



## **FEATURE ADDRESS**

**By**

**The Honourable Maxie Cuffie, MP**

**Minister of Public Administration & Communication**

**The Institute of Internal Auditors**

**Trinidad and Tobago Chapter**

**“Commitment in Governance – Minimizing Audit**

**Politics in the Public Sector”**

**Hilton Trinidad**

**September 27th, 2016**

## Salutations:

- \* Chairman
- \* Ms. Camille Cumberbatch-Dhoray, President of  
the Institute of Internal Auditors
- \* Other members of the Executive of the Institute of  
Internal Auditors
- \* Fellow panellists
- \* Specially invited guests
- \* Members of the media
- \* Ladies and gentlemen

I consider it a special privilege to have been invited to be part of your deliberations today, especially as this is your first forum for Boards of Directors and Commissioners, Chief Audit Executives and Heads of Internal Audit Departments. I am certain that the presentations and ensuing discussions will yield tremendous kernels of wisdom which, if and when acted upon, will go a long way to improve the course of governance in the many public and private enterprises represented here today.

I have been asked to speak on the topic “Commitment to Governance – Minimizing Audit Politics in the Public Service.” Given the most recent revelations arising out the audit of the President’s House, to cite but one example, the timeliness of the topic is only matched by the huge degree of importance one can ascribe to the outcomes of this conference.

I can assure you ladies and gentlemen, that it is not my intention to comment on any of the many revelations that emerge from the Auditor General's department on an annual basis, as I am certain you will be regaled with a lot of that in the budget debate to come next week.

But even to admit that, ladies and gentlemen, is to admit that more often than not, the audit findings of our Auditor General are used as a weapon in the arsenal of politicians, and like most weapons, if not used properly, end up doing more harm than good. And if I am to believe what I am seeing in the news recently, even journalists are being accused of misreading and scandalising audit reports.

As a former practising journalist and now a practicing politician, I thank you for the risk you took in inviting me to be a speaker at your most important event.

There is no doubt in my mind, that after hearing salacious details about bad spending in Government like thousands of other civic-minded citizens, you have asked the question “So what are you going to do about it?”.

Has the Governance of the National Gas Company for example, been made any better, after the revelations of the audit findings of my good friend Ms. Claire Gomez-Miller who I see here today, and her team? Can the operations of the Agricultural Development Bank, as another example, now withstand public scrutiny, after the revelations of more than a year ago?

Indeed, a more pertinent question might be, whether the end users of the core businesses of either the NGC or the ADB, are better served today as a result of the audit findings revealed earlier?

The annual ritual of revelations that speak to possible waste, corruption and mismanagement on the parts of those charged with keeping check on the public purse, must inevitably give rise to questions about our level of seriousness.

The question then is: how do we minimize audit politics in the public sector? How do we ensure that the findings unearthed by the Auditor General and our several internal audit departments are not taken only to score political points, but rather serve as a catalyst for improving the governance of our various public institutions?

I pose these questions very deliberately, because I believe we must address these issues, if the annual audit reports, so diligently and painstakingly prepared, are to move beyond being ammunition for whichever party currently forms the Government, to milestones and markers in the drive to create a more efficient public service.

If we take this assumption as the basic premise for the conduct of public auditing, then it is incumbent on us to ensure that every effort is made to minimize audit politics in the public sector.

It does no one any good, and it's only the beleaguered tax payer who, seeing his money jumping up in the proverbial steel band, decreases his trust in government institutions and in governance altogether.

In its own quest to deliver on its campaign promise of open, transparent and ethical governance, the Government of which I am privileged to be a part, now has 14 Committees of Parliament, scrutinizing every aspect of Government's performance. The increased parliamentary workload certainly makes the point, we believe, for all Members of Parliament to become full-time officers of the Parliament and remunerated accordingly, but that's the subject of another discourse in another place.

Of those 14 Committees, there are five which are of particular importance to today's discussion, and one which is of special significance to us on the Government bench. The five, and these are all joint Committees, meaning they comprise members drawn from Government, Opposition and the Independent benches, are the Public Accounts Committee, the Public Accounts Enterprises Committee, the Public Administration and Appropriations Committee, the State Enterprises Committee and the Committee on Government Assurances.

While the Public Accounts and Public Accounts Enterprises Committees have been around for a considerable length of time, it is the Public Administration and Appropriations Committee, the newest one which is of special significance to me.

I happen to be a member of this joint select committee, which is chaired by the Honourable Speaker, Bridgid Annissette-George. It is this Committee, which monitors Government's expenditure and attempts to ensure spending takes place in accordance with allocations. It is this Committee which will hold a Government accountable for all that it has promised in its annual budget statements, for example. This Committee, chaired by the Speaker, includes amongst its membership members of the Government, Opposition and Independent Senators.

I am of the firm view, ladies and gentlemen, that this is the Committee that potentially, has the power to audit the whole of Government performance, and in so doing minimize, if not remove altogether, the audit politics from the public service. The effectiveness of this committee could only result in a commitment to good, strong, ethical and performance driven governance.

A second initiative which sought to remove the audit politics from the public sector, and in so doing create a more efficient public service, was the creation of Monitoring and Evaluation Departments in all Ministries. This initiative of our former, and now deceased Prime Minister Patrick Manning, was designed essentially to ensure that all departments within a Ministry adhered strictly to the rules and regulations embedded in the public service.

Unfortunately, this initiative, like so many others designed to achieve greater transparency in the operations of the public service, languished badly over the period 2010-2015, and all but died a slow and painful death. Testimony to the fact we need to do more than just set up institutions but we also need to ensure that we staff them, from the highest office to the lowest, by people with the utmost integrity.

I am fairly certain there will be no dissenting voices here today, when it comes to the crying need for us to redesign a public service that is in tune with and attuned to the ever-changing demands of a highly sophisticated, tech-savvy population.

I posit today, ladies and gentlemen, that it is in this type of re-engineered public service, there will be no place for playing politics, as all Ministries will be adhering to the strictest rules of conformity.

As we re-engineer this country to deal with our straitened economic circumstances, there is a whole lot more to be accomplished, ladies and gentlemen.

I have outlined to you, a fairly succinct expose of the initiatives undertaken by this administration as we seek to

live out our commitment to good governance. But what about you, the auditors?

In many of the developed countries in particular, auditing organizations have moved beyond simple financial accounting audit which is based on the historical paper facts, to engage in performance audit efficiency, and effectiveness auditing.

I am uncertain as to how far the local auditing industry has progressed along those lines, but it would seem to be a naturally progressive step for the conduct of audit activities to change from the traditional audit report based activities, to performance audits which concentrate on value for money rather than on auditing documents and books of accounts only.

If a performance audit as opposed to a financial audit was conducted on any one of the Government's social programmes.

For example, the auditors who are best placed to speak truth to power, would have guided successive administrations on whether these programmes are achieving the outcomes for which they were originally designed.

If we had performance audits in the years of plenty, when we developed the taste for apple and grapes, we would have been a better position to treat with decline in energy prices that has placed us in a prolonged guava season with not a guava tree in sight.

If we are to minimize the audit politics in the public sector, then who is better placed than our auditors to say to the Government, GATE is not delivering on the mandate originally articulated for its existence, or the Food Card distribution system is so fundamentally flawed that it is

not reaching those beneficiaries for which it was originally intended.

It seems therefore, that in this paradigm, good and independent auditors must have the courage of their conviction to say it as they see it, and be willing to stand up to legislators as well as to top management at the Ministries and state agencies under audit.

My understanding, ladies and gentlemen, and I daresay you would know your profession much better than I ever could, is that auditors in the United Kingdom, for example, now render an opinion on whether a programme is “fit for services” and whether the programme delivers “value for money.”

Perhaps, just perhaps, such audit findings will rekindle public trust in governance and inspire others to become a much more active participant in the democratic process.

To put this system in place, accountability is inevitable in organizations and staffing of the public service, together with effective auditing systems and good budgetary practices, is essential. One can only hope that the public audit can further extend its roles to enhancing public financial accountability apart from assessing conformity to guidelines. It is beyond the time now, I believe, for public sector auditors to put much more emphasis on the value for money audit.

This type of audit can enable the public sector to focus on both inputs and outcomes which advocate economy, efficiency and effectiveness in the utilization of public resources for the provision of public social services, and in particular also, for the betterment of social welfare.

It is time for you as auditors to up your game in the pursuit of national development. And when you do, you will find that we as politicians will be forced to up ours.

I thank you again for the privilege in addressing you today, and wish you the greatest success on the rest of your deliberations.