



**OFFICE OF THE MINISTER  
MINISTRY OF IMMIGRATION AND BORDER SERVICES**

Three Degree Office Complex  
Airport Road, Grand Turk,  
Turks & Caicos Islands,  
British West Indies  
Tel: 1 (649) 338-2937/2982/2983  
Email: [infobordercontrol@gov.tc](mailto:infobordercontrol@gov.tc)

Government Business Park  
Airport Road, Providenciales,  
Turks & Caicos Islands,  
British West Indies  
Tel: 1 (649) 338-5750/5643  
Email: [infobordercontrol@gov.tc](mailto:infobordercontrol@gov.tc)

---

May 24, 2023

Mr. Tueton Williams  
Chairman  
Turks and Caicos Islands Ports Authority  
Providenciales  
Turks and Caicos Islands

Dear Mr. Williams,

**Sponsorship Letter – Turks and Caicos Islands Ports Authority**

This letter sets out the requirements under the regulations issued in accordance with the Public Finance Management Ordinance 2021 Revised from the Ministry of Finance, Trade and Investment to the TURKS AND CAICOS ISLANDS PORTS AUTHORITY, herein after TCIPA.

It explains how the TCIPA is expected to support the Ministry's mandate and policies, financial expectations and reporting requirements. It also sets the level of delegated authority that the body may have in terms of committing expenditures or creating liabilities. This letter does not supersede any legal requirements that the Statutory Body may have under the Public Finance Management Ordinance 2021 Revised or the TURKS AND CAICOS ISLANDS PORTS AUTHORITY ORDINANCE.

**Governance Requirements**

As required by regulation 146(1) of the PFMR, pursuant to section 40 of the Public Financial Management ordinance (PFMO), the Member of Cabinet who has responsibility for a Statutory Body shall issue an annual sponsorship letter to the statutory body.

The sponsorship letter under regulation 146(1) is required to —

- a) Quantify the funds, if any, that have been appropriated by the Government for the use of the Statutory Body for that financial year;

- b) Specify, in general terms, the policies that must be followed by the Statutory Body in carrying out its functions during that financial year and the way in which it may expend its funds in doing so; and
- c) Specify any instruction that the Minister or the Governor may have, in respect of a function of the Statutory Body that should receive particular attention during that financial year.

A Statutory Body is required to commit its funds in a manner commensurate with a sponsorship letter received in accordance with regulation 146 and must not commit any of its funds in respect of a financial year until a sponsorship letter in respect of that year has been received. The PFMR further requires a Statutory Body, in its annual report for a financial year, to explain the manner in which it had carried out any instruction given in accordance with regulation 146(2) (c) and what has been achieved.

An annual Statement of Internal Control is required to be prepared and approved by each Statutory Body and submitted along with the Financial Statements of that body to be laid before the House of Assembly. In the PFMR, the expression "funds", in respect of a Statutory Body, means its assets and its income, including income received by way of investments, fees, rents, charges and other imposts and any funds appropriated to it by the Government.

### **Estimates of Expenditures**

In accordance with regulation 147(1) of the PFMR, and pursuant to section 42 of the PFMO, prior to a statutory body implementing any proposals to change existing or create new policies, projects and procedures, a business case must first be forwarded to the Governor for approval and no expenditure can be incurred by the statutory body until approval in writing has been obtained.

The business case required under regulation 147(1) must be accompanied by a copy of the Board's minutes on matters that have financial implications and —

- a) set out the rationale of the change in existing or creation of new policy;
- b) explain the level of expenditure that will be incurred;
- c) show any cost or efficiency savings associated with the revised policy; and
- d) explain how the change in policy or new policy will improve controls or mitigate risks.

This requirement applies to the following policies, procedures or projects of a Statutory Body, (save for the TCIPA in the cases where the need to maintain confidentiality or effective regulation of the sector can be demonstrated) —

- a) redeployment of staff to special activities that would otherwise mean their duties are not completed;
- b) hiring of additional staff over the approved establishment, including temporary positions to backfill any persons acting;
- c) change to the terms and conditions of staff or Board members;
- d) hiring external consultants or advisors;
- e) incurring unbudgeted expenditure in excess of \$30,000; and

- f) capital expenditure that have not been otherwise budgeted.

### **Key Programme Strategies**

On the passage of the budget for FY2023/2024 the following key program strategies became applicable in the assessment of the full-year performance of the TCIPA:

1. Complete arrangements for a UK/DFT Port Security Audit by the end of April 2023.
2. Prepare a 3 year work plan by the end of the 1st quarter to take forward observations from the III Code Audit related to TCIPA and the IALA/ SIRA Risks assessment of port approaches and internal waters of the TCI.
3. Assess options to insure port buildings and other physical assets by the end of October 2023.
4. Revise the Disaster Preparedness Plan in line with the Model Port Disaster and Emergency Management Plan prepared by the OSA by the end of May 2023.
5. Undertake a valuation of ports authority assets by the end of September 2023.
6. Facilitate a revision of the Ports Authority Ordinance by March 2023 to take into consideration new Merchant Shipping Ordinance and clarify financial provisions.
7. Prepare Port Maintenance Policy and Plans (including port dredging) by the end of the second quarter to improve safety of navigation and effectiveness of assets.
8. Prepare a work plan by the end of the first quarter to take forward recommendations of Organizational Restructuring consultancy over the next 3 years.
9. Facilitate formation of a Port Sector Information Management working group by December 2023.

### **Human Resources**

Approval has been granted for a staff complement of 70 at a cost of \$3,342,036. There is to be no reconfiguration of roles/posts by deletion or consolidation. This would be deemed as operating in contravention to the approvals and is strictly prohibited.

### **Financial Management Responsibilities**

Please be reminded that sections 40 and 45 of the PFMO guides that no expenditure can be incurred by a statutory body except under the authority of a warrant signed by the Minister and that every member is personally and pecuniary liable for any loss incurred by the Statutory Body through an act of financial misconduct in the Statutory Body.

## **Financial expectations**

As per the approved appropriation for 2023/2024, the TCIPA agrees the following targets:

Revenue	<b>\$9,484,870</b>
Employment Cost	<b>\$3,342,036</b>
Operating Cost	<b>\$2,341,337</b>
Capital Projects	<b>\$3,950,000</b>

All statutory payments for example National Insurance and National Health Insurance are to be made within the prescribed timelines.

Expenditure should not be incurred for the financial year until you have accepted the terms of this letter.

Statutory Bodies and Boards are reminded that travel and other expenses charged by members are governed by the same rules as the TCI Government.

## **Additional Financial Provisions 2023/2024**

In addition to the provisions and expectations outlined in preceding paragraphs, TCIPA is further expected to deliver on the following mandates of the Ministry:

- South Dock Port Redevelopment **\$11,900,000**

This forms a part of the overall project amount of \$43,747,178.

## **Financial Reporting Requirements**

The TCIPA shall be required to produce accurate financial management information on a monthly basis that shall not contain less than the income statements showing progress against the approved budget and a balance sheet. A copy of the financial performance reports should be forwarded to me at the end of each financial quarter.

Where for any particular month it is expected that the TCIPA income will be less than, or expenditure greater than, the approved budget for the year you should prepare a report to myself explaining the corrective measures that will be made by the Statutory Body in order to bring the budget back into balance.

In addition, the Statutory Body will be guided by section 149 (1), (3) and (4) of the Public Finance Management Regulations which states:

"(1) In accordance with section 43 of the Ordinance a Statutory Body must, in a form prescribed by the Accountant General and within fourteen days of the end of each quarter, submit to the Budget Director, a copy of its unaudited income statement —

- (a) Showing progress against budget for that quarter
- (b) Attaching the balance sheet for that quarter; and
- (c) Including an explanation of any deviations of greater than 5% against the amount budgeted for that quarter.

"(3) Where a Statutory body is funded through a monthly subvention the information submitted in accordance with sub-regulation (1) shall also be accompanied by an explanation of any material discrepancies against the budget and the proposed action to be taken to bring the deficit back into balance.  
"

"(4) Statutory body required to remit excess expenditure shall do so in accordance with the relevant Ordinance along with a reconciliation duly signed by the Chief Executive Officer or the Chief Finance Officer of that statutory body and failure to comply with this regulation, without reasonable excuse, constitutes an offence."

ALL Statutory Bodies will be required to submit their accounts to the Auditor General in accordance with the requirements of the Ordinance. Sections 19-23 of the National Audit Office Ordinance 2021 Revised refer.

All Statutory Bodies are required to, unless notified differently, be overseen by the TCI Government's Internal Audit Functions. For those bodies with an existing internal audit team, required access will include working papers etc. Section 25 (7) and (8) of the Public Finance Management Regulations 2021 Revised refers.

In addition, the Statutory Body is required to provide a Statement on Internal Control as a part of their financial statements that clearly explains how the control environment has operated throughout the year and how the Board has received its assurances from its governance arrangements.

### **Delegations**

The Board will be required to ensure that all expenditure is authorized in accordance with your Ordinance and agreed financial procedures.

### **Risk Register**

The TCIPA shall maintain a Risk Register as a risk management tool and shall report on a quarterly basis, the levels of all risks identified; including additional information about each risk, e. g. nature of the risk and the mitigation measures taken or to be undertaken.

### **Statutory Board Review Report**

TCIPA is advised that the implementation of the recommendations emanating from the Statutory Body Review Report is an ongoing process and we note the progress that has been made so far.

Please be reminded that the TCIPA will be assessed quarterly on the progress made against the scheduled implementations and ensure that efforts are geared towards progressing individual entity recommendations, as well as any of the following priorities that may be outstanding or works-in-progress:

1. Standardization of Performance Appraisal Systems and Templates
2. Compilation of Annual Reports
3. Adoption of a Code of Practice

4. Provision of an annual Internal Control Statement (Primary Accountability Document)

**Transparency**

As part of the move towards greater accountability and transparency across all parts of the public sector, the TCIPA is urged to publish its budget document on its website, to host public stakeholder meetings quarterly, and to publish online summaries of its decisions and discussions. In addition, you should write to me setting out your wider plans to increase citizen engagement with the body's activities.

I would be grateful if you could confirm in writing your acceptance of this letter and provide assurance that you will comply with these requirements.

Sincerely,

*Arlington Musgrove*

**Hon. Arlington A. Musgrove**  
Minister of Immigration and Border Services