Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE
INVESTMENTS DIVISION

F (I): 1/6/33

December 17, 2024

Mr. Brian Caesar
Clerk of the House
Office of the Parliament, Parliamentary Complex
Cabildo Building
St. Vincent Street
PORT OF SPAIN

Dear Mr. Caesar

Re: The Sixteenth Report of the Public Accounts (Enterprises) Committee on an Examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Trinidad and Tobago National Petroleum Marketing Company Limited and Its Subsidiaries (NP) for the financial years 2018 and 2019 and follow up on the implementation of the recommendations contained in the Committee's Sixteenth Report, 11th Parliament.

I refer to your letter dated October 3, 2024 *(Ref: Parl.:5/4/46)* on the subject at caption wherein you requested a response to the recommendations contained in the the Sixteenth Report of the Public Accounts (Enterprises) Committee.

In this regard, please find enclosed the response. Additionally, an e-copy was sent to coth@ttparliament.org.

Yours sincerely

Permanent Secretary in the
Ministry of Finance

Encls: 1

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The Sixteenth Report of the Public Accounts (Enterprises) Committee on an Examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Trinidad and Tobago National Petroleum Marketing Company Limited and Its Subsidiaries (NP) for the financial years 2018 and 2019 and follow up on the implementation of the recommendations contained in the Committee's Sixteenth Report, 11th Parliament.

Recommendation:

- **The MoF-ID should take urgent steps to increase its level of monitoring and oversight with respect to the state entities under its purview such as ensuring regular monitoring of performance metrics, submitting management letters, and expediting the submission of audited financials. This should improve transparency, improve response time to financial risks and better alignment with Government objectives. The MoF-ID should submit the existing framework of mechanisms it uses to monitor and evaluate the performance of the entities under its purview to the Parliament by November 29, 2024.**

Response

The MOF-ID monitors State Enterprises in accordance with the State Enterprises Performance Monitoring Manual (SEPMM), July 2011. The Monitoring Process involves the collection of the various reports submitted by State Enterprises in accordance with Section 3.2 of the SEPMM, namely Strategic Plans, Annual Budgets, Financial Statements, monthly Cash Statements of Operations, monthly Returns of Award of Contracts, quarterly Returns Reports, quarterly Internal Auditors Reports and Loan/Overdraft/Investments in Securities Portfolios and Litigation Proceedings Statements as well as any other ad-hoc reports that may be necessary. These reports are reviewed for accuracy and completeness. Issues such as practicality, feasibility, adherence to policy guidelines and objectives, methods of financing, including debt servicing requirements and risk management are assessed. The MOF-ID also interacts regularly via phone, email and site visits, if required, with the Enterprises to ensure that their mandates are discharged in a timely fashion. Additionally, Board Minutes are reviewed and any decisions taken that are inconsistent with the company's mandate or the approved Budget or proper corporate governance principles are brought to the attention of Corporation Sole, who will in turn, formally advise the Chairman and seek rectification of the issues identified. The MOF-ID will continue to monitor State Entities compliance with SEPMM through regular communication via phone, email and site visits, and has already adopted a risk-based approach in identifying potential areas of compliance risk.

Further, the MOF is currently restructuring the Investments Division to enable the Division to better achieve its mandate, as currently the ratio of technical employee to state entity is 1:9, which is resulting in a strain on officer's ability to work at full capacity. The SEPMM, 2011 is also being reviewed which will enhance the monitoring of State Entities. Since the SEPMM was first introduced, Corporate Governance has developed and evolved exponentially as has the span of industries in which the State has invested and created SOEs. The first draft of the Governance and Reporting manual for SOEs should be ready to be reviewed by the Minister of Finance by July, 2025, before opening for discussion, feedback and comments from state entities.

Recommendation:

- **The MoF-ID should comply with Section 3.2.5 (b) of the SEPMM which states that State Enterprises are required to submit copies of their Management Letters from the external auditors upon the completion of financial audits to the Minister of Finance (Corporation sole) and submit to Parliament the procedures that were implemented to ensure that states enterprises provide copies of their Management Letters from the external auditors upon the completion of financial audits in a timely manner by November 29, 2024.**

Response

The MOF-ID routinely communicates with all State Enterprises via written circulars and emails reminding entities of Section 3.2.5 and the need to submit audited financial statements and management letters on a timely basis. When audited financial statements and management letters are not received in accordance with Section 3.2.5 of SEPMM, the Company is approached verbally or by email to ascertain the cause of the delay and a tentative date for submission is proposed to the Company when it becomes clear, via status reports that the Company is unlikely to submit the audited Financial Statements by the proposed date, the Minister of Finance (Corporation Sole) directly requests the Chairman to submit the audited Financial Statements and management letters.

Recommendation:

- **The MoF-ID should implement internal processes and guidelines to effectively monitor the concerns raised by external auditors in the Management letters submitted by State Enterprises including a status of the submission of copies of management letters from all state enterprises over the last four years by November 29, 2024.**

Response

The MOF-ID will strengthen its monitoring process to effectively monitor the concerns raised by external auditors in its Management Letters to State Enterprises.

The following Table details the submission of Management Letters by state enterprises over the last four years:

Status of Management Letters
As at
November, 2024

No	Company	Status of Management Letter			
		2020	2021	2022	2023
Wholly Owned					
1	Cocoa Development Company of Trinidad and Tobago Limited (CDCTT)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
2	East Port of Spain Development Company Limited (EPOSDCL)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
3	Estate Management and Business Development Company Limited (EMBD)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
4	Evolving TecKnologies and Enterprise Development Company Limited (e TecK)	**Management Letter was not submitted**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
5	Export Centres Company Limited (ECCL)	**Management Letter was not submitted**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
6	Export-Import Bank of Trinidad and Tobago Limited (EXIMBANK)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**
7	Golden Grove – Buccoo Limited (GGBL)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
8	InvesTT Limited (INVESTT)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**
9	Lake Asphalt of Trinidad and Tobago (1978) Limited (LAKE ASPHALT)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
10	National Commission for Self-Help Limited (SELF HELP)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**

No	Company	Status of Management Letter			
		2020	2021	2022	2023
11	National Entrepreneurship Development Company Limited (NEDCO)	**Management Letter submitted**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statements outstanding**
12	National Infrastructure Development Company Limited (NIDCO)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
13	National Maintenance Training and Security Company Limited (MTS)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**
14	National Quarries Company Limited (NQCL)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
15	National Schools Dietary Services Limited (NSDSL)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**
16	Palo Seco Agricultural Enterprises Limited (PSAEL)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
17	The CEPEP Company Limited (CEPEP)	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**	**Audited Financial Statements outstanding**
18	The National Gas Company of Trinidad and Tobago Limited (NGC)	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statement Submitted. No Management Letter submitted.**	**Audited Financial Statements outstanding**

No	Company	Status of Management Letter			
		2020	2021	2022	2023
19	The Sports Company of Trinidad and Tobago Limited (TSCOTT)	Management Letter submitted.	Management Letter submitted.	Management Letter submitted.	No Management Letter issued by Auditors.
20	The Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
21	The Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
22	Trinidad and Tobago Creative Industries Company Limited (CreativeTT)	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.
23	Trinidad and Tobago National Petroleum Marketing Company Limited (NPMC)	Management Letter submitted.	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
24	Trinidad and Tobago Tourism Business Development Limited (TTTBDL)	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.	Audited Financial Statement Submitted. No Management Letter submitted.
25	TTT Limited (formerly Caribbean New Media Group Limited) (TTTL)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
26	Urban Development Corporation of Trinidad and Tobago Limited (UDeCOTT)	Management Letter submitted	No Audited Financial Statement received	No Audited Financial Statement received	No Audited Financial Statement received
Majority Owned					
27	Alutrint Limited (AL)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
28	Caribbean Airlines Limited (CAL)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding

No	Company	Status of Management Letter			
		2020	2021	2022	2023
29	ExporTT Limited (formerly BDC) (ExporTT)	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted
30	National Enterprises Limited (NEL)	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted
31	National Helicopter Services Limited (NHSL)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
Less Than 50% Owned					
32	Development Finance Limited (DFL)	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted
33	MIC Institute of Technology Limited (MIC)	Management Letter was not submitted	No Management Letter was submitted	No Management Letter was submitted	Audited Financial Statements outstanding
34	Trinidad and Tobago Mortgage Bank (formerly TTMF)	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted	Management Letter was not submitted
Indirect Ownership					
35	National Flour Mills Limited (NFM)	Management Letter submitted	Management Letter submitted	Management Letter submitted	Management Letter submitted
36	Petroleum Company of Trinidad and Tobago Limited (PETROTRIN)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding
37	Paria Fuel Trading Company Limited (PFTCL)	Management Letter submitted	Management Letter submitted	Management Letter submitted	Management Letter submitted
38	Heritage Petroleum Company Limited (HPCL)	Management Letter submitted	Management Letter submitted	Management Letter submitted	Management Letter submitted
Other					
39	National Training Agency (NTA)	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding	Audited Financial Statements outstanding