



Chartered Accountants
& Business Advisors

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

31 DECEMBER 2015

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Chartered Accountants
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MINISTRY OF PUBLIC ADMINISTRATION

'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	1
STATEMENT OF CASH FLOWS.....	3
STATEMENT OF CUMULATIVE INVESTMENTS	4
NOTES TO THE STATEMENTS OF CASH FLOWS AND CUMULATIVE INVESTMENTS	5
RECONCILIATION OF BANK BALANCE WITH AVAILABLE CASH BALANCE ON STATEMENT OF CASH FLOWS.....	16
RECONCILIATION OF CUMULATIVE INVESTMENTS WITH CUMULATIVE DISBURSEMENTS MADE	17
RECONCILIATION OF STATEMENT OF CUMULATIVE INVESTMENTS WITH THE STATEMENT OF CASH FLOWS - IDB	18
RECONCILIATION OF STATEMENT OF CUMULATIVE INVESTMENTS WITH THE STATEMENT OF CASH FLOWS – GORTT	19
RECONCILIATION OF IDB DISBURSEMENTS TO THE PROGRAMME RECORDS.....	20
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH FINANCIAL CLAUSES AND THE PROJECT OPERATING REGULATIONS	21
INDEPENDENT AUDITORS' REPORT ON SYSTEM OF INTERNAL CONTROL STRUCTURE	23
FINDINGS ON INTERNAL CONTROL STRUCTURE REPORT	25
STATUS REPORT ON INTERNAL CONTROL STRUCTURE.....	28
REPORT ON AGREED-UPON PROCEDURES ON DISBURSEMENT REQUESTS.....	32
LIST OF DISBURSEMENT REQUESTS ISSUED TO THE IDB	34
LETTER OF REPRESENTATION.....	35



Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

**To: Programme Management Division (PMD)
Ministry of Public Administration**

**Ministry of Public Administration
'E' Government & Knowledge Brokering Programme
Inter-American Development Bank (IDB) Loan No. 1808/OC-TT**

We have audited the accompanying financial statements, which comprise the Statement of Cash Flows, the Statement of Cumulative Investments and a summary of significant accounting policies and other explanatory information for the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT executed by the Programme Management Division, Ministry of Public Administration and financed with funds from the Inter-American Development Bank Loan Agreement No. 1808/OC-TT, and local counterpart funds from the Government of the Republic of Trinidad and Tobago (GORTT) as at and for the fifteen-month period ended 31 December 2015.

Management's responsibility for the financial statements

The Project's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the accompanying financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing, and specific requirements of the Inter-American Development Bank. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but are not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes assessing the accounting principles used and significant estimates made by the project's management as well as evaluating the overall financial statement presentation. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

As described in **Note 2a (i)**, the Statement of Cash Flows and the Statement of Cumulative Investments were prepared using the cash basis of accounting. The cash basis accounting recognizes transactions and acts only when the cash (and/or cash equivalent) is received or disbursed by the entity, and not when they give rise to, accrue or originate rights or obligations although there was no cash movement. This is not in conformity with International Accounting Standard (IAS) 1 – Presentation of Financial Statements.

As described in **Note 2a (ii)**, no provision has been made for depreciation. This is not in conformity with IAS 16 - Property, Plant and Equipment.

Opinion

In our opinion, the financial statements referred to above, present fairly in all material respects the Cash Flows and the Cumulative Investments of the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT executed by Ministry of Public Administration as of and for the fifteen-month period ended 31 December 2015, in accordance with the basis of accounting described in the paragraphs above and the accounting policies described in **Note 2 (a)**.

Report on other legal and/or regulatory requirements

Our observations in relation to situations suggesting non-compliance with the financial clauses in the Inter-American Development Bank Loan Contract No. 1808/OC-TT during the period reviewed by us are reported in our Independent Auditors' Report on Compliance with Financial Clauses and the Project Operating Regulations.

PKF

Port of Spain
Trinidad and Tobago
17 June 2016

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
IDB LOAN NO. 1808/OC-TT

Statement of Cash Flows
For the fifteen-month period ended 31 December 2015
(Expressed in United States Dollars)

	For the fifteen-month period ended 31 December 2015			For the year ended 30 September 2014		
	IDB US\$	GORIT US\$	TOTAL US\$	IDB US\$	GORIT US\$	TOTAL US\$
CASH RECEIVED						
Cumulative Balance as at beginning of the period/year	4,129,940	505,891	4,635,831	1,050,442	221,540	1,271,982
Activity during the period/year:						
Reimbursements of payments	16,293,567	-	16,293,567	3,079,498	-	3,079,498
Staff costs	9,229	148,244	157,473	-	72,731	72,731
Payments by GORIT (including adjustments)	-	1,177,726	1,177,726	-	211,620	211,620
Total Cash Received for the period/year	16,302,796	1,325,970	17,628,766	3,079,498	284,351	3,363,849
Cumulative Balance as at end of period/year	20,432,736	1,831,861	22,264,597	4,129,940	505,891	4,635,831
DISBURSEMENTS MADE						
Cumulative Balance as at beginning of the period/year	4,290,192	505,891	4,796,083	1,077,686	221,540	1,299,226
Activity during the period:						
Payments by GORIT (including adjustments)	-	1,325,970	1,325,970	-	284,351	284,351
Disbursement Request (Note 12)	16,142,544	-	16,142,544	3,042,303	-	3,042,303
Other - Staff Cost 2014	-	-	-	1,571	-	1,571
Other - Office Improvement 2014	-	-	-	103,930	-	103,930
Other - Networking 2014	-	-	-	64,702	-	64,702
Total Cash Disbursed for the period/year	16,142,579	1,325,970	17,468,549	3,212,506	284,351	3,496,857
Total Cash Disbursed as at end of the period/year	20,432,771	1,831,861	22,264,632	4,290,192	505,891	4,796,083
Available Cash as at end of the period/year	(35)	-	(35)	(160,252)	-	(160,252)

Pernel Roberts - Senior E-Government Advisor

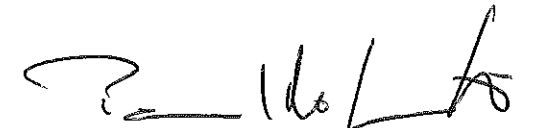
Lydia Jacobs - Permanent Secretary (AG.)


(The accompanying notes form an integral part of these financial statements)

**MINISTRY OF PUBLIC ADMINISTRATION
E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
IDB LOAN NO. 1808/OC-TT**

**Statement of Cumulative Investments
For the fifteen-month period ended 31 December 2015
(Expressed in United States Dollars)**

	Accumulated as at 30 September 2013			For the year ended 30 September 2014			Accumulated as at 30 September 2014			For the fifteen-month period 31 December 2015			Accumulated as at 31 December 2015		
	IDB	GOV	TOTAL	IDB	GOV	TOTAL	IDB	GOV	TOTAL	IDB	GOV	TOTAL	IDB	GOV	TOTAL
1.0 Programme Management	90,167	179,445	269,612	35,863	72,731	108,594	126,030	252,176	378,206	9,229	148,244	157,473	135,259	400,420	535,679
2.0 Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.0 Knowledge Brokering	461,532	41,545	503,077	665,026	211,620	876,646	1,126,558	253,165	1,379,723	5,191,322	628,293	5,819,615	6,317,880	881,458	7,199,338
4.0 E' Government Solutions	632,726	550	633,276	2,486,097	-	2,486,097	3,118,823	550	3,119,373	11,902,101	541,258	12,443,359	15,020,924	541,808	15,562,732
5.0 Evaluation	-	-	-	-	-	-	-	-	-	-	7,882	7,882	-	7,882	7,882
6.0 Auditing	83,606	-	83,606	25,520	-	25,520	109,126	-	109,126	25,683	293	25,976	134,809	293	135,102
7.0 PROPEF	881,555	-	881,555	-	-	-	881,555	-	881,555	-	-	-	881,555	-	881,555
8.0 Contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,149,586	221,540	2,371,126	3,212,506	284,351	3,496,857	5,362,092	505,891	5,867,983	17,128,335	1,325,970	18,454,305	22,490,427	1,831,861	24,322,288


Pernel Roberts
Senior E- Government Advisor


Lydia Jacobs
Permanent Secretary (Ag.)

The accompanying notes form an integral part of these financial statements

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments

For the fifteen-month period ended 31 December 2015

1. Description of Programme:

On 16 March 2007, the Government of the Republic of Trinidad and Tobago (GORTT) signed a Loan Agreement (Loan No. 1808/OC-TT) with the Inter-American Development Bank (IDB) to finance an 'E' Government & Knowledge Brokering Programme. The total cost of the Programme is **US\$35,000,000**. The IDB is to provide **US\$28,000,000**, whilst the GORTT is to provide counterpart funding in the amount of **US\$7,000,000**.

The Ministry of Public Administration (MPA) is the PMD for the Programme on behalf of the GORTT and the specific responsibility for planning and coordinating project activities falls on the Programme Management Division (PMD).

The long term goal of the Programme is to increase the effectiveness and efficiency of public services via the expanded and more effective development and implementation of 'E' Government solutions and via the transfer of knowledge on international best practices (Knowledge Brokering).

The 'E' Government & Knowledge Brokering Programme has been defined in three broad components:

- **Promotion of the Programme**

The objective of this component is to develop a comprehensive promotion campaign and mechanisms to disseminate the results of the Programme. The promotion should build demand for the Programme; increase awareness about 'E' Government; build political support for the Programme; and promote the use of 'E' Government solutions developed by the Programme.

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

1. Description of Programme (Cont'd):

- **Knowledge Brokering**

The objective of this component is to improve the institutional and human resource capabilities of public institutions through effective knowledge transfer. Knowledge transfer would be promoted and facilitated by establishing situations where staff can work or interact closely with experts in their field. The component is to provide a mechanism to facilitate the adoption of best practices in the areas of particular need of participating institutions, adapted to the institution's resource constraints in the Trinidad and Tobago context.

- **'E' Government Solutions**

The objective of this component is to promote the timely design and implementation of effective 'E' Government solutions. A similar demand-driven mechanism and process will be utilised. The component is to finance the following range of 'E' Government solutions:

- (i) Government to Government (G2G);
- (ii) Government to Citizens (G2C);
- (iii) Government to Businesses (G2B); and
- (iv) Government to Employees (G2E).

2. Significant Accounting Policies:

(a) Basis of preparation -

- (i) The Statement of Cash Flows and the Statement of Cumulative Investments have been prepared on a cash basis. The cash basis is a comprehensive basis of accounting other than generally accepted accounting principles. On this basis, loan disbursements are recognised when received and expenses are recognised when paid rather than when incurred.

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

2. Significant Accounting Policies (Cont'd):

(a) Basis of preparation (cont'd) -

- (ii) These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards and the IDB's guidelines. No account has been taken of depreciation on fixed assets.
- (iii) Cash disbursements and cost incurred have been presented in conformity with the cost budget allocation contained in Annex (A) of the contract between the GORTT and the IDB.
- (iv) Funding is recognized on a cash basis.

(b) Foreign currency translation -

- (i) All receipts other than in the reporting currency have been translated at the Central Bank of Trinidad and Tobago rate of exchange on the date of release.
- (ii) All payments other than in the reporting currency have been translated at the Central Bank of Trinidad and Tobago rate of exchange on the date of payment.

(c) Reporting currency -

These financial statements are presented in United States Dollars. The financial statements are maintained by the Programme Management Division (PMD) in Trinidad and Tobago dollars. Conversion into United States dollars is based on the Central Bank rate of exchange on the date of release or payment.

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

3. Disbursement Period:

The period for final disbursement of the loan resources shall expire five and a half (5.5) years from the effective date of the Loan Agreement. The final date of disbursement was originally 16 September 2012. A further extension was granted to the 16 September 2015. A final special extension was granted to facilitate completion of contracts in execution to 31 December 2015.

4. Funding:

The total cost of the Programme is estimated to be the equivalent of **US\$35 million**.

The funding for the Programme is allocated as follows:

	<u>US\$</u>
Inter-American Development Bank Loan (80%)	28,000,000
Government of the Republic of Trinidad and Tobago (20%)	<u>7,000,000</u>
	<u>35,000,000</u>

5. Available Cash Balance:

The total cost of the Programme was estimated to be equivalent of **US\$35 million**. IDB was to provide funding of \$28 million. However, a total of **US\$5,509,573** was unutilized and therefore cancelled. The actual funding of the Programme was as follows:

		<u>US\$</u>
Inter-American Development Bank Loan	92%	22,490,462
Government of T & T (Local Counterpart)	8%	<u>1,831,861</u>
Disbursements as per Statement of Cumulative Investments	<u>100%</u>	<u>24,322,323</u>

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

6. Financing:

Credit fees on the undisbursed portion of the loan and interest on the disbursed portion of the loan become due and payable semi-annually on March 16 and September 16 each year. As per the loan agreement, these fees are not considered part of the local counterpart funding. Therefore they are not included in the financial statements. For the fiscal period amounts paid were as follows:

31 December 2015	<u>US\$</u>
Credit Fees	39,253
Interest Fees	241,667
30 September 2014	<u>US\$</u>
Credit Fees	64,164
Interest Fees	47,076

7. Revolving Fund:

A revolving fund had not yet been established as at 30 September 2015.

8. Procurement:

During the fifteen-month period ended 31 December 2015, contracts were awarded in the following categories:

	US\$
a. Programme Management	37,209
b. E' Government Solutions	2,377,355
c. Evaluation	73,664
d. Auditing	25,585

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

8. Procurement (Cont'd):

During the year ended 30 September 2014, contracts were awarded in the following categories:

	<u>US\$</u>
a. Knowledge Brokering	7,909,517
b. 'E' Government Solutions	16,456,294
c. Auditing	51,203

9. Investment Funding:

In the 2015 Public Sector Investment Programme (PSIP), the GORTT allocated approximately **TT\$40,000,000** to the 'E' Government & Knowledge Brokering Programme. The IDB's expenditure to date amounted to **US\$17,128,371** and the local counterpart contribution was **US\$1,325,970**. Thus the pari passu amounted to 92:08 as at 31 December 2015.

In the 2014 Public Sector Investment Programme (PSIP), the GORTT allocated approximately **TT\$40,000,000** to the 'E' Government & Knowledge Brokering Programme. The IDB's expenditure amounted to **US\$3,212,506** and the local counterpart contribution was **US\$284,351**. This amounted to 8% of the total expenditure as at 30 September 2014.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

9. Investment Funding (Cont'd):

Investment Categories	-----2015-----		
	<u>IDB</u> <u>US\$</u>	<u>GORTT</u> <u>US\$</u>	<u>TOTAL</u> <u>US\$</u>
a. Programme Management	9,229	148,244	157,473
b. Promotion	-	-	-
c. Knowledge Brokering	5,191,358	628,293	5,819,651
d. ‘E’ Government Solutions	11,902,101	541,258	12,443,359
e. Evaluation	-	7,882	7,882
f. Auditing	25,683	293	25,976
g. PROPEF	-	-	-
h. Contingencies	-	-	-
Total	<u>17,128,371</u>	<u>1,325,970</u>	<u>18,454,341</u>
Percentage	92%	8%	100%

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month ended 31 December 2015

9. Investment Funding (Cont'd):

Investment Categories (cont'd)

		-----2014-----		
		<u>IDB</u>	<u>GORTT</u>	<u>TOTAL</u>
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
a.	Programme Management	35,863	72,731	108,594
b.	Promotion	-	-	-
c.	Knowledge Brokering	665,026	211,620	876,646
d.	'E' Government Solutions	2,486,097	-	2,486,097
e.	Evaluation	-	-	-
f.	Auditing	25,520	-	25,520
g.	PROPEF	-	-	-
h.	Contingencies	-	-	-
Total		<u>3,212,506</u>	<u>284,351</u>	<u>3,496,857</u>
Percentage		92%	8%	100%

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

10. Commitment:

The following is a status of the contract commitments which were in execution as at the reporting date:

2015	<u>Contract Total</u>	<u>Disbursed to date</u>	<u>Committed Amount</u>
a. Programme Management	93,135	32,891	60,244
b. Knowledge Brokering	1,488,482	642,663	845,819
c. ‘E’ Government Solutions	5,937,079	3,938,230	1,998,849
d. Evaluation	73,664	67,103	6,561
e. Auditing	<u>25,585</u>	<u>25,585</u>	<u>-</u>
Total	<u>7,617,945</u>	<u>4,706,472</u>	<u>2,911,473</u>
2014	<u>Contract Total</u>	<u>Disbursed to date</u>	<u>Committed Amount</u>
a. Programme Management	75,268	63,880	11,388
b. Knowledge Brokering	8,092,437	275,812	7,816,625
c. ‘E’ Government Solutions	15,304,291	514,022	14,790,269
d. Auditing	<u>51,203</u>	<u>25,820</u>	<u>25,383</u>
Total	<u>23,523,199</u>	<u>879,534</u>	<u>22,643,665</u>

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

11. Direct Payments Made by IDB:

As at 31 December 2015, the following direct payments were made:

Value Date	Disbursement No.	Beneficiary	US\$ Loan Disbursements
05 Aug 08	N/A	Pay-Off PROPEF Loans	881,555
02 Mar 10	1	June J. C. Alleyne Griffin	13,117
25 Feb 11	5	Microedge LLC	177,228
30 Nov 15	30	Fast Enterprises LLC	359,800
30 Nov 15	31	Management Institute for National Development	121,217
15 Dec 15	34	Trimble Europe B.V.	308,260
16 Dec 15	35	Atos Consulting Limited	196,514
			<u>2,057,691</u>

As at 30 September 2014, the following direct payments were made:

Value Date	Disbursement No.	Beneficiary	US\$ Loan Disbursements
05 Aug 08	N/A	Pay-Off PROPEF Loans	881,555
02 Mar 10	1	June J. C. Alleyne Griffin	13,117
25 Feb 11	5	Microedge LLC	177,228
			<u>1,071,900</u>

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Notes to the Statements of Cash Flows and Cumulative Investments
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

12. Disbursement Requests:

For the period ended 31 December 2015		For the period ended 30 September 2014	
	US\$		US\$
Disbursement Request 18	204,894	Disbursement Request 13	86,240
Disbursement Request 19	1,259,800	Disbursement Request 14	648,663
Disbursement Request 20	1,979,260	Disbursement Request 15	360,320
Disbursement Request 21	519,294	Disbursement Request 16	1,354,718
Disbursement Request 22	1,727,527	Disbursement Request 17	<u>592,362</u>
Disbursement Request 23	1,594,377		
Disbursement Request 24	1,121,220		<u>3,042,303</u>
Disbursement Request 25	1,259,300		
Disbursement Request 26	2,696,409		
Disbursement Request 27	1,527,456		
Disbursement Request 28	502,308		
Disbursement Request 29	1,327,346		
Disbursement Request 33	<u>423,353</u>		
	<u>16,142,544</u>		

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Reconciliation of Bank Balance with Available Cash Balance on Statement of Cash Flows
(Expressed in United States Dollars)

31 December 2015

	<u>US\$</u>
Bank balance per Confirmation	19,815,346
Add: Transfers to the Consolidated Fund	617,389
Less: Reimbursement Requests deposited into Central Bank Account #01-20720-041-00-40-00	(20,432,735)
Other disbursements:	
Overstatement of audit fees 2012	____(35)
	____(35)
Available Cash Balance at 31 December 2015	<u><u>(35)</u></u>
Bank balance at 31 December 2014	3,512,549
Add: Transfers to the Consolidated Fund	617,389
Less: Reimbursement Requests deposited into Central Bank Account #01-20720-041-00-40-00	(4,129,938)
Other disbursements:	
Staff costs 2014	(1,571)
Office Improvements 2014	(103,930)
Networking	(64,702)
Reversal of error re Nathan Associates Inc.	16,378
Correction of error re Nathan Associates Inc.	(6,392)
Overstatement of audit fees 2012	____(35)
	____(160,252)
Available Cash Balance at 31 December 2014	<u><u>(160,252)</u></u>

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Reconciliation of Cumulative Investments with Cumulative Disbursements Made
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

	<u>US\$</u>
Cumulative Disbursements as at 31 December 2015	22,264,632
IDB Direct payments. See list on Note 11 :	
Category 7.0 PROPEF	881,555
Category 3.0 Knowledge Brokering	639,108
Category 4.0 E-Government Solutions	<u>537,028</u>
	<u>2,057,691</u>
Cumulative Investments as at 30 September 2015	<u><u>24,322,323</u></u>
	<u>US\$</u>
Cumulative Disbursements as at 30 September 2014	4,796,082
IDB Direct payments. See list on Note 11 :	
Category 7.0 PROPEF	881,555
Category 3.0 Knowledge Brokering	13,117
Category 4.0 E-Government Solutions	<u>177,228</u>
	<u>1,071,900</u>
Cumulative Disbursements as at 30 September 2014	<u><u>5,867,982</u></u>

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

**Reconciliation of Statement of Cumulative Investments with the Statement of Cash Flows -
IDB
(Expressed in United States Dollars)**

31 December 2015

31 December 2015

US\$

Disbursements as per Statement of Cash Flows 16,142,579

Adjustments: Direct Payments 985,792

Disbursements as per Statement of Cumulative Investments 17,128,371

30 September 2014

US\$

Disbursements as per Statement of Cash Flows 3,212,506

Adjustments -

Disbursements as per Statement of Cumulative Investments 3,212,506

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

**Reconciliation of Statement of Cumulative Investments with the Statement of Cash Flows –
GORTT
(Expressed in United States Dollars)**

31 December 2015

31 December 2015

	<u>US\$</u>
Balance as per IDB’s LMS 1	1,3256,970
Adjustments	<u>-</u>
Disbursements as per Statement of Cumulative Investments	<u>1,325,970</u>

30 September 2014

	<u>US\$</u>
Balance as per IDB’s LMS 1	284,351
Adjustments	<u>-</u>
Disbursements as per Statement of Cumulative Investments	<u>284,351</u>

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Reconciliation of IDB Disbursements to the Programme Records
(Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

31 December 2015

US\$

Balance per IDB's Records (LMS1 Executive Financial Summary) 22,490,427

Variance:

Other 35

Balance per Statement of Cumulative Investments **22,490,462**

30 September 2014

US\$

Total disbursements made by IDB (LMS1 Executive Financial Summary) 5,201,839

Variance:

Office Improvement 103,930

Networking 64,702

Staff cost 2014 1,571

Reversal of incorrect entry in Vote Book re Nathan Associates Inc. (16,378)

Correction of entry in Vote Book re Nathan Associates Inc. 6,393

Overstatement of audit fees 2012 34

Balance per Statement of Cumulative Investments **5,362,091**



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH FINANCIAL CLAUSES AND THE PROJECT OPERATING REGULATIONS

**To: Programme Management Division (PMD)
Ministry of Public Administration**

**Ministry of Public Administration
'E' Government & Knowledge Brokering Programme
Inter-American Development Bank (IDB) Loan No. 1808/OC-TT**

We have audited the Statement of Cash Flows for the fifteen-month period ended 31 December 2015 and the Statement of Cumulative Investments as of 31 December 2015 for the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme financed by the IDB under Loan Agreement No. 1808/OC-TT, and by local contributions from the Government of the Republic of Trinidad and Tobago, executed by the Programme Management Division - Ministry of Public Administration. These statements are the responsibility of the PMD, Ministry of Public Administration, and we have issued our report thereon dated 17 June 2016.

In relation to our audit, we determined compliance with the financial and accounting contractual clauses and articles within the Special Conditions and General Conditions of Loan Contract No. 1808/OC-TT, and compliance with the applicable provisions of the Program's Operating Regulations as of 31 December 2015. We have examined the Special Conditions, the General Conditions, and the provisions established in the Program's Operating Regulations. We conducted our audit in accordance with International Standards on Auditing and the requirements of the Inter-American Development Bank. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme has complied with the pertinent loan contractual clauses, applicable laws and regulations, and the provisions contained in the Program's Operating Regulations. The audit includes examining, on a test basis, the appropriate evidence. We believe that our audit provides a reasonable basis for our opinion.

The Statement of Cash Flows and Statement of Cumulative Investments presented to the auditors during the audit fieldwork did not contain all the required notes, reconciliations and explanatory information required of accounts prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the IDB. This is not in compliance with Section 5.01 Chapter V of the Special Conditions of Loan Contract No. 1808/OC-TT.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH FINANCIAL
CLAUSES AND THE PROJECT OPERATING REGULATIONS
(CONTINUED)**

In our opinion, except as stated in the preceding paragraph, we were not aware of any other instances of acts of noncompliance that occurred or any other violations on the part of the PMD, Ministry of Public Administration with respect to such financial and accounting clauses and provisions.

PKF

**Port of Spain
Trinidad and Tobago
17 June 2016**



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INDEPENDENT AUDITORS' REPORT ON SYSTEM OF INTERNAL CONTROL STRUCTURE

**To: Programme Management Division (PMD)
Ministry of Public Administration**

**Ministry of Public Administration
'E' Government & Knowledge Brokering Programme
Inter-American Development Bank (IDB) Loan No. 1808/OC-TT**

We have audited the Statement of Cash Flows for the fifteen-month period ended 31 December 2015 and the Statement of Cumulative Investments as of 31 December 2015 for the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme financed by the IDB under Loan Agreement No. 1808/OC-TT, and by local contributions from the Government of the Republic of Trinidad and Tobago, executed by the Programme Management Division - Ministry of Public Administration. These statements are the responsibility of the PMD, Ministry of Public Administration, and we have issued our report thereon dated 17 June 2016.

This report complements our opinion on the referenced financial statements.

The PMD of the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguarding the assets of the project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by the PMD are required to assess the expected benefits and related costs of internal control system policies and procedures. The objectives of a system of internal control are to provide the PMD with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorised use or disposition; transactions are executed in accordance with appropriate authorisation and in accordance with the terms of the contract; and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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**INDEPENDENT AUDITORS' REPORT ON SYSTEM OF
INTERNAL CONTROL STRUCTURE
(CONTINUED)**

In planning and performing our audit of the program's financial statements, for the fifteen-month period ended 31 December 2015, we obtained an understanding of the system of internal control, and we assessed control risk in order to determine the auditing procedures for the purpose of expressing an opinion on the project's financial statements and not to express an opinion on the effectiveness of the system of internal control. Accordingly, we do not express such an opinion.

We noted certain matters that are described in this report, involving the internal control structure and its operation that we consider reportable conditions under the International Standards on Auditing. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability of the program to record, process, summarise and report financial data consistent with the assertions of the PMD in the Statement of Cash Flows and the Statement of Cumulative Investments.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the Programme's financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

To facilitate your review and follow up, we have set out our finding on the following pages. Matters of lesser significance have been discussed with the Financial Specialist at the PMD.

PKF

**Port of Spain
Trinidad and Tobago
17 June 2016**

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Findings on Internal Control Structure Report

31 December 2015

1. Incomplete Financial Statement Preparation

Issue:

The Statement of Cash Flows and Statement of Cumulative Investments presented to the auditors during and after the completion of the audit fieldwork did not contain all the required notes, reconciliations and explanatory information required of accounts prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the IDB. This is not considered a material weakness.

Recommendation:

The PMD should ensure that a full set of draft financial statements, inclusive of all notes and reconciliations as demanded by the IFRSs and the IDB are completed and reviewed, prior to the commencement of the audit.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Findings on Internal Control Structure Report

31 December 2015

2. Maintenance of Documentary Support

Issue:

Copies of some invoices were not provided to the auditors during the course of the audit field work. This was as a result of inefficiencies in the manner with which documents were stored. This is not considered a material weakness.

Recommendation:

The PMD should take steps to ensure that all invoices are retained and filed in a manner to facilitate retrieval. This may necessitate a comprehensive review of the current document management system and the installation of the necessary changes.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Findings on Internal Control Structure Report

31 December 2015

3. Inadequate use of Accounting System

Issue:

The financial information presented to the auditors during the field work was presented using Microsoft EXCEL and not in the Peachtree Accounting Software, which was designed for the purpose of capturing the financial transactions of the programme. Microsoft EXCEL required significant formatting, formula insertion and other forms of human intervention, making it inherently error-prone, whereas Peachtree Accounting Software is designed to produce financial statements, based on entries posted into the system. This is not considered a material weakness.

Recommendation:

The PMD should ensure that the financial information is entered into Peachtree Accounting Software, thus maintaining an effective audit trail.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

Status Report on Internal Control Structure
Report for Previous Year

31 December 2015

1. Incomplete Financial Statement Preparation

Previous Issue – 30 September 2014:

The Statement of Cash Flows and Statement of Cumulative Investments presented to the auditors during and after the completion of the audit fieldwork did not contain all the required notes, reconciliations and explanatory information required of accounts prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the IDB. This is not considered a material weakness.

Previous Recommendation:

The PMD should ensure that a full set of draft financial statements, inclusive of all notes and reconciliations as demanded by the IFRSs and the IDB are completed and reviewed, prior to the commencement of the audit.

Current Assessment:

Our assessment of this find revealed that this situation has not been properly addressed by the PMP.

MINISTRY OF PUBLIC ADMINISTRATION
'E' GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Status Report on Internal Control Structure
Report for Previous Year

31 December 2015

2. Misposting

Previous Issue – 30 September 2014:

The auditors detected one (1) instance where **\$6,392** was incorrectly included in the Disbursement Request #14 as **\$16,378**. This has been reported in the 'Reconciliation of IDB Disbursements to the Programme Records' on page 17 to the financial statements. This was due to a misposting in the Vote Book and is not considered a material weakness.

Previous Recommendation:

Care must be exercised in the conduct of the accounting function to ensure that, as far as practicable, errors are detected at their genesis.

Current Assessment:

Our assessment of this finding revealed that the situation has been addressed by the PMP.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME
LOAN NO. 1808/OC-TT

Status Report on Internal Control Structure
Report for Previous Year

31 December 2015

3. Maintenance of Documentary Support

Previous Issue – 30 September 2014:

Several returned cheques, one payment voucher of significant value and copies of receipts were not provided to the auditors during the course of the audit field work. This was as a result of inefficiencies in the manner with which documents were stored. This is not considered a material weakness.

Previous Recommendation:

The PMD should take steps to ensure that all cheques, payment vouchers and receipts are retained and filed in a manner to facilitate retrieval. This may necessitate a comprehensive review of the current document management system and the installation of the necessary changes.

Current Assessment:

Our assessment of this finding revealed that there have been some significant improvements in the storage and retrieval of source documentation. However, there are still some inefficiencies in the document management system.

MINISTRY OF PUBLIC ADMINISTRATION
‘E’ GOVERNMENT & KNOWLEDGE BROKERING PROGRAMME

LOAN NO. 1808/OC-TT

Status Report on Internal Control Structure
Report for Previous Year

31 December 2015

4. Inadequate use of Accounting System

Previous Issue – 30 September 2014:

The financial information presented to the auditors during the field work was presented using Microsoft EXCEL and not in the Peachtree Accounting Software, which was designed for the purpose of capturing the financial transactions of the programme. Microsoft EXCEL required significant formatting, formula insertion and other forms of human intervention, making it inherently error-prone, whereas Peachtree Accounting Software is designed to produce financial statements, based on entries posted into the system. This is not considered a material weakness.

Previous Recommendation:

The PMD should ensure that the financial information is entered into Peachtree Accounting Software, thus maintaining an effective audit trail.

Current Assessment:

Our assessment of this finding revealed that the Peachtree Accounting Software has not been implemented and the PMP continues to use Microsoft Excel to capture the financial transactions of the programme.



Chartered Accountants
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**REPORT ON AGREED-UPON PROCEDURES
ON
DISBURSEMENT REQUESTS**

To: Inter-American Development Bank (IDB)

**Ministry of Public Administration
'E' Government & Knowledge Brokering Programme
Inter-American Development Bank (IDB) Loan No. 1808/OC-TT**

We have performed the procedures agreed with you, that are enumerated below, concerning thirteen (13) disbursement requests, submitted by the Programme Management Division (PMD) – Ministry of Public Administration- 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT, and set forth in the accompanying annex. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the disbursement requests and are summarised as follows:

1. We obtained and checked the date, use and amount of the disbursements against the PMD's records.
2. We verified for each payment in the request, the existence of appropriate supporting documentation in accordance with the procurement and internal control policies and procedures.
3. We verified receipt of payments directly with the intended recipients, and evidence of such outlays in the PMD's accounting records.
4. We conducted physical inspections in relation to payments for the procurement of goods other than works, to verify compliance with internal control policies and their use in project operations.



Chartered Accountants
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**REPORT ON AGREED-UPON PROCEDURES
ON
DISBURSEMENT REQUESTS (CONTINUED)**

Below, we report our findings with respect to disbursements, resulting from applying the above procedures:

- a. With respect to procedure 1, the auditors detected one instance where **\$6,392** was incorrectly included in the Disbursement Request #14 as **\$16,378**. Except for this issue, all other disbursements were properly recorded in the accounting records.
- b. With respect to procedure 2, there was appropriate supporting documentation in accordance with the procurement and internal control policies and procedures.
- c. With respect to procedure 3, all payments were received by beneficiaries and there was evidence of such outlays in the PMD's accounting records.
- d. With respect to procedure 4, the procurement of goods other than services was in compliance with internal control policies and their use in project operations.

Because the above procedures do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the payments in the disbursement requests set forth in the accompanying annex, or on the disbursement requests taken individually or as a whole.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the payments included in the disbursements requests specified in the accompanying annex and does not extend to the financial statements of the Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT, taken as a whole.

PKF

**Port of Spain
Trinidad and Tobago
17 June 2016**

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Partners Renée-Lisa Philip Mark K. Superville

ANNEX

List of Disbursement Requests Issued to the IDB (Expressed in United States Dollars)

For the fifteen-month period ended 31 December 2015

DISBURSEMENT REQUEST NO.	REQUEST AMOUNT	AMOUNT DISALLOWED	AMOUNT RECORDED IN GL
18	\$ 365,146	-	\$ 365,146
19	\$ 1,259,800	-	\$ 1,259,800
20	\$ 1,979,260	-	\$ 1,979,260
21	\$ 519,294	-	\$ 519,294
22	\$ 1,729,247	(\$1,720)	\$ 1,727,527
23	\$ 1,705,161	(\$110,784)	\$ 1,594,377
24	\$ 1,121,220	-	\$ 1,121,220
25	\$ 1,259,300	-	\$ 1,259,300
26	\$ 2,696,409	-	\$ 2,696,409
27	\$ 1,527,456	-	\$ 1,527,456
28	\$ 502,308	-	\$ 502,308
29	\$ 1,327,346	-	\$ 1,327,346
33	\$ 423,353	-	\$ 423,353



Government of the Republic of Trinidad and Tobago

Ministry of Public Administration and Communications

LETTER OF REPRESENTATION

April 26th, 2016

Mrs. Renee-Lisa Philip
Engagement Partner
PKF Chartered Accountants
245 Belmont Circular Road
BELMONT

Dear Mrs. Philip,

This representation letter is provided in connection with your audit of the financial statements of Ministry of Public Administration - 'E' Government & Knowledge Brokering Programme IDB Loan No. 1808/OC-TT executed by the Programme Management Division (PMD), Ministry of Public Administration and financed with funds from the Inter-American Development Bank Loan Agreement No. 1808/OC-TT, and local counterpart funds from the Government of the Republic of Trinidad and Tobago (GORTT) for the 15 months ended 31st December 2015 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with International Financial Reporting Standards.

We confirm that to the best of our knowledge and belief, having made enquiries as we considered necessary for the purpose of appropriately informing ourselves: the following information given to you in connection with your examination of:

1. Financial Statements

- a) We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 15th, 2015, for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented in accordance therewith.

PROGRAMME MANAGEMENT DIVISION

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- b) Any significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- c) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- d) All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed.
- e) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- f) Any other matters that the auditor may consider appropriate.

2. Information Provided

- a) We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- b) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- c) We have disclosed to you the results of our assessment for the risk that the financial statements may be materially misstated as a result of fraud.
- d) We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or

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- Others where the fraud could have a material effect on the financial statements.
- e) We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- f) We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- g) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- h) Any other matters that the auditor may consider necessary.

Yours faithfully,



Lydia Jacobs
Permanent Secretary (Ag.)

P R O G R A M M E M A N A G E M E N T D I V I S I O N

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