



SECOND REPORT OF THE PUBLIC ACCOUNTS

C O M M I T T E E

FIRST SESSION OF THE 11TH PARLIAMENT

Inquiry

Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2014 with specific reference to the Ministry of Tourism.



Public Accounts Committee¹

The Public Accounts Committee (PAC) established by the Constitution of the Republic of Trinidad and Tobago in accordance with Section 119(4) is mandated to consider and report to the House of Representatives on:

*“(a) appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago;
(b) such other accounts as may be referred to the Committee by the House of Representatives or as are authorized or required to be considered by the committee under any other enactment; and
(c) the report of the Auditor General on any such accounts.”*

Current membership

Dr. Bhoendradatt Tewarie	Chairman ²
Mr. Rodger Samuel	Vice- Chairman
Mrs. Ayanna Webster-Roy	Member
Mr. Randall Mitchell	Member
Dr. Lester Henry	Member
Mrs. Paula Gopee-Scoon	Member
Ms. Marlene McDonald	Member
Ms. Jennifer Raffoul	Member

Committee Staff

The current staff members serving the Committee are:

Ms Keiba Jacob	Secretary to the Committee
Ms Hema Bhagaloo	Assistant Secretary to the Committee
Ms Samantha Snaggs	Parliamentary Intern

Publication

An electronic copy of this report can be found on the Parliament website: www.ttparliament.org

Contacts

All correspondence should be addressed to:

The Secretary
Public Accounts Committee
Office of the Parliament
Levels G-7, Tower D
The Port of Spain International Waterfront Centre
1A Wrightson Road Port of Spain Republic of Trinidad and Tobago
Tel: (868) 624-7275; Fax: (868) 625-4672
Email: pac@ttparliament.org

¹ The PAC of the Eleventh Republican Parliament was established by resolutions of the House of Representatives and the Senate at sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

² The Committee held its first meeting on Wednesday December 2, 2015. At this meeting the Committee elected Dr. Bhoendradatt Tewarie as Chairman, in accordance with Section 119(2) of the Constitution of the Republic of Trinidad and Tobago. At that same meeting, the Committee resolved that its quorum should comprise of three (3) Members, inclusive of the Chairman and any other Opposition Member.

Contents

Members of the Public Accounts Committee	3
EXECUTIVE SUMMARY	4
INTRODUCTION	5
Election of the Chairman and Vice Chairman.....	5
Changes in Membership.....	5
Establishment of Quorum	6
METHODOLOGY	6
Determination of the Committee’s Work Programme	6
The Inquiry Process	7
The Ministry of Tourism Profile	8
ISSUES AND RECOMMENDATIONS.....	10
Ministry of Tourism – Concluding Remarks	17
APPENDIX I	20
APPENDIX II	21
Minutes of Meetings	21
Present were:.....	21
APPENDIX III	27

Members of the Public Accounts Committee

ELEVENTH PARLIAMENT,
REPUBLIC OF TRINIDAD AND TOBAGO



Dr. Bhoendradatt Tewarie
Chairman



Mr. Rodger Samuel
Vice-Chairman



Mrs. Ayanna Webster-Roy
Member



Mr. Randall Mitchell
Member



Dr. Lester Henry
Member



Mrs. Paula Gopee-Scoon
Member



Ms. Marlene McDonald
Member



Ms. Jennifer Raffoul
Member

EXECUTIVE SUMMARY

The PAC presents its Second Report of the Eleventh Parliament which details its examination of the *Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago with specific reference to the Ministry of Tourism for the Financial Year 2014*.

During this examination, the Committee took the opportunity to discuss with the Ministry of Tourism:

- General issues relating to the operations of the Ministry;
- Their success in achieving the goals for the Trinidad and Tobago tourism sector; and
- Challenges faced by the Ministry in maintenance of records and the implementation of specific recommendations.

Based on the Committee's examination the following recommendations were proposed:

- *Approval needs to be given for the new policy framework by the Ministry. A benchmark should be made with other tourism based economies so that Trinidad and Tobago's tourism sector can also flourish;*
- *The Ministry of Tourism and the TDC should both ensure that cohesiveness improves between the two entities to strengthen the impact of projects coordinated for the enhancement of the tourism sector;*
- *The Permanent Secretary for the Ministry of Tourism should request the required training for the staff responsible to make them aware of proper procedure to be followed in accordance with the financial regulations;*
- *A request for training should be made by the Permanent Secretary to the Treasury in order to strengthen the Internal Audit Unit of the Ministry; and*
- *A re-evaluation of the Ministry's framework to place more emphasis on value for money when executing projects is needed.*

INTRODUCTION

The PAC of the Eleventh Republican Parliament was established by resolution of the House of Representatives and the Senate at the sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on appropriation accounts of moneys expended out of sums granted by Parliament to meet the public expenditure of Trinidad and Tobago and the report of the Auditor General on any such accounts.

In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives also empower the Committee (but is not limited) to:

- a) send for persons, papers and records;
- b) have meetings whether or not the House is sitting;
- c) meet in various locations;
- d) report from time to time; and
- e) communicate with any other Committee on matters of common interest.

Election of the Chairman and Vice Chairman

In accordance with section 119(2) of the Constitution, the Chairman must be a member of the Opposition in the House. At the first meeting held on Wednesday December 2, 2015 Dr. Bhoendradatt Tewarie was elected Chairman of the Committee. At the said meeting, Mr. Wade Mark was elected Vice Chairman of the Committee.

Changes in Membership

- By resolution of the Senate made on December 8, 2015, Mr. Rodger Samuel replaced Mr. Wade Mark as a Member of this Committee.

Mr. Rodger Samuel was elected Vice-Chairman of the Committee in lieu of Mr. Wade Mark on Wednesday December 16, 2016.

- By resolution of the Senate made on December 19, 2016, Ms. Jennifer Raffoul replace Dr. Dhanayshar Mahabir as a Member of this Committee.

Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that any decisions made by the Members during the meetings can be considered valid. A quorum of three (3) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

METHODOLOGY

Determination of the Committee's Work Programme

The Committee agreed to a fifteen (15) entity work programme during its second meeting on Wednesday December 16, 2016. These entities included:

1. Judiciary of Trinidad and Tobago
 2. Ministry of Agriculture, Land and Fisheries
 3. Ministry of Education
 4. Ministry of Energy and Energy Industries
 5. Ministry of Finance
 6. Ministry of Health
 7. Ministry of Public Administration
 8. Ministry of Public Utilities
 9. Ministry of National Security
 10. Ministry of Tourism
 11. Ministry of Trade and Industry
 12. Tobago House of Assembly
 13. Land Settlement Agency
 14. National Lotteries Control Board
 15. Regional Corporations
- In preparation for this public hearing, the Committee had an Issues Paper produced with questions based on issues highlighted in the Auditor General's Report.
 - The Committee held one public hearing to discuss the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 as follows:

Wednesday March 23, 2016 - *in public*

At this hearing, representatives from Ministry of Tourism to seek clarification on issues highlighted in the Auditor General's Report on the Public Accounts of the Republic of Trinidad and Tobago. This meeting also served as an informative session allowing Members to ask questions about general issues affecting the Tourism Sector and in some instances, offered recommendations to assist with the rectification of specific issues.

The Inquiry Process

The Inquiry Process outlines steps to be taken by the Committee when conducting an inquiry into an entity or issue. The following steps outlines the Inquiry process followed by the PAC:

- I. Identification of entities to be examined;
- II. Preparation of Inquiry Proposals for the selected entities. The Inquiry Proposal outlines:
 - a. Background;
 - b. Objective of Inquiry; and
 - c. Proposed Questions.
- III. Consideration and approval of Inquiry Proposals by the Committee and when approved, questions are forwarded to the entity for written responses;
- IV. Issue of requests for written comment from the public are made via Parliament's website, social media accounts, newspaper and advertisements (optional);
- V. Preparation of an Issues Paper by the Secretariat for the Committee's consideration, based on written responses received from the entities. The Issues Paper identifies and summarises any matters of concern in the responses provided by the entity or received from stakeholders and the general public;
- VI. Review of the responses provided and the Issues Paper by the Committee;
- VII. Conduct of a site visit to obtain a first-hand perspective of the implementation of a project (optional);

- VIII. Determination of the need for a Public Hearing based on the analysis of written submissions and the site visit (if required). If there is need for a public hearing, the relevant witnesses will be invited to attend and provide evidence. There is usually no need to examine the entity in public if:
- a. the Committee believes the issues have little public interest; or
 - b. the Committee believes that the written responses provided are sufficient and no further explanation is necessary; and
- IX. Issue of written request to the entity for further details should the Committee require any additional information after the public hearing.

Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

The Ministry of Tourism Profile

Background

The Ministry of Tourism was established on 10th November, 2003 and serves as a catalyst to help make Trinidad and Tobago a premier tourist destination. The Ministry uses tools like conducting research, monitoring and evaluating trends and partnering with stakeholders towards building awareness of the tourism industry. The implementation of the arm of the Ministry is the Tourism Development Company.

Mission

To fully develop Trinidad and Tobago's tourism industry by the sustainable development and aggressive promotion of an innovative, differentiated, high value, internationally competitive visitor experience, supported by strong recognition, public and private sector partnership and a positive cultural transformation.

Goals

- To ensure that the tourism sector is a developmental priority – driven by a strong and effective public/private sector partnership;
- To develop the local tourism industry to realise its full potential;
- To transform Trinidad and Tobago into an exciting location for tourism investment,
- To ensure that the country has the supporting infrastructure necessary for substantial growth;
- To position Port-of-Spain as the meetings and convention capital of the Southern Caribbean and the culture capital of the region;
- To define and enhance Trinidad and Tobago's brand reputation by upgrading accommodations to the highest international standards;
- To position Trinidad and Tobago as providing the warmest welcomed and highest level of international quality service in the Caribbean; and
- To market Trinidad and Tobago as a recognised tourism destination in every principal source market.

Specifically, the Ministry has responsibility for:

- a. Tourism Policy
- b. Hotel Development
- c. Tourism and Tourism products

Permanent Secretary - Ms. Vidiah Ramkhelawan

ISSUES AND RECOMMENDATIONS

During the examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2014 with regard to the Ministry of Tourism, the following issues were identified and recommendations proposed:

i. The Policy of the Ministry of Tourism.

The overall policy of the Ministry holds the utmost importance as it lays the foundation for the operation of the Ministry. The policy outlines the main agenda of the Ministry of Tourism which is to enhance the attractiveness of Trinidad and Tobago keeping all of its sectors in mind. The mandate of this Ministry should be held to the utmost importance in light of the economic situation where there is a need for diversification, Tourism can become a major alternative source of revenue to fill gaps where oil and gas revenue currently unable to fill.

Recommendation: *Approval needs to be given for the new policy framework by the Ministry so that this can be put into action. A benchmark should be made with other tourism based economies so that Trinidad and Tobago's tourism sector can also flourish. St Lucia can be a good example for Trinidad and Tobago to examine and consider so that the goal of increasing tourism's contribution to GDP can be achieved.*

ii. Responsibilities of the Ministry and the Tourism Development Company (TDC)

The Tourism Development Company Limited (TDC) is a state enterprise of the Government of the Republic of Trinidad and Tobago and the implementation arm of the Ministry of Tourism, mandated to develop and market Trinidad and Tobago's tourism product and improve the local tourism sector.³ The TDC is currently under the purview of the Ministry of Tourism.

Recommendation: *The Ministry of Tourism and the TDC should both ensure that cohesiveness improves between the two entities to strengthen the impact of projects coordinated for the enhancement of the tourism sector. Through*

³ <http://www.tdc.co.tt/index.php/events/team-tdc>

improved communication and enhanced coordination, projects will be executed as planned with minimal errors or miscommunication. A Senior Officer with the Ministry should be assigned to serve as the liaison officer between the Ministry and the TDC to ensure that duties are being done efficiently and effectively and that meaningful alignments exist.

iii. Pervasive Issues and the Issue of Fraud and Losses

Pervasive Issues are issues which require improvement within various Ministries and Departments. The issue of twelve (12) missing cheques totaling \$844,000 and seventy four (74) blank cheques discovered by the AGD has been an ongoing issue which is yet to be resolved. Thus far, the Fraud Squad of the TTPS has commenced an investigation and has been working on retrieval of persons responsible for the funds lost. Systems have been implemented to ensure future prevention for such discrepancies. Since then, the Ministry has taken some proactive measures to ensure that mistakes of this type and magnitude do not reoccur and that all safety measures are observed when issuing cheques. Persons allowed to handle cheques mainly the issuing of cheques are now kept to a minimum to ensure accountability within the respective department. An update on the investigation was provided as per response from the Commissioner of Police:

"I refer to your correspondence dated April 20, 2016, on the subject matter and inform that this investigation is being conducted by the Fraud Squad of the Trinidad and Tobago Police Service and is at present ongoing. The twelve (12) original cheques have been obtained through the investigation, several persons have been interviewed and statements recorded. The investigation is not expected to be completed within a short period of time because of the nature of this investigation."

Recommendation: The Permanent Secretary for the Ministry of Tourism should request the required training for the staff responsible to make them aware of proper procedure to be followed in accordance with the financial regulations. Training should also be sourced to strengthen the performance of the Internal Audit. UDECOTT can assist with providing an alternative to the fireproof safe which was requested by the Ministry so that OSHA is observed and the safety of the Ministry's important documents are also taken into consideration. The Commissioner of Police should also place more emphasis on solving this issue which has been ongoing for more than a year so that there can be justice for every missing cheque and people can be held responsible and to ensure that there are consequences for the execution of fraud.

iv. Strengthen Internal Audit Unit and its framework

Internal Audit is a crucial area in the various Ministries and Departments and for numerous years has been identified as a pervasive issue throughout the Public

Service. The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. The public service has been found in general to possess weak internal audit divisions which require training, strengthening of purposefulness and a summoning of research with the assistance of the Treasury, proper training can be provided and adequate personnel placed in the respective positions and a more business-like culture developed. The Auditor General's report clearly outlined steps to combatting the issue of Internal Audit controls. Through the strengthening of the Internal Audit department many issues can be rectified throughout the Ministry. Records will be properly maintained, issues will be found and dealt with in a timely manner and there will also be a higher sense of accountability, transparency and value for money within the Ministry of Tourism.

Recommendation: A request for training should be made by the Permanent Secretary to the Treasury in order to strengthen the Internal Audit Unit of the Ministry. The Public Service Commission can also ensure that the Ministry's Internal Audit Unit is provided with persons trained properly in areas such as risk management and forensic accounting so that the Internal Audit function can be executed with creditability.

v. System to ensure value for money

Value for money should be observed when conducting all the Ministry's activities to ensure that there is efficient use of public funds. The Ministry of Tourism should implement measures so that economies of scale can be achieved in projects when goods are acquired. When decisions are made in regard to projects, the Ministry's objectives should always be kept as a focus. SWOT analyses should also be done by the Ministry to ensure that only the most meaningful and impactful projects are chosen and every dollar spent is maximized. Accountability and transparency should also remain as a goal for every Ministry in the execution of their duties.

Recommendation: A re-evaluation of the Ministry's framework placing more emphasis on value for money when executing projects is needed. The Ministry should find a reputable country known for high performance in the Tourism Sector to benchmark off of which will enable them to base their standards on. The Ministry's procurement processes must be clearly documented and communicated to all persons involved to ensure that value for money can be achieved. This will in turn raise our standards ensuring that taxpayers' money is spent wisely and that institutions are operating at optimal capacity.

vi. Penalties for non- compliance to financial regulations

The Auditor General's Report indicated that some Accounting Officers were not carrying out their duties in accordance with the financial regulations. The Exchequer and Audit Act should be observed for all financial processes in the Public Service. These standards have not been met and is a pervasive issue. Transactions were made/approved that were not in accordance with the Financial Regulations. Accounting Officers (AO) should be properly trained with the execution of their duties in accordance to the Financial Instructions/Regulations.

Recommendation: *The Treasury should provide the required training for the Accounting Officers (AO) so they can perform their duties in accordance with the Financial Instructions/Regulations. Checks should be in place to ensure that all financial regulations are properly followed. Purposeful non-adherence to the regulations should be punishable by law, making each AO legally responsible for any discrepancy observed. Sanctions should be implemented when violations of identifiable rules occur signifying that responsibility and accountability are meant something.*

vii. The process for pension benefit

Pension and gratuity are benefits paid to public servants upon retirement. A gratuity is also paid to qualifying persons at the end of their contract. The timely payment of Pension and gratuity benefit has been identified as a pervasive issue throughout the Public Service. The issue is due in part to records not being maintained within the respective Ministries/Departments where the persons were employed. Incomplete Pension and Leave records was identified as the main cause for delays in the process. Pension and leave records need to be properly maintained to ensure people are able to access their funds within six (6) months.

Recommendation: *There should be a quarterly review of the Pension and Leave department to ensure that records are always updated and calculations are always made in time. This allows for the information to be processed by the Comptroller of Accounts and sent to the Treasury to be paid. In cases where persons have been in various Ministries/Departments, communication between the relevant entities needs to be enhanced to ensure the records are provided in a timely manner. When better collaboration amongst Ministries is achieved and records are constantly updated, the process will become easier. The Ministry needs to ensure that its contribution to the process is on time and eventually there will be an improvement. There are simple software systems that can help with integration, information sharing and collaboration to support greater efficiency and effectiveness. These should be explored immediately and provided with training support for relevant personnel.*

viii. Status of Maracas Beach project and similar projects

As part of the Ministry of Tourism's initiatives, a project was launched to enhance the Maracas bay facilities. The project's original estimated cost is \$120 million and as at March 23, 2016, only thirty percent (30%) of the work has been completed. Problems have been encountered, stalling the completion of the project e.g. Commissioner of State Lands' approval for road diversions and also problems with the design of the facility. Although a good initiative, proper preparations were not made before the commencement of such a huge project. Through the intervention of architectural expertise and the required approval being received, this project will be able to be completed and money spent can be finally put to use.

Recommendation: The Commissioner of State Lands should prioritize the resolution of all issues under his purview in relation to the Maracas Beach Project to allow its completion. The Minister of Tourism along with the Permanent Secretary with the Commissioner of State Lands, through negotiations, should be able to find ways in which approval can be received and the project continued. The Ministry should also adhere to the layout of the facility to avoid any excess money being spent by a change to the scope of works. Value for money as always should be the main focus of each project and it should be observed when procuring goods and services throughout the construction process. Economies of scale can also be achieved when purchasing materials for the project. The Public Service Bureaucracy should not be a hindrance to efficiency and effectiveness of Government's delivery of public goods and services. Thousands over an extended period will benefit from improved facilities at Maracas.

ix. Contribution to the GDP of Trinidad and Tobago

According to the World Travel & Tourism Council, Trinidad and Tobago's tourism industry contributes 3.3% to total GDP⁴. Through increased investment and development of the tourism industry a greater contribution to overall GDP can be achieved increasing tourism's contribution to the economy. During this time with the drop in oil prices which was the country's number one source of revenue, the tourism sector should increase its promotional interventions in a strategic manner to attract tourists to visit Trinidad and Tobago to generate increased revenue for the country. A boost of foreign direct investment will also provide much needed foreign currency which will in turn assist local businesses and contribute to the country's

⁴ <http://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202016/trinidadandtobago2016.pdf>

standard of living. Countries within the Caribbean e.g. St Lucia with a booming tourism industry should be used as a benchmark when drafting these strategies.

Recommendation: *Regional examples such as St. Lucia should be emulated. A national plan within the framework of policy should be drafted in an attempt to increase the capacity of the Ministry of Tourism. The Ministry should invest in a Tobago Tourism Development Programme dedicated to developing the island's tourism industry, making it more competitive on an international level and sustainable as an industry taking the provisions of the Tobago House of Assembly Act into account. The TDC should also ensure that plans drafted are executed effectively because through its execution the success of the overall strategy will be achieved. This requires monitoring, evaluation and accountability for targets and the delivery of results.*

x. Short fall in tourist arrival and strategies to attract tourist

Through tourist arrivals and departures, the success of tourism is measured. It was noticed that due to multiple reasons, there has been an overall decrease in tourist arrivals. Crime was identified as the main factor deterring tourists. Mechanisms to attract tourists should be implemented to increase arrivals to Trinidad and Tobago. A linkage between Trinidad and Cuba was proposed to increase the attractiveness of local tourism but this would require a high degree of sophistication in terms of approval. An example will be St. Lucia, their St. Lucia Jazz festival has been more advertised globally than the Tobago Jazz festival which is also an indication of where the Ministry has fallen short in achieving their objectives. The Standing Committee on sustainable tourism has subcommittees that are working, looking at the destination management and the marketing strategies but these need to have a clear plan and deliver real results.

Recommendation: *Promotional packages should be developed to attract tourists to Trinidad and Tobago including cruises and carnival packages. The Ministry of Tourism can partner with tourism companies around the globe to make Trinidad and Tobago more visible to patrons considering travel to a Caribbean country. A revision of the Ministry's promotion strategies needs to be done to increase the attractiveness of the country as a destination and all the sights and entertainment it has to offer, given Trinidad and Tobago's rich diversity. Officials from the Ministry of Tourism and the Ministry of National Security also should introduce innovative ways in which tourists can be guaranteed a safe experience in Trinidad and Tobago. The tourism authorities must appreciate that the issue is not just increase in arrivals but increase in spending per capita for arrivals and that means events, destinations and activities.*

xi. Lack of Oversight in Systems/Procedures at the Ministry and TDC

The Ministry of Tourism needs to maintain oversight of the Tourism Development Company (TDC) to ensure duties are being fulfilled and there is full accountability for money spent. As the implementation arm of the Ministry, the TDC is seen as an extension of the Ministry and should be overseen and managed like any other internal department. Currently this is maintained through submission of monthly expenditure reports to the Ministry. Project documents are also monitored and site visits are also conducted. Research and planning unit oversees PSIP projects for which they have responsibility. The Monitoring and Evaluation Officer developed templates which they are supposed to fill information based on four areas. The minutes of meetings are also sent to the Permanent Secretary based on the performance manual for state enterprises. The issue of the Ministry and how it functions in relation to the TDC has to do with strategic resolve in the context, clearly articulated policy and the balance between autonomy and accountability for the TDC.

Recommendation: Proper monitoring and evaluation systems should be continuously maintained to ensure the TDC performs as expected. The Ministry's Liaison Officer should also be tasked with assisting the Permanent Secretary to monitor the TDC and also maintain constant communication between the Ministry and the TDC to encourage alignment. Through the monitoring of projects and constant collaboration proper oversight can be maintained and value for money, transparency and accountability with impactful results achieved.

Ministry of Tourism – Concluding Remarks

A clear instance of fraud has been identified in the Ministry of Tourism, but this has been too long in the investigation stage without resolution or consequence.

Systems in the Ministry are weak from Internal Auditing, to clear rules and guidelines, clear lines of responsibility and accountability and sanctions for misconduct.

The culture of performance and of identifying clear results to be achieved and actually achieving them is weak.

A strategic training programme focused on strengthening systems of accountability, clarifying rules and guidelines, strengthening the culture of responsibility and higher performance is necessary. It is also necessary to establish a rewards and sanctions system for good and bad performance and for responsible and irresponsible behaviour.

A clear policy position for Tourism within a framework of national policy needs to be articulated. There needs to be stronger alignment between policy, execution and results achieved, supported by training and by an effective monitoring and evaluation system.

Steps must be taken to ensure that the internal auditing system functions as a watchdog on the public purse.

Care must be taken to establish simple software systems that can help with integration, information sharing and collaboration to support greater efficiency and effectiveness. These should be explored immediately supported by training for relevant personnel to work the software systems effectively.

The policy role of the Ministry of Tourism, the Executive role of the Tourism Development Authority, the autonomy required to make this possible and the alignment required between these two entities for efficiency, effectiveness and delivery of results should not be confused or compromised.

The Tourism authorities must appreciate that the issue is not just increase in arrivals but increase in spend per capita for arrivals and that means events, destinations, activities and occasions.

This Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.
Dr. Bhoendradatt Tewarie
Chairman

Sgd.
Mr. Rodger Samuel
Vice-Chairman

Sgd.
Mrs. Ayanna Webster-Roy
Member

Sgd.
Mr Randall Mitchell
Member

Sgd.
Dr. Lester Henry
Member

Sgd.
Mrs. Paula Gopee-Scoon
Member

Sgd.
Ms. Marlene McDonald
Member

Sgd.
Ms. Jennifer Raffoul
Member

APPENDIX I

Attendees

At the meeting held on Wednesday March 23, 2016, the witnesses attending on behalf of the Ministry of Tourism were:

Mrs. Cecelia Greaves-Smith	-	Permanent Secretary Ag.
Ms. Samdai Rampersad	-	Deputy Permanent Secretary Ag.
Mr. Anand Maraj	-	Coordinator, Monitoring and Evaluation
Ms. Simone Medina	-	Ag. Dir. Research and Planning
Ms. Debra Sookdeo	-	Accountant II
Mr. Kelsey Marhong	-	Ag. Director, HR
Ms. Hemragie Ramdhani	-	Ag. AO IV

**THE PUBLIC ACCOUNTS COMMITTEE –
FIRST SESSION, ELEVENTH PARLIAMENT**

**MINUTES OF THE SIXTH MEETING HELD ON WEDNESDAY, MARCH 23, 2016 AT 10:02
A.M.**

**IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE
PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL WATERFRONT
CENTRE, 1A WRIGHTSON ROAD, PORT-OF-SPAIN.**

Present were:

Dr. Bhoendradatt Tewarie	-	Chairman
Mr. Rodger Samuel	-	Vice- Chairman
Mr. Randall Mitchell	-	Member
Mrs. Paula Gopee-Scoon	-	Member
Dr. Dhanayshar Mahabir	-	Member
Mrs. Ayanna Webster-Roy	-	Member
Dr. Lester Henry	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary

Absent was:

Ms. Marlene McDonald	-	Member
----------------------	---	--------

Also present were:

OFFICIALS FROM MINISTRY OF TOURISM

Mrs. Cecelia Greaves-Smith	-	Permanent Secretary Ag.
Ms. Samdai Rampersad	-	Deputy Permanent Secretary Ag.
Mr. Anand Maraj	-	Coordinator, Monitoring and Evaluation
Ms. Simone Medina	-	Director Research and Planning Ag.
Ms. Debra Sookdeo	-	Accountant II
Ms. Hemragie Ramdhani	-	Administrative Officer IV Ag.

COMMENCEMENT

- 1.1 At 10:02 a.m. the Chairman called the meeting to order and welcomed those present.

THE EXAMINATION OF THE MINUTES OF THE FIFTH MEETING

- 2.1 The Committee examined the Minutes of the Fifth (5th) Meeting held on Wednesday March 9, 2016.

- 2.2 The Committee indicated that the following item was omitted:

Insert in item 5.5 (xxv):

“The Auditor General Report on the Public Accounts of the Republic of Trinidad and Tobago for Financial year 2015 will be submitted in April and the Review of the Economy later.”

- 2.3 There being no further omissions or corrections, the Minutes were confirmed on a motion moved by Mr. Rodger Samuel and seconded by Mrs. Ayanna Webster-Roy.

MATTERS ARISING FROM THE MINUTES OF THE FIFTH MEETING

- 3.1 The Committee discussed the way forward with Water and Sewage Authority (WASA) and agreed to keep the examination of WASA on the agenda.

PRE-HEARING DISCUSSION RE: Examination of the Ministry of Tourism

- 4.1 The Committee agreed that the focus of the meeting will be the Auditor General’s Report on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2014 with regard to the Ministry of Tourism.

- 4.2 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:28 a.m.

EXAMINATION OF THE MINISTRY OF TOURISM

- 5.1 The Chairman called the public meeting to order at 10:37 a.m.

- 5.2 The Chairman welcomed the officials from the Ministry of Tourism to the Sixth (6th) public hearing with the PAC and introductions were exchanged.

- 5.3 The following issues arose from the examination with the officials from the Ministry of Tourism:

xii. Policy of the Ministry of Tourism.

The Committee enquired into the fit between the Ministry of Tourism’s policy and the overarching government policy framework for development. Officials from the Ministry of Tourism stated that a work plan based on the Government’s policy framework was prepared and included increasing investments, quality assurance of products, customer service, sites and attractions to provide a better experience for visitors. Officials from the Ministry further

indicated that in terms of policy making, the Ministry was increasing the working relationship with the Tobago House of Assembly (THA) for tourism in Tobago.

xiii. Responsibilities of the Ministry of Tourism and the Tourism Development Company (TDC)

The Committee sought clarification on the responsibility of the Ministry and TDC. The Permanent Secretary stated that the Ministry was responsible for the implementation of policy and TDC is the execution arm of the Ministry responsible for incentives related to room upgrade for hotel rooms and marketing strategies for Trinidad and Tobago.

xiv. Pervasive Issues and Issue of Fraud and Losses

The Committee highlighted the pervasive issues raised in the Auditor General Report such as lease agreements, register of contracts, contract agreements, contract employment and storage of payment vouchers. Concerns were expressed in particular to the twelve (12) cheques totaling \$844,000 and seventy-four (74) blank cheques that were discovered missing, the ten (10) contracts that were not provided for audit and the four (4) vouchers for expenditure totaling \$1,966,491.37 related to the Cruise Tourism Initiative that contravened Financial Regulation 65 (2) and (3).

Officials from the Ministry stated that in 2014, the cheques were found to be stolen and the matter is currently under investigation by the Fraud Squad. Subsequently, actions were taken to heighten security such as the storage of unused cheques in fireproof cabinets, two (2) forms of identification kept on file, limited access to cheques and installation of security cameras.

Officials from the Ministry also indicated that all projects were completed. With respect to the ten (10) contracts that were not provided at the time of audit, the Ministry indicated that the letter of awards of contracts were provided but there were no contracts given. A tender committee was set up to ensure that the tendering process for services and equipment were done properly.

Officials from the Ministry further indicated that the Cruise Tourism Initiative was paid under sub-item 'Promotions and Publicity' which was placed under the wrong vote. The matter was corrected and approved by Cabinet and the financial statements were adjusted by the Ministry of Finance.

xv. Strengthening of Internal Audit Unit and Framework

The Committee questioned the mechanism used to strengthen the audit function. Officials from the Ministry of Tourism stated that the internal audit function across the public service needed to be strengthened and the capacity of the auditor. The Ministry is reviewing the neglected areas in the work plan and training opportunities to strengthen the audit function.

xvi. System to ensure Value for Money

The Committee questioned the systems in place to monitor investments in tourism promotion to ensure there is value for money. Officials from the Ministry stated that a Monitoring and Evaluation Unit was implemented to develop, implement and maintain a result-based monitoring/evaluation system designed to ensure that the Ministry's policies and programmes achieved Government's policy and national outcomes. The result-based monitoring/ evaluation system includes monitoring, financial analysis, outcome evaluation, policy and compliance.

xvii. Penalties for Non-Compliance to Financial Regulations

The Committee enquired into the penalties for public officers who do not follow the regulation according to civil service custom and practices, such as Financial Regulation 129 (1) with regard to register of contracts. The Ministry indicated that sanctions were not applied and there needed to be a review of the legislative framework that governs the public service. Also, the performance management system does not function effectively since officers' move to other Ministries instead of being held accountable for the breach of regulations.

xviii. Process for Pension Benefit

The Committee sought clarification for the status of delay in the provision for separation and pension benefits and the status of the completion of the pension and leave records. Officials from the Ministry stated that the process was not completed and the outstanding matters were a result of those Ministries who failed to submit documents in a timely manner. Presently at the Ministry of Tourism, the pension and leave records were completed prior to proceeding on pre-retirement leave.

xix. Status of Maracas Beach Project and Other Projects

The Committee sought clarification on the status of the Maracas Beach project and other projects. Officials from the Ministry of Tourism indicated that the original cost of the project was \$120 million and thirty (30%) percent of the works were completed. The contractors had some challenges in the design/built arrangement and road works. The Committee further questioned whether there were approvals before the project started and officials stated there were approvals for certain areas.

The Sugar Heritage Village and Museum, Lifeguard Facilities and Vessigny Beach projects were completed. The Tourism Sites and Attraction Upgrade, Cruise Tourism Initiative, Trinidad and Tobago Convention Bureau Programme, Incentive Upgrade Programme, Las Cuavas Beach projects were ongoing. However, Saline Bay Facilities at Toco project was off-the-books.

xx. Contribution to the Gross Domestic Product (GDP) of Trinidad and Tobago

The Committee questioned the Ministry of Tourism's contribution to the current GDP of the economy and in the next five (5) years. Officials from the Ministry indicated that the tourism sector currently contributes three (3%) percent of GDP and will increase its GDP contribution by seven (7%) percent within the next three (3) to five (5) years.

The Ministry stated that they were looking at new markets, enhancing various types of tourism, strengthening the working relationship with stakeholders, increasing airlifts and money spent by visitors in order to achieve the seven (7%) target over the five (5) year period.

xxi. Shortfall in Tourist Arrival and Strategies to Attract local tourist

The Committee sought clarification on the shortfall in tourist arrivals in Trinidad and Tobago. Officials from the Ministry indicated that the loss of airlifts in European Markets, branding and marketing strategies and criminal activity contributed to the shortfall. The Ministry was working with cruise ships to increase the number of cruise ship arrivals, a visitors' guide to interact with visitors disembarking the cruise ships, implementation of a tourism policing initiative, visitor management system, Standing Committee to look at destination management, development of marketing strategies and working with Caribbean Airlines to increase airlifts to Tobago.

xxii. Lack of Oversight in Systems/Procedures at the Ministry and TDC

The Committee questioned the systems/procedures in place for proper oversight at the Ministry and TDC. Officials from the Ministry indicated that a robust monitoring and evaluation system was in place at TDC which includes submission of reports, review project documents, research and planning and site visits. The Committee further questioned whether the TDC has a strategic plan. The Ministry indicated that TDC had a strategic framework to increase the GDP contribution to tourism which reviews the percentage of visitor arrivals and money spent by visitors.

xxiii. Status of Administrative Reports and Audit Financial Statements

The Committee sought clarification on the status of Administrative Reports and Audit Financial Statements. Officials from the Ministry indicated that the Administrative Reports for 2014 was at the Finance and General Purposes Committee. The TDC Audited Financial Statements for the financial year 2014 was at the Ministry and the Ministry was awaiting the Auditor General's Report for the fiscal year 2015.

SUSPENSION

- 6.1 At 12:32 p.m., the Chairman suspended the *public* meeting to resume a post-hearing meeting *in camera* with Members only.

RESUMPTION

- 7.1 At 12:41 p.m. the Chairman resumed the post-hearing meeting *in camera*.

POST-MORTUM DISCUSSION

- 8.1 The Members held a post-mortem to determine the way forward, following the public hearing.
- 8.2 The Committee agreed that at the next meeting the concerns raised in the Audited Financial Statement of Tobago House of Assembly for the period 2006 to 2007 and the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 related to the Tobago House of Assembly will be examined.

ADJOURNMENT

- 9.1 The Chairman thanked Members for their attendance and adjourned the meeting to **Wednesday April 13, 2016 at 10:00 a.m.**
- 9.2 The adjournment was taken at 12:42 p.m.

We certify that these Minutes are true and correct.

CHAIRMAN

SECRETARY

March 23, 2016

**VERBATIM NOTES OF THE SIXTH MEETING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD IN THE J. HAMILTON MAURICE
ROOM, MEZZANINE FLOOR (IN PUBLIC) TOWER D, THE PORT OF
SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON
ROAD, PORT OF SPAIN, ON WEDNESDAY, MARCH 23, 2016, AT 10.37
A.M.**

PRESENT

Dr. Bhoendradatt Tewarie	Chairman
Mr. Rodger Samuel	Vice-Chairman
Mrs. Paula Gopee-Scoon	Member
Dr. Dhanayshar Mahabir	Member
Mrs. Ayanna Webster-Roy	Member
Mr. Randall Mitchell	Member
Dr. Lester Henry	Member
Miss Keiba Jacob	Secretary
Miss Hema Bhagaloo	Assistant Secretary

MINISTRY OF TOURISM

Mrs. Cecelia Greaves-Smith	Permanent Secretary Ag.
Ms. Samdai Rampersad	Dep. Permanent Secretary Ag.
Mr. Anand Maraj	Coordinator, Monitoring and Evaluation
Ms. Simone Medina	Dir. Research and Planning Ag.

Ms. Debra Sookdeo

Accountant II

Ms. Hemragie Ramdhani

AO IV Ag.

Mr. Chairman: Good morning everybody. I want to take this opportunity to welcome members of the Ministry of Tourism. I also want to welcome the members of the media who are here, and members of the public who have taken the time to sit in this meeting, I want to thank you for coming.

The purpose of this meeting, of the Public Accounts Committee, is to examine the issues identified in the report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014, with regard to the Ministry of Tourism.

As you know, we spent some time engaging the Auditor General and his office on the entire report of 2014. And we did that with the public in mind, and also with our own opportunity for education and information gathering, so that we would have a holistic sense of what happened with regard to government accounts in 2014, and so that the public and citizens of the country would also understand the role of Auditor General and what these accounts mean, and why they are important for citizens to understand what is going on.

And today we focus on the Ministry of Tourism. You just happened to be early. There was no specific reason in the sense that we did not identify you as high up on the agenda as a priority. What we did is that we tried to look at the accounts as they are, and we wrote to most people enquiring about certain issues, and you were among the first nine to respond, so we commend you on that, and you then ended up being the first.

Okay, so you are here this morning, I want to welcome you. I want to ask you to be at ease to answers the questions to the best of your ability. We will ask you questions, some of the questions might be hard questions in keeping with some

of the issues that have come up in the Auditor General's Report but all we want is a straightforward answer to the best of your knowledge, and, if we probe the issues, we expect you to respond on the basis of saying that, well, this is what your probing question tells me is an appropriate response. And, if you do not know, well, then we would ask you to provide the information. Okay? Because what we are trying to do is to make sure we get all the information that is important.

When we have these meetings, and when an institution like yourself, a Ministry of Government comes, the idea is to hear from you not just about the issues raised in the Auditor General's office but, if there are challenges that you face, this is the opportunity when you can really bring it to our attention, and the public's attention. Because, when we are finished with a meeting with you, a report is done, and that report has recommendations, and the report on those recommendations are laid in Parliament. And, therefore, they come under the scrutiny of Parliament and, also, for action by the Executive. Okay? So, there is a value in that aspect of it. So, you also have a certain amount of freedom and opportunity here. And, if there are possible solutions that you wish to identify to any of the problems, and you feel that you have identified these solutions before and they have not been taken seriously, this is also an opportunity for you to do that. All right?

Now, what is our job besides insisting on accountability and transparency? Part of it is to help your Ministry and any other Ministry or government institution improve the delivery of services, and to be much more efficient and effective, and to make sure that taxpayers' money, citizens' money—public money, if you want to call it that—is spent in a judicious and restrained but effective manner. Now, this meeting is being held in public and is being broadcast live on Parliament Channel 11 and on Radio105.5 FM. So, what I will do is to begin by asking the members of the Ministry of Tourism who are here to identify themselves and

introduce themselves to us and the public, and then we will begin the process of engagement. Okay?

Mrs. Greaves-Smith: Thank you. Good morning, Chair. Thanks Members of the Committee for inviting us so early. I am Cecelia Greaves-Smith, I am the Acting Permanent Secretary in the Ministry of Tourism. I will ask the members of my team to identify themselves, starting at that end. [*Points to member on her right*]

[Officials of the Ministry of Tourism introduce themselves]

Mr. Chairman: Okay, thank you all very much. On the first occasion and on the second occasion I asked all members of the Committee to introduce themselves, so they are now well known to the public. You know these members as Members of Parliament in both Houses, and we are the Public Accounts Committee of the Parliament, basically. So, what I would ask is, Permanent Secretary if you can give a brief introduction before we start the questioning.

Mrs. Greaves-Smith: I would just like to thank the members of the Committee for giving us this opportunity to appear to address any of the concerns that may have been raised in the Auditor General's report. My team is a little stressed because this is for most of them their first time, so I beg your indulgence. But, we think this is a very important exercise in terms of how Ministries are asked to account for how they work. Unfortunately, I joined the Ministry only in September of last year, so some of my answers may be premised based on what the records may show or what I have been told by other members of staff. But, I endeavour to do my best, and my team, in the endeavour to do our best to answer as best as we can, and in those instances when we cannot, we endeavour to send any information that you may ask of us after.

Mr. Chairman: Okay. Well, I will start off the questions and then other members will engage you. The first thing I would do is, given where we are today at this time, what is the policy you would say for tourism given that this Ministry is

responsible for tourism? What is the policy for tourism, and how does that fit into the overarching policy framework of Government for development? Are you able to articulate? You do not need to go into a big long spiel—if you make a few points that would be fine.

Mrs. Greaves-Smith: Well, having regard to the current economic situation in the country, tourism is seen as one of those drivers, so to speak. We are expected to increase our contribution to the country's GDP. The sector is seen as one of those sectors in which you can increase employment, foreign exchange earnings. So, how we are working is guided by those premises. We have a work plan that has been approved, which has come out of the Government's policy framework which includes looking at means of increasing incentives to increase investments into the sector. We are also looking at quality assurance issues in terms of our tourism products. Looking at our hotels, our customer service. We are looking at sites and attractions, how do we provide a better experience for our visitors. We are looking at the question of research to determine how we should go forward. In terms of policy making, one of our major products is our baseline survey, and we are also looking at how do we increase working with the Tobago House of Assembly, because Tobago House of Assembly is responsible for tourism in Tobago, but the product is Trinidad and Tobago. So, we are working on how do we make those better working relationships so that what both parties do would benefit the country Trinidad and Tobago.

Mr. Chairman: Okay, you mentioned the issue of incentives for investment, how is investment handled? Because, I mean, in a fundamental way the Ministry of Tourism is very focused on how to increase the tourism drive, how to bring more tourists to the country. And, there are other agencies that handle the business of investment, which includes tourism investment or hotel investment, and so on. How is that? How do you see your role? How to you facilitate that process? How

does that work?

Mrs. Greaves-Smith: Well, the Ministry is responsible for—the Ministry and, by extension, its implementation arm, the Tourism Development Company—is responsible for those incentives that relate to room upgrades for our hotel plants. They actually would accept applications, they would do the necessary checks, balances. There are some incentive programmes which allow hotels to upgrade their rooms and their facilities, and they would either be reimbursed up to a particular amount of money by Government.

We are responsible to some extent for some of those programmes. What we are in the process of doing right now is trying to look at the incentives to see if they are in line with what other countries offer to their sector, so that we are competitive, because one of the complaints, I think, that tourists have indicated that our plant is not necessarily up to standards, and right now we are looking at room upgrades and transport facilities, for instance. So, we are looking at the Tourism Development Act. We are looking to review the legislation to bring the incentives more in line with what obtains elsewhere. But, we also work with the Ministry of Trade, who also may have on their cards other incentive products, any investment opportunities. So, right now it is a work in progress in terms of our incentives.

Mr. Chairman: Okay. You raised the issue of harmonizing strategy between the Tobago House of Assembly and the Ministry of Tourism in order to have a Trinidad and Tobago tourism achievement focus. I have always had the impression that there have been tensions between the House of Assembly and the Ministry of Tourism in terms of strategy, implementation, and so on. And I have also had the impression that there is also some tension between the Ministry, on the one hand, and the Tourism Development Corporation. Would you like to comment on that and to talk about how we might more effectively achieve a national strategy?

Mrs. Greaves-Smith: I do not want to talk about tension. What I would say is that we have found that there is not enough communication between both parties, Tobago and Trinidad. In terms of some of the strategies we do work with the THA, through, even the Tourism Development Company, they market both destinations although the THA is responsible for tourism in Tobago. When they go to their trade fairs the TDC is responsible for marketing both islands. So, I do not know about tension, but I do know that we are working on the communication process. We have started—well, I do not know if we started, but we are engaged in monthly meetings with the THA to discuss issues relevant to tourism. We have had some difficulties. When we came in, the incentives for room upgrades were not being accessed in Tobago because of the way it was operationalized. We have since had that amended. We have gone to Cabinet and the process is now easier in Tobago. So, I think we have started a process of working together.

With TDC, I think there has been an issue. Over the last couple years people have complained that, you know, that the tourism policy may be changing fairly often, and the relationship between the Ministry and TDC may not have been perfect, but I have not found—well, since I got there—that is has been bad. It has not been, and we are working together to find synergies on how we do things well. They know they have to look to us for leadership because we are responsible for policy development, and we know that we have to depend on them for implementation, and it is a work in progress, I think.

Mr. Chairman: Yes. You see, from my point of view, and this is going to be just a quick comment and you can respond. I mean, the tourism Ministry is responsible for policy in the country. Yes, the House of Assembly is responsible for Tobago and all matters related to Tobago, and which tourism is a major matter. But, whatever the THA does has to be within the framework of some kind of national policy, and certainly the TDC is the execution arm of the Ministry, and therefore, it

must conform to policy. And the issues need not be disharmonious at all in the execution of their functions, either the THA or the TDC, understanding that there is policy overlap arrangements between the House of Assembly and the tourism Ministry.

But, it seems to me that if everybody understands their role and they are working from the same page even though they are going after very, very specific objectives and targets, a lot more can be achieved. So, that was my only concern, and I know it has always been there as a factor, you know. So, if you do not want to comment, that is fine, I will ask Mr. Samuel to proceed.

Mrs. Gopee-Scoon: I thought you were going to start with me.

Mr. Chairman: No, I always start with you, so I give Mr. Samuel a chance.

Mr. Samuel: Mrs. Greaves-Smith, why do you feel, from the tourism aspect, should somebody want to come to Trinidad and Tobago? Because, tourism is for pleasure. Travel for pleasure. What are they coming to see? What are they coming to experience? What have we been marketing Trinidad as, if we are marketing it as a tourism destination? What is there that excites the mind and the appetite of the person who wants a destination to come to Trinidad and Tobago? Seeing that, and I wanted to reiterate, we are the home of Carnival, we say the mecca, we have no carnival museums. We are the place for pan, we have no pan museums. We are the place of tremendous culture, but we have no cultural museums and stuff like that, so people have nothing to come and see. What is being marketed when it comes to our heritage, physical heritage, built heritage, all types of heritage? What is there? What are you marketing?

Mrs. Greaves-Smith: Okay. Well, first I am just going to make a point that we bring tourists here for different reasons, not always just for pleasure. So, sometimes we have the business side of things, and Trinidad has done that in terms of conventions, and meetings, and stuff. But, to talk about what we market,

depending on who you talk to in meeting with our stakeholders, we get the view that everybody has a different view of what Trinidad and Tobago—what is the experience. And, it is really an experience. It is not just that we talk about heritage sites and what are our products.

We think that Trinidad and Tobago is an experience. It is culture, it is business, it is the people, it is our diversity. We see Tobago in terms of leisure, in terms of—well, they say, clean, green and serene; but, we look at it as the sun, sea and sand. We market the experience of the Ariapita Avenue, the street food, those kinds of things. So, apart from just a site, or a museum, or the music, it is really the experience. There is also the question of ecotourism, we are now working on trails going through certain parts of the North Coast. It is not just one product that we are doing; apart from the beaches, it is an experience we say, you come to Trinidad. People made a point that you could go to a river lime—it is not something that we may sell—and you meet a family there and you are a part of an experience, because they share their food. You have an experience at the river. It is not just one product. It is one destination, but you have many different experiences.

So, apart from the basic what people will tell you—ecotourism, sport tourism, those things, business tourism, conventions. When we tell people come to Trinidad and Tobago is because we the people are our greatest asset in terms of the tourism sector. We have great culture. We have the Carnival, yes, but we also have the festivals, we have the Divali, we have those other experiences, and, to us that makes up a total package, Trinidad and Tobago. That is the best I could sum it up.

Mr. Chairman: All right, we will go to Member Randall Mitchell.

Mr. Mitchell: Mr. Chair, I will give way.

Mr. Chairman: You had a follow-up?

Dr. Mahabir: Well, I give way to Mrs. Gopee-Scoon.

Mr. Chairman: Okay.

Mrs. Gopee-Scoon: Thank you very much. I am so pleased to have you all here today. But, I go right back to the audit report, and there are a number of pervasive issues that were raised that were relevant to your particular Ministry, and with regard to lease agreements, register of contracts, contract agreements, contract employments, storage of payment vouchers. It is a number of issues right across, delays in separation benefits and so on, void cheques. So, it seems to me that—I am making the comment that the Ministry has to pay attention to its policies and its procedures, having regard to the number of issues that have been raised here, and I know that you all would seek to correct it.

However, there are particular matters that I believe that are urgent, with regard to fraud and losses in particular. I have been informed that there were about 12 cheques amounting to \$844,000 and 74 blank cheques which were discovered missing by the Ministry, and that the matter was under investigation. I mean, I know that another report is due soon, and I am not sure whether—I am hoping that we would be advised if this was all corrected in the audited report, which is due shortly. But, perhaps you can speak to the investigation and what it has led to, and also, at the same time you can address the matter of the 10 contracts that were not provided for, where payments of \$5 million were made at the time of audit. So, I am saying that there were no contracts for the \$5 million which was put out, which, I think seems to be contrary to our policy. And, unless there were clear indications that this was supposed to be done, you know.

For instance, there was another project as well where there were four vouchers totalling almost \$2 million relating to this cruise tourism initiative, and the action was in contravention of the financial regulations Act, which stipulates that a vote may not be applied to a purpose for which it is not intended. So, again,

I would want to speak to these particular projects. I mean, I am very heartened to know that you have an M&E department, a Monitoring and Evaluation Department, and hence I did not expect to find the level of discrepancy that I see here relating to contracts, the payment of cheques and so on. And, again, with regard to lifeguard services, you had five cheques, again, of \$2 million prepared and, at the end of the year those projects had not been started.

So, these are general concerns. I question your M&E department and their effectiveness because this all relates to projects and policies and systems and procedures. So, I would want you to address the general pervasiveness and speak to those specifics with regard to those discrepancies regarding cheques and payments which appear to be unauthorized in a number of cases.

Mrs. Greaves-Smith: Thank you. Well, I will start with the cheques. In 2014 these cheques were found to be stolen. The matter is still under investigation by the Fraud Squad. We have been trying to get in touch with the complainant and we have been unable to do so. We have sent correspondence asking what the status is, but we have not had any word yet. Apparently, there might have been some lapses in the process, in the financial regulations, in terms of how these cheques were stored, how they were disbursed, and we have since taken action to fix those. We now have the unused cheques stored in fireproof cabinets in a locked sealed area, that you now have to have security access, a swipe, and key to open. The persons who are disbursing the cheques are now asked for two forms of identification. Identifications are also copied and kept on file, so access is limited to persons who may have access to these cheques.

We have installed security cameras within recent time in the areas of the accounts department. So that we have put some things in place to ensure that it does not happen again. Now, you made reference to M&E, but, in this particular case this would have been an auditing function, and that is one of the issues that

Ministries are facing, in that the internal audit function needs to be strengthened in terms of the capacity of the persons who are internal auditors. What we find is persons become internal auditors, you move up through the service. You might be a clerk in accounts and you move up, but you are not subjected to any specific training, so your competencies in terms of looking at risk in certain areas, you know, you may not know what you are looking for. So, what we find is that the audit function needs to be strengthened across the board in the public service.

11.05 a.m.

Recently Permanent Secretaries, when we were discussing the new procurement legislation, we identified that is one of the issues—one of the critical success factors for the procurement legislation to be properly implemented is because PSs cannot see everything that happens in the Ministry in terms of procurement. So that you have to have a strong internal audit function and we were discussing issues of qualifications, training in terms of risk management, forensic accounting and those kinds of issues.

In terms of the contract—and as I tell people, when you go from Ministry to Ministry you have different ways of doing things. I came from a Ministry, if a payment was sent for some works to be done and there was no contract attached, the person in accounts would ask for it because they knew that this is something you should have. In this case they were not contracts per se but they were letters of awards because of the, I was told—[*Interruption*]

Mrs. Gopee-Scoon: Which one are we talking about?

Mrs. Greaves-Smith: The other 10, the 10 contracts that were not provided.

Mr. Mitchell: But Mrs. Greaves-Smith, before you go too far, you said the complainant, you were trying to get in touch with the complainant. Who is the complainant? I thought the complainant would be the Ministry?

Mrs. Greaves-Smith: I used the word “complainant” and maybe it is not

complainant. The investigating officers. There are two: Corporal Camacho and Sgt. Dipchan.

Mr. Mitchell: You are getting in touch with them—

Mrs. Greaves-Smith: By telephone, I am talking about.

Mr. Mitchell: For what?

Mrs. Greaves-Smith: We wrote just to find out what is the status; as we were coming here we wanted to know what was the status of the investigation. I could not find them. But we will continue to look for them. And I could let you know what happens, what is the status.

Mrs. Gopee-Scoon: That we would want to be informed. Because this is a very serious matter.

Mrs. Greaves-Smith: But it is still under investigation.

Mr. Mitchell: The cheques were cashed, yes?

Mrs. Greaves-Smith: I was told that in some instances the cheques were cashed.

Mrs. Gopee-Scoon: But with regard to all of the blank cheques, I mean, have you placed stop cheques at the banks, et cetera?

Mrs. Greaves-Smith: Yes. All those things were done with the Central Bank and with Treasury, yes. There have been stop orders made, but the ones that were cashed they were trying to discover what happened, who might have been the perpetrators—is the best way I could say it.

Mr. Chairman: But would not the cash have been given to somebody by the bank who would have to identify themselves?

Mrs. Greaves-Smith: Yes.

Mr. Chairman: How hard is that?

Mrs. Greaves-Smith: Well, I thought it would have been difficult, but apparently it is not so difficult, that is why we started asking for—*[Interruption]*

Mr. Chairman: No, no, how hard is it to find the person who collected the money

and who would have had to provide an ID in order to collect the money?

Mrs. Greaves-Smith: I suppose it might have been a wrong ID they used. It might have been something forged, I do not know. That is why we are asking Fraud Squad to find out what is the status.

Mrs. Gopee-Scoon: You mean, you do not know? But you are the Chief Accounting Officer.

Mrs. Greaves-Smith: Yes, what I am saying is, the cheques were not cashed at our office. Some of the cheques were cashed in the Treasury Division and some were cashed at a bank.

Mr. Mitchell: So, just trying to figure out what happened, right. You are saying that there may be persons out there with the capability of writing cheques and persons with your signatures?

Mrs. Greaves-Smith: No. I am saying some cheques were stolen that were already made out to persons. There were a couple of cheques that were made out to certain companies and to certain persons that were stolen from the office. So those cheques, from my knowledge, I was told that those were cashed, some at the Treasury and some at banks.

The blank cheques, I was told that a couple of the blank cheques turned up, but turned up printed under another Ministry, the Head of another Ministry. And that is why I am saying Fraud Squad has to get involved. I do not have the capacity to investigate that.

Mrs. Gopee-Scoon: Has to get involved or they are involved?

Mrs. Greaves-Smith: They are involved.

Mrs. Gopee-Scoon: Right.

Dr. Mahabir: Thank you very much, Mr. Chair. There are other issues that I want to raise, Mr. Chair, but on this one I am not very clear with respect to the process within your Ministry to safeguard these negotiable instruments, like

cheques and bank drafts. Do you have a safe, one of those Chubb safes that only a couple of officers have the combination to and you would know therefore that if it is opened either two people would have opened it? Should there not be some system like that when you are dealing with large sums of moneys?—I mean, \$844,000 is a significant sum—that as an accounting officer that you should request that there be a safe at least, purchased for your Ministry so that all of these instruments may not only be the financial instruments but sensitive documents, contracts and so on that you have in a secured location, and you are saying that you do not have that?

Okay, my position is, should you not have it? And should it not have been a priority to safeguard the public resources in a safe place so that individuals in your Ministry who are not authorized to have receipt of such documents, such instruments are going to be prevented via having physical access because you have a couple of officers whose duty is that. I imagine that is how most organizations function, with respect to sensitive documents, one or two individuals will have—two will have the combination to the safe, and a safe should not be an expensive item especially when it is going to save \$844,000. Do you think that that something, accounting officer, you would want to implement forthwith?

Mrs. Greaves-Smith: Okay, what I am saying is that in 2014 it did not exist. We now have a safe that is now—[*Interruption*]

Mrs. Gopee-Scoon: A person with limited access.

Mrs. Greaves-Smith:—which is now in an enclosed space in which any access you must have a swipe so people would know who came in and you must have a key. So two officers. No single officer can go in and access at any one time. That is for the blank cheques. For those cheques when persons come to collect cheques you come to a cubicle. That has been enclosed and we have security cameras there now so we can identify who might have collected cheques. Anybody collecting a

cheque comes with two forms of IDs and we now copy the IDs and keep it on file. So we have—*[Interruption]*

Mrs. Gopee-Scoon: I think I may not understand clearly one aspect of it. The question of the 12 cheques of \$844,000, the actual cheques went missing. This is my understanding.

Mrs. Greaves-Smith: The actual cheques.

Mrs. Gopee-Scoon: Or is it that the cheques were collected and were actually collected and signed for? I am not sure.

Mrs. Greaves-Smith: They may have been collected and signed for by persons who were not the authorized person or in some instances—

Mrs. Gopee-Scoon: May? I am asking the question. May or were they?

Mrs. Greaves-Smith: Three of the cheques were made out to companies and a person came in with an ID and they collected three cheques for a company. They came to collect cheques for these companies, the three cheques with an ID, and they were given the cheques. Apparently the person issuing the cheques did not take proper information. There was no copy of the ID, there is no real record. I do not recall if they signed. The officer in charge said she forgot to let the person sign for the cheque.

So that persons collected cheques—*[Interruption]*

Mrs. Gopee-Scoon: Without signing?

Mrs. Greaves-Smith: Without signing or maybe without—some of them sign but they may have been the wrong person, they might have come with IDs that might have been forged.

Mr. Chairman: Just a follow-up question on that. So the person basically receiving the cheques would have been a citizen not a public servant?

Mrs. Greaves-Smith: Well, I do not know.

Mrs. Gopee-Scoon: In some cases.

Mrs. Greaves-Smith: I do not know.

Mr. Chairman: I want to ask that.

Mrs. Greaves-Smith: Not necessarily, not somebody who worked in the Ministry.

Mr. Chairman: But there would have been a public service breach in not having the proper procedure enforced, by having the person sign, taking note of their ID, et cetera.

Mrs. Greaves-Smith: Yes.

Mr. Chairman: So there were two sides of it so to speak?

Mrs. Greaves-Smith: Yes.

Mr. Mitchell: Just a follow-up. Mrs. Greaves-Smith, I just want to know, you said that you put certain things in place in 2014/2015 which are, those things appear to be standard. So what existed prior to 2014? Can you explain the process and you have \$844,000 going missing in 2014, are there similar instances in 2013, 2012?

Mrs. Greaves-Smith: I came there in September of last year so I would not be able to tell you now if it had happened in 2012 or 2013.

Mrs. Gopee-Scoon: Maybe the Deputy can help you.

Mrs. Greaves-Smith: I can get that to you. But let me tell you what happens. The problem with us, we are in Tower C, in one of those towers—[Crosstalk] no, no, it has been a problem in terms of getting vaults and fireproof cabinets in there. We have been having discussions with UDeCOTT and one of the issues they have told us is that the load for the capacity of the building, if all these Ministries there put in vaults and fireproof cabinets and depending on where you put it, it may compromise the structural integrity of the building. That is what we were told.

We have been, as a group, the PSs of those Ministries that are in those towers have been meeting with UDeCOTT, we are looking at options. In some

instances when we cannot bring in a vault, a big heavy vault, we use fireproof cabinets and we are told where they must be placed. So I think that is what might have happened in 2014. We have since put things in place but I cannot tell you anything about 2012 or 2013.

Mr. Mitchell: What is the process by which the cheques are processed? I mean, was it in a drawer by somebody's desk?

Mrs. Greaves-Smith: Right now it is in an enclosed cubicle.

Mr. Mitchell: Prior to 2014?

Mr. Chairman: Who is going to respond?

Ms. Sookdeo: Prior to 2014 it was in an enclosed cupboard.

Mrs. Greaves-Smith: But what was the process?

Ms. Sookdeo: The same process, it is just that more people had access to the cabinet.

Mrs. Gopee-Scoon: This is an ordinary cupboard?

Ms. Sookdeo: A cabinet.

Mrs. Gopee-Scoon: Ordinary cabinet, not fireproof or anything?

Ms. Sookdeo: Yes it was fireproof.

Mrs. Gopee-Scoon: And persons had access to it?

Ms. Sookdeo: Yes.

Mr. Chairman: Member for Tobago East. She has been trying for a little while.

Ms. Webster-Roy: Thank you, Mr. Chairman.

Mr. Chairman: So you can ask all your questions, okay?

Ms. Webster-Roy: Thank you, Mr. Chairman. In terms of the cheques that were collected, there is a policy and a procedure; an officer did not follow proper policy and procedure. What disciplinary actions were taken? That is one; and two, what measures have been put in place to ensure that policies and procedures are always followed within your Ministry?

Mrs. Greaves-Smith: I have been advised that the officer who was on the schedule at that time resigned from the service, so the matter of disciplinary procedures—well, I was not there, but I was told the person resigned.

Mr. Chairman: Just a follow-up to that. Is there any chance—that is why I asked the question of whether the person receiving the money was a citizen not a public servant and whether the flaw was a public servant. Is there any reason to believe that there was complicity in this, involving both parties?

Mrs. Greaves-Smith: I prefer not to say, Chair, sorry. But as I said, the process now is a little more stringent so persons assigned that responsibility, if you are given 10 cheques today you have to sign for those 10 cheques, you have responsibility for those 10 cheques. You are in an enclosed area in which other persons do not have access. You are to ensure that the person that—whoever comes for a cheque comes with two forms of ID. If you are coming from a company you come with a letter from the company and sometimes depending on the size of the cheque we may actually, I have been told, they actually seek to confirm with the company that this person is here to collect a particular cheque. So they have introduced some more stringent measures.

Ms. Webster-Roy: Thanks PS. The other question: In your response to a question from Member Gopee-Scoon, you noted that internal audit is a weakness and is common throughout Ministries. What steps have you taken at your Ministry to strengthen your internal audit process?

Mrs. Greaves-Smith: We are looking at the question of training. We were looking at the question of—we only have two persons in our internal audit unit, an auditor I and an auditor assistant. At the time we were looking at strengthening the numbers we had because what we found is that we had lifeguards under us. A lot of daily paid work. And it meant that the auditors were really involved with checking pay sheets for lifeguards, the daily paid, which took a lot of work. So it

means you could not focus on some of the other areas.

With the new dispensation, lifeguard is no longer with us. So we are not looking so much in terms of numbers, but what we are looking in terms of is capacity. Unfortunately for us, our internal auditor is close to retirement, I think she might be going off next month. What we are seeking is to see if we can influence who is the person who might be replacing her and we are looking at some training opportunities. We were trying to do it in terms of the public service because we found that it is something that is across the board. But we in the Ministry are looking at some training opportunities when we get our replacement.

When I came there and I got the audit report, the work plan for my auditor, I looked at it and I saw that there were some areas in which we were not checking at all. We were not checking inventory, we were not checking stores. Auditing was really focusing on pay record cards and salaries and arrears, but the processes, nobody looks at how we do procurement, how the tendering process is done and to some extent although my M&E officer can do that. To my mind the internal auditor is to look at the processes to see what risk—they might have been able to identify that the way we issue cheques is subject to somebody coming and doing exactly what happened. But we are seeking to strengthen the function of the auditor.

Mr. Chairman: Sen. Henry. Sen. Mahabir I will ask you to follow. So if you want to—

Dr. Henry: Morning. Maybe my question might be more appropriate for Mr. Maraj because I know one of the concerns that the Prime Minister has stated recently is that, what do we really get when we spend money on advertising and promoting and I think, you know, what type of systems are in place to really monitor whether we get value for money from our investment in tourism promotion?

Mr. Maraj: Thank you Member, through you, Mr. Chairman. The mandate of the Monitoring and Evaluation Unit of the Ministry is to develop, implement and maintain a results-based monitoring/evaluation system which is designed really to ensure that the Ministry's policies and programmes achieve government policy and national outcomes. In terms of the system we look at four key areas.

One is activity and output monitoring, financial analysis, outcome evaluations and policy and compliance. Each one of those we have different indicators we track. With specific reference to our marketing expenditure and investment, we look at the impact on visitor arrivals, on visitor spend as opposed to the average marketing expenditure per visitor. We look at total occupancy, direct investment in the sector, in terms of the issues of compliance. We look at things like cash flows, decisions at the board level of our implementation agency, implementation rates as opposed to executing projects and delays in terms of time and cost and so on.

Dr. Henry: Okay, but, do you have one specific example of a programme or a project that you can give us to say well we tried this project and it did work or it did not work. It does not matter whether it worked, but at least to give us a better idea.

Mr. Maraj: Sure, I will cite one project under the Tourism Development Company which I think is harder to measure but you actually saw results. As you know, attitudinal change is one of the biggest challenges in terms of an outcome in a specific programme. Under the TDC we have a programme called STAR which looks at training persons to improve service, in the way they deliver service. We had an issue between the period 2011—2012 where visitors complained bitterly about the service meted out to them by our immigration and customs persons. And they were able to take part in this programme. Subsequent to that, our comments from our visitors showed that there was a decrease in the number of complaints

from visitors with respect to immigration persons and the way that they treated them. So you saw—

Dr. Henry: You said, take part in the programme. Could you be a little more specific?

Mr. Maraj: Sure. STAR stands for Service, Training, Attitude, Response. I think that is the acronym, I could be corrected on that. It takes you through a series of modules which look at improving your attitude towards your customer and the way that you offer service. So it is a module that is executed under the project. They go out to national agencies, hotels, restaurants and so on, and they train staff in the way of service delivery. Within the programme itself, there is also a monitoring and evaluation mechanism where they have mystery shoppers who would come and test the way people—service and so on.

Dr. Henry: And this was done by the staff in the Ministry or consultants?

Mr. Maraj: No the survey was done by the CSO. The training was done by the Tourism Development Company. They have a unit set up there with specific responsibility for staff.

Dr. Mahabir: Thank you, Mr. Chair. On a slightly different angle and it is taking off from my earlier question. The question is this, in this Committee we are told that things in the public service, or outcomes in the public service, take a little slower to be realized than in the private sector because the public servant is bound to follow regulations and he must comply with regulations and that would then account for why pensions take so long to be finalized and payments can be in excess of three months, whereas in the private sector it can be shorter.

However, in the Auditor General's Report we are told that a register of contracts as required by Financial Regulation 129(1) was not produced for audit. It meant that there are officers in your Ministry who are not following the regulations that they are duty-bound to follow according to civil service custom and practice.

My question is, what is the penalty for public officers identified by the Auditor General by not following stated regulations? So that there will be a change of behaviour in the future, so that these regulations will be complied with. Because a register of contracts as required by Financial Regulation 129(1) was not produced for audit. Did anyone experience some adverse consequence on account of this negligence in your Ministry?

Mrs. Greaves-Smith: Firstly, I have to advise that although the report said that it was not produced I think, I have been advised that a contract register did exist. However, it existed in a—it is done on a computer, what is not recognized in the Government's way of auditing. But I get your point that sanctions do not really apply for persons who do not always follow the regulations.

Dr. Mahabir: Okay, so that we have a situation where the public servant is hiding behind regulations to explain his tardiness and when he does not follow regulations he is not sanctioned. So this seems to be a big problem that we have to address as a society. You cannot on the one hand tell me that the reason you are slow to process my pension cheque is that you are following regulations and then when the Auditor General says another set of public servants have not followed regulations there is absolutely no penalty or sanction.

So this seems to be a pervasive problem, not only in your Ministry. This seems to be a pervasive problem because again we have on inventory control Financial Regulation (Stores) 102 was not followed, and then we had according to Financial Regulations (Stores) 55 that items were not properly tagged. So it seems as though there is a breach of these Regulations and it seems to be pervasive, not only in your Ministry, across all Ministries, so you are a Permanent Secretary of long experience. Do you think that this is a matter that we need to be looking at carefully to ensure that there are at least penalties so that errant public officers will know that they will be brought to book when they violate the regulations that they

use to protect themselves for inefficiency? I am speaking to you as an experienced Permanent Secretary.

Mrs. Greaves-Smith: Okay, in my experience I agree with you that sanctions do not apply. In some instances we—I think we need to look at the public service and look at the legislative framework that governs the public service. People say it is outdated, it needs to be modernized. Some of us argue that there are things there in which you can sanctions persons but enough is not done. The Performance Management System does not work the way it is supposed to work. People are moved around in the Ministries so by the time you are ready to—you are working with a person, by the time you get them to be aware of what they are supposed to do they are moved to another Ministry. So the service really needs some work. That is the best that I will do. And I agree with you that enough sanctions do not apply because, for various reasons. We cannot say that there is not a disciplinary procedure because there is, but I do not think enough of us take advantage of it.

Mr. Chairman: Sen. Samuel, MP Webster-Row, Sen. Paula Gopee-Scoon, and then Member Randall Mitchell.

Mr. Mitchell: I have a follow-up.

Mr. Chairman: You had an immediate follow-up? Please go ahead.

Mr. Mitchell: Last question on this. I just want you to tell me if you agree that the Permanent Secretary at the time would have had supervision, charge and control of the Ministry. And following these losses, the Permanent Secretary should be pecuniarily responsible for these losses. You agree?

Mrs. Greaves-Smith: That is a difficult one. The role of the Permanent Secretary as an accounting officer makes her responsible, but to the extent that she becomes pecuniarily responsible, I cannot—it is very difficult to say.

Mr. Chairman: Does that create a situation where in practice, in the public service—although, I mean, people are deemed to be accountable or an accounting

officer, et cetera—that it really is very, very difficult to enforce the issue of accountability? I am talking to you now in the context of your own experience either by habit or by practice or by convention or whatever.

Mrs. Greaves-Smith: That is a difficult one because Permanent Secretaries are accountable, yes, but sometimes they do not have control over some of the situations in which they work. So for instance, she is in a building where she cannot put in a vault, so she cannot take certain actions to—she has persons assigned to her who come through the service commission. She is not in control of the person's capacity, competency. I mean, she can do training, but there are some things outside of the control of the Permanent Secretary and that makes it a little difficult.

Mr. Mitchell: She is in control of the systems and procedures—

Mrs. Greaves-Smith: She should be in control.

Mr. Mitchell: And when the systems and procedures are not followed she should be responsible. Ultimately responsible.

Mrs. Greaves-Smith: Ultimately responsible. And PSs have laboured this point. We have called the Auditor General into our PSs board meeting to discuss some of the issues that are raised in the Auditor General's report for which the Permanent Secretaries sometimes have no control. For instance, we are asked about leases for properties or buildings that are rented by Ministries, but that is outside of the control of that particular Ministry. It is with another Ministry, and that Ministry also has to depend on the Attorney General. So we are mentioned in the Auditor General's Report but it is outside of your control. So you are told that you are accountable on one hand but you really do not have the full—you are not given the tools or the capacity I supposed to really be in control or accountable.

Mr. Chairman: Mr. Samuel.

11.35 a.m.

Mrs. Greaves-Smith: The annual work plan is done by the auditor and it is done in consultation with the PS, the Permanent Secretary. So she would do a work plan and say, “This is what I plan to do for the year”, and it is usually broken down in quarters, and it will go to the Permanent Secretary and usually there is some discussion as to what the Permanent Secretary—the Permanent Secretary may see areas in which she thinks they must be focused, which is what, as I said, when I first came in and the first one that came to me—the first quarterly work plan that came to me—I recognized there were issues that I felt needed to be addressed, so I asked the auditor if she could include it into the work plan. So it is really done by the auditor in consultation with her Permanent Secretary—Permanent Secretary, in my mind, with the ultimate responsibility of what is to be done.

Mr. Samuel: A follow-up on that. If that is the case, what period in the financial year did the Ministry realize—I mean you were not there—

Mrs. Greaves-Smith: No.

Mr. Samuel:—that checks were missing; there were difficulties in accounting for certain things. If it is a quarterly situation that is taking place, at what period in the particular year were these cheques realized missing?

Mrs. Greaves-Smith: Apparently the reports were done in November of 2014, which would have been the beginning of financial year 2015, and I do not have the information and I do not know if it was picked up by the auditor or if it was just the accounts unit that determined that this had happened. You see, that is the difficulty. Depending on how robust your audit function is, it might have been picked up before. I do not know, I will have to be able to check and then tell you.

Mr. Samuel: So is it possible then that in the future, audit needs to be very, very careful as to the parameters of their operations and look into the matters in the quarters and be thorough, as opposed to just, as you said auditing in specific areas and leaving other things out? That is something you need to look at.

Mrs. Greaves-Smith: I agree with you. The focus has been on the dollar figure things—the salaries, the arrears and stuff—but there are also other issues that are very important that we need to have the auditor see it as important. Because he or she, the eyes and ears of the Permanent Secretary outside. The Permanent Secretary cannot possibly see everything that happens and she depends on the internal audit to raise the issues.

Mr. Chairman: Okay. MP Webster-Roy.

Mrs. Webster-Roy: I want to raise an issue that is very dear to my heart and that is delays in provision of separation and pension benefits. I noted in the Auditor General's report that you would have reported 90 per cent of your pension and leave reports were completed. I want to know if the process is now fully completed.

Mrs. Greaves-Smith: I would like to say, yes, but actually it is, no. Because that small amount of pension and leave matters that are outstanding, because of the way the system works, we cannot complete ours in some instances unless the previous Ministry completes theirs. If a person came from another Ministry, that Ministry has to do that part of it and then send it to us. So the few that we have outstanding are based on those other Ministries not submitting their documents to us. So we are on top of those for which we have control, but there are a couple of them that we are waiting on other Ministries to advise us on the pension and leave for the persons while they were there, and then we will do our part.

Mrs. Webster-Roy: Those that you are on top of, as you said, what is the average time frame for pay out?

Mrs. Greaves-Smith: I cannot say offhand, you know, because that is usually dependant on Comptroller. I have been told that Comptroller has a backlog. Since I have been there I have not had anybody retire on me, so I cannot say.

Mrs. Webster-Roy: But the Ministry would actively follow up—

Mrs. Greaves-Smith: But we actively follow up before. Before the person goes off on pre-retirement leave, I have noted that we send in the documents, we do the pension and leave records, we send everything. So I have seen instances where there have been queries that might have resulted in some delays, but we are usually on top of those things. I am soon to go—whenever—so I am inclined towards ensuring that persons who retire get their benefits. And if it is the Ministry needs to do something, my inclination is that it should be done, and usually I place high emphasis on that.

Mr. Chairman: Sen. Gopee-Scoon.

Mrs. Gopee-Scoon: Thank you. I just want to go back to two matters which I had raised and perhaps escaped us. With regard to the 10 contracts which were not provided for which payments totalling \$6 million were made at the time of the audit, what is the status of those contracts? Were they found? And what were those contracts for? Were the projects, in fact, executed? Because it appears that the payments were made and I would believe the cheques were encashed. So the status of the contracts and the status of the projects, and also with regard to the lifeguard services projects for which cheques were prepared for \$2million as well, and the projects had not yet started, in the interest of the final outcome, were those projects completed? Right? And the contracts provided—the actual contract documents.

Mrs. Greaves-Smith: As I noted, there were no contracts done. What I have seen, going through the records, there were awards of contracts, the letters of awards—no actual contracts; letters of awards with the scope. And I have been advised, all the projects have been completed. They were projects dealing with the lifeguard quarters—lifeguard facilities at Maracas, Las Cuevas, Vessigny. So the works have been—and Toco. The works have been completed.

Mrs. Gopee-Scoon: In both instances.

Mrs. Greaves-Smith: In all the instances of the no contracts.

Mrs. Gopee-Scoon: The 10 contracts. But you said letters of award. But that is not enough. I mean, the contracts have to be done.

Mrs. Greaves-Smith: Yes, yes. Since I have come there I have not done any contracts—so I have not done any. But the instructions are that there must be contracts. If we are going to get a service provider to do something, there is the understanding that there must be a contract in place.

Mrs. Gopee-Scoon: Before the payment of—

Mrs. Greaves-Smith: Before the payment.

Mrs. Gopee-Scoon: Before any payment, so there is a proper system in place, all of the connected parties understand the system as well and—

Mrs. Greaves-Smith: What I discovered is that what was set up to deal with some of these issues, the Permanent Secretary before I got there, she set up a PS's tenders committee, a group of persons from the Ministry with responsibilities. Whenever we are going out to tender for service or for equipment or anything, these people take responsibility to ensure the process is done properly; that the tendering process is done, the RFPs, the tender boxes, the evaluation. So, in a sense, she has put something in place to ensure that the process is done the way it is supposed to be done.

Mrs. Gopee-Scoon: I am so concerned about the lack of systems in the Ministry, and I know also that the Ministry would have oversight of what goes on in TDC. My concern is whether or not those systems are in place in TDC as well, with regard to contracts, payments, all of the pervasive errors that we are speaking of, whether those are in place in TDC, whether or not there is proper oversight by the Ministry, whether or not you get monthly records from the TDC as well; minutes of meetings so you are aware of what contracts were issued or intended to be issued, and that all of the systems are—because, obviously, there is a problem in

the Ministry. And if you have oversight responsibility, we want to know that all that you are responsible for has been extended to the TDC as well. Can you speak to that and give us some assurances?

Mrs. Greaves-Smith: Thank you. We have a very robust monitoring and evaluation of TDC headed by the deputy Permanent Secretary. Before any releases are done they submit to us their monthly expenditure reports and no money is released if there are any queries in terms of what they plan to do or what they might have done in the last month. We look at their project documents. It is the same sort of sending reports to us in terms of status of reports. We do PSIP projects for which they have responsibility. Our Research and Planning unit has oversight in a sense. They will go—they do site visits. We look at their statements to determine whether they are doing what they are supposed to do. My M&E officer also has—they have done templates in which they are supposed to fill information out based on his four areas. So in terms of projects spent, in terms of balance of expenditure, percentage of work done, in instances where we have queries, I do not release funds unless I am satisfied that the explanation that is given to me is correct.

Since I have come there I have been asking for the minutes of meetings, as they should be sending to us based on the performance manual for state enterprises, and I have been receiving. I go through these things, if only to see what is happening and see whether they have board approvals for certain things. So I am not saying that it is perfect yet, because we are working with them. We have regular monthly meetings to go through their projects and what their challenges and issues may be.

We have been asking, for instance, if they have the tendering process—if they have some capacity they could sit on our evaluation committees, and we have that relationship where both parties are involved in whatever it is that TDC is

doing. So, so far, I think we have things in place.

Mrs. Gopee-Scoon: Just one follow-up. Does TDC have a strategic plan?

Mrs. Greaves-Smith: TDC, within the last couple months, they have been looking at a review of their strategic plan. So they have started the conversation. They have developed a strategic framework which actually gives key indicators to show whether they are successful between this year and I think 2020, I am not sure. So they have set up indicators like percentage of visitor arrivals, the spend, the increase on tourism's input into the Government's GDP. And I know that they are now getting to the point where they have taken it out to stakeholders and we are trying to do it through—to save time and moneys and value for money, we are trying to do it through the standing committee for sustainable tourism, because we have a stakeholders forum that is involved, and we are taking the framework there and it will be fleshed out. We should have something within the next couple months.

Mr. Chairman: Sen. Henry, and then I want to do some sort of summary questions just to sort of bring us up to date on the issues that we have addressed here, so that we can have a sense of where we are with some of these.

Dr. Henry: There was supposed to be a major renovation, upgrade, taking place at Maracas Beach. Is that under the Ministry of Tourism? Could you give us some kind of update on the status of that project and the contractor and what are the issues?

Mrs. Greaves-Smith: The last status report on the project, that is the Maracas project, the beach facilities—the last status we have is that 30 per cent of the work has been completed. The project had some difficulties. It was supposed to have been completed in January of 2016. The contractors had some challenges, including—it was a design/build arrangement. So there were some difficulties with respect to the design. They were supposed to put in a new wastewater system,

so there were some issues in terms of the works to be done.

We have had some difficulties also in terms of getting our necessary approvals. There have not been any Commissioner of State Lands for a little while and it needed State Lands approval for certain things. They have been having some difficulties with some approvals for the road works, because you have to divert the main road behind where the booths are, and that would include approvals from highways division and those things.

Dr. Henry: So the project was started without any of these approvals?

Mrs. Greaves-Smith: Well, they had approval from the EMA. They had approvals for certain things. It is just that some things, there were no approvals for.

Dr. Henry: It seems like some major things to me.

Mrs. Greaves-Smith: But it appears that the—now that things have happened, the contractor has given the undertaking that work will start to speed up. So he is at 30 per cent completion and there is a new completion date. I am not quite sure what it is yet.

Mr. Chairman: Okay. I just want to get a summary position on a few things. With regard to the cheques in which there are instances, clearly, of fraudulent activity, that matter is under investigation.

Mrs. Greaves-Smith: Fraud Squad, yes.

Mr. Chairman: The public servant involved has resigned. And did the company get its money? Or did someone divert the funds to himself or herself and the company was not paid? Is that the case? Is that the situation?

Mrs. Greaves-Smith: My understanding is that the persons who collected the cheques had nothing to do with the company.

Mr. Chairman: With the company. So, all right.

Mrs. Greaves-Smith: That is my understanding and replacement cheques were

done to the company.

Mr. Chairman: Right, I just wanted to clarify that. Then the second thing is that you are saying in terms of safeguards now, you now have a safe and you now have a system in which certain security arrangements have been made, including more than one person being necessary to execute these things, and you are saying that in addition to that, you have the combination of both signature as well as swipe—all right?—in order to deal with that. So that particular challenge has been addressed.

The second issue that was raised had to do with the award of contracts. You said all of those awards, in fact, were executed and completed, and the award process, I think I heard you say that it followed a certain procedure and that that was a procedure appropriate to the Ministry—is that correct?—under the Permanent Secretary?

Mrs. Greaves-Smith: What I have been advised, that the procedure used for receiving the service providers, they use the “three quotation” because of the amount of the award. So there was a process.

Mr. Chairman: Right, okay. I know the system. Yes. So basically it was appropriate, and these awards were given, what, by the Permanent Secretary or some ministerially-responsible person? Is that correct?

Mrs. Greaves-Smith: The letters of awards were signed by the PS, the Permanent Secretary.

Mr. Chairman: So this is how that was executed, and it was based on the system of three submissions and award was given based on the three submissions. Is that correct?

Mrs. Greaves-Smith: That is my understanding.

Mr. Chairman: All right. I just wanted to clarify that. The other thing that I want to raise is the issue of systems in the Ministry. I think Mrs. Gopee-Scoon raised that issue. And it seems to me—and this is something that we discussed

prior to coming here to this public session—that the Ministry of Tourism is a relatively small Ministry, and you have some controls in the Ministry that really do not seem to function adequately, and it has serious implications for a large public service and larger Ministries.

And are you saying, for instance, with the audit function, that that is now being addressed? It is clear that you have addressed some of the processes and some of the systems, but is the audit function going to be strengthened? Is there a plan for that? Is that going to be done in the Ministry? Because that seems to me like a fundamental issue. Because, you see, I sense two things about what is happening. One is that I sense that in some of the departments, some units, departments of the Ministry, there is a lack of clarity about what to do and how to do it. And I also sense that it may well be an issue where individuals do not precisely understand what their job is and what the accountability requirements are. You know, I am just asking. I am asking for your opinion.

Mrs. Greaves-Smith: I agree with you that the audit function in the public service needs to be strengthened. As I said, we are hoping—for instance when my person goes next month, I have no control over who I get because that person comes through service commissions. So I will have to put some training mechanism in place to ensure that this person is aware of what they should be looking for. But, as I said, we have discussed it at the level of the Ministry of Finance when we were looking at the procurement legislation, and I know that they were looking at it across the public service per se, in terms of strengthening that function.

So I suppose what I can do in my little corner of the woods, I say look at the work plan that is presented to me to ensure that it is not just looking at the dollars and cents of salaries and arrears of salaries, but that it also looks at other areas that are sometimes neglected, which is where—so the processes and the systems that are in place; how do I get my auditor to understand that this is also a function of

the audit unit.

Mr. Chairman: One final thing. In terms of the administrative reports and audit reports for your Ministry, are those up to date?

Mrs. Greaves-Smith: My administrative report for 2014 had gone to Cabinet just before September of last year and it was returned to us by Cabinet, and we have re-submitted it to Cabinet and it is now—I was told—before F&GP.

Mr. Chairman: Okay. And what about the audit reports?

Mrs. Greaves-Smith: Yes.

Mr. Chairman: They are up to date?

Mrs. Greaves-Smith: For us?

Mr. Chairman: Yes.

Mrs. Greaves-Smith: Well, right now the Auditor General is at the Ministry looking at our 2015—

Mr. Chairman: What about TDC?

Mrs. Greaves-Smith: TDC's 2014 report is in Ministry. We have done a Draft Cabinet Note. It is on its way. We hope to get it to Cabinet next week. Their audited reports, I think they are now working on 2014. They are up to date up to 2013, I was told.

Mr. Chairman: Did you get a letter from the Secretary of this Committee asking that all audit reports be brought up to date and forwarded to the Auditor General for his scrutiny?

Mrs. Greaves-Smith: I “doh” recall.

Mr. Chairman: Did you?

Mrs. Greaves-Smith: I “doh” recall.

Mr. Chairman: You “doh” recall, okay.

Mrs. Greaves-Smith: You could re-send me? But we have asked them because since we are now sending in their 2014 report, we wanted to have the audited

reports, but what they have given us is just a balance sheet.

Mr. Chairman: All right. Sen. Mahabir.

Dr. Mahabir: Thank you, Mr. Chairman. I would like to shift gears a bit because for the past little while we have been focusing on micro issues, the issues of procurement and internal audits and so on. But what I would like to raise now is this. We are in an environment where the country has recognized that the agriculture sector, manufacturing and tourism must now contribute in a more meaningful way to the national income and the foreign earnings of Trinidad and Tobago. The fact is, we were there before in the 1990s. We developed the agency called the TIDCO, Tourism and Industrial Development Company, which was charged with expanding the tourism sector. There was a tourism master plan and then it appears as though for 20 years the tourism sector, together with agriculture, stagnated—and manufacturing. What I would like to know from the officials at the Ministry is whether, given the low contribution now—and I would like you to indicate to the public what is the contribution to the GDP of tourism at this time, and what is your target with respect to the contribution over the next five years, of the tourism sector. And in addition to that, targets—because without a target you would not know whether you are succeeding or not in discharging the public function—public purpose. What is your current allocation from the Ministry of Finance to run your Ministry on an annual basis?

Mrs. Greaves-Smith: We in the Ministry recognize the importance placed right now on the tourism sector in the diversification of the economy, having regard to our economic circumstances, and all our strategies are geared with that in mind. That is what we have in mind. Right now, according to the records of the Ministry, tourism sector contributes 3 per cent of GDP, and that is from World Travel & Tourism Council. What we have discovered here is that some of the research to tell us tourism's contribution, we do not have it necessarily done here. We are in

the process of doing a baseline survey to set baseline data for which we could now be able to measure: spend and employment. We have some areas that we are looking at that we are going to measure now so that we could see how we do in the future. The strategic framework that was developed recently by the TDC, they are looking at a 7 per cent contribution to GDP within the next three to five years.

Dr. Mahabir: Okay. That is very interesting. That is a number, but really, are there any concrete proposals, projects or strategies that they would implement on a quarter-by-quarter basis so you can measure how well you are progressing to achieve that 5 per cent or 7 per cent figure? I mean, the population ought to know that tourism and travel is the world's largest industry, and Trinidad and Tobago, in relation to our Caricom partners—Barbados, St. Kitts, Nevis, Anguilla—we are not really holding our own and, therefore, it must be of concern to the planners that there are things we need to do; there are certain strategies and plans we need to implement. Could you give us an indication briefly as to how we could achieve the 7 per cent over a five-year period?

Mrs. Greaves-Smith: Well, TDC is our implementing arm and now that they have determined their strategic framework, they are now looking at strategies to which to attain this 7 per cent. What they have been looking at, looking at new markets. Some of the traditional markets are not doing as well as they should, so that are looking at new markets. There has been some focus in terms of different types of tourism. Apart from sports tourism we have been hearing things like medical tourism. So they have not yet developed their strategies to get to the 7 per cent. This is something that is going to be worked on with input from their stakeholders. Tourism, to a large extent, is implemented by their stakeholders: the tour operators, the hoteliers. So the strategies are to be developed in conjunction with our stakeholders, and this is something that we are working on.

Mr. Chairman: Could I ask you three quick questions that are much more

immediate? Will all our major beaches be patrolled, for instance, over the Easter weekend that is coming, by lifeguards and so on?

Mrs. Greaves-Smith: You know, lifeguards are now under the Ministry of National Security, so I may not be able to—

Mr. Chairman: So how is that? Is that better for you or what? I mean, is this not—

Mrs. Greaves-Smith: Well, I heard there was rejoicing when they were moved, so I do not know. I never had responsibility for them.

Mr. Chairman: Okay. So that is a question we must ask the Ministry of National Security.

Mrs. Greaves-Smith: But as far as I am aware, they should be on the beaches for Easter.

Mr. Chairman: All right. Now, in the immediate short term, what will you say, by the end of September 2016, that in the area of tourism we will have achieved as a country, or you will have achieved as a Ministry? And let me take that one further. Would you have an idea of what you are planning to achieve by September 2017? Because this is important if you are going to achieve anything resembling 7 per cent going forward.

Mrs. Greaves-Smith: Yes, and it is very difficult for me to say right now. We hope by September of 2016 that we see an increase in arrivals.

Mr. Chairman: Yes, but how?

Mrs. Greaves-Smith: We have been looking at airlift, for instance. We are looking at our diaspora outside to work more with the persons we have out there to help us in terms of arrivals. We are looking at new markets. Some of the traditional European markets, we are going past those. We are looking at—recently Tobago just got a new—I think Condor is bringing another flight to Tobago. So we are looking at, in terms of increased airlift, increased spend by

visitors who come here. But I do not have for you exactly what the strategies are.

Mr. Chairman: Let us assume that one of the things that you want to achieve is increased visitor arrivals. So you have a target for that; you want to achieve that. The second thing would be, would some things be like developing the products in Trinidad and Tobago, whether it is conferences, or whether it is a heritage site or whatever it is? Would that be part of it? And what about the issue of investment? Is that part of the target as well, in tourism?

Mrs. Greaves-Smith: Yes. And investment—looking at our tourism products, including sites and attractions, yes, we have been a little constrained because of our 7 per cent reduction in some of our estimates. But we still have the sugar heritage on our books. We are looking at the sugar heritage site in terms of heritage, in terms of investment, in terms of public/private partnering.

Mr. Chairman: Well, I saw in the list that that was listed as a completed project.

Mrs. Greaves-Smith: The part that was completed is the master plan, I think. That part was completed. But we now have a master plan.

12.05 p.m.

It is a project that spans more than one Ministry, about three Ministries. There is the museum, there is a sports part of it and there are some heritage sites. As a matter of fact, today was a day when we were supposed to go do site visits to look at who would do what. So we are looking at products. The Maracas project is supposed to make Maracas work better, less traffic, you know, those things.

Mr. Chairman: The Manzanilla project, that was not under your Ministry. That was a Ministry of Works and Transport project?

Mrs. Greaves-Smith: Works, yes.

Mr. Chairman: Okay. Member for San Fernando East, then Sen. Samuel, then Member for Tobago East.

Mr. Mitchell: PS, I wanted to ask you about the strategies with respect to our own

local tourism, internal tourism, and I see that as low hanging fruit. We keep hearing that Tobago is underutilized, under accessed by Trinidadians, what are the strategies that you have to develop, or even stimulate that internal tourism?

Mrs. Greaves-Smith: One of the difficulties we have had with local tourism in terms of Tobago has to do with getting to Tobago. So, for instance, what we have been told by the Tobago hoteliers is that persons find it easier to get to Barbados on an Easter weekend, for instance, or one of those high traffic times.

Mr. Mitchell: But that should not be, right?

Mrs. Greaves-Smith: It should not. We have just set up our Standing Committee on sustainable tourism. On the committee we have brought in persons who are instrumental in getting things done. In this case it includes Airports Authority, includes Port Authority in terms of ferry service, and we have co-opted people like CAL to be able to look at the question of airlifts.

So, we have recognized because we have listened to our stakeholders in Tobago who have commented that the Tobago market is not as robust as it used to be. We need to do some work on it. But what we found is that it is a question of how do you get to Tobago on those periods when you want to. That has been great input.

The products in terms of offering for Tobago, you know the beaches. Tobago has those things that Trinidadians go to. We are also looking at festivals locally. How do we take advantage of the Blue Food and the—

Mr. Mitchell: Jazz?

Mrs. Greaves-Smith:—well like Jazz Festival is coming up. What we have found it that a lot of people—I have spoken to a couple of people who would say that jazz would be a problem because they are not sure if they are going to get there, and if they get there if they are going to get back. So airlift is really a problem.

Mr. Mitchell: Can we use bigger planes?

Mrs. Greaves-Smith: Well, I was told that the cost of putting a bigger plane there—and here is also not good for the plane if it is those short trips. There are a lot of reasons. So it is just to find some solutions.

Mr. Mitchell: Okay. I have one more question and it is going back to the uncomfortable issues of the contracts with respect to the letters of award. So I imagine that the process would be that someone is successful at a tender, they get a letter of award and they are given a mobilization fee, but a letter of award cannot comprise all the terms and conditions of the contract. So by the time the Ministry disburses the mobilization fee the Ministry's hands are tied in terms of reducing, or even agreeing to the terms and conditions of the contract. So I am thinking that a contract should be drafted and executed before any fees are handed over, mobilization or otherwise.

Mrs. Greaves-Smith: I agree with you. A letter of award is a basic—you have been successful that the contract deals with the scope and stuff. Really you need the contract that fleshes out what your implementation schedule is like, how the payments are done and stuff, and we recognize that it is important that it is done, but I cannot say why—

Mr. Mitchell: Have you experienced any situations where a contractor would now not agree, or there would be some further negotiations as to the terms and conditions of the contract after the mobilization fee would have been given in terms of schedules and so on?

Mrs. Greaves-Smith: I have not met—but sometimes contractors will come to you and there may be something that happened, and he may not be able to deliver the contract on time and there is some negotiation that happens. I have not been privy to that in this Ministry.

Mr. Chairman: Okay, Sen. Samuel.

Mr. Samuel: In your assessment of the tourism market, what do you think

accounts for the shortfall in tourist arrivals in Trinidad and Tobago? Two: as you plan for the future, have you taken into account that there is a possibility that there will be a lifting of the embargo in Cuba and the impact that may have on tourism in Trinidad and Tobago; and what has that done for us in our preparation and our plans? Are we thinking outside of the box now because the lifting of the embargo in Cuba will now shift a lot of stuff and draw down even further on the limited arrivals in Trinidad and Tobago? What is going through your minds as a Ministry, you as well as TDC, to deal with this in the future?

Mrs. Greaves-Smith: With respect to Cuba, we recognize the impact Cuba can have on our market, and in discussions with TDC one of the things you are looking at is looking at how we could include Cuba into may be—sorry, how we could work with the Cuban market to get persons to sell packages in a sense. So you can experience Cuba and Trinidad. The difficulty with Trinidad is that we are so far down on the island chain.

Mr. Chairman: Forget that part.

Mrs. Greaves-Smith: Forget it? They are not going to take us on.

Mr. Chairman: No. Realistically, it is like a similar project, it is like a similar product. I mean, it is going to be very hard, and when Cuba opens up you are talking about a country that has been closed to the world for so long. The experiences to be gathered there is—I mean, we have to do other things.

You know, I came down from London the other evening and there were about 40 or 50 people that were coming to St. Lucia from Iceland. I mean clearly, the St. Lucians understand something. What you were saying before that you have tourism such as conference tourism, festival tourism, the problem with the Tobago Jazz Festival in my estimation is that it is not a jazz festival. You see, that is part of the problem. We have pan jazz in Trinidad that could be a real jazz festival because it is international in scope, but these things have to be marketed, they have

to be targeted, they have to be listed with the jazz festivals of world and so on.

So I think that there is a certain meticulousness required for tourism that requires a certain kind of knowledge, information and sophistication that somehow we have been missing. I do agree the big issues are important. Airlift is important. The fact that you have planes, you know where they are coming from, you market to those destinations, but I think that we can do other things and we need to be a lot smarter in what we do.

Mrs. Greaves-Smith: I agree with you, Chair, and it is a challenge that we in the Ministry have put out to TDC. Right now the Standing Committee on sustainable tourism has subcommittees that are working, looking at the destination management and the marketing strategies.

If it is one thing with tourism, they have had many reports on many things in tourism and some of the recommended have not been implemented. We are looking at all those recommendations to see if some of those are feasible having regard to what is happening now and whether they can reap some rewards for us. So we are working on those.

Mr. Chairman: Okay. We are going to go until 12.30 p.m. or sooner than that if the questions finish before 12.30 p.m., but I am not going to later than 12.30 p.m. Sen. Samuel is next and then MP Ayanna Webster-Roy.

Mr. Samuel: The first question that I asked was: what do you think accounts for the shortfall. Secondly, in my last visit to Cuba, my understanding was that in a few years prior to our visit last year you had some two million tourist visits to Cuba in a few years and that says a lot in a nation that has an embargo, so what do you think accounts for the shortfall? Is it that we are going along the same old roads, thinking about the same old things and not thinking broader and not really exercising our thought processes enough, significantly around the tourism sector and to really, really draw people to Trinidad and Tobago? That is why I started my

first question.

Mrs. Greaves-Smith: Okay. What would have been the reasons for the shortfall? I have been advised that we have lost some airlift in terms of some of the European markets. You have to have planes to bring people, and we have fallen so far down the ladder that people stop off in St. Lucia or Barbados. Although we have been trying to work with cruises to increase our cruise arrivals, we have suffered in airlift. There have been some other issues in terms of maybe the branding. Maybe our marketing has not been on spot. I will accept that. We have looked at niches, but to the extent that we have been successful in some of these niche markets is questionable.

Generally, the tourism sector in the Caribbean has been doing fairly well and we hope if we look at our products, and we look at our plan and do some improvement, and we look at our marketing strategy, that we could do better. But Cuba will be a serious issue for us with the next—

Mr. Samuel: Have you thought about firing some people and finding new minds?

Mrs. Greaves-Smith: I have no comments, sorry.

Mr. Chairman: MP Webster-Roy.

Mrs. Webster-Roy: Thank you, Mr. Chairman. I just want to go back to the Maracas project. I want to know what the initial cost for the project is; if you have any cost overruns; and what is the total to date?

Mrs. Greaves-Smith: So far no cost overruns. As I said, the project is only 30 per cent certified completed works. The original cost was \$120 million of which we have only paid 25, which was the mobilization fee. We have not paid any to date.

Mr. Chairman: Anybody else?

Dr. Mahabir: Yes. I would like to raise a question that no one would like to raise and that is an unpleasant question and, that is, we have had negative travel

advisories against Trinidad and Tobago with respect to the high level of crime in the country—we have to address it—we have had high profile murders in Tobago against visitors; we have had recently a Japanese pan player who was murdered and we have not yet found the murder. These things are not really positive image builders for Trinidad and Tobago. To what extent do you think that the high incidence of criminality is currently and will in the future impede our ability to achieve that 7 per cent contribution to the gross domestic product in the country?

Mrs. Greaves-Smith: I hoped nobody would raise that part of it. It is like the elephant in the room. But yes, we think the criminal activities, especially those against tourist, especially in the Tobago setting, may have some negative impact. I have an officer here who said when they were doing their exit interviews with visitors and they were asked what some of the important issues to them were, crime was number four on the list actually. What was the first one?

Mr. Maraj: Infrastructure

Mrs. Greaves-Smith: Infrastructure was major. But we do accept that crime is an issue.

The Ministry is working with TDC and the Standing Committee to introduce—what is being introduced in Tobago, the tourism policing element. So that what we found is that tourists go to places where there are crime, you know, but it is sometimes how it is dealt with. We have a strong media here. Things are on the front page all the time, and sometimes if something happens it might negatively impact how that person presents their stay here.

So apart from the policing element, we are also looking at the visitor management system. So if something happens, if there is a challenge, there is a process in place where the person can speak to—

Mr. Maraj: Crisis management.

Mrs. Greaves-Smith:—crisis management is what they call it. The TDC visited

Bahamas recently to look at their system, and we are looking at how we can may be implement it in Trinidad just to try and deal with some of the negative issues, but we accept that it could be a negative factor.

Dr. Mahabir: I am interested in solutions, for example, with respect to the cruise ship arrival visitors in Port of Spain. Do you have a collaborative relationship between the tourism Ministry and the police so that you will have plain clothes policemen at the same time mixing and mingling with the crowd? Do you as in the case of Barbados have beach police who are patrolling the beaches where the tourists tend to frequent, so that they can blend in with crowd and keep an eye out on the potential troublemakers? Do you have that kind of arrangement with the security forces so that we could at least minimize the incidents; or is that you are still planning on this kind of process?

Mrs. Greaves-Smith: That will encompass the tourism policing strategy, if that is what we want to call it. To a large extent it is not a matter of norm. If we have something happening, we will inform the police that this is happening. We have visitor's guides who are around Port of Spain to interact with the persons who are coming off the cruise ship, that are supposed to tell you where not to go, and advise you on where is the best place you should move. But we are working with respect to the tourism policing unit. It is not yet fleshed out, but it is something in train.

Mr. Chairman: All right, thank you very much. There is one issue that in the summary I forgot to mention and that had to do with the payment that was made, that was used for a purpose for which it was not appropriated, how was that addressed by the Ministry afterwards?

Mrs. Greaves-Smith: This has to do with the cruise initiative and it was being paid under publicity and promotions when really it encompassed some construction typed work. We subsequently went to Cabinet and got covering

approval for the expenditure, and it was adjusted by the Ministry of Finance based on a request from us—it was adjusted in our financial statement. So it was eventually in a sense under the correct vote. It was paid under the correct vote.

Mr. Chairman: So basically it was money spent without permission, but for an appropriate purpose?

Mrs. Greaves-Smith: It was money for a purpose that was voted under the wrong vote. It really should not have been promotional and publicity, but we eventually went to Cabinet, got covering approval and it was adjusted on our financial statement. It is now under the correct vote, which was the cruise ship initiative.

Mr. Chairman: Okay. I have a list of the projects from 2014 and I see that most of the projects came in within budget, but a lot of them on the basis of the information I have here are ongoing, can you tell me if most of these have now been completed? The only one I have here that was completed is the Sugar Heritage Village and Museum, but what about the—the lifeguard facilities you said it was completed.

Mrs. Greaves-Smith: Were completed.

Mr. Chairman: Then the tourism sites and attractions upgrade. I imagine these are beaches—these are ongoing?

Mrs. Greaves-Smith: Those are ongoing.

Mr. Chairman: But you are making good progress with that?

Mrs. Greaves-Smith: Yes.

Mr. Chairman: Maracas Beach you told us the situation with that. Then cruise tourism initiative, what is happening because I see most of the money allocated was spent?

Mrs. Greaves-Smith: That is to upgrade the port authority quay sides because when the cruise ships comes in, the place was really very unsightly and we are supposed to do some additional work there now.

Mr. Chairman: Will that remain under budget?

Mrs. Greaves-Smith: We hope. It should.

Mr. Chairman: Okay. I see you have already spent close to—you only have \$200,000, less than that to go.

Mrs. Greaves-Smith: These figures would have been for 2014.

Mr. Chairman: So you would have had new appropriations?

Mrs. Greaves-Smith: Yes.

Mr. Chairman: What about the Saline Bay facilities at Toco, is that still a project?

Mrs. Greaves-Smith: No, it is off our books. Off our books.

Mr. Chairman: Off your books.

Mrs. Greaves-Smith: Yes.

Mr. Chairman: Trinidad and Tobago Convention Bureau Programme, is that still on?

Mrs. Greaves-Smith: That is still ongoing. That is almost recurrent.

Mr. Chairman: Well the incentive upgrade programme I understand—

Mrs. Greaves-Smith: That is ongoing.

Mr. Chairman: Las Cuevas Beach enhancement?

Mrs. Greaves-Smith: We have attained blue flag status and we are now seeking to extend. So for this year we are extending; we are doing some additional works.

Mr. Chairman: Okay. Vessigny Beach, well that must be completed by now? Is it?

Mrs. Greaves-Smith: That particular part was. Yes.

Mr. Chairman: I mean, I went there and I must say that it has significantly improved from how I remember a few years ago. Well I will not bother with the rest except the really important one at the end, the tourism safety and security. I do not know what you are doing with that. I have always—and this is just not for

tourism because I think it is bad when you do something for tourism but you do not take your local population into account, but I do believe that we can develop in Trinidad and Tobago the concept of safe zones which have been developed elsewhere. And a safe zone concept could cover, for instance, Maracas Bay; it could also cover the major malls in the country for instance; it could cover major sites and locations to which people go because our tourism is a little different. Our tourism is not an enclave tourism. It is a mixed tourism in which our population mixes with the tourist.

So I think if we had a concept of safe zones and we manage that well and the connectivity between the safe zones and the rest of the society, I think we could really improve the safety conditions in the country for everybody, even though you know that there is a problem of drugs, and crime, and gangs, things like that, those elements can be contained.

So it is something that you might want to work with the National Security Ministry, with an understanding that you cannot do it for tourists alone because you will defeat the purpose if you do that.

Mrs. Greaves-Smith: Thank you, Chair.

Mr. Chairman: Okay? Any other questions from any other members of the panel? One more.

Mr. Mitchell: Yes, just one more question. I know Mr. Maraj spoke about the STAR programme, but is there any duplication with respect to the—I know we have a hospitality institute, are they in charge of training people to improve service standards and so on?

Mr. Maraj: First of all, there was a consideration by the leadership of the Tourism Development Company at one time to transfer the STAR programme to TTHTI because there is some overlap. Where there is some difference is the fact that TTHTI turns out persons who work in the industry, and therefore, also services

part of it. What STAR does is target people who may not have gone to TTHTI, but who exist in the service industry in any case.

In doing the tourism baseline survey, one of the things that we recognized is we have never identified what are primary tourism businesses as opposed to those who will tell you that what they do impacts on tourism. So, for instance, a farmer will tell you he is part of tourism because he supplies Hyatt with food. So that that project now seeks to identify a primary tourism population based in terms of business, in accommodation, restaurants, artisans, ground transportation. And so, what STAR does it attempts to train people in existing businesses that are there who would not have necessarily gone to TTHTI.

But I take your point there is some overlap, and there is a consideration that perhaps there should be a merging of the two.

Mr. Chairman: I want to thank you very much for attending and for addressing all the questions we asked. I think that you have been very, very forthright in your approach. You have given us the information you have and you have identified some of the challenges that you have in the Ministry, which might well be associated with the entire public service system.

We appreciate the fact that you see tourism as a very important industry and development base for Trinidad and Tobago, and that you are trying to diversify your markets, and increase your airlift, and to set targets, but I think we have to note that it does require some kind of dedicated effort.

In my estimation, I think that the time is long past to have tourism targets for the country. The time has come for targets by product. So if you have a product and you are selling that, you must know what the target is for that for the year, or for the month, or whatever it is, or for the period that it is—like for Carnival. We are alert to the fact that you are conscious of what is required and that we need to do more and we proceed.

We are satisfied with the answers to the questions that were raised by the Auditor General. I think all of us would be a little disturbed about the situation where a Ministry could be defrauded. And while we understand what took place, I mean, really, we cannot have a situation like that in the country, in the governmental system, but we are heartened by the fact that you have taken measures to address those issues and to basically gain greater control.

The audit function within your Ministry is a matter I think you should address with urgency. It is very important. We will take the verbatim notes out of this meeting and out of that extract recommendations that we can make, which we will share with the rest of Parliament, so that your time and your effort here will not go to waste. Okay?

Thank you very much for being here.

Mrs. Greaves-Smith: Thank you, Chair, and we will take the suggestions that we have been afforded on board. Thank you.

12.33 p.m.: *Meeting adjourned.*