

CONCEPT NOTE

Project Title	Strengthening of the Financial Scrutiny Capacity of the Office of the Parliament
Background	<p>The Parliament of Trinidad and Tobago is mandated to perform its constitutional duties of making law, representing the people and overseeing the Executive. As part of its oversight duties, the Constitution vests in Parliament, the authority to approve public expenditure in Trinidad and Tobago. Specifically, Section 112 states that expenditure can only occur based on an Act of Parliament. Arising from its authority to approve public expenditure, Parliament also has the power and duty to monitor the expenditure of public funds to ensure it is used for the purposes for which it was intended. This power is exercised through examinations and inquiries conducted by the Parliament’s Financial Scrutiny Committees.</p> <p>Financial Scrutiny Committees in the Parliament of Trinidad and Tobago carry out their functions utilizing scarce human resources to analyze historical data, facts and figures. Previously one of the weakest links in the budget process was the monitoring of the implementation of the budget by Parliament.</p> <p>There are four (4) Financial Scrutiny Committees:</p> <ul style="list-style-type: none">• The Standing Finance Committee (SFC) considers the Estimates, the Appropriation Bill and reports on all proposals for the expenditure from public revenue or other funds which are not included in the Annual Estimates, including proposals for supplementary and unforeseen expenditure.• The Public Administration and Appropriations Committee (PAAC) has the duty of considering and reporting to the House on budget expenditure of Government agencies while it occurs, as well as, reporting on the administration of these agencies.

- The **Public Accounts Committee** (PAC) is charged with the responsibility of examining the appropriation accounts of monies expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago.
- The **Public Accounts (Enterprises) Committee** (PAEC) is charged with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the State.

Based on the Committees' initial examination a number of pervasive issues were identified which require further detailed analysis and examination. The Committee is mandated to determine hindrances to the efficiency of Government agencies and to make recommendations to improve public administration. But this role cannot effectively be carried out without a continuous real-time assessment and rigorous research and analyses of the actual budget performance. The effect of all of the above is simple: without proper support, data and a continuous real-time assessment of actual budget performance, Parliament is unable to effectively perform its scrutiny function.

THE GROWING IMPORTANCE OF SPECIALISED FINANCIAL SCRUTINY UNITS

In the last few years, there has been a growth in the number of countries establishing Special Units, Departments and offices. These Units have come to be seen as a very important resource that helps Parliaments to:

- Address bias toward spending and deficits, and more generally enhance fiscal discipline;
- Monitor the implementation of the budget; and ultimately
- Promote transparency and accountability.

	<p>In some countries, the establishment of a specialist Financial Scrutiny Unit is part of a broader package of reforms, as is the case in Trinidad and Tobago. In other instances, there seem to be a push from donor institutions, i.e. the European Commission, IMF and Organization for Economic Cooperation and Development (OECD). In the last few years, the following countries have established Parliamentary Budget Offices (PBOs) or Institutions that perform similar functions:</p> <ul style="list-style-type: none"> • Sweden: Fiscal Policy Council in Sweden (2007) • Canada: Parliamentary Budget Office (2008) • UK: Office for Budget Responsibility (2010) • Australia: Parliamentary Budget Office (2011) • Mexico: Centre for Public Finance Studies (1998)
<p>Objectives</p>	<p>Aim of Project</p> <p>In monitoring the expenditure of public funds, Parliament needs to have access to continuous, real-time, accurate and well-researched independent information for effective oversight and decision-making. As such the objectives of the project are:</p> <ul style="list-style-type: none"> • To identify gaps and strengthen the processes of Financial Scrutiny for the Parliament of Trinidad and Tobago. • To enhance expertise and ensure that Members of Parliament and parliamentary staff have access to accurate, reliable, objective and current information to perform their work effectively. • To strengthen capacity for the monitoring of the budget implementation.
<p>Deliverables</p>	<ul style="list-style-type: none"> • A comprehensive review of the Financial Scrutiny Capacity at the Office of the Parliament in an attempt to close any gaps and strengthen current structures. • Training in the following areas for both the Members of Parliament and Parliamentary Staff (Secretariat): <ul style="list-style-type: none"> ○ Review and Analysis of Financial Statements ○ Fraud Analysis – focusing on government Ministries

Implementing Agencies	The United Nations Development Programme The Parliament of Trinidad and Tobago		
Estimated Budget	Area	Budget (USD)	Budget (TTD)
	Comprehensive review of the Financial Scrutiny Capacity.	9,238.00	62,500
	Training for Members of Parliament and Parliamentary Staff.	22,172.00	\$150,000.00
	M&E (to measure impact)	2,956.00	20,000
	Subtotal	34,366.00	232,500
	GMS 7%	2,586.00	17,500
	Total:	36,953.00	250,000

Please note that all payments must be made in USD.

Exchange rate- 6.7654

Area	Output	Timeframe
Comprehensive review of the Financial Scrutiny Capacity.	A Report on the Financial Scrutiny Unit with Implementation Road Map highlighting recommendations for strengthening the Unit.	March, 2019
Training for Members of Parliament and Parliamentary Staff.	2- 4 day Workshops on the following areas: 1) Examination of real time expenditure- Implementation of the Budget	April, May, June.

Area	Output	Timeframe
	<ul style="list-style-type: none"><li data-bbox="678 310 987 384">2) Financial Statement Analysis<li data-bbox="678 426 927 499">3) Public Financial Management<li data-bbox="678 541 1013 615">4) Audit and Compliance of the PSIP	