliminary discussion with her regarding the understatement on the previous day, and in that regard would very much appreciate a further telephone discussion as well as a physical meeting with you to discuss the Revenue Statement. In response you stated by way of WhatsApp message to the Permanent Secretary that your representative would contact her the following day;
- (c) Subsequently the Ministry of Finance was contacted by Mr. Shiva Sinanan ("Mr. Sinanan"), Assistant Auditor General in the Auditor General's Department, and a meeting to discuss the Revenue Statement was scheduled for 27<sup>th</sup> March 2024. The meeting was in fact held on that day at the offices of the Ministry of Finance. Present at that meeting were:

Suzette Lee Chee PS Finance (Ag.)	Shiva Sinanan Assistant Auditor General
Jennifer Lutchman PS <i>in the</i> Ministry of Finance	Michelle Superville Craigwell Audit Executive I
Catherine Laban Comptroller of Accounts	Vidya Ramoutar Accountant IV IRD (Ag.)
Chairman Board of Inland Revenue S. Boodoosingh	Gillian Lee Accountant IV IRD (Ag.)
Director Budgets, Cherry Ann Le Genre	Dexter Harding Treasury Director
Deputy Director Budgets Muriel Alfred James	Michelle Seifert Thompson Senior Treasury Accountant
Sham Mohammed Budget Manager	
Sharon Campbell Budget Advisor	
Eric James Advisor to Minister of Finance	

- (d) At that meeting Mr. Sinanan was advised that there was an apparent material understatement in the Revenue Statement and that a reconciliation process was

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## Appendix 3

ongoing for the purpose of assessing the quantum and cause of the understatement. At the meeting the Auditor General's Department ("the AGD") was also invited to make recommendations with respect to future steps to be taken in resolving the problems and issues raised in the meeting. Mr. Sinanan requested certain documentation and indicated that he would report the matters discussed at the meeting to the Auditor General and then contact the Ministry of Finance on those matters.

- (e) On the 28<sup>th</sup> March 2024 the Permanent Secretary, having not received any further communication from the AGD, called Mr. Sinanan to discuss the Revenue Statement. On that occasion Mr. Sinanan informed the Permanent Secretary that the AGD would not be issuing any communication to the Ministry of Finance and that the Ministry should write to the Auditor General with respect to any material misstatement in the Revenue Statement.
- (f) On the 28<sup>th</sup> March 2024 the Permanent Secretary submitted to you via email a Memorandum of the same date which advised amongst other things that:

- (i) The Revenue Statement contained an understatement in the amount of \$3,379,777,908.00 which if not reported correctly would have far reaching implications;
- (ii) As at that time the Ministry of Finance had reconciled an amount to the value of \$2,598,130,761.72 as follows;

VAT	\$ 2,262,371,602.00
Individual	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26

- (iii) The Ministry of Finance would continue to liaise with the Central Bank of Trinidad and Tobago to complete the reconciliation process.

The Memorandum also explained the process by which the understatement was identified and quantified, what caused the understatement to be made, and the reasons why the understatement was not identified earlier. The Memorandum was copied to Mr. Sinanan, Michelle Superville-Craigwell, Senior Treasury Accountant, Jennifer Lutchman, Permanent Secretary in the Ministry of Finance,

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## Appendix 3

and Catherine Laban, Comptroller of Accounts. A true copy of the Memorandum is attached hereto and marked 'A'.

- (g) On the 5<sup>th</sup> April 2024 the Permanent Secretary submitted to you via email a further Memorandum advising on the understatement. In that Memorandum the Permanent Secretary advised that the continuing reconciliation process established that the understatement in the Revenue Statement was \$2,599,278,188.73, and that it was comprised as follows:

VAT	\$ 2,262,371,602.00
Individual	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26
Green Fund Levy	\$ 1,147,427.01

The Permanent Secretary also stated in the Memorandum that the understatement was due to posting errors, including double booking of transactions and decimal point transposition errors arising as a result of the new Electronic Cheque Clearing System at the Central Bank of Trinidad and Tobago as well as the *Go Anywhere Platform* which replaced the presentation of physical cheques for reconciliation. A true copy of the Memorandum is attached hereto and marked 'B';

- (h) On the 8<sup>th</sup> April 2028 the Permanent Secretary sent a further Memorandum to you by email. In that memorandum the Permanent Secretary confirmed that the reconciliation process was complete and that the understatement amounted to \$2,599,278,188.93 comprised as follows:

VAT	\$2,262,371,602.00
Individuals	\$ 330,050,736.46
Business Levy	\$ 5,708,423.26
Green Fund Levy	\$ 1,147,427.01

The Permanent Secretary also indicated in that Memorandum that the Comptroller of Accounts was updating/amending those Statements in the Original Public Accounts affected by the understatement (including the Revenue Statement) so as to correct errors therein arising from the understatement, and that the statements comprising the Public Accounts of Trinidad and Tobago, as amended, ("the

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## Appendix 3

Amended Public Accounts”) would be provided to the AGD by the morning of 9<sup>th</sup> April 2024. A true of that Memorandum is attached hereto and marked ‘C’.

- (viii) On the evening of the 8<sup>th</sup> April 2024 the Comptroller of Accounts, Ms. Catherine Laban, sent an email to you advising that a CD containing electronic copies of the Amended Public Accounts would be delivered to your office on morning of 9<sup>th</sup> April 2024. This email was not acknowledged. A copy of that email is attached hereto and marked ‘D’.
- (ix) On the morning of the 9<sup>th</sup> April 2023 Ms. Shola Balliram, Treasury Executive in the Treasury Division, attended the office of the Auditor General to deliver a CD containing electronic copies of the Amended Public Accounts. On arriving at the Auditor General’s office Ms. Balliram was told by personnel in the AGD that they had been instructed by the Assistant Auditor General that he was instructed not to accept the CD containing the Amended Public Accounts.
- (x) After being informed of your refusal to receive the Amended Public Accounts the Comptroller of Accounts attempted to call you on your cell phone and on your landline phone on the 9<sup>th</sup> April 2024 but her calls went unanswered. On the same day the Comptroller also sent a WhatsApp message to you requesting a discussion on the Revenue Statement. You failed to acknowledge that message.
- (xi) After being appraised of your refusal to receive the CD containing the Amended Public Accounts the Permanent Secretary drafted and signed a letter to you of the same date again confirming the amount and cause of the understatement, expressly stating that the Revenue Statement was inaccurate, and warning that if the Revenue Statement were presented in the Auditor General’s report there would be unnecessary complications as a result. There were two CDs enclosed with that letter one of which contained Original Public Accounts and the other which contained the Amended Public Accounts. Finally in that letter the Permanent Secretary requested that the you use the latter CD, that is to say, the Amended Public Accounts. A copy of that letter is attached hereto and marked “E”;
- (xii) On the afternoon of the 9<sup>th</sup> April 2024 the Treasury Director, Ms. Dawn Craig, the Senior Treasury Accountant Financial Management Branch, Ms. Sherry Ramshai, and

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## Appendix 3

the Treasury Executive I, Ms. Shoba Balliram, went to the Office of the Auditor General to deliver the Permanent Secretary's said letter of 9<sup>th</sup> April 2024 together with the said CDs. However upon arrival they were told that there was no one there to receive those items and that they should return on the 11<sup>th</sup> April 2024;

- (xiii) On the 11<sup>th</sup> April 2024 the said officers returned to the Office of the Auditor General to deliver the said letter and CDs and upon arriving there they were met by the Assistant Auditor General, Mr. Sinanan, who told the officers that he was instructed by you to accept only the CD containing the Public Accounts that were based on the Revenue Statement and not to accept the CD containing the Amended Public Accounts. The officers warned the Assistant Auditor General of the ramifications and implications of presenting the Public Accounts without making the amendments required as a result of the understatement.
- (xiv) At the request of the Assistant Auditor General, the three officers then met with the Senior Legal Officer in the AGD, Ms. Anita Mangra, and they asked her if the Amended Public Accounts could be audited before 30<sup>th</sup> April 2024. The Senior Legal Office then excused herself to consult with the Auditor General and upon her return indicated that she too was instructed by the Auditor General to accept only the CD containing the electronic copy of the Public Accounts that were based on the Revenue Statement and not to accept the CD containing the Amended Public Accounts.

Your decision to refuse to receive or to consider the Amended Public Accounts is unlawful and irrational. It is unlawful because it constitutes a failure to fulfill your duties under section 116 of the Constitution and section 9 of the Exchequer and Audit Act. It is irrational because it is inexplicable that you would produce an audit based on incorrect information having regard to the dire repercussions of understating revenue to that extent.

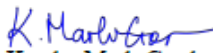
In the circumstances, we hereby call upon you to undertake in writing by 12 noon on 15<sup>th</sup> April 2024 that you will receive and consider forthwith an electronic copy of the Amended Public Accounts as contained in a CD to be provided to you by the Comptroller of Accounts Ms. Catherine Laban.

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**Appendix 3**


In the event that you fail to give such an undertaking by that time or to honour any such undertaking proceedings will be instituted against you seeking, amongst other things, an order of mandamus requiring you to accept and consider the Amended Public Accounts.

Yours respectfully,

  
Kendra Mark-Gordon  
Director, Legal

18. As a result of this anomaly, on April 15, 2024 a letter was written to the Director – Legal – Office of the Attorney General and Ministry of Legal Affairs to recall the Public Accounts previously submitted and dated January 31, 2024 confirming the Statement of Declaration and Certification previously provided as inaccurate and providing the revised Public Accounts. Appendix 4 refers.

**Appendix 4**



**AUDITOR GENERAL'S DEPARTMENT**  
**REPUBLIC OF TRINIDAD AND TOBAGO**  
 Levels 2-4, Tower C, Port of Spain International Waterfront Centre, 1, Wrightson Road, Port of Spain  
 Phone: (868) 625-6585; 627-6727 Fax: (868) 222-8972  
 Branch Offices: 11A Independence Avenue, San Fernando Phone/Fax: (868) 652-4953  
 Caribana Building, Bacolet Street, Tobago Phone: (868) 639-2886 or (868) 639-4935 Fax: (868) 639-2886  
 Website: <http://www.auditorgeneral.gov.tt/>

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Please address your response to the Auditor General and quote the reference particulars below

**Ref No: AGD:1/3/17 Vol. I**

April 15, 2024

**Ms. Kendra Mark-Gordon**  
 Director-Legal  
 Office of the Attorney General and  
 Ministry of Legal Affairs  
 AGLA Tower, Government Plaza,  
 Corner of London and Richmond Streets,  
**PORT OF SPAIN.**

Dear Ms. Mark-Gordon,

**Re: Your refusal to receive or consider the amended Statement of Revenue for the Financial Year 2023 and other related amended statements**

---

I write on behalf of the Auditor General with reference to the matter at caption and to your pre-action protocol letter dated 15<sup>th</sup> April 2024.

Please be advised that Section 116 of the **Constitution of Trinidad and Tobago, Chapter 1:01** establishes the office and functions of the Auditor General.

Sections 116(2) and 116(6) of the Constitution provides:

*"116. (2) The public accounts of Trinidad and Tobago and of all officers, Courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.*

*(6) In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority." (emphasis mine)*

*"championing good governance"*



## Appendix 4

Section 2 of the Constitution further provides as follows:

*“2. This Constitution is the supreme law of Trinidad and Tobago, and any other law that is inconsistent with this Constitution is void to the extent of the inconsistency.”*

Part V of the **Exchequer and Audit Act Chapter 69:01** provides for the Audit of Public Accounts and the Protection and Recovery of Public Property.

Section 24(1)(a) under Part V of the Exchequer and Audit Act states:

*“24. (1) Within a period of four months after 30th September in each year, or such longer period thereafter as Parliament may by resolution, appoint—*

*(a) the Treasury shall cause to be transmitted to the Auditor General accounts showing fully the financial position of Trinidad and Tobago on the said 31<sup>st</sup> December, which shall include—*

*(i) the Exchequer Account;*

*(ii) the statement of public debt;*

*(iii) the statement of loans from revenue;*

*(iv) the statement of revenue showing the sums estimated to be received into the Exchequer Account and the sums actually so received in the period of account;*

*(v) the statement of expenditure, showing the sums to be issued out of the Exchequer Account and the sums actually so issued in the period of account;*

*(vi) the statement of the loans or credits guaranteed by the State;*

*(vii) the statement of assets and liabilities;*

*(viii) such other statements as Parliament may from time to time require;”(emphasis mine)*

Section 25(1) of the Exchequer and Audit Act, in relation to the Annual Report of the Auditor General, provides:

*“25. (1) On receipt of the accounts prescribed by section 24, the Auditor General shall cause them to be examined and audited and shall, within a period of seven months after 30th September in each year or such longer period thereafter as Parliament may by resolution appoint, prepare and transmit to the Minister a report upon his examination and*

## Appendix 4

*audit of all accounts relating to public moneys, stamps, securities, stores and other State property, together with certified copies of each of the said accounts." (emphasis mine)*

I am instructed that the Auditor General received the Ministry of Finance's Public Accounts dated January 31, 2024, said Public Accounts containing a Statement of Declaration and Certification, signed by the Accounting Officer, Permanent Secretary, Ministry of Finance.

This Statement of Declaration and Certification opened with "*The following Statements for the Financial Year 2023 which are statutorily due by January 31, 2024 in accordance with Section 24(1)(a) and (b) and 24 (2)(a) and (b) of the Exchequer and Audit Act, Chapter 69:01 as amended by Act No. 23 of 1998 are submitted*" and closed with "*As Accounting Officer, I certify that the Financial Statements for the financial year ended September 30, 2023 have been reconciled with the records of the Treasury and in my opinion, these Financial Statements fairly reflect the financial position of the Government of the Republic of Trinidad and Tobago for the year ended September 30, 2023. A copy of this Declaration is attached hereto and marked "A".*"

I am further instructed that the Auditor General, in accordance with the Constitution and the Exchequer and Audit Act, received and audited the Ministry of Finance's Public Accounts as statutorily provided.

The Ministry of Finance is free to submit an original signed and dated letter to the Auditor General by 12 noon on April 16, 2024, recalling the Public Accounts previously submitted and dated January 31, 2024, confirming the Statement of Declaration and Certification previously provided as inaccurate and providing the revised Public Accounts. This letter will be published in the Auditor General's Report.

Please be guided accordingly.


Yours respectfully,

  
**Ms. Anita Mangra**  
**Senior Legal Officer**  
**Auditor General's Department**

*"championing good governance"*

19. On April 16, 2024 The Ministry of Finance recalled its previously submitted Public Accounts and subsequently transmitted its Amended Public Accounts for audit on said date. **Please note that as far as the Auditor General is aware, no resolution was taken by Parliament for the extension of the submission period.**
20. On April 17, 2024 advice was sought from the Honourable Attorney General on whether the Auditor General is required to consider the Amended Statements in light of the provisions of sections 24 and 25 of the Exchequer and Audit Act. Appendix 5 refers.

**Appendix 5**



**AUDITOR GENERAL**  
**REPUBLIC OF TRINIDAD AND TOBAGO**  
 Levels 2-4, Tower C, Port of Spain International Waterfront Centre, 1, Wrightson Road, Port of Spain  
 Phone: (868) 625-6585; 627-6727 Fax: (868) 222-8972  
 Caribana Building, Bacolet Street, Tobago Phone: (868) 639-2886 or (868) 639-4935 Fax: (868) 639-2886  
 Website: <http://www.auditorgeneral.gov.tt>

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*Please address your response to the Auditor General and quote the reference particulars below.*

**Ref No: AGD 1/2/22 Vol. 3**

*By Hand and Electronic Mail*

17<sup>th</sup> April, 2024

The Honorable Mr. Reginald Armour S.C.  
 The Attorney General  
 Ministry of the Attorney General and Legal Affairs,  
 AGLA Tower, Government Plaza,  
 Corner London and Richmond Streets,  
**PORT OF SPAIN.**

Dear Attorney General,

**Re: Request for Legal Opinion on Sections 24 and 25 of the Exchequer and Audit Act, Chapter 69:01**

In accordance with Section 10(1)(f) of the Exchequer and Audit Act, Chapter 69:01, your opinion is sought concerning the correct legal interpretation of Sections 24 and 25 of the Exchequer and Audit Act Chapter 69:01.

Section 116 of the **Constitution of the Republic of Trinidad and Tobago, Chapter 1:01** establishes the office and functions of the Auditor General. Sections 116(2) and 116(6) of the Constitution provides:

*“116. (2) The public accounts of Trinidad and Tobago and of all officers, Courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts.*

*(6) In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority.”*

*“championing good governance”*

## Appendix 5

AGD: 1/2/22 Vol. 3  
 Letter to: The Honorable Mr. Reginald Armour S.C., Attorney General  
 17<sup>th</sup> April, 2024

Section 2 of the Constitution further provides as follows:

*"2. This Constitution is the supreme law of Trinidad and Tobago, and any other law that is inconsistent with this Constitution is void to the extent of the inconsistency."*

Part V of the Exchequer and Act Chapter 69:01 provides for the Audit of Public Accounts and the Protection and Recovery of Public Property.

Section 24(1)(a) under Part V of the Exchequer and Audit Act states:

*"24. (1) Within a period of four months after 30th September in each year, or such longer period thereafter as Parliament may by resolution, appoint—*

*(a) the Treasury shall cause to be transmitted to the Auditor General accounts showing fully the financial position of Trinidad and Tobago on the said 31<sup>st</sup> December, which shall include—*

- (i) the Exchequer Account;*
- (ii) the statement of public debt;*
- (iii) the statement of loans from revenue;*
- (iv) the statement of revenue showing the sums estimated to be received into the Exchequer Account and the sums actually so received in the period of account;*
- (v) the statement of expenditure, showing the sums to be issued out of the Exchequer Account and the sums actually so issued in the period of account;*
- (vi) the statement of the loans or credits guaranteed by the State;*
- (vii) the statement of assets and liabilities;*
- (viii) such other statements as Parliament may from time to time require;"*

Section 25(1) of the Exchequer and Audit Act, in relation to the Annual Report of the Auditor General, provides:

*"25. (1) On receipt of the accounts prescribed by section 24, the Auditor General shall cause them to be examined and audited and shall, within a period of seven months after 30th September in each year or such longer period thereafter as Parliament may by resolution appoint, prepare and transmit to the Minister a report upon his examination and audit of all accounts relating to public moneys, stamps, securities, stores and other State property, together with certified copies of each of the said accounts."*

The Auditor General received the Ministry of Finance's Public Accounts on January 31, 2024 in accordance with Section 24(1) of the Exchequer and Audit Act. Please note as far as the Auditor General is aware, no resolution was taken by Parliament for the extension of the submission period.

## Appendix 5

AGD: 1/2/22 Vol. 3

Letter to: The Honorable Mr. Reginald Armour S.C., Attorney General

17<sup>th</sup> April, 2024

The Ministry of Finance's Public Accounts received above was thereafter audited in accordance with Section 25(1) of the Exchequer and Audit Act in preparation for the transmission of the Auditor General's report by April 30, 2024 to the Speaker, the President of the Senate and the Minister of Finance.

Almost two months after the Section 24(1) submission deadline of January 31, 2024, the Permanent Secretary in the Ministry of Finance on 25<sup>th</sup> March 2024 informed the Auditor General orally that an error was discovered in the Ministry's Public Accounts and revenue was understated.

The Ministry of Finance thereafter amended its Public Accounts and the Auditor General's received the amended statements on April 15, 2024. As of April 15, 2024 the Auditor General had in her possession for audit the following:

- The Public Accounts for the financial year 2023 with a Statement of Declaration and Certification dated January 31, 2024 showing a Statement of Revenue figure of \$61,890,373,020.22; and
- The Amended Public Accounts for the financial year 2023 with a Statement of Declaration and Certification dated January 31, 2024 showing a Statement of Revenue figure of \$64,488,503,781.94.

Both the original and amended statements contained a Statement of Declaration and Certification which opened with **"The following Statements for the Financial Year 2023 which are statutorily due by January 31, 2024 in accordance with Section 24(1)(a) and (b) and 24 (2)(a) and (b) of the Exchequer and Audit Act, Chapter 69:01 as amended by Act No. 23 of 1998 are submitted"** and closed with **"As Accounting Officer, I certify that the Financial Statements for the financial year ended September 30, 2023 have been reconciled with the records of the Treasury and in my opinion, these Financial Statements fairly reflect the financial position of the Government of the Republic of Trinidad and Tobago for the year ended September 30, 2023."**

Both the original and amended statements were dated and signed January 31, 2024. This is despite the error, which caused the amendment, being discovered long after January 31, 2024. A copy of the original Statement of Declaration and Certification is attached at Tab A and a copy of the amended Statement of Declaration and Certification is attached as Tab B.

On April 16, 2024 the Auditor General, in relation to a pre-action protocol letter (copy and response attached at Tab C), received revised Public Accounts dated April 16, 2024. A copy of this Statement of Declaration and Certification is attached at Tab D.

## Appendix 5

AGD: 1/2/22 Vol. 3  
 Letter to: The Honorable Mr. Reginald Armour S.C., Attorney General  
 17<sup>th</sup> April, 2024

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In both instances, i.e. the first and second amended statements, the Ministry of Finance requested the Auditor General consider the amended statement, even though it was received outside the period contained in Section 24 of the Exchequer and Audit Act.

Your advice is sought on whether the Auditor General is required to consider the amended statements in light of the provisions of Section 24 and 25 of the Exchequer and Audit Act. An urgent response to this matter will be appreciated.

In the event that you require further information please do not hesitate to contact me at 625-6585 ext. 2069 or 480-3571.

Sincerely

  
**Jaiwantie Ramdass**  
**Auditor General**

c.c. Permanent Secretary, Ministry of Finance

21. On April 19, 2024 the Attorney General and Minister of Legal Affairs – Senator the Honourable Reginald T.A. Armour SC responded to the Auditor General’s Request for Advice

*“Consistent with my duty under the Constitution and as your are aware, I am already advising the Honourable Minister of Finance on this very matter...”*

*“...You should retain independent counsel...”* Appendix 6 refers.

## Appendix 6



Government of the Republic of Trinidad and Tobago  
Office of the Attorney General and Ministry of Legal Affairs

**REGINALD T.A. ARMOUR S.C.**  
ATTORNEY GENERAL & MINISTER OF LEGAL AFFAIRS

19<sup>th</sup> April, 2024

Mrs. Jaiwantie Ramdass,  
Auditor General,  
Republic of Trinidad and Tobago,  
Levels 2-4, Tower C,  
International Waterfront Centre,  
1 Wrightson Road, Port of Spain.

Dear Auditor General,

Re: Request for Advice

I acknowledge receipt of your letter dated the 17<sup>th</sup> of April 2024 (with attachments) requesting my advice on whether the Auditor General is required to consider the amended statements referred to in your said letter, in light of the provisions of sections 24 and 25 of the Exchequer and Audit Act.

Consistent with my duty under the Constitution and as you are aware, I am already advising the Honourable Minister of Finance on this very matter; I refer to the Pre Action Protocol letter dated the 16<sup>th</sup> April, 2024 which is one of the attachments to your said letter to me.

In the circumstances it would be inappropriate for me to render any advice to you on this matter. I recommend that with all appropriate urgency, you should retain independent counsel to give you such advice. I give the undertaking that, as Attorney General, I am prepared to pay reasonable fees incurred by you as Auditor General for the retention and obtaining of that independent advice.

Sincerely yours,

Senator the Hon. Reginald T. A. Armour SC  
Attorney General & Minister of Legal Affairs

AGLA Tower, Level 21, Government Plaza  
Corner of London and Richmond Streets, Port of Spain  
Tel: 223-AGLA (2452) Email: ag@ag.gov.tt

22. Despite the Audit being completed, and with only 10 working days before the Statutory Reporting deadline of the Auditor General, the audit staff was sent to the Ministry of Finance during the period April 17 - 19 2024 to examine and gather sufficient audit evidence to ensure that all required adjustments with regard to this material misstatement of Revenue were verified and properly recorded in the accounting books and records.
23. The increase of \$2,598,130,761.72 in the Statement of Revenue and the increase of \$1,147,427.01 in the Green Fund Levy could not be verified since supporting documents were not produced for audit examination.
24. It was noted that the accounting books and records of the Ministry of Finance were not adjusted to reflect the increases shown above.
25. As a result, an opinion could not be formed on the Amended Public Accounts for the year ended September 30, 2023. Hence a Disclaimer of Opinion was issued since the auditee did not provide sufficient evidence in the form of documentation on which to base an audit opinion.
26. It was concluded that the possible effects on the Public Accounts as a whole of undetected misstatements could be both material and pervasive.
27. Auditor's Report issued is at Appendix 7.
28. Addendum to Auditor's Report is at Appendix 8.



## Appendix 7

Auditor's Report



## AUDITOR'S REPORT

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE PUBLIC ACCOUNTS OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**DISCLAIMER OF OPINION**

Sections 116(2) and (4) of the Constitution of the Republic of Trinidad and Tobago Chapter 1:01 and Section 25(1) of the Exchequer and Audit Act Chapter 69:01 (the Act) require the Auditor General to audit and report on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2023.

2. These Public Accounts as defined by Section 24 of the Act comprise:
  1. Statements of the Treasury showing the financial position of the country as at September 30, 2023 as set out at Appendix I of this Report;
  2. Appropriation Accounts of individual Accounting Officers for the year ended September 30, 2023;
  3. Statements of Receipts and Disbursements of individual Receivers of Revenue for the year ended September 30, 2023; and
  4. Financial Statements of individual Administering Officers of Funds for the year ended September 30, 2023.
3. I do not express an opinion on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2023. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my Report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Public Accounts.

**BASIS FOR DISCLAIMER OF OPINION**

4. I was unable to obtain sufficient appropriate audit evidence to form an opinion on whether all revenue has been fully accounted for and included in the Public Accounts. I was unable to determine whether any additional adjustments might have been found necessary in respect of recorded or unrecorded revenue. As a result, the completeness and accuracy of actual revenue could not be ascertained. Addendum to this Report is relevant.

**Appendix 7***Auditor's Report*

5. Audit procedures were hindered as supporting documents were not provided to verify payments. As a consequence, known expenditure of \$1 Billion could not be verified.

**RESPONSIBILITIES OF THE TREASURY, ACCOUNTING OFFICERS, RECEIVERS OF REVENUE AND ADMINISTERING OFFICERS FOR THE PUBLIC ACCOUNTS**

6. The Treasury, Accounting Officers, Receivers of Revenue and Administering Officers are responsible for the preparation and fair presentation of the Public Accounts in accordance with the accounting framework as prescribed by the Treasury, and for such internal control as management determines is necessary to enable the preparation of the Public Accounts that are free from material misstatement whether due to fraud or error.
7. The Treasury, Accounting Officers, Receivers of Revenue and Administering Officers are responsible for overseeing the financial reporting process of Ministries, Departments and Agencies.

**AUDITOR GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE PUBLIC ACCOUNTS**

8. The Auditor General's responsibility is to conduct an audit on the Public Accounts in accordance with International Standards of Supreme Audit Institutions and to issue an Auditor's Report.
9. However because of the matters described in the Basis for Disclaimer of Opinion section of my Report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Public Accounts.
10. The Auditor General is independent of the Central Government in accordance with the ethical requirements that are relevant to the audit of the Public Accounts and other ethical requirements have been fulfilled in accordance with these requirements.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**PAYMENTS OUT OF PUBLIC MONEYS TO MEMBERS OF PARLIAMENT**

11. Section 25(2) of the Act requires the Auditor General to set out in his annual report all payments made out of public moneys to a member of each House of Parliament (other than the salary and any allowances and any pension paid to him as specified in that section).
- 11.1 For the financial year 2023 payments of \$752,405.96 were made out of public moneys to Member of Parliament Mr. Roger Munroe.

**SUBMISSION OF PUBLIC ACCOUNTS**

12. Section 24 of the Act requires the Treasury to submit to the Auditor General its Public Accounts by 31<sup>st</sup> January in each year, or a longer period as Parliament may by resolution appoint.

## Appendix 7

## Auditor's Report

- 12.1 Section 25 of the Act requires the Auditor General to examine and audit, prepare and transmit to the Minister responsible for Finance a report upon his examination by 30<sup>th</sup> April in each year.
- 12.2 For the year under review, the Public Accounts submitted by Treasury on 31<sup>st</sup> January, 2024 were recalled and the Auditor General received amended Public Accounts from the Treasury on 16<sup>th</sup> April, 2024. These Public Accounts were received beyond the 31<sup>st</sup> January, 2024 statutory deadline.

16<sup>th</sup> April 2024  
Port of Spain



*Jaiwantie Ramdass*  
Jaiwantie Ramdass FCCA, MBA, CISA, CFE  
Auditor General

## ADDENDUM TO AUDITOR'S REPORT

## Appendix 8

Section 116 of the **Constitution of the Republic of Trinidad and Tobago, Chapter 1:01** establishes the office and functions of the Auditor General. Sections 116(2) and (6) of the Constitution provide:

*(2) "The public accounts of Trinidad and Tobago and of all officers, courts and authorities of Trinidad and Tobago shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him in that behalf shall have access to all books, records, returns and other documents relating to those accounts".*

*(6) "In the exercise of his functions under this Constitution the Auditor General shall not be subject to the direction or control of any other person or authority."*

2. Section 2 of the Constitution further stipulates as follows:

*"This Constitution is the supreme law of Trinidad and Tobago, and any other law that is inconsistent with this Constitution is void to the extent of the inconsistency."*

3. Part V of the **Exchequer and Audit Act Chapter 69:01** (the Act) provides for the Audit of Public Accounts and the Protection and Recovery of Public Property.

Section 24(1)(a) under Part V of the Act states:

*24(1) "Within a period of four months after 30th September in each year, or such longer period thereafter as Parliament may by resolution, appoint—*

*(a) the Treasury shall cause to be transmitted to the Auditor General accounts showing fully the financial position of Trinidad and Tobago ... which shall include—*

- (i) the Exchequer Account;*
- (ii) the statement of public debt;*
- (iii) the statement of loans from revenue;*
- (iv) the statement of revenue showing the sums estimated to be received into the Exchequer Account and the sums actually so received in the period of account;*
- (v) the statement of expenditure, showing the sums to be issued out of the Exchequer Account and the sums actually so issued in the period of account;*
- (vi) the statement of the loans or credits guaranteed by the State;*
- (vii) the statement of assets and liabilities;*
- (viii) such other statements as Parliament may from time to time require;"*


## Appendix 8

4. Section 25(1) of the Act, in relation to the Annual Report of the Auditor General, specifies:
 

*25(1) "On receipt of the accounts prescribed by section 24, the Auditor General shall cause them to be examined and audited and shall, within a period of seven months after 30th September in each year or such longer period thereafter as Parliament may by resolution appoint, prepare and transmit to the Minister a report upon his examination and audit of all accounts relating to public moneys, stamps, securities, stores and other State property, together with certified copies of each of the said accounts."*
5. The Auditor General received the Public Accounts on January 31, 2024 from the Ministry of Finance.
6. The Public Accounts above was thereafter audited in accordance with Section 25(1) of the Act in preparation for the transmission of the Report of the Auditor General by the statutory deadline of April 30, 2024 to the Speaker, the President of the Senate and the Minister of Finance.
7. Almost two months after the Section 24(1) submission deadline of January 31, 2024, the Permanent Secretary in the Ministry of Finance on 25<sup>th</sup> March 2024 informed the Auditor General verbally that an error was discovered in the Public Accounts and revenue was understated.
8. Via memorandum dated March 28, 2024 under the caption "Report on Variance in the Statement of Revenue for the year ended September 2023" the Permanent Secretary, Ministry of Finance advised the Auditor General of a variance in the Statement of Revenue submitted on January 31<sup>st</sup>, 2024. A request was made to allow an amendment to this statement as the variance represented a material amount to the value of \$3,379,777,908.00. At this date the Ministry of Finance indicated that an amount to the value of \$2,598,130,761.72 was reconciled and an unexplained difference of \$781,647,146.28 existed.
9. On April 9, 2024 the Permanent Secretary, Ministry of Finance confirmed that the reconciliation process was completed and the variance in the Statement of Revenue was \$2,598,130,761.72 and the variance in the Green Fund Levy was \$1,147,427.01 giving a total variance of \$2,599,278,188.73. A remaining balance of \$780,499,791.27 appeared to be not reconciled.
10. On April 16, 2024 The Ministry of Finance recalled its previously submitted Public Accounts and subsequently transmitted its Amended Public Accounts for audit on said date. Appendix 2 to this Report is relevant.  
**Please note as far as the Auditor General is aware, no resolution was taken by Parliament for the extension of the submission period.**

## Appendix 8

- This Amended Public Accounts showed a Statement of Revenue figure of \$64,488,503,781.94;
  - The Public Accounts dated January 31, 2024 showed a Statement of Revenue figure of \$61,890,373,020.22, resulting in a major adjustment to Revenue by \$2,598,130,761.72.
10. Despite the Audit being completed, the audit staff was sent to the Ministry of Finance to examine and gather sufficient audit evidence to ensure that all required adjustments with regard to this material misstatement of Revenue were verified and properly recorded in the accounting books and records.
  11. The increase of \$2,598,130,761.72 in the Statement of Revenue and the increase of \$1,147,427.01 in the Green Fund Levy could not be verified since supporting documents were not produced for audit examination.
  12. It was noted that the accounting books and records of the Ministry of Finance were not adjusted to reflect the increases shown above.
  13. As a result, an opinion could not be formed on the Amended Public Accounts for the year ended September 30, 2023. Hence a Disclaimer of Opinion was issued since the auditee did not provide sufficient evidence in the form of documentation on which to base an audit opinion.
  14. It was concluded that the possible effects on the Public Accounts as a whole of undetected misstatements could be both material and pervasive.

 April 2024  
Port of Spain



  
Jaiwantie Ramdass FCCA, MBA, CISA, CFE  
Auditor General