



STATE ENTERPRISES PERFORMANCE MONITORING SYSTEM (SEPMS)



Presented by:

Gail Ann Rampersad
Director Research
Investments Division
Ministry of Finance



SEPMS

Preview of Main Points

- *The State Enterprise sector*
- *Rationale for the SEPMS*
- *State Enterprises Performance Monitoring Manual (SEPMM)*
- *Standard Procurement Procedures*
- *State Agencies Performance Monitoring Information System (SAPMIS)*



THE STATE ENTERPRISE SECTOR

- *Comprises 43 wholly owned, 7 majority owned, 3 minority owned and 27 companies held indirectly as subsidiaries*
- *Incorporated under Companies Act Chap81:01*
- *Accountable to the Minister of Finance as Corporation Sole*
- *The Minister of Finance is responsible for:*
 - *Overall policy direction and financial policy*
 - *Appointment & removal of Boards of Directors*
 - *Establishing new enterprises and winding up those no longer required*

Authority of the Minister of Finance as Corporation Sole

Incorporation Act No. 5 of 1973 Chap 69:03 power to:

- *Acquire*
- *Take*
- *Enjoy property*
- *Assign*
- *Yield up*
- *Demise*
- *Transfer*
- *Deal with property vested in the Corporation*
- *Accept surrenders, assignments or re-conveyances, exchange any property and enter into contracts*
- *Purchase*
- *Hold*
- *Convey*
- *Surrender*
- *Mortgage*
- *Reassign*
- *Dispose of*



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Rationale for the SEPMS

- *Manage fiscal risks and achieve sustainable development through Good Governance*
- *Improve the Corporate Governance Monitoring Framework*
- *Provide standard formats to enhance reporting*
- *Enhance efficiency and effectiveness*

As at Dec 2010, Total Assets: Approx. \$12Bn



SEPMM

- Section I:*** *General Operating Framework*
- Section II:*** *Reporting Relationships and Functions*
- Section III:*** *Guidelines and Performance Monitoring*
- Section IV:*** *Oversight and Compliance*
- Section V:*** *Mechanisms for Generating Synergies*
- Appendix B:*** *Standard Procurement Procedures*



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SECTION I: GENERAL OPERATING FRAMEWORK

- *Outlines the framework under which State Enterprises operate & the rationale for the State's involvement in these enterprises*
- *Makes reference to the documents for providing guidance to State Enterprises and the monitoring mechanisms*



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SECTION II: REPORTING RELATIONSHIPS AND FUNCTIONS

➤ *This section outlines the functions of monitoring agents who must interact with State Enterprises and includes the role and functions of:*

- Minister of Finance as Corporation Sole*
- Investments Division – monitors SE on behalf of the Corporation Sole*
- Line & Client Ministries*
- Board of Directors including Audit and Finance & Investment Committees*
- Chief Executive Officer*



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SECTION III: GUIDELINES

➤ *This section provides guidelines on:*

- *Appointment, Removal & Resignation of Board Directors*
- *Annual General Meetings*
- *Appointment & Removal of an Auditor*
- *Changes in By-Laws*
- *Procurement Procedures (including e-Auction)*
- *Dividend Policy*



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SECTION III: GUIDELINES con't

- ***Board Fees & Allowances***
- ***Use of Cellular Phones & Laptop Computers***
- ***Payment of Bonuses***
- ***New Investments in Assets, Securities, Debt & Contracts***
- ***Inter-Agency Debt***
- ***Litigation Proceedings***
- ***Publishing of Financial Statements***



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SECTION III (con't): STATUTORY COMPLIANCE

➤ *This section provides details on the following:*

- *Payment of Royalties & Taxes*
- *Integrity in Public Life*
- *Occupational Safety and Health*
- *Environmental Management*



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SECTION III (con't): PERFORMANCE MONITORING

➤ ***This Section provides details on:***

- ***Strategic Plans***
- ***Annual Operating Budgets***
- ***Project Management Protocol***
- ***Risk Management***
- ***Audited Financial Statements***
- ***Administrative Reports***
- ***Board Minutes***
- ***Monitoring Indicators***
- ***Monitoring Process Flow***

MONITORING PROCESS FLOW

DOCUMENT	SUBMISSION DATE	RECEIVING AGENCY	RESPONSE DATE
Strategic Plan	Six (6) months prior to start of period of Plan (Companies receiving Subventions) One (1) month for others	Investments Division (ID) & Line Ministry	6 weeks after submission
Annual Budget	Six (6) months prior to Financial Year (Companies receiving Subventions) One (1) month for others	ID & Line Ministry	1 month prior to Fin Yr
Audited Financial Statements/Annual Performance Appraisal Reports	Four (4) months after end of Financial Year	ID & Line Ministry	
Administrative Reports	End of June	Line Ministry	
Board Minutes	One (1) week following confirmation	ID & Line Ministry	
Monthly Cash Statements of Operations	Within three (3) weeks after month end	ID & Line Ministry	
Quarterly Returns Report	End of first month after Quarter	Investments Division	
Quarterly Status of Loan/Overdraft / Investments in Securities Portfolios and Litigation Proceedings	End of first month after Quarter	Investments Division	
Return of Award of Contracts	14 days after month end	Investments Division	
Internal Audit Reports	14 days after end of the Quarter	Investments Division	



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SECTION IV: OVERSIGHT & COMPLIANCE

This Section details how the Investments Division uses the information collected from SE in:

- ***Monitoring & Evaluation***

- ***Reporting***

- *Cash Statements of Operations*

- *Loan/Overdraft/Investments in Securities and Litigation Proceedings*

- *Performance Financial Indicators*

- *Quarterly Returns*

- *Revenue and Expenditure*

- *SPSIP*

- ***Compliance***



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SECTION V: MECHANISMS FOR GENERATING SYNERGIES

➤ *This Section provides a database of goods and services produced /available and consultancies offered by each SE to:*

- *Share resources*
- *Develop strategic linkages / synergies*
- *Encourage greater efficiency*
- *Increase productivity*



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APPENDIX B: STANDARD PROCUREMENT PROCEDURES

➤ *Revised procedures to foster greater transparency, accountability and value for money in the State Sector procurement process and links with relevant legislation and regulations including:*

- **The Proceeds of Crime Act 2000 & 2010**
- **The Integrity in Public Life Act 2000 & 2009**
- **SEPMM 2011**



State Agencies Performance Monitoring Information System (SAPMIS)

An electronic integrated information system to be used in monitoring the performance of State Agencies and will:

- *Improve State Agencies reporting and compliance*
- *Provide key stakeholders with real time information*
- *Assist with the decision making process*



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Review of Main Points

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- *Rationale for SEPMS*
- *SEPMM*
- *Standard Procurement Procedures*
- *SAPMIS*

Thank You!

Telephone: (868) 627-9700 ext 2535

Direct Line: (868) 623 – 6585

Fax: (868) 623-6338

Email: rampersadga@gov.tt