



THIRD REPORT OF THE

# PUBLIC ACCOUNTS

( ENTERPRISES ) COMMITTEE

SECOND SESSION OF THE 11<sup>TH</sup> PARLIAMENT

*Inquiry* Examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Community Improvement Services Limited (CISL) for the financial years 2008 to 2012.



## Public Accounts (Enterprises) Committee

The Public Accounts (Enterprises) Committee (P.A.(E).C) established under Section 119(5) of the Constitution of the Republic of Trinidad and Tobago is mandated to consider and report to the House of Representatives accordingly on:

*“(a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and*

*(b) the Auditor General’s Report on any such accounts, balance sheets and other financial statements.”*

### Current membership

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Ms. Shamfa Cudjoe	Member
Mr. Foster Cummings	Member
Mr. David Small	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
Mr Brian Lucio	Parliamentary Intern
Ms Anesha James	Administrative Support

### Publication

An electronic copy of this report can be found on the Parliament website: [www.ttparliament.org](http://www.ttparliament.org)

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## MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE



Mr. Wade Mark  
**Chairman**



Dr. Tim Gopeesingh  
**Vice-Chairman**



Ms. Shamfa Cudjoe  
**Member**



Mrs. Jennifer Baptiste -Primus  
**Member**



Mr. Fitzgerald Hinds  
**Member**



Mr. David Small  
**Member**



Ms. Cherrie-Ann Crichlow-Cockburn  
**Member**



Mr. Foster Cummings  
**Member**

## EXECUTIVE SUMMARY

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee examined **the Audited Accounts, Balance Sheet and other Financial Statements of the Community Improvement Services Limited (CISL) for the period 2008 to 2012** and produced this report to highlight its findings and recommendations.

This report highlights the issues, endorsements and recommendations made by the Committee in an attempt to assist the Community Improvement Services Limited (CISL) in better performing its duties while also commending their initiatives. During this discussion, the following the issues arose:

- CISL was operating under a “strategic framework” for the period 2012-2014 as opposed to an approved Strategic Plan which is required by all State Enterprises;
- The Audited Financial Statements for the periods 2013-2016 were still outstanding by CISL;
- The Company had been operating without a Board for more than one year;
- CISL was not operating in accordance to its mandate which was “to provide personnel to implement the Company’s programmes and simultaneously equip members of the Community with marketable skills to enable them to more effectively face the demand of our changing society”. Rather, it was noted that mechanisms were not in place for the training and development of persons in the communities in which CISL operated;
- The relevance of CISL remained unclear as the Committee was of the view that services offered by CISL were already provided by other Ministries, Departments and State Agencies; and
- The Company utilised the services of PwC for its Internal Audit function as opposed to adopting its own Internal Audit Unit.

Based on the Committee’s examination, the following recommendations were proposed:

- The Minister of Community Development, Culture should approve CISL’s 2015-2020 Strategic Plan by May 2017;
- CISL should submit its annual administrative report no later than June 30 each year, in accordance with Section 66D of the Constitution. This report should include an annual update on the implementation of the Strategic Plan;
- The Minister of Community Development, Culture and the Arts must ensure that a Board is appointed by May 2017;
- After the appointment of a new Board of Directors, an Annual General Meeting should be held within 60 days of the new Board’s appointment to approve the 2013 and 2014 Audited Financial Statements;
- The CEO must ensure that the timely completion of financial statements is included as a performance standard for the Manager of Finance;

- Beginning May 2017, CISL should adhere to its mandate and take steps to train and employ persons in communities in which the company undertakes projects;
- The Minister of Community Development, Culture and the Arts should critically assess and revisit CISL's mandate and a report should be submitted to the PAEC no later than June 2017;
- The Ministry of Finance- Investments Division should provide a status report on the implementation of the recommendations outlined in the PwC's audit report by May 2017; and
- The Ministry of Community Development, Culture and the Arts should take urgent steps to employ an Internal Auditor forthwith.

# INTRODUCTION

## Establishment

The PA(E)C 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.

## Mandate

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by, or on behalf of the State.

In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives and Senate 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.

## Ministerial Response

The Standing Orders<sup>1</sup> provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

## State Enterprises Performance Standards

The PAEC used the State Enterprises Performance Monitoring Manual as a benchmark for State Enterprises. The manual outlines the framework for compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises successfully execute their mandates and maximise value for money for the national stakeholders and shareholders.<sup>2</sup>

## Election of the Chairman and Vice Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a member of the Opposition in the Senate. At the first meeting held on Wednesday December 2, 2015, Mr. Wade Mark was elected Chairman and Dr. Tim Gopeesingh was elected Vice Chairman of the 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 four (4) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

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<sup>1</sup> Standing Order 110 (6) in the [House of Representatives](#) and 100(6) of the [Senate](#).

<sup>2</sup> <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

# METHODOLOGY

## Determination of the Committee's Work Programme

At its second meeting on Wednesday January 13, 2016, the Committee agreed to prioritize thirty-four

(34) State Enterprises as follows:

1. Caribbean Airlines Limited (CAL)
2. Caribbean New Media Group (CNMG)
3. Caroni Green Limited
4. Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)
5. Education Facilities Company Limited (EFCL)
6. Estate Management and Business Development Company Ltd. (EMBDC)
7. Evolving Tecknologies and Enterprise Development Co. Ltd (eTECK)\*
8. National Commission for Self Help Limited
9. National Entrepreneurship Development Company Ltd. (NEDCO)
10. National Enterprises Limited (NEL)
11. National Gas Company of Trinidad and Tobago Limited (NGC)
12. National Infrastructure Development Company Ltd. (NIDCO)\*
13. National Insurance Property Development Company Ltd. (NIPDEC)
14. National Quarries Company Limited (NQCL)
15. National Schools Dietary Services (NSDSL)\*
16. Palo Seco Agricultural Enterprises Ltd (PSAEL)
17. Petroleum Company of Trinidad and Tobago (PETROTRIN)
18. Point Lisas Industrial Port Development Corporation Ltd. (PLIPDECO)
19. Port of Spain Waterfront Development Ltd.
20. Rincon Development Ltd.
21. Rural Development Company of Trinidad and Tobago Ltd.
22. Sport Company of Trinidad and Tobago (SporTT)
23. Telecommunication Services of Trinidad, Tobago (TSTT)
24. Trinidad and Tobago Fashion Company Ltd.
25. Trinidad and Tobago Mortgage Finance Company Limited (T\*TMF)\*
26. Trinidad and Tobago National Petroleum Limited (NP)
27. Tourism Development Corporation (TDC)
28. Union Estate Electricity Generation Company Limited
29. Urban Development Corporation of Trinidad and Tobago (UDECOTT)
30. Solid Waste Management Company Limited (SWMCOL)
31. Vehicle Management Corporation of Trinidad and Tobago (VMCOTT)
32. National Flour Mills Limited\*
33. Community Improvement Services Limited
34. Government Human Resource Services Company Limited (GHRS)\*

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\* Examined in the First Session of the Eleventh Parliament. The Report can be accessed via the following link:  
<http://www.ttparliament.org/reports/p11-s1-j-20160913-PAEC-R1.pdf>

At a meeting held on September 7, 2016, the Committee identified the following entities for examination in the Second Session of the 11<sup>th</sup> Parliament:

- i. Sport Company of Trinidad and Tobago (SportT);
- ii. Community Improvement Services Limited (CISL);
- iii. Community-Based Environmental Protection & Enhancement Programme (CEPEP);
- iv. Point Lisas Industrial Port Development Corporation Limited (PLIPDECO);
- v. Solid Waste Management Company Limited (SWMCOL);
- vi. National Gas Company of Trinidad and Tobago Limited (NGC);
- vii. Telecommunications Service of Trinidad and Tobago (TSTT);
- viii. Caribbean Airlines Limited (CAL);
- ix. Estate Management and Business Development Company Limited (EMBDC);
- x. Tourism Development Company of Trinidad and Tobago (TDC); and
- xi. National Entrepreneurship Development Company Limited (NEDCO).

## The Inquiry Process

The Inquiry Process outlines steps taken by the Committee for conducting the inquiry into the audited financial statements of CISL. The following steps outlines the Inquiry Process agreed to by the PA(E)C:

- I. Identification of issues in the Audited Accounts, Balance Sheet and other Financial Statements of the Community Improvement Services Limited (CISL) for the period 2008 to 2012.
- II. Preparation of Inquiry Proposal for CISL. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
- III. Consideration and approval of Inquiry Proposal by the Committee;
- IV. When the Inquiry Proposal was approved, questions were forwarded to the CISL on February 1, 2016. Written responses were received from CISL on February 12, 2016;
- V. Preparation of an Issues Paper, based on written responses received from the CISL. The Issues Paper identified and summarised any matters of concern in the responses provided by the CISL;
- VI. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a public hearing was held on Wednesday November 16, 2016;
- VII. Written request for additional information was sent to CISL, the Ministry of Community Development, Culture and the Arts and the Ministry of Finance after the public hearing on November 16, 2016; and
- VIII. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

# THE COMMUNITY IMPROVEMENT SERVICES LIMITED (CISL) PROFILE

## Background:

Community Improvement Services Limited (CISL) was established as a Special Purpose State Enterprise by Cabinet Minute No. 862 of May 02, 2002 to deliver improved infrastructural works in various communities in keeping with the Vision 20/20 thrust of the then administration. This Enterprise was incorporated under the Companies Act, Chap. 81:01 on October 1, 2004. Although the Company's Board of Directors was appointed in August 2004, the Company only began operations in February 2005 with the appointment of a Chief Executive Officer.

Initially, the Company fell under the purview of the Ministry of Planning and Development currently known as the Ministry of Planning and Sustainable Development but was later transferred to the Ministry of Local Government. In 2015, the Company was reassigned to the Ministry of Community Development, Culture and the Arts.

Cabinet Minute No. 862 of May 2, 2002 highlighted four (4) key activities for the Company. These were:

- i. To improve the infrastructure in communities in particular, "the improvement of secondary road networks and drainage";
- ii. The development of cultural centres, community centres and sporting facilities;
- iii. Services to maintain communities; and
- iv. Training and development of community personnel in project management and civil works in order to "provide personnel to implement the Company's programmes {and} simultaneously equip members of the community with marketable skills to enable them to more effectively face the demand of our changing society".

**Line Ministry** – Ministry of Community Development, Culture and the Arts

**Minister** – The Hon. Dr. Nyan Gadsby Dolly, MP

**Permanent Secretary** – Mrs. Angela Edwards (Ag.)

**Chief Executive Officer** - Mr. Raees Patel

# ISSUES, OBSERVATIONS AND RECOMMENDATIONS

In the Committee’s examination of CISL, the following issues were raised and the corresponding observations and recommendations made:

## I. Strategic Plan

CISL was unable to identify whether the Strategic Plan for the period 2006-2011 was approved. The company operated under a “strategic frame work” during the period 2012-2014. Based on oral evidence received from CISL, the company appeared to be in breach of the State Enterprises Performance Monitoring Manual which states that a strategic plan “is the process of developing organization wide statements of policy, strategies and goals so communicated as to ensure participation by the entire organization. It involves the establishment by the Company of objectives, guiding policies and strategies for reaching the goals, which are to be in alignment with the Strategic Plan of the respective Line Ministry. Changes in long range Strategic Plans alter the character and direction of an organization”<sup>3</sup>. The manual makes no mention of a strategic framework and therefore same should not be accepted as an alternative for a strategic plan. CISL indicated that due to the absence of a Board of Directors, the company submitted its 2015 – 2020 Strategic Plan directly to the Ministry of Community Development, Culture and the Arts in March 2016.

### Recommendations:

- *The Ministry of Community Development, Culture and the Arts should ensure that a Board of Directors is appointed by April 2017;*
- *The Minister of Community Development, Culture and the Arts should approve CISL’s 2015-2020 Strategic Plan by May 2017; and*
- *CISL should submit its annual administrative report no later than June 30 each year, in accordance with Section 66D of the Constitution. This report should include an annual update on the implementation of the Strategic Plan.*

## II. Outstanding Audited Financial Statements

CISL’s Audited Financial Statements for the periods 2013-2016 were outstanding as at February 2017. The timely submission of Audited Financial Statements to Parliament is pivotal in ensuring the proper oversight of public funds. Written evidence received from

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<sup>3</sup> <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

CISL indicated that the company was without a Board of Directors due to the expiration of the previous Board's term on December 01, 2015. As of February 2017, more than one year later, CISL was still operating without a Board of Directors.

However, The Company stated that the 2013 and 2014 Audited Financial Statements were reviewed and approved by the previous Board of Directors but did not receive the necessary final approval because of The Company's failure to hold an Annual General Meeting. Also, it was advised that the 2015 audit can only commence after the engagement letter is approved and signed by the Chairman of the Audit Committee of the new Board of Directors.

**Recommendations:**

- *The Minister of Community Development, Culture and the Arts should ensure that a Board is appointed by April 2017;*
- *After the appointment of a new Board of Directors, an Annual General Meeting should be held within sixty (60) days of the new Board's appointment to, among other things, approve the Company's 2013 and 2014 Audited Financial Statements.*
- *The CEO must ensure that the timely completion of financial statements is included as a performance standard for the Manager of Finance.*

**III. Accumulated Deficit**

The accumulated deficit<sup>4</sup> of CISL has been decreasing over the period of review. The company's accumulated deficit stood at \$13,294,352.00 in 2011 and was reduced to \$9,548,776.00 in 2012. CISL indicated that in an attempt to reduce the deficit, the company embarked on various cost-cutting initiatives such as reducing telephone costs as well as vehicle maintenance costs.

**Endorsements:**

- *The Committee endorses CISL's cost cutting initiatives to reduce its accumulated deficit.*
- *The Committee encourages CISL to continue with these and other cost cutting initiatives.*

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<sup>4</sup> Retained earnings is the portion of net income that is retained by company for future growth rather than distributing to shareholders in the form of dividends and accumulated deficit is the portion of net loss which is accumulated or retained by company.

#### IV. Mandate of CISL

It was unclear whether or not CISL was operating in accordance with its original mandate. It was noted that CISL was established as a Special Purpose State Enterprise by Cabinet Minute No. 862 of May 02, 2002 to carry out the following:

- a. To improve the infrastructure in communities in particular, “the improvement of secondary road networks and drainage”;
- b. The development of cultural centres, community centres and sporting facilities;
- c. Services to maintain communities; and
- d. Training and development of community personnel in project management and civil works in order to “provide personnel to implement the Company’s programmes {and} simultaneously equip members of the community with marketable skills to enable them to more effectively face the demand of our changing society”.

CISL stated that its primary focus was on infrastructural development as opposed to social development. While training and development was seen as a secondary role for CISL, mechanisms were not in place to ensure the training and development of persons in the communities in which CISL operated. CISL attributed this shortcoming to a lack of funding for this initiative.

#### Recommendations:

- *Beginning May 2017, CISL should adhere to its mandate and take steps to train and employ persons in communities in which the company undertakes projects.*
- *CISL’s Human Resources policies should provide for the employment of community resources when engaging in new projects. Internal controls should be implemented to support those policies.*

#### V. Relevance of CISL

The Committee is of the view that services offered by CISL are provided by other Ministries, Departments and State Agencies such as the Ministry of Works and Transport, YTEPP, Regional Corporations, among others. These services include:

- i. To improve the infrastructure in communities.
- ii. The development of cultural centres, community centres and sporting facilities.
- iii. Training and development of community personnel in project management and civil works.

Additionally, the entity, in providing evidence to the Committee stated that its communication strategy is what separates CISL from all other state agencies which can provide the same services. An effective communication strategy is an insufficient justification for CISL providing the same services as other State Agencies.

**Recommendation:**

- *The Minister of Community Development, Culture and the Arts should critically assess and revisit CISL's mandate and a report submitted to the PAEC no later than June 2017.*

**VI. Internal Audit**

Submissions from CISL indicated that in an attempt to ensure public funds were being adequately spent, the company contracted PricewaterhouseCoopers (PwC) to conduct an internal audit risk assessment in May 2015. PwC's audit indicated that there was need for revenue and receivable policies and procedures to be developed, approved and communicated; internal controls over the receipt of cash and cheques were weak; cash and cheques collected were inadequately safeguarded; and bank reconciliations were not dated when approved and reconciling items. PwC's audit contained numerous recommendations however, CISL indicated that it did not get approval to implement PwC's recommendations due to the absence of a Board of Directors. In subsequent submissions, CISL indicated that the company adhered to the recommendations of PwC, contradicting prior evidence.

**Recommendation:**

- *The Ministry of Finance- Investments Division should provide a status report on the implementation of the recommendations outlined in the PwC's audit report by May 2017.*

**VII. Establishment of an Internal Audit Unit**

The Committee noted with great concern that CISL operated without an Internal Audit unit. The Company instead utilised the services of PWC for its Internal Audit function. In 2014, a Joint Select Committee recommended that CISL appoint/recruit an Internal Auditor.<sup>5</sup> Further to the recommendation of the JSC in April 2014 CISL via a Ministerial Response<sup>6</sup>

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<sup>5</sup> 20<sup>th</sup> Report of the JSC on Ministries, Statutory Authorities and State Enterprises (Group II) - CISL page 37.

<http://www.ttparliament.org/reports/p10-s5-j-20150408-JSC2-r20-CISL.pdf>

<sup>6</sup> Ministerial Response to the 20<sup>th</sup> Report of the JSC on Ministries, Statutory Authorities and State Enterprises (Group II) - CISL page 6. <http://www.ttparliament.org/reports/p10-s5-j-20150612-JSC2-r20-CISL-mr.pdf>

indicated that the Board conducted a cost benefit analysis and opted to engage the services of PwC as an independent Internal Audit Firm.

***Recommendations:***

- ***The Ministry of Community Development, Culture and the Arts should take urgent steps to employ an Internal Auditor forthwith.***

The Public Accounts (Enterprises) Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.  
Mr. Wade Mark  
**Chairman**

Sgd.  
Dr. Tim Gopeesingh  
**Vice-Chairman**

Sgd.  
Mr. Fitzgerald Hinds  
**Member**

Sgd.  
Mrs. Cherrie-Ann Crichlow-Cockburn  
**Member**

Sgd.  
Mrs. Jennifer Baptiste-Primus  
**Member**

Sgd.  
Ms. Shamfa Cudjoe  
**Member**

Sgd.  
Mr. Foster Cummings  
**Member**

Sgd.  
Mr. David Small  
**Member**

# Appendix 1

## Minutes of Meetings

**THE PUBLIC ACCOUNTS ENTERPRISES COMMITTEE –  
SECOND SESSION, ELEVENTH PARLIAMENT**

**MINUTES OF THE FOURTEENTH MEETING HELD ON WEDNESDAY,  
DECEMBER 07, 2016 AT 9:58 A.M.  
IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR,, LEVEL 9,  
OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF SPAIN  
INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT-  
OF-SPAIN.**

Present were:

Mr. Wade Mark	-	Chairman
Dr. Tim Gopeesingh	-	Vice- Chairman
Mr. David Small	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Mr. Foster Cummings	-	Member
Ms. Shamfa Cudjoe	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary

Excused were:

Mr. Fitzgerald Hinds	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member

**COMMENCEMENT**

- 1.1 At 9:58 a.m. the Chairman called the meeting to order and welcomed those present. Mr. Fitzgerald Hinds and Mrs. Jennifer Baptiste-Primus were excused from the meeting.

**THE EXAMINATION OF THE MINUTES OF THE THIRTEENTH MEETING**

- 2.1 The Committee examined the Minutes of the Thirteenth (13<sup>th</sup>) Meeting held on Wednesday November 16, 2016.
- 2.2 There being no other omissions or corrections, the Minutes were confirmed on a motion moved by Mrs. Cherrie-Ann Crichlow-Cockburn and seconded by Mr. David Small.

## **MATTERS ARISING FROM THE MINUTES OF THE THIRTEENTH MEETING**

- 3.1 The Chairman informed the Members that SPORTT requested an extension to Friday December 09, 2016 to submit the additional information requested. The Committee granted the request for an extension to submit the additional information.
- 3.2 The Chairman informed Members that the Committee's Draft Report on the examination of SPORTT has been circulated for consideration. However the Report is incomplete because of the outstanding responses from the Ministry of Sport and Youth Affairs and SPORTT.

## **PRE-HEARING DISCUSSION RE: COMMUNITY-BASED ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAMME (CEPEP)**

- 4.1 The Chairman reminded Members that the purpose of the meeting will be the examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for the period 2009 - 2014.
- 4.2 Members discussed the issues of concern and the general approach for the Public Hearing.
- 4.3 There being no further business for discussion *in camera*, the Chairman suspended the meeting at 10:15 a.m.

## **COMMUNITY-BASED ENVIRONMENTAL PROTECTION AND ENHANCEMENT PROGRAMME (CEPEP)**

- 5.1 The Chairman called the public meeting to order at 10:27 a.m.
- 5.2 The Chairman welcomed officials from the Ministry of Finance – Investments Division, the Ministry of Rural Development and Local Government, CEPEP, members of the media and the public and introductions were exchanged.

**The following officials joined the meeting:**

### **OFFICIALS FROM THE MINISTRY OF FINANCE (INVESTMENTS DIVISION)**

Ms. Sharon Mohammed - Senior Business Analyst  
Mr. Varuna Ramdial - Senior Audit Analyst

### **MINISTRY OF RURAL DEVELOPMENT AND LOCAL GOVERNMENT**

Ms. Desdra Bascombe - Permanent Secretary  
Mr. Hilliufa Ali - Accounting Executive II (Ag.)

**COMMUNITY-BASED ENVIRONMENTAL PROTECTION AND  
ENHANCEMENT PROGRAMME (CEPEP)**

Mr. Keith Eddy	-	General Manager
Ms. Jody David	-	Finance Manager
Mr. Dominic Grell	-	Operations Manager
Mr. David Roberts	-	Business and Entrepreneur Development Manager
Ms. Avelia Stewart	-	Human Resource Manager
Ms. Margaret Sampson-Browne	-	Corporate Communications Manager

5.3 The General Manager of CEPEP made a brief opening statement.

**5.4 The following issues arose from the examination with the officials from CEPEP:**

1. The role of the Permanent Secretary in ensuring accountability and transparency in monitoring and accessing the performance of CEPEP.
2. The role of the Investments Division in ensuring oversight and accountability in state enterprises.
3. The mandate and core function of CEPEP.
4. The role of the Ministry of Rural Development and Local Government in assessing the effectiveness of the internal audit function at CEPEP.
5. The number of persons employed at CEPEP.
6. The number of contractors employed by CEPEP over the period 2008 to 2014.
7. The challenges faced by the new Management and the possible recommendations and solutions to eliminate those challenges.
8. The absence of an internal audit function at CEPEP.
9. The lack of value for money audit.
10. The absence of risk management processes and procurement policy.
11. Status of the audited financial statements for fiscal year 2015.
12. The selection process for contractors by CEPEP.
13. The remuneration package of CEPEP's new management team.
14. The rationale for relocating CEPEP's head office from Chaguanas to St. Madeline.
15. The lack of payment of statutory deductions by contractors.
16. The status of compliant/non-compliant contractors of the income tax laws.
17. The mechanism in place for collecting waste other than the use of garbage bags.
18. The status of CEPEP Maritime and CEPEP Agriculture.
19. The measures in place to protect workers against the risk health and safety issues.
20. The operational expenditure of CEPEP.

**Please see Verbatim Notes for the detailed oral submission by the witnesses.**

5.5 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Rural Development and Local Government and CEPEP for attending the Public Hearing.

### **SUSPENSION**

6.1 At 12:35 p.m., the Chairman suspended the *in public* meeting to resume a post-hearing meeting *in camera* with Members only.

### **RESUMPTION**

7.1 At 12:39 p.m. the Chairman resumed the post-hearing meeting *in camera*.

### **POST-MORTEM DISCUSSION**

8.1 The Members held a post-mortem discussion to determine the way forward, following the public hearing.

8.2 The Committee agreed to examine the audited financial statements of the Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) for the financial years 2008 – 2015 at the next meeting.

### **ADJOURNMENT**

9.1 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday January 18, 2017 at 9:30 a.m.**

9.2 The adjournment was taken at 12:40 p.m.

**We certify that these Minutes are true and correct.**

CHAIRMAN

SECRETARY

*December 08, 2016*

# Appendix 2

## Attendees

# Attendees

## **COMMUNITY IMPROVEMENT SERVICES LIMITED (CISL)**

Mr. Raees Patel	-	Chief Executive Officer
Ms. Nicole Rattan	-	Project Manager
Mr. Nigel Suchit	-	Finance Manager

## **MINISTRY OF COMMUNITY DEVELOPMENT, CULTURE AND THE ARTS**

Ms. Beverly Reid-Samuel	-	Permanent Secretary (Ag.)
Mr. Sookdeo Sankar	-	Planning Co-ordinator

## **INVESTMENTS DIVISION, MINISTRY OF FINANCE**

Ms. Yvette Babb	-	Director, Social and Economic Transformation (Ag.)
Mr. Suresh Dan	-	Business Analyst

# APPENDIX 3

## List of entities falling under the purview of the PAEC:

1. Agricultural Development Bank (ADB)
2. Caribbean Airlines Limited (CAL)
3. Caribbean Leasing Company Ltd (owned by ExpOrTT)
4. Caribbean New Media Group Limited (CNMG)
5. Caroni Green Limited
6. Clico Trust Corporation Limited
7. Cocoa Development Company of Trinidad and Tobago Ltd
8. Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)
9. Community Improvement Services Limited
10. East Port of Spain Development Company Limited
11. Education Facilities Company Limited (EFCL)
12. Estate Management & Business Development Company Ltd. (EMBDC)
13. Export Centers Company Limited
14. Export Import Bank of Trinidad & Tobago (EXIMBANK)
15. ExpOrTT (formerly BDC: Business Development Company Limited)
16. Evolving TecKnologies & Enterprise Development Company Limited (eTeck) (formerly Property & Industrial Development Company of Trinidad & Tobago)
17. First Citizens Bank (FCB)
18. First Citizens Holdings Limited
19. Government Human Resource Services Company Limited (GHRS)
20. Government Information Services Limited (GISL)
21. Human Capital Development Facilitation Company Limited
22. InvesTT
23. Lake Asphalt of Trinidad & Tobago (1978) Ltd.
24. La Brea Industrial Development Corporation
25. Metal Industries Company Limited (MIC)
26. National Agricultural Marketing Development Corporations Limited (NAMDEVCO)
27. National Commission For Self Help Limited
28. National Energy Corporation of Trinidad and Tobago Limited
29. National Entrepreneurship Development Company Ltd. (NEDCO)
30. National Enterprises Limited (NEL)
31. National Flour Mills Limited (NFM)
32. National Gas Company of Trinidad & Tobago Limited (NGC)
33. National Helicopter Services Limited
34. National Information & Communication Technology Company Limited (NICTCL)
35. (iGovTT) (ttconnect)
36. National Infrastructure Development Company Limited (NIDCO)
37. National Insurance Property Development Company Limited (NIPDEC)
38. National Maintenance, Training & Security Company Limited (MTS)
39. National Project Development Services Ltd

40. National Quarries Company Limited (NQCL)
41. National Schools Dietary Services Limited
42. National Training Agency (1997) Ltd.
43. Natpat Investments Company Ltd.
44. Oropune Development Ltd. (owned by UDECOTT)
45. Palso Seco Agricultural Enterprises Limited (PSAEL)
46. Petroleum Company of Trinidad & Tobago Limited (PETROTRIN)
47. Phoenix Park Gas Processors Ltd.
48. Point Lisas Industrial Port Development Corporation Ltd (PLIPDECO)
49. Point Lisas Terminals Ltd. (owned by PLIPDECO)
50. Portfolio Credit Management Limited
51. Port of Spain Waterfront Development Ltd.
52. Rincon Development Ltd.
53. Rural Development Company of Trinidad & Tobago Limited
54. Seafood Industry Development Company Limited
55. Sports Company of Trinidad & Tobago Limited (SportT)
56. Taurus Services Limited
57. Telecommunications Services of Trinidad & Tobago Limited (TSTT)
58. Tourism Development Company Limited (TDC)
59. Trinidad Nitrogen Company Limited (TRINGEN)
60. Trinidad Northern Areas Ltd.
61. Trinidad & Tobago Entertainment Company Limited (TTent)
62. Trinidad & Tobago External Telecommunications Ltd.
63. Trinidad and Tobago Fashion Company Limited
64. Trinidad & Tobago Film Company Limited
65. Trinidad & Tobago Fish Processors Ltd.
66. Trinidad & Tobago Food Processors Ltd.
67. Trinidad & Tobago Free Zones Company Limited
68. Trinidad & Tobago International Financial Centre Management Company Limited
69. Trinidad & Tobago Marine Petroleum Company Ltd.
70. Trinidad & Tobago Mortgage Finance Company Limited (TTMF)
71. Trinidad and Tobago Music Company Limited
72. Trinidad & Tobago National Petroleum Marketing Company Limited (NP)
73. Trinidad & Tobago Solid Waste Management Co. Ltd. (SWMCOL)
74. Trinidad & Tobago Tourism Business Development Limited
75. Trintoc Services (owned by PETROTRIN)
76. Union Estate Electricity Generation Company Limited
77. Urban Development Corporation of Trinidad & Tobago Limited (UDECOTT)
78. Vehicle Management Corporation of Trinidad & Tobago Limited (VMCOTT)
79. Youth Training & Employment Partnership Programme Limited (YTEPP)

# **APPENDIX 4**

## **VERBATIM**

**VERBATIM NOTES OF THE THIRTEENTH MEETING OF THE PUBLIC  
ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE ANR ROBINSON  
ROOM (EAST), NINTH FLOOR, TOWER D, INTERNATIONAL WATERFRONT  
CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY,  
NOVEMBER 16, 2016 AT 10.10 A.M.**

**PRESENT**

Mr. Wade Mark	-	Chairman
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Miss Shamfa Cudjoe	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member
Mr. David Small	-	Member
Miss Keiba Jacob	-	Secretary
Miss Hema Bhagaloo	-	Assistant Secretary

**ABSENT**

Mr. Foster Cummings	-	Member
Mr. Fitzgerald Hinds	-	Member
Dr. Tim Gopeesingh	-	Vice-Chairman

**INVESTMENTS DIVISION, MINISTRY OF FINANCE**

Ms. Yvette Babb	- Director, Social & Economic Transformation (Ag.)	
Mr. Suresh Dan	-	Business Analyst

**MINISTRY OF COMMUNITY DEVELOPMENT, CULTURE AND THE ARTS**

Ms. Beverly Reid-Samuel	-	Permanent Secretary (Ag)
Mr. Sookdeo Sankar	-	Planning Coordinator

**CISL**

Mr. Raees Patel	-	Chief Executive Officer
Ms. Nicole Rattan	-	Projects Manager
Mr. Nigel Suchit	-	Finance Manager

**Mr. Chairman:** Good morning to everyone. May I on behalf of the Public Accounts (Enterprises) Committee warmly welcome the officials from the Ministry of Finance, Investments Division; the Ministry of Community Development, Culture and the Arts; the Community Improvement Services Limited; members of the media; and members of the public. First of all, may I advise that this meeting is being held in public and is being broadcast on the Parliament's Channel 11 and Radio 105.5 FM and the Parliament's YouTube Channel *ParView*. The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine audited accounts, balance sheet and other financial statements of the Community Improvement Services Limited for the period under review which is 2008 to 2012.

Our Committee is desirous of hearing from you, the stakeholders at CISL to learn the challenges being faced and determine some of the possible solutions and measures to overcome these challenges. The role of our Committee is to help and I wish to reemphasize this. The role of our Committee is to help CISL improve its delivery of services in an efficient, effective and economic manner.

At this time, I will take this opportunity to invite members of the Public Accounts (Enterprises) Committee to introduce themselves and then we will ask the officials from the Ministry of Finance, Investments Division to follow, after the Ministry of Community Development, Culture and the Arts and, of course, the Community Improvement Services Limited will all introduce themselves. So maybe I can start with our member to my far right.

*[Members of the PA(E)C introduce themselves]*

**Mr. Chairman:** Well, good morning again, my name is Wade Mark, Chairman of this Committee. I now invite members of the Ministry of Finance, Investments Division.

*[Introductions made by all officials of the teams]*

**Mr. Chairman:** Well, once again thank you all for being with us this morning and I will now invite one of our members, Mr. David Small to lead off, but before I do so, before I invite Mr. Small to ask and enquire areas of concern to him as a member of this Committee, I would like to invite the CEO Mr. Patel to make some brief opening remarks.

**Mr. Patel:** Thank you, Chair. We at CISL, we express our sincerest gratitude to the Committee. We always welcome any opportunity for feedback that would contribute to the continuous development within the organization. As the Committee would be well aware, we did our JSC enquiry in April 2014 where several weaknesses were identified and changes enacted since then. We also note that further to the Public Accounts Committee enquiry of the Office of the Auditor General, that would have been in February 2016, and the call for state enterprises to be more compliant and transparent, we at CISL wrote to the Auditor General requesting for any assistance that could be given as per enhancing our corporate governance, accountability and transparency mechanisms.

Mr. Chairman, at present, CISL is without board and we, along with our line Ministry, are awaiting the outcome and Cabinet's decision as per the State Enterprise Reviews Committee which we had presented to in June 2016. As such, several areas remained outstanding pending board approval and I can just list a couple of these. It would be the review of CISL's updated policies; the convening of the AGM to confirm audited statements for 2013 and 2014, as well as to engage the financial auditor for fiscal 2015, as well as the review of our internal audit policies—the outcome of the internal audit for 2015. Thank you.

**Mr. Chairman:** Thank you very much, Mr. Patel. At this time I will invite Mr. David Small to lead off in the areas of concern that he would like to have clarified. Mr. David Small.

**Mr. Small:** Thank you, Mr. Chairman. Good morning again to everyone. Mr. Patel, just quickly, just for my own edification and understanding. CISL undertakes projects, I am trying to understand the process. What is the genesis of the work that engages CISL? Is it that CISL devises projects and presents it or does it come from the other direction? Could you help the Committee with that?

**Mr. Patel:** Our projects come straight from the Ministry or the regional corporations.

**Mr. Small:** So that all of the work that you do is driven essentially from directives that you get from various Ministries?

**Mr. Patel:** From various Ministries. Yes.

**Mr. Small:** Okay, good. So in that perspective then, the communities that are targeted for work, you really, the company has no real say in how that goes about?

**Mr. Patel:** No, we do not.

**Mr. Small:** You do not. Could you inform this Committee, in terms of your geographical spread, of the communities of the work that you actually performed within the recent past? Could you help us to understand the spread of communities that you have done work in?

**Mr. Patel:** Sure, definitely. While we were under the Ministry of Local Government, our spread of projects ranged from along the East-West Corridor which would have been from Diego Martin to Arima and that would have been in tandem with the regional corporations, the five regional corporations that operate along those areas.

**Mr. Small:** Mr. Chairman, if you would permit me, I just have one question. I just have a question, I am sure others will pick up on it but I have a question about the fact that from where I sit perhaps some of the work that CISL is doing probably could be done elsewhere by other entities. My question is, I have looked at the accounts available to us and I am seeing the companies carrying some accumulated losses and I am struggling to understand if and/or when there is going to be some way in which the company could bring itself to at least a level standing. How are you communicating with your line agency regarding how to bring the company into a place where as it is now you take directives but you are running at a loss, and given the economic situation with the country now we want to try to optimize value for money. Could you help us with your thinking on that?

**Mr. Patel:** Sure, definitely. If you examine the financials, through you, Chair, you would notice that during the period of 2013 CISL—we undertook a large amount of work whereby we actually made a profit and during that year we had no subvention. Coming out of that, we also approached other Ministries, for instance, with some of the Members here today you would know that CISL wrote to these Ministries identifying projects under those various Ministries further to the budget this year whereby CISL could execute these projects.

**Mr. Small:** I have one last question if you would permit me, Mr. Chairman. In terms of, I have looked at your submission and it is not clear to me in terms of how you measure what you do. I think it is important that when moneys of taxpayers are being expended that there would be some measure for getting value. Has the company conducted any type of value for money audit to understand when you are doing projects whether or not the taxpayers are getting value for the work that is being done?

**Mr. Patel:** Well, what we would do, we would evaluate our systems based on what we do, which is the project management aspect of the job. We also have feedback which we get from the communities through our community relations unit at CISL.

**Mr. Chairman:** Thank you very much, Mr. David Small. May I return to the CEO and ask on behalf of the Committee, how long have you been CEO of CISL?

**Mr. Patel:** I have been there since October 2012.

**Mr. Chairman:** Since October 2012. What about Mr. Nigel Suchit?

**Mr. Suchit:** Chair, I have been there since April 2015.

**Mr. Chairman:** And Ms. Nicole Rattan.

**Ms. Rattan:** I have been leading the projects department since 2014, acting for the period of April until December and substantiated in January 2015.

**Mr. Chairman:** And may I ask the Permanent Secretary, Acting, Ms. Beverly Reid-Samuel, how long have you been in the Ministry?

**Ms. Reid-Samuel:** I have been in the Ministry since October 2015.

**Mr. Chairman:** 2015, okay. And Mr. Sookdeo Sankar?

**Mr. Sankar:** I have been in the Ministry since June 2006.

**Mr. Chairman:** All right, thank you.

**Mrs. Baptiste-Primus:** I do not think I clearly understand the date from which or the time from which Ms. Rattan is with CISL. She gave a two-pronged explanation. Is it from April?

**Mr. Chairman:** Ms. Rattan, how long have you been working with that organization?

**Ms. Rattan:** I joined the organization in December 2012 and I became the Manager of the Projects Department in an acting capacity from April 2014.

**Mr. Chairman:** Yeah, since 2012. Okay, thank you very much. May I ask the Permanent Secretary, even though you have been relatively new to the Ministry, but you should be in a position to help us. We know an accounting officer shall be responsible for ensuring that the financial business of the State for which he is responsible or she, is properly conducted and that public funds entrusted to his or her care are properly safeguarded and are applied only to the purposes intended by Parliament. How does a Permanent Secretary as the accounting officer and in your instance as the Deputy Permanent Secretary ensure accountability and transparency in performing your role and responsibility in monitoring this enterprise known as the CISL? How do you ensure that proper systems of accounting as prescribed by the Treasury are established and maintained? How do you exercise supervision over the receipt of public revenue and how do you proceed to make provision for the safekeeping of public moneys? I just wanted to get an understanding of the Permanent Secretary's role in those areas that I have identified.

**Ms. Reid-Samuel:** Okay. In the Ministry we have a team set up in our planning unit which would monitor the state enterprises. Now, as a new Ministry we are still working out the dynamics of the team, but we have a team in place that would receive all the monthly statements from the state enterprise and so far since CISL is under this Ministry we have received monthly statements in a timely manner. This would be reviewed by our team in the planning unit in accordance with the State Enterprises Performance Monitoring Manual and we would examine it, we would see if everything is above board and if we have any concerns, and so far we have been getting responses from CISL on a regular basis for any concerns that we have, so we have that rapport. We would also, of course, liaise with the Ministry of Finance to guide us and for any concerns that we may have.

**Mr. Chairman:** Now, at one time I know that CISL had some challenges in completing their financial audited statements but we know that you have since completed your statements for 2013, 2014 and 2015. You have completed your financial statements for 2013, 2014, but not for 2015 as yet?

**Mr. Suchit:** Chair, we have the unaudited financials for 2015. The issue with 2015 financials, the outgoing board there was a change in the requirements and they did not approve the cost of the change by the directors. As such, the 2015 financials were not finalized. But we have unaudited financials that have been submitted to the Ministry of Finance and the line Ministry.

**Mr. Chairman:** For 2015?

**Mr. Suchit:** That is right.

**Mr. Chairman:** Okay. I wanted to ask the Deputy Permanent Secretary, in the absence of financial audited statements coming from this particular entity, how is the Ministry—as the line Ministry with responsibility for ensuring that the financial business of that entity is done in a responsible manner consistent with Parliament’s mandate—how are you able to assess the performance of that entity in the absence of audited financial statements?

**Ms. Reid-Samuel:** As I mentioned before, we have in our unit, we have our technical staff who will be going through the reports as they come in on a monthly basis and identify any discrepancies based on that monitoring framework that we are developing in the Ministry. And as I said, we have the guidance from the Ministry of Finance as well as from the State Enterprises Performance Monitoring Manual. We also look at the organization’s strategic plan, we look at the annual finance statements. As I said, in our unit, one of the units in the Ministry, we would identify any discrepancies there.

**Mr. Chairman:** How many members of your technical staff make up this unit?

**Ms. Reid-Samuel:** As you know the Ministry of Community Development, Culture and the Arts was formed September last year and we have a combined unit of approximately nine persons in our planning and research unit.

**Mr. Chairman:** And they are responsible for evaluating, assessing and monitoring what is taking place.

**Ms. Reid-Samuel:** State enterprises under the Ministry.

**Mr. Chairman:** Are you satisfied with the approach that has been adopted thus far by this unit? Are you seeing, you know, results that are satisfactory to yourself as acting Deputy Permanent Secretary knowing what is taking place there?

**Ms. Reid-Samuel:** We have some capacity building to take place in the unit and to review in terms of the performance monitoring mechanism in the unit. So we are doing that right now. From inception of the Ministry, of course, three former Ministries came together. We had different strengths and different ways of doing things. So we spent quite a lot of time in terms of defining this new unit and we are stilling working out the structure, working out the processes. So to answer you directly, no, we are not completely satisfied now, but we are committed to build the capacity and put the systems in place so that we will have proper monitoring of our state enterprises which fall under the portfolio of the Ministry.

**Mr. Chairman:** Now, you talk about capacity building to obviously strengthen the role of that organization, or the unit rather. You want to share with this Committee what are some of the initiatives the Ministry is taking to pursue capacity building so that there could be more efficacy and effectiveness in the operations of that unit?

**Ms. Reid-Samuel:** Okay, we have our internal training in terms of the more experienced members of the unit are training the junior members. We also identified in our training plan, our strategic training plan, the areas of weaknesses and we are outsourcing some of the training for the staff in the unit.

**Mr. Chairman:** Well, I will pause at this time and ask any other member; I recognize, Mrs. Jennifer Baptiste-Primus.

**Mrs. Baptiste-Primus:** Thank you kindly, Chairman, good morning once more. Based on the information that was shared, Mr. Sankar you seem to be the most constant one. You have been around since 2006 so that you would have a pretty good idea about the direction of the company. But what I would like to find out, and I have to direct this question to you Mr. Patel, as the CEO: based on Cabinet Note No. 826 of May 02, 2002, CISL in order to perform its functions effectively this company is supposed to contract out services in the communities as required. The company would also train community personnel in project management, engineering and civil works. And therefore as part of your mandate, is marketing of CISL, services to all Ministries, regional corporations, the expansion of project management and engineering services, as well as the active and rigorous targeting of projects as identified in the draft estimates. Based on that kind of mandate, how does CISL track and monitor the effectiveness of the implementation of aspects of your strategic plan if there is not a board of directors in place?

**Mr. Patel:** Through you, Chair, firstly, with the establishment of CISL, the four key areas that were highlighted, four operations would have been:

- the improvement of infrastructural elements within the communities;
- the development of cultural centres, community centres and sporting facilities;
- services to maintain communities; as well as
- training and development of personnel in project management and civil works.

From what we know, that point in time, the works that were done by CISL were outsourced to, I believe, it was PSA at that point in time. The mechanisms were not in place for the training and development of personnel in project management and civil works.

Coming out of that, the development of the recent strategic plan and our strategic framework, from 2012 to 2014 we would have measured our impact on the communities through the feedback mechanisms as well as our discussions with the regional corporations, discussions with the Ministry of Local Government at that point in time.

**10.40 a.m.**

**Mrs. Baptiste-Primus:** Permit me, Chairman. Mr. Patel, how long has CISL been operating without a finalized strategic plan?

**Mr. Patel:** Well, I would not say that we operated without a finalized plan. We had the initial plan from 2006 to 2011. When I came in October 2012, a lot of the identified strategies in the plan, we needed to firm up the organization to meet that. So the management team, at that point in time, we developed a strategic framework to accomplish the objectives of that plan which we did. And further to that, in 2014, the current management, we developed a strategic plan for 2015—2020 and that is based on the UN Development System Framework and the agenda for sustainable development to 2030

**Mrs. Baptiste-Primus:** So then are you saying, Mr. Patel, that at no time the company was operating with a strategic plan? Is that what you are saying, that you all always operated with a strategic plan?

**Mr. Patel:** Yes, we have.

**Mrs. Baptiste-Primus:** The strategic plan from 2006 to 2011, when was that authorized, signed off on?

**Mr. Patel:** We do not know that date offhand, but we could provide it to the Committee in writing.

**Mrs. Baptiste-Primus:** Has any cost analysis been conducted into efficiency and effectiveness of recruiting an internal audit consultant versus an internal audit department, vis-a-vis, your IT service provider?

**Mr. Patel:** Yes. Actually, further to the JSC in April 2014, one of the recommendations that came out of that would have been that CISL needs the internal audit function, and that was one of the reasons for the prolonged engagement of the auditor would have been the actual assessment of whether an internal audit function to be established, or the board goes with a more experienced firm at that point in time.

**Mrs. Baptiste-Primus:** If you would permit me, Mr. Chairman? Based on the documentation that you all would have submitted, through which specific measures does CISL seek to exert prudent management and increase revenue streams to become more self-sustained thus reducing your dependency on subvention?

**Mr. Patel:** One of the aims of our recent strategic plans and the strategic focus would be that of marketing CISL to other Ministries, trying to acquire other community projects, or projects that affect communities, and that way we reduce our reliance on subvention from our line Ministry.

**Mrs. Baptiste-Primus:** And Chairman, for the main part, my last question for now. Can you, Mr. Patel, provide this Committee with some examples of the company's proper policies and procedures enforced by the company to address the issue of fraud?

**Mr. Patel:** We have a fraud policy existing and we developed one, sorry, we enhanced it during our recent review of policies and procedures. That we can provide in writing for the Committee, if so designed.

**Mrs. Baptiste-Primus:** When was fraud policy developed?

**Mr. Patel:** That was developed in 2014.

**Mrs. Baptiste-Primus:** And implemented? It was developed. Did it get Board approval?

**Mr. Patel:** Yes. At that point in time we had Board review and Board approval for this.

**Mrs. Baptiste-Primus:** Has it been implemented?

**Mr. Patel:** Yes, it has been. It has been passed on to staff, and then with our recent review of policies we have also revised it. In the absence of the Board, however, we could not—well, it was not approved.

**Mrs. Baptiste-Primus:** So implementing your fraud policy since 2014, is it that there has been no instances of any fraudulent activities in the organization?

**Mr. Patel:** None that we are aware of.

**Mrs. Crichlow-Cockburn:** Mr. Patel, I would like to go back to the issue of the strategic plan. I have noted in your submission you would have indicated that as of 2011 no new strategic plan has since been finalized, but in response to Mrs. Baptiste-Primus just now you indicated that you all would have operated with a plan, could you please explain?

**Mr. Patel:** The plan I was referring would be the 2006 to the 2011 plan. During that period of 2012—2014, before we developed the new plan, we had an existing strategic framework that was developed to accomplish the initiatives and the strategies of the existing plan from 2006 to 2011.

**Mrs. Crichlow-Cockburn:** I go back again to the submission and what would have been said here is that you all would have operated in line with the vision of the People's Partnership Government over the period 2010—2015, and I expect that that would have been different to

what would have been done basically from 2006, so how did you all rationalize the difference, and what were the major achievements during that period?

**Mr. Suchit:** Hon. Member, the reality is that the mandate of CISL has never changed in terms of developmental works for communities. So as such, although there were revisions in terms of the strategic plan on strengthening of areas identified, for example, in terms of human resources, strengthening our human resources, development of our policies and procedures, there was no change in terms of the mandate of CISL.

**Mrs. Crichlow-Cockburn:** Okay, but while there may not have been changes in the mandate, I would expect the strategic goals and the objectives would have been different. So I am trying to get a sense from you, what were CISL's major strategic goals and objectives during the period and what was achieved?

**Mr. Patel:** Well, our core strategies during that period would have been community improvement works, community empowerment, expanded value added services, community research and partnership building. Out of that, we had, of course, enabling strategies which we focused on as my colleague was referring to. That would have been internally which would have been the human resource development, culture building, safety and security, our ICT system which was a major factor for us, as well as the institutional strengthening. Throughout that period, the focus as well was on the viability of the company, making CISL sustainable.

**Mrs. Crichlow-Cockburn:** Mr. Patel, what has CISL been utilizing to drive its strategic direction; how does the organization know the direction in which it is heading in the absence of a strategic plan? I know you have a strategic framework, but what—okay. For example, what are your current goals and objectives; what are you working towards?

**Mr. Patel:** Based on our strategic framework, what was identified, the drivers would have been performance, partnership and purpose which goes back to our mandate which is improving the quality of life of citizens of Trinidad and Tobago, as well as value for money.

**Mrs. Crichlow-Cockburn:** Mr. Patel, you have spoken in terms of CISL's mandate, but in your submission you would have also indicated that the company is not being fully utilized, could you give us an indication as to why that is happening?

**Mr. Patel:** That would be based on funding primarily. The second part of our mandate would be that of socio development which, of course, funding has never been allocated to CISL for same.

**Mrs. Crichlow-Cockburn:** Could you elaborate for the Committee, and the general public, on CISL's mandate so everyone would understand exactly what we are speaking about when we speak in terms of CISL's mandate?

**Mr. Patel:** Well our mandate, CISL's mandate, and just to quote it:

“...to improve the quality of life of citizens in communities across Trinidad and Tobago.”

And as outlined before, the four key activities would have been:

- the improvement of infrastructural elements within communities;
- the development of cultural centres; community centres and sporting facilities;
- services to maintain communities; and
- the training and developmental of personnel in project management and civil works.

Now out of that, the funding as mentioned before by the Chair, CISL, we are given projects. We do not develop our own projects. So therefore based on our mandate, the primary focus for

CISL would have been more on an infrastructural basis as opposed to a social development basis.

**Mrs. Crichlow-Cockburn:** Given the country's current economic situation, do you foresee that it is likely to negatively impact CISL? For example, the Ministry of Social Development and Family Services would have utilized your services to assist with the National Enrichment Centre, but we have resources in-house where we can also project manage—that may also obtain in other Ministries—so do you foresee that all of this is likely to negatively impact CISL?

**Mr. Patel:** Not at all. As a matter of fact, coming out of the budget, for instance, this year where there is going to be a push in the construction sector, we see the need for state enterprises like us, especially in the areas of community development.

**Miss Cudjoe:** To the CEO, through you, Chairman. My first question is: can you list for me the projects that CISL has successfully completed; and a list also of the ones that would have exceeded the budget and the estimated time for completion?

**Mr. Patel:** Hon. Member, over the—I can just give you a general idea—period of 2005—2014 we have completed over 137 projects, during the period 2012 to 2014 we have completed 64 projects. We have had projects go over budget. The majority, however, has been under budget. Just to give you an example, we had an issue where one of the bridges we were doing, the span was increased and that accounted for the overrun on that project.

**Miss Cudjoe:** What is the current complement of staff at CISL?

**Mr. Patel:** Currently, we have 20 members of staff on board.

**Miss Cudjoe:** And do you feel like you have the necessary capacity on board to conduct the business that CISL is mandated to do?

**Mr. Patel:** Well, I would not say so. We definitely need to look at our org structure and that would be, for course, one of the Board functions when they come in based on our recommendations and, of course, it is also based on the projects that we have written to all the Ministries about, proposing our services.

**Miss Cudjoe:** In previous dispensation of the Joint Select Committee, also in looking at, you had a workshop or a seminar, or something of that sort with the Ministry of Finance in 2011, and since then there had been concerns about the organizational structure, the capacity of CISL to fulfil its mandate, matters relating to internal auditing and accounting and whether or not CISL has the capacity to effectively manage the project under its remit. What work has been done since 2011 to date in order to resolve these matters?

**Mr. Patel:** Well to date, Member, we once again go back to our strategic framework where we focused on the institutional strengthening. We focused on the ICT systems at CISL, our safety and security is very important; as well as we pushed a culture building in CISL where every member of staff is accountable including the management team—especially the management team—and, of course, the human resource development asset of CISL seeing as we are a service provider.

**Miss Cudjoe:** Is this the same strategic framework that the last approved one you had was for the period 2006—2011?

**Mr. Patel:** Yes. The strategic plan was from 2006 to 2011, and the strategic framework was developed after that period to accomplish the goals outlined in the previous plan.

**Miss Cudjoe:** Okay. So the strategic framework covers the period of when?

**Mr. Patel:** 2012—2014.

**Miss Cudjoe:** So since the strategic framework has been developed, you have actually undertaken work to fulfil this mandate?

**Mr. Patel:** Well, during that period we had, as mentioned before, a significant increase in projects. So, yes.

**Miss Cudjoe:** My next question is: how does CISL differ from other state bodies involving community development services?

**Mr. Patel:** Well the difference comes in as per our value added services. In our communications with Ministries, in one instance I remember Ministries mentioning that state enterprises are given projects, and communication after that fails. That is one aspect which we really pushed with all of our client Ministries to ensure that we have full communication and proper communication.

**Miss Cudjoe:** So you are saying that what sets CISL apart from other state agencies that were instituted to do technically the same work is your communication skills?

**Mr. Patel:** That is one aspect, yes.

**Miss Cudjoe:** Because I am trying to get to the whole matter of duplication of efforts, and duplication of projects, duplication of initiatives, and there seem to be some conflict when you look at the type of work being done by CISL and when you look at other state agencies that do pretty much the same thing. And if you are saying that what sets apart CISL from the others is basically your ability to communicate well with the necessary state agency, the Ministry, then if other state agencies improve their communication skills then it makes you question the need for a CISL. So I am really trying to get to the bottom of what sets CISL apart from the other state agencies. Why is CISL even still relevant today?

**Mr. Patel:** Right. Communication is one aspect. Internally we have improved our processes as per accountability, corporate governance and transparency. All of our policies and procedures are in line with the State Enterprises Performance Monitoring Manual. As well as our response to community base, we already have those mechanisms in place to deal with communities and to gain feedback from the communities in which we do projects.

**Miss Cudjoe:** Can you share with the Committee some of the strategies that you have used to keep communities close as it relates to the execution of your duties and function?

**Mr. Patel:** Through our projects we do a lot of stakeholder consultations. We have meetings with our regional corporations. As I mentioned, for instance, under local government we worked closely with five corporations in the area in which we operate.

**Miss Cudjoe:** Right now, or should I say since I think 2014 your company website has been under construction and to date it is still under construction, what is the reason for such a delay in completion of those works and when will that be completed?

**Mr. Patel:** Actually our website was hacked. Based on our present IT consultant, we found out that was not local. Since then, we have used other social media such as Instagram and Facebook to market CISL. We have the mechanism in place, what we want on the updated website, however, that is contingent on the appointment of Board to spend the funding to implement same.

**Mr. Chairman:** Mr. Patel, just to follow on what Miss Cudjoe asked earlier. You said that at this time you have 20 workers, are they permanent?

**Mr. Patel:** Twenty workers, all on contract.

**Mr. Chairman:** And what was the number in 2008, and 2009, and 2010, and 2011, and 2012?

**Mr. Patel:** I could give you those figures offhand. In 2008, the number was 25; in 2009, it was also 25; in 2010 it was 23; in 2011 it was 19; in 2012 it was 27; in 2013 we had increased it to 37; in 2014, 36; 2015, 28 members of staff; and in 2016, 20.

**Mr. Chairman:** Twenty. I am seeing for the period 2011 to 2012, your total staff cost for how many people you had in 2011/2012, 18? 2011 and 2012, how many workers you had?

**Mr. Patel:** Yes, in 2011 it was 19 members of staff—

**Mr. Chairman:** And 2012?

**Mr. Patel:** Twenty-seven members.

**Mr. Chairman:** Twenty-seven. And your total cost for 2011 was \$3,077,000; and in 2012 it was \$3.5 million. Now for salaries and wages we saw \$2.3 million for 2011, and this was increased to \$2.6 million in 2012. These 20 workers received this sum of money at the end of the year; or was money paid to external workers; or was this the cost for your 20 employees, 19 in 2011 and 27/28 in 2012? I am trying to understand if that was paid to them.

**Mr. Patel:** Chairman, we do not have that info before us. If we could furnish the Committee with that later on?

**Mr. Chairman:** Okay. So you do not have any permanent workers, you only have contract workers?

**Mr. Patel:** Yes. Everyone is on contract, Sir.

**Mr. Chairman:** Okay. And may I ask the Investments Division on a matter? In the absence of a Board of the Directors since December, what is the role of the Investments Division in monitoring activities at the level of the CISL to ensure that they stick within the framework of the Ministry's performance manual? What has been the role of the Investments Division in that regard? No Board for coming to a year now and the management is on their own. Ministry is supposed to be doing their role and their part, but the Investments Division has a big role to play because that is a special state purpose company. So I would like to know what role if any, does the Investments Division play in monitoring activities at the CISL.

**Ms. Babb:** Through you, Chair, we are aware that CISL does not have a Board, but in spite of not having a Board, the Investments Division continue the monitoring as in the manual. It does not stop whether or not you have a Board, or you do not have a Board. They have submitted their financial statements and we still review it; the budgets; the cash flow statements we still review it. They would send reports on their contracts. If they have issued any contracts at all during that time; if they had any loans, they will send a status on those things, quarterly reports; any litigation matters. And these are standard whether or not you have a Board or you do not have a Board. So we still continue monitoring them in spite of that.

**Mr. Chairman:** But how do you monitor them? Could you explain to this Committee, how does the Investments Division, particularly in the absence of a Board of Directors, monitor the activities of the CISL?

**Ms. Babb:** Well, on a monthly/quarterly basis all state enterprises are supposed to submit reports to the Ministry, and we will review the different reports and if anything is wrong with them we would advise them of it.

**Mr. Chairman:** But have you been receiving quarterly reports?

**Ms. Babb:** Yes, we have. Monthly and quarterly from CISL.

**Mr. Chairman:** And you are happy with those reports?

**Ms. Babb:** Well, so far. We know they do not have a strategic plan and we are aware that they cannot do certain things because they do not have a Board, but in spite of that, the things that they can do they have been doing it.

**Mr. Chairman:** Okay. Mr. CEO, Patel, what is the state of profitability of your organization? Is it a loss-making entity; is it making money at this time?

**Mr. Patel:** Currently, we are under subvention and making a loss as of this last fiscal. However, I just want to reiterate that from our performance in 2013 we have shown that CISL could be a viable entity. In lieu that we did not receive subvention during that period, we still made a profit off of our earnings for that period.

**Miss Cudjoe:** I want to piggyback on the question asked by Chairman relating to recurrent expenditure. I want to know in this time of economic constraints what kind of measures CISL has implemented to reduce cost, but yet maintain productivity?

**Mr. Suchit:** Subsequent to the hon. Prime Minister's address to the nation on December 28, 2015, where a request was made for all state enterprises, special purpose companies including the Tobago House of Assembly, to reduce expenditure by 7 per cent, CISL actually wrote back to the Ministry of Finance, line Ministry, as well as the Office of the Prime Minister and indicated that we have adjusted our administrative budgeted figures from 7 per cent back to 14 per cent. In fact, in our administrative budget, the administrator of budget would provide a figure for a capital expenditure in addition to operational expenditure. So the 14 per cent would have applied to the operational expenditure. However, with regard to our capital expenditure we actually stepped back by \$18.7 million. In our capital expenditure one of the issues that we have is that we function out of a Caroni bungalow in Couva, fraught with problems, we have to invest money constantly in terms of the development or the maintenance of that building. Part of that \$18.7 million reduction in our capital expenditure related to the development of a building for that structure.

Outside of these things, we have gone to practical examples as well, where it is even employees themselves have taken responsibility for costs, whereby if it is you are in an office area and the AC is not necessary—let us say, for example, you are in the boardroom, you have two or three people and after they come out of the boardroom they know they have to take off the lights, they know they have to take out the air-conditioning unit as well. It has reached the extent where everyone, apart from the management fostering responsibility, you have the staff taking responsibility for their expenditure and costs.

**Miss Cudjoe:** I have another question. You have a facility in CISL where employees can access fuel at gas stations, could you explain to me how that facility works please?

**11.10 a.m.**

**Mr. Suchit:** Since inception of CISL, we would have had a contract with the gas station in Couva where it is we have a credit facility. So with regard to credit, our vehicles can go and fill up there but this does not limit us from utilizing other fuel stations throughout the country. What the gas station in Couva does, it provides us with a credit facility. If however, one of the vehicles, let us say for example, we have a site visit now in Toco and the vehicle requires fuel, we can fuel at any station and then claim back the funds for same.

**Miss Cudjoe:** So you have had this relationship with this gas station in Couva since the inception of the organization?

**Mr. Suchit:** Yes.

**Miss Cudjoe:** And I want to know, so based on your records and your operations and accounting, do you see this as—has this relationship, has this facility proven to be cost-effective in fulfilling your mandate?

**Mr. Suchit:** It gave us a significant control over our expenditure because, again, at the ending of the day, it provided an external control in terms of where we would have the ability or our vehicles would have the ability to be fuelled. So it is a situation and it was a control mechanism, so it facilitated us, yes.

**Mr. Chairman:** Before Mrs. Baptiste-Primus asks, just to follow up on Miss Shamfa Cudjoe's question. You said you have a staff of 20 members in 2011 or 17 rather and in 2012, you had 27. How many staff members do you have now as we speak?

**Mr. Patel:** We have 20.

**Mr. Chairman:** How many vehicles do you have for those 20 members?

**Mr. Patel:** We have six vehicles on the compound.

**Mr. Chairman:** Now, those vehicles, are they used? Are they state property?

**Mr. Patel:** Yes.

**Mr. Chairman:** As Miss Cudjoe asked earlier, how do you ensure that there is not any abuse? Are these vehicles and so on, when people use those vehicles, that is—who uses these vehicles? Who are authorized to use those vehicles, first of all?

**Mr. Patel:** Well, the vehicles, I can just give you a little idea of the vehicles. The office of the CEO would have one and the rest were procured for, of course, administrative function as well as for engineers for the site visits to projects.

**Mr. Chairman:** So one is for the CEO. Could you give us a breakdown of the office holders in writing who have access to these vehicles? It is a very strange phenomena especially in a time when, you know, stringency measures are being taken throughout the economy to have credit being given to a state entity and certain personnel have been identified for access in this particular facility. So how do we prevent abuse and misuse of state resources at a time when the situation, financially, calls for prudence and frugality and tightness in terms of how you spend every cent? How do we prevent? What mechanisms you have in place? What policy measures you have put in place to ensure that these vehicles and so on are not abused in terms of the usage of the gas?

And as you are aware, the prices went up three times in one year so you could imagine how much money you, your organization, that is on Government subvention and you are losing money at the same time and yet still you have that facility. So stick a pin and I would like you to tell us, if you can now, what it costs CISL on an annual basis to maintain these six vehicles using those credit facilities that you have identified. What it costs the taxpayers in 2008 to the present time? Could you give us that information in addition to what I have asked you?

**Mr. Patel:** We prefer to be specific, Chairman, and we could provide that in writing, the info requested as per the maintenance cost for the year, the annual, for over that period. To ensure that we have no abuse, as mentioned before, we know that we are in an economic state as this point and what we have done in our cost-cutting measures, we developed a logistics management system internally whereby we do not have, for instance, a driver going to Port of Spain every day from Couva, right, as well as we looked at utilizing other measures of document transport. For instance, we use emails quite frequently. The Ministry of Finance, the Ministry of Com Dev, would well be aware that everything we send out is via email firstly. So by that mechanism, we could delay trips to Port of Spain, for instance, to one day for the week through sending out

correspondence prior and that is one of the measures we do. A full logistics management system at CISL with all our vehicles.

Secondly, we recently, I believe it was earlier this year, we looked at one of our vehicles, we did a GPS system whereby we monitor and track—well, we track the vehicles' locations and whereabouts.

**Mr. Chairman:** Yes, but would you be able to put in writing and submit to this Committee?

**Mr. Patel:** Yes, definitely, Chairman.

**Mr. Chairman:** Now, just following up—Mrs. Baptiste-Primus, I will allow you in a short while. Could you tell us the model and the make of these six vehicles? You could put it in writing or you can give us now if you can. And the cost. We want the make, the model and the cost. Could you provide that to us?

**Mr. Patel:** Yes, we will provide that in writing, Chairman.

**Mr. Chairman:** But do you have an idea what the make and the model and cost is now?

**Mr. Patel:** Yes, definitely.

**Mr. Chairman:** Could you tell us?

**Mr. Patel:** We have one Nissan Navara; we have two Hyundai Tucson; we have a wagon. We also have a Toyota Hilux as well as a Toyota Fortuner.

**Mr. Chairman:** Are employees allowed to access the gas facility for their personal vehicles?

**Mr. Patel:** No, Chairman.

**Mr. Chairman:** Only the state vehicles?

**Mr. Patel:** The state vehicles only.

**Mr. Chairman:** Right. Are employees allowed to take these state vehicles at home or are they parked up at the premises of your head office or are they allowed—including yourself because you said you, as CEO, have access to that facility. Do you leave your vehicle on the compound or do you take your vehicle at home?

**Mr. Patel:** Well, it depends. For staff, we normally leave the vehicles on the compound but it depends on where our site visits are, what time we will be coming back from a site visit from meetings, so that is what it depends on. Well, with respect to the case of the CEO, as per my contract of employment, I am allowed the exclusive use of a vehicle.

**Mr. Chairman:** Are these vehicles leased or are they owned?

**Mr. Patel:** No, CISL are owners of these vehicles.

**Mr. Chairman:** Are these vehicles labelled? You know Government vehicles are labelled so “yuh work the Ministry of Labour, yuh work the Ministry of Health, Social Development”, it is labelled. Are your vehicles labelled? The six vehicles. Or are they just unlabelled?

**Mr. Patel:** No, we have labels on our vehicles.

**Mr. Chairman:** All right. Mrs. Baptiste, you can proceed, please.

**Mrs. Baptiste-Primus:** Thank you kindly, Chairman. Mr. Patel, in the process of providing the information regarding the use of these vehicles, do you all have a vehicle use policy in the organization?

**Mr. Patel:** Yes, we do and we can provide that to the Committee.

**Mrs. Baptiste-Primus:** Yes, thank you kindly. I just want to take you back to a statement you made earlier. You said that for the period 2014 to present, you all have completed 68 projects successfully. Am I correct in my recall?

**Mr. Patel:** Sixty-four projects for the period of 2012—2014.

**Mrs. Baptiste-Primus:** And from that time to now, how many projects have you all completed?

**Mr. Patel:** Since that time, all of our projects have been reassigned.

**Mrs. Baptiste-Primus:** All right, I just want to take you back to the statement that you made in response to the Chairman, that in 2016, the organization has 20 employees. I want to direct you to the information that you all presented which states: our staffing as at 1st February, 2016 is as follows—page 20 and on page 21, we are told that the total number of employees is 28. Can you reconcile that statement that you gave where there are 20 employees when the documentation that you presented: our staffing as at 1st February, 2016 is 28 employees?

**Mr. Patel:** At the point at which this information was requested which was February, we would have had 28 employees. At present, we have 20 employees with three employees resigning as well as five employees, end of contract.

**Mrs. Baptiste-Primus:** You are saying subsequent to the submission of this information, three employees resigned and five employees' contract came to an end?

**Mr. Patel:** Yes, that is correct.

**Mrs. Baptiste-Primus:** And their contracts were not renewed?

**Mr. Patel:** We had one renewal on month to month contract. One employee.

**Mrs. Baptiste-Primus:** So, in fact, how many employees do you have in the organization? Because if three employees resigned and five employees' contract came to an end but one was retained on month to month, exactly how many employees are in the organization?

**Mr. Patel:** Yes, it is 20.

**Mrs. Baptiste-Primus:** Permit me, if there were 28 employees, three employees resigned and five employees' contract came to an end but out of the five, you still maintained one on a month to month, it cannot be 20 still.

**Mr. Patel:** Sorry, member, my apologies. We had one resignation this month in addition, so it is nine members of staff resigned and one contract was renewed on a month to month basis.

**Mrs. Baptiste-Primus:** One of the five?

**Mr. Patel:** Yes, one of the five.

**Mrs. Baptiste-Primus:** You said five employees' contract came to an end, out of that five, one was retained on a month to month.

**Mr. Patel:** Yes, that is correct.

**Mrs. Baptiste-Primus:** So that meant four employees' contract came to an end and they demitted the organization; three employees—well, you had four resignations so that is eight. Or okay, so you have 20.

Now, based on the projects that you all successfully completed, I am looking at your organizational chart on page 19, which reflects quite a number of vacant positions, and I am identifying the vacant positions against the projects that the company completed and also positioning it against the mandate of the company. One, that the company will contract services in the communities as required and two, train community personnel in project management, engineering and civil works.

I am looking at your organizational chart and I am seeing your Project Manager position vacant, your Senior Project Engineer vacant, your Quantity Surveyor vacant, your Project Officer vacant, your Health and Safety Officer vacant, your Project Accountant vacant, your Procurement Officer vacant. How could all these very critical positions, critical to the completion of projects,

be vacant, yet we are told that the company had 64 successful projects? Where did you get the personnel to complete those projects if these positions remained vacant on the establishment?

**Mr. Patel:** We actually had these positions filled as of up until recent with the end of contracts as mentioned. We also note that further to instructions from the line—

**Mrs. Baptiste-Primus:** Excuse me, Mr. Patel, one question, please bear with me. What were the positions that you all had filled during the period 2012—2014 when you had 64 projects? Which are the positions that were filled?

**Mr. Patel:** Hon. Member, could we provide that in writing for you during that period? It is a bit lengthy and tasky at this point.

**Mrs. Baptiste-Primus:** All right, but I would like you to share with this Committee, in the absence of those positions, is it that all those positions were filled? All those that are identified on your organogram here that are vacant, when were these positions filled and when did they become vacant?

**Mr. Patel:** All right, okay, well as mentioned, we will provide that in writing but just to give you an idea. For instance, most of the positions were filled based on the amount of projects we undertook. For instance and just to draw reference, in 2013, we had a staff complement of 37 so we would have had an increase in the project staff at that point in time. We also note during this period, we had OJTs on site. Some of the OJTs were brought on full-time into CISL on contract and of course, well, the positions became vacant further to the contract expiry.

**Mrs. Baptiste-Primus:** I am trying to understand. How many OJTs were in the organization during the period 2012—2014?

**Mr. Patel:** Three, hon. Member.

**Mrs. Baptiste-Primus:** Three OJTs. My understanding—perhaps, I should ask this question first for my own enlightenment. What period were these OJTs brought into the organization?

**Mr. Patel:** That info, we will have to provide in writing as well.

**Mrs. Baptiste-Primus:** But you said these three OJTs were employed in the organization?

**Mr. Patel:** Were later employed, yes.

**Mrs. Baptiste-Primus:** Mr. Patel, I do not know about the Chairman, but I am not getting substance from your responses. It is very surface like and does not give us the kind of information that we require. If it is you have OJTS in the organization, this session was prearranged and therefore, one would think that if you are coming to meet this Committee, you will come armed with all your information. A simple question as to the OJTs in the organization, when the OJTs came in, as against when they were brought on to the system full time, is critical because the whole concept and philosophy that guides the on-the-job trainees is that they are out there for a period of two years as an OJT, after which an employer would decide whether or not this employee is an employee we would want to keep in the organization, whether or not that employee brings value to the organization. And a simple question like that, you are unable to respond to and I am a bit taken aback by that.

**Mr. Chairman:** Mr. Patel, could you provide answers?

**Mr. Patel:** Chairman, I would not have the actual dates here with me and I will prefer to be specific and that is why we ask to provide in writing.

**Mrs. Baptiste-Primus:** All right, just let me say, Mr. Chairman, through you, Mr. Patel, these 64 projects that the company successfully completed over the period 2012—2014, how many persons in communities did the company employ? That is one. Two, how many persons in the

community were trained in project management, engineering and civil works consistent with your mandate?

**Mr. Patel:** None.

**Mrs. Baptiste-Primus:** So then, in fact, what you are admitting is that the CISL did not stay within its mandate.

**Mr. Patel:** We would not say that. The primary function would be the community development through infrastructure which we achieved and what the Committee needs to bear in mind is that CISL, we do not come up with these community projects, these are allocated to us through the line Ministry which at that point in time was the Ministry of Local Government.

**Mrs. Baptiste-Primus:** Mr. Patel, I can only go based on what is documented. Part of CISL's mandate was to contract services in the communities as required and the company will also train community personnel in project management, so, in fact, the whole—part of the basis for your existence was not only developing communities but empowering people within those communities. Am I correct? So if you hired no one from these communities, then it goes without saying, Mr. Patel, that is not rocket science.

**Mr. Patel:** Yes, hon. Member, you need to bear in mind that we are an execution agency. Right. As I said before, these projects are handed to CISL from the Ministry. We are not given funding to achieve, for instance, the community research or the hiring and empowerment of members of the community. We are here to execute projects as given to us and that is based on the funding that is available from the Ministries, which, at that point in time, of course, the policy of the line Ministry would be to execute projects and not any of these.

**Mrs. Baptiste-Primus:** So is it that you are telling us, Mr. Patel, that CISL was not responsible for the implementation, bringing those projects to fruition? Is it that you are saying the various Ministries were responsible for hiring persons from these communities and it was not the company's responsibility? Is that what you are saying?

**Mr. Patel:** No, that is not what I am saying.

**Mrs. Baptiste-Primus:** Okay.

**Mr. Patel:** What I am saying is that we have—it is our mandate but based on what is allocated to us from the Ministry, we cannot achieve these objectives. For instance, funding, we have no funding to achieve this side of our mandate. The focus is more on community development through infrastructure.

**Mrs. Baptiste-Primus:** Mr. Chairman, I will give way to my other colleagues, perhaps, they will be a little more successful than I am.

**Miss Cudjoe:** Mr. Chairman, this is what brings me back to my original question. What sets CISL apart from the other state agencies that perform similar functions and the whole establishment of this community-based state agency to pursue development, all kinds of development in the communities. This is the reason for your very existence and over and over when you check the reports in the newspaper and look at what is being reported on CISL, there have been shortcomings as to fulfilling the mandate related to community development and finding solutions for problems in the community.

I got this information from your consultation with the Ministry of Finance in 2011 and your responses to the previous Joint Select Committee and last year, your response to the Twentieth Report of the Joint Select Committee of Parliament appointed to inquire into and report on Government Ministries, Statutory Authorities and State Enterprises, (Group 2) on the

Administration and Operations of the Community Improvement Services Limited (CISL) dated June 2015 and your objective number 7 is to—I quote:

“To assess the impact of the operations of the company on communities.”

And in another document, you are saying that your business is:

To find cost-effective and quality solutions to community issues.

So that brings to bear the question as to what really differentiates CISL to the other state entities.

Is CISL really fulfilling its mandate? And the impact of CISL on the communities, is this something that we can feel and touch and really put our hands on?

You are saying that you are excelling or that you have excelled in doing all the other items which you do not seem to have the capacity to do, but the very core of your existence, what you were created to do, you are failing miserably based on the reports before us. And we have seen CISL’s performance and responses to some of these matters, especially relating to employment of people in the community because this matter has been raised before by other Ministries and other people related to projects done by CISL. This is a major part of your mandate and how could you not have the necessary resources or do not even see this as a priority. Please help.

**Mr. Patel:** Hon. Member, through you, Chairman, of course, it is not that we do not see this as a priority especially in the community at large today with all the issues that we are facing, it is definitely a priority. As I have mentioned before, CISL is but the execution agency. I do not think CISL, at this point in time, could be held accountable for not achieving this based on the fact that the line Ministry would be responsible for the framework in which we can execute. So therefore, although it is part of our mandate, if we do not have a framework or instructions from the line Ministry, as well as funding, we cannot implement these things.

As a matter of fact, to go back to the strategies, the development of communities is through infrastructure and that through our projects, for instance I can go back to 2013, we touched a lot of communities, from Arima right down to Diego Martin, in terms of the projects we have done. We maximized value for money in all of those projects thus achieving our objective. Although we did not employ from the communities, we know that some of the contractors used local labour in those communities but they were not directly employed by CISL.

**Miss Cudjoe:** What measures do you have in place to at least ensure that the contractors and the necessary stakeholders with which you work, engage community resources?

**Mr. Patel:** What we do, we try to encourage—we could only encourage contractors to use local resources, we cannot mandate that they do it. In some instances, we have assisted where we have done job fairs in the communities to assist with the procurement of people, but that is all we can do. We can only recommend, we cannot enforce.

**Mrs. Crichlow-Cockburn:** Thank you, Mr. Chairman. Mr. Patel, you just spoke in terms of maximising value for money, speak to the Committee in terms of this statement and what would have happened at the National Enrichment Centre. I can give you some more information. The National Enrichment Centre, that was a project that you were managing for the Ministry of Social Development. As at today’s date, we are unable to operationalize that centre because, one, it was not built to design brief and there were a number of issues to it. So speak to the Committee in terms of maximizing value for money from CISL’s standpoint and the line Ministries.

**11.40 a.m.**

**Ms. Rattan:** The execution of this project would have predated myself but I will try to answer as best as I can. In my understanding, based on the records that are currently at CISL, a steering

committee would have been established that would have paved the way to develop the requirements in exactly what the Ministry, at the time, would have wanted this facility to entail/encompass, in terms of design, intended purpose for use, et cetera. A design brief was provided and, according to the records at CISL that would have formulated part of the tender documents. So, a procurement exercise would have been executed inviting firms to propose designs for facilities to be developed in line with what was outlined in the user brief.

In my understanding, and again I have to say based on the records, it shows that the steering committee would have played a key part in making the decisions as to the selection of a contractor and basically accepting particular design proposals, making certain changes. Let us say a contractor proposed a design and they did not like the windows that were proposed, they may have had some input in changing the designs to suit. Further to that, a contractor would have been engaged to finalize those designs for construction and execute the construction.

Now, during the course of the project, from my understanding, there would have been a lot of issues raised after the practical completion of the project. So after the building was already up and basically ready to be furnished, outfitted, run communication lines, et cetera, a bunch of issues started coming in from the Ministry's end, in terms of expressing desires for changes, and so on. I think that would have been a disconnect in communication between the state enterprise executing, CISL, as well as the steering committee and the clients at that time. So I think that is one of the key issues that led to a project being completed or ready to hand over but the client was not satisfied with the end result.

**Mrs. Crichlow-Cockburn:** I believe it is more than that. A design was done. This was a centre that was intended for persons with disabilities. So there would be specific things that must be in there. The contractor did not build according to the design at all, in most instances. So it really did not have to do with changes to the brief.

Now, my expectation is that CISL's role in there would be to ensure that the building was in fact constructed according to brief, and not the line Ministry having to come after and recognize that it was not done, and for all intents and purposes that NEC centre is of very little use right now to Trinidad and Tobago, although millions of dollars were expended, and what is of even greater concern is that CISL would have signed off for payments to be made as we went along. So that is why I am asking, in terms of maximizing value for money, because there was no value for money on that project.

When you talk, in terms of projects successfully completed would you consider that to be a project that was successfully completed? Because if that is the case then we know we have to wonder what is CISL delivering for its clients, because the Government would have expended millions of dollars and we are not able to utilize the centre even at this point, not even the approvals. The necessary approvals were not there. Approvals from Town and Country, in terms of the structural integrity of the building, and all of that is now in question. So my concern is: what was CISL's role, in terms of ensuring that that project was done according to design specifications and everything else?

**Ms. Rattan:** If I may just elaborate a bit further on the process whereby payments were certified by CISL. These would have been joint exercises conducted by representatives of CISL at the time, as well as representatives of the Project Implementation Unit of the Ministry of the People and Social Development. So, no certifications for payment would have been sanctioned by CISL only. It would have been a joint exercise with representatives of what was formerly

known as the PIU—I do not know if that is still operating—right, members of the PIU, as well as CISL staff.

So, at the time, and again this is coming from the records that we would have had where there would have been meetings, consultations, there was an onsite office whereby I was told that meetings were convened with these representatives. So, let us say a certain progress percentage was achieved on any particular weekly meeting or fortnightly meeting, there would have been a site tour. Jointly, the representatives would have looked at the progress and certified certain amounts payable as per the contract. So, it would not have been CISL only. It would have been a joint exercise.

In terms of that, if the client is walking through on a project site with CISL and they are satisfied with the project such that payments are being sanctioned, in that regard we would have to say that the client's wishes or value is attained, in terms of building what they want. Because there would not have been any objections during that time. The objections seemed to have come after the attainment of practical completion. So, in terms of that, I really would not be able to say why the objections came after that stage. But what I can say is the valuation process would have been a joint effort.

**Mrs. Crichlow-Cockburn:** What are the lessons learnt by CISL from a project like that? Because from the Ministry's end we would have learnt a number of lessons. Now, I think it is important to understand, having contracted CISL, you are the ones with the expertise in the area. You would have your quantity surveyors and these persons there who should have been in a better position to make a decision. The Ministry would have had, more or less, laypeople. So, I am just trying to determine from your end what are the lessons learnt from that whole exercise and that project?

**Ms. Rattan:** Definitely one of the lessons learnt would have been communication and in terms of formalizing the exchanges between the client and the executing agency. A lot of the discussions would have transpired at their regular progress meetings and at their site tours, et cetera.

In terms of CISL's record keeping we have certainly beefed up record keeping. At this point in time, I can personally say that nothing happens with a client that is not documented and that is definitely one of the key lessons learnt.

In terms of building the facility for the differently-abled, I can recall one of the issues raised was that they wanted to have things like automated taps, automated doors opening, et cetera, so that there is no onus for physical or manual opening of doors on persons utilizing the facility, but that also would come back to budgetary constraints. So certain things that may have been desired could not have been facilitated by the budget that was allocated and that was a lesson learnt, in terms of making sure that all parties concerned understand the expectations of what they are expecting to get, as opposed to what can be realistically achieved with the funding that is available and exactly how that funding is going to be disbursed, in terms of progress and building the project. Those, I would say, would be the two main lessons learnt.

**Mrs. Crichlow-Cockburn:** Not to belabour the point, but it is mind-blowing to me that a facility that is being built for persons that have disabilities cannot accommodate—you would erect an elevator that cannot accommodate a wheelchair. I mean that is basic. If you get in there with a wheelchair you cannot turn. That is standard. And you have the facilities in the gymnasium, for example, where there were no beams. Those are two basic critical things that must be in a facility like that. So that is why I am raising it.

But I also want to go back to Minister Baptiste-Primus' point. When we look at the positions that are vacant, to me, there are key positions in an organization like yours. Mr. Patel would have indicated that based on budget for fiscal 2017, you expect to get a lot more work. Why are we then going forward with as many vacant positions? Because this org. structure here suggests that CISL would not be in a position to effectively manage a number of infrastructural projects.

**Ms. Rattan:** Again, through you Chair, if I may, hon. Member. At this point in time there is a certain degree of stagnation at CISL whereby positions that have become vacant, we are currently restricted from filling posts. So we would not be able to fill those positions until or unless otherwise permitted or so directed.

**Miss Cudjoe:** I do have a question. The last time you appeared before the Joint Select Committee you would have stated that your going rate for project management fees was around 7.5 per cent. You also stated that, based on your arrangement with the client, that that 7.5 per cent could vary or the fee could vary. Can you give us an example as to when or what affects whether or not the fee is varied, or some examples of when the fee had been varied before and what would have impacted on that variation?

**Ms. Rattan:** I can give an example with the Ministry of Works and Infrastructure. We had a memorandum of understanding with the Coastal Protection Unit as well as with the overhead level of Ministry. We had two sets of projects with that Ministry. One would have been the President's residence and one would have been coastal protection projects and the percentage that was agreed upon then was 3 per cent. It was negotiated based on a cluster of projects, the value of the programme. So there is a scale of fees that is adjustable, based on the complexity, the size, the value of the project.

**Miss Cudjoe:** Okay. My next question is related to recurrent expenditure again. The last time you appeared before the Joint Select Committee there were concerns related to the amount of money you pay for telecommunications services for cell phones for the people who are employed with the company and what has been done since then to now to bring down that cost, or have you been able to manage to control that cost? What measures have you instituted, if any?

**Mr. Patel:** We actually, based on our current phone plan, we entered into a corporate plan with one of the providers, the telephone providers, as well as we use a lot of Wi-Fi and messaging systems to undertake our communications internally.

**Miss Cudjoe:** Therefore, have you seen a decrease in that expenditure cost?

**Mr. Patel:** Yes, definitely, definitely.

**Mr. Chairman:** Provide us with some evidence in writing, please.

**Mr. Patel:** Yes, yes.

**Mrs. Crichlow-Cockburn:** I want to go back to your human resources. Do you have a formal recruitment and selection policy in the organization?

**Mr. Patel:** Yes, we do.

**Mrs. Crichlow-Cockburn:** Could we have a copy of that, please?

**Mr. Patel:** Definitely.

**Mrs. Crichlow-Cockburn:** Could you give us an idea of it? Because I just heard Ms. Rattan indicate that your recruitment is on hold, or you were told not to proceed with recruitment. So could you give us an idea of what triggers recruitment and just give us a general idea as to what is provided for in your recruitment and selection policy?

**Ms. Rattan:** Basically, the directive would have come from the line Ministry, effective November last year. Typically, recruitment is triggered by posts becoming vacant, of course. There may be persons whose contracts have come to an end and they are not desirous of having their contracts renewed and/or an increase in projects which requires increase in staff, or circumstances that warrant additional staff for execution of projects.

**Mrs. Crichlow-Cockburn:** Who determines compensation in your organization? For example, who could determine the CEO's compensation package?

**Mr. Patel:** That would be a board function.

**Mrs. Crichlow-Cockburn:** Could you submit to this Committee a copy of the CEO's contract? Okay, how do you determine the type of vehicle that you purchase for your CEO?

**Mr. Patel:** It is determined according to Ministry of Finance regulations, which state it is as per the value. I cannot recall offhand what it is. But it is as per the value for purchase.

**Mrs. Crichlow-Cockburn:** Mr. Chairman, could I just ask a question then of either the PS or the Investments Division as to what is the process for determining the vehicle that would be allocated to the CEO?

**Ms. Babb:** Through you, Chair, we would have gotten guidelines from the Chief Personnel Officer concerning a general guideline for the state enterprises with respect to compensations for, like, for instance, the CEO of CISL and it will indicate like what value of vehicle they could purchase.

**Mrs. Crichlow-Cockburn:** But just to confirm, is it that the value that can be purchased for the CEO's use, or is it part of his contract where that vehicle is assigned to him?

**Ms. Babb:** I would have to confirm but I think it is also written in his contract or so.

**Mrs. Crichlow-Cockburn:** So, at the end of his contract, is it that he gets the vehicle?

**Ms. Babb:** I do not think so. We do not think so. No.

**Mrs. Crichlow-Cockburn:** Mr. Chairman, could I then ask one last question? Mr. Patel, in terms of your contract, does it stipulate that at expiration of your contract you get the vehicle?

**Mr. Patel:** No, it is a public asset and you cannot just get the vehicle. It has to be disposed of through normal policy.

**Mrs. Crichlow-Cockburn:** You do not have the option of purchasing it at market value?

**Mr. Suchit:** Hon. Member, through you Chair, the CEO's contract contains a clause for a benefit in kind. In regular situations where someone pays a benefit in kind, at the ending or the termination of their contract they have the first option for purchase. However, that is not explicitly written into the CEO's contract at this time.

**Mrs. Baptiste-Primus:** Permit me, Chairman, thank you kindly. Mr. Suchit, can you break down what you just said? No, Mr. Patel, you are the CEO. You have the contract. You must know what is in your contract. You must know. Tell this Committee what is in your contract. It is a simple question and it is nothing unusual. Do you have the option to purchase the vehicle at market value at the end of your contractual period?

**Mr. Patel:** As per my contract, no.

**Mrs. Baptiste-Primus:** No. What is the make of the vehicle that has been assigned to you?

**Mr. Patel:** That is the Toyota Fortuner.

**Mrs. Baptiste-Primus:** All right, good. Chairman, permit me. You know, this document is—this is a very, very interesting document. Under Appendix 9, Mr. Patel, in 2015 PricewaterhouseCoopers Advisory Services Limited, they were engaged to conduct an internal audit assessment, and if one did not read this appendix and one listened to you, Mr. Patel, one

would think this is a company created in heaven. However, the result of that audit is very, very enlightening.

A summary of the recommendations indicated that there was need for revenue and receivable policies and procedures to be developed, approved and communicated; internal controls over the receipt of cash and cheques should be strengthened; cash and cheques collected should be adequately safeguarded; bank reconciliations should be dated when approved and reconciling items—a whole host of recommendations, which is indicative of many weaknesses in the processes at the organization where you happen to be the CEO. Am I not correct?

**Mr. Patel:** That is correct.

**Mrs. Baptiste-Primus:** PricewaterhouseCoopers pointed out—I just want to share or remind you what that important document that evolved from that internal audit assessment.

Observation: there are no documented formalized policies and procedures for the revenue and receivable process in an organization where 64 projects were successfully completed between 2012 and 2014.

We were also informed in this document, 10 invoices for the sale of prequalification and tender documents selected from the invoice register for the period September 01, 2014 to August 31, 2015 were examined. And these are some of the observations:

- One instance where the moneys deposited as per the deposit slip did not agree to the total moneys collected as per the receipts.
- Two instances where the vendor did not sign the receipt logbook as evidence of receipt of prequalification documents purchased.

Third one:

- Two instances where the document control numbers used to record prequalification documents sold were used more than once in the receipt logbook.
- Four instances where the receipt logbook was not signed by the accounting assistant as evidence of review of collections and receipt of moneys from the receptionist.

This is someone who was receiving moneys on behalf of organization. Yes?

- Three instances where receipt numbers 1326, 1332, 1331 were used more than once in the same receipt book.
- One instance where the document control number for prequalification documents as per the receipt logbook was different to the number quoted on the copy of the receipt.
- Moreover, a daily reconciliation is not performed and signed off with respect to cash collected by the receptionist and cash deposited with the finance department.
- It was noted that a log of cheque payments received from customers is not maintained and staff is not required to document the dates payments were collected from customers, nor signed as receiving.

I mean to say, Mr. Patel, this report is reflective of an important organization as CISL, where you shared with us the number of projects, highly commendable, 64 projects, and you do not have these basic systems in place, Mr. Patel? I mean to say, I could go on to read all these flagged pages but I will pause and invite you to share with us.

I mean, high concerns must evolve when one reads a report like this. All is not well in the organization. All is not well in the kingdom of heaven as you want us to believe, Mr. Patel.

**Mr. Patel:** In my opening statement, Chairman, I mentioned that at CISL, we have weaknesses. Coming out of our JSC, some of those were identified, number one being the internal audit. To my knowledge CISL has never had an internal audit. Rightfully so, we are not a perfect state agency but we are on the way there. That is our aim: to be viable and more of a model agency for others.

With the issues identified by the internal audit, I can tell you based on the internal audit, which is the first ever done at CISL in the period of 2008 to 2016—this is the first—the high-risk areas that were reviewed were revenues and receivable project management, tendering, contract management and administration. Right? Out of these, there were significant issues raised, which is the purpose of the internal audit.

Out of some of the issues you mentioned, I wish to note, for instance the existing policies and procedures. We have those in place. We had those in place already. What was requested was an update and revision to be more in line with SEPM, which we have done already and that is across the board from HR to finance to projects department.

**Mrs. Baptiste-Primus:** Those policies and procedures—I am happy to learn that—you just spoke about, were they board approved?

**Mr. Patel:** No, and that is it. We are waiting on the incoming board to review and approve those.

**Mrs. Baptiste-Primus:** All right, so then let me make it a little easier, Mr. Patel. Based on all these findings from PricewaterhouseCoopers, what recommendations they have made—and they have made many recommendations—how many of these recommendations have been implemented? Or, what aspect of the recommendations have been implemented to date?

**Mr. Suchit:** Hon. Member, through the Chair, I would speak specifically with regard to the revenue and receivables as it is a direct function, responsibility, under the finance department. Part of the process with the internal auditors is to have a feedback session with them where it is we would look at their recommendations and then we would put forward our actions with specific dates and times.

I could report if you look at the recommendations and actions related to all of these, all of these have been actioned at this point in time. So with specific reference to what you were talking about, the issues really and truly surrounding the collection of cash for the sale of prequalification and tender documents and the issue really and truly is that we had two persons at that point in time who were collecting cash for it and sometimes there was a disconnect in terms of the persons.

One of the recommendations was now to ensure that there is a segregation of duties and that there is the use of pre-numbered receipt books. So, at this point in time, with that one in particular, I can tell you that one person is responsible for the collection of the cash flow cheques related to that and we have implemented the three receipt books.

And if you go down the line, in terms of all of the items identified, we would have implemented the recommendations of PricewaterhouseCoopers.

**Mrs. Baptiste-Primus:** Mr. Chairman, I would like to request that the company submit to this Committee in detail, consistent with the recommendations of PricewaterhouseCoopers, which recommendations have been implemented. I do not know—what do you mean by the term "actioned"?

**Mr. Suchit:** That it would have been implemented.

**Mrs. Baptiste-Primus:** All right, so, implemented.

**Mr. Chairman:** So we will accordingly write to you. Now, the Investments Division, have you seen this PricewaterhouseCoopers report for 2015?

**Ms. Babb:** No, Chair, we have not seen it.

**Mrs. Baptiste-Primus:** Chairman, that is an important question because PricewaterhouseCoopers stated, listen to what they stated:

As per a special request by the Ministry of Finance and the Economy, monthly project status reports are to be submitted to the Ministry of Finance and the Economy—as then—within two weeks after month end.

However, we noted from selecting the following three months that reports were not submitted in a timely manner at all, and further as per section 3.2.7 board minutes of the state enterprise performance monitoring manual, minutes of the board of directors meeting should be submitted to the Ministry of Finance within one week following confirmation of the minutes.

However, signed letters evidencing submission of the minutes of the board of directors meeting were not provided for the following three months that were sampled: December 2014, April 2015, June 2015.

And they go on list. So, not even those basic requirements have been met.

**Mr. Chairman:** So, I come back to the Investments Division. Have you seen a copy of this report?

**Ms. Babb:** No, Chair, I am now hearing about it.

**Mr. Chairman:** Permanent Secretary, did you or your Ministry have access to this report?

**Ms. Reid-Samuel:** Yes, we received a package from the company recently. We have a copy of it.

**Mr. Chairman:** No, this is dated December 04, 2015.

**Ms. Reid-Samuel:** We received the package from the company.

**Mr. Chairman:** When?

**Ms. Reid-Samuel:** Actually, sorry, I cannot say the exact date but I know we were given another copy. I think the company indicated that they sent it to us earlier in the year but we were presented with this last week.

**Mr. Chairman:** Last week?

**Ms. Reid-Samuel:** Yes.

**Mr. Chairman:** But you cannot say when the company report was sent to you?

**Ms. Reid-Samuel:** No, I cannot say at this time. But they did indicate at a meeting with us that they had sent it to the Ministry previously, earlier in the year, but we could not locate it and they provided us with another copy last week.

**Mr. Chairman:** But if that unit within that Ministry is properly monitoring the activities of CISL, could you explain to this Committee why that committee monitoring the activities of CISL was not in a position to have known of the existence of this report until you received it sometime last week?

**Ms. Reid-Samuel:** I understand that the audit was only completed in October. However, I did indicate earlier that the Ministry, it is a new Ministry. We were putting together the unit and strengthening/building capacity in the unit. Since CISL came under the Ministry of Community Development, Culture and the Arts we have been receiving the monthly reports.

With respect to this document, we had issues, in terms of forming, having one unit from the three Ministries, the three planning units, whatnot. So, really, I cannot say when we would have received this, even though they indicated that they sent a package to us some time in February of this year.

**Mr. Chairman:** Mr. Suchit, as the finance manager, the fact that there was no internal auditor operating for a considerable period of time, were you comfortable as the finance manager with that situation and what did you do if you were not comfortable with that situation?

**12.10 p.m.**

**Mr. Suchit:** Chair, first of all, what I would say is that in October 2012 and November 2012, prior to my joining the organization, the board minutes would reflect that there was a request from management for an internal auditor. The history of this would show as well that in April of 2014, again, the management would have put forward a proposal for an internal auditor. This was only actioned in May 2015.

With respect to whether or not I was comfortable, I was privy to the majority of the information and the verification of information. Fortunately, we would have had the completion of two external audits, therefore, this brought some level of comfort to me. Again, management would have, again, recommended that we implement the internal audit and we were happy when this was actually actioned in May 2015.

If I can go outside of that, what I would say as well, CISL also submits monthly status reports to the Ministry of Finance and the line Ministry. Unfortunately, I cannot confirm the date but when the revenue and receivable audit was completed as well as when the project management audit was completed it was inserted in the monthly status package. So the information would have been sent to the Ministry of Finance and the line Ministry.

**Mr. Chairman:** All right. Mr. Patel, you have the duty and responsibility as finance manager to have this PricewaterhouseCoopers assessment, that is, the internal audit assessment revenue and receivables report, dispatched in writing to both the Ministry of Community Development, Culture and the Arts as well as the Ministry of Finance, Investments Division and that must be done with dispatch in writing and we would like correspondence from you sent to this Committee indicating when that action would have been taken. And this should be done in the next week or less. I would like to get from the Ministry of Community Development, Culture and the Arts as well as the Ministry of Finance, Investments Division in writing when they would have been in receipt of this PricewaterhouseCoopers Report from Mr. Nigel Suchit, Finance Manager.

Now, I want to go to Appendix 15 of that big report and before I ask my question—it deals with procurement of goods and services. Before I ask my questions I want to ask the Ministry of Finance, Investments Division, what is the authorized limit for Permanent Secretaries without going to tender any project? What is the authorized limit that they can utilize without going towards tendering for a project or issuing a contract? What is the limit of a Permanent Secretary on the law in Trinidad and Tobago? Ms. Babb.

**Ms. Babb:** Chair, we will have to confirm it. My colleague here is telling me \$1 million, but I am thinking about without a contract—we will have to confirm that because you said without a contract. I will have to confirm that.

**Mr. Chairman:** Well, what is the authorized limit?

**Ms. Babb:** Normally it is \$1 million, but without a contract that is what I have to confirm.

**Mr. Chairman:** What about a board of directors of a state-owned entity?

**Ms. Babb:** I do not think they have any limits.

**Mr. Chairman:** They have no limits?

**Ms. Babb:** No.

**Mr. Chairman:** So they can go to any amount that they want without tendering?

**Ms. Babb:** Well, they have to tender. That is the normal procedure from the Ministry. The guidelines is that you tender and they would be guided by the performance, the State Enterprises Performance Monitoring Manual and they are also supposed to have their own tender policies which they normally would submit to the Ministry for approval.

**Mr. Chairman:** But that is the point. So the board of directors of any state entity can go beyond any limit but they must first get the approval of the Ministry of Finance, Investments Division?

**Ms. Babb:** For the policy, for the normal tender policies, not the individual transaction.

**Mr. Chairman:** For the policies?

**Ms. Babb:** Yes, for the policy. They will be guided by a policy.

**Mr. Chairman:** Right. But suppose an entity wishes to embark on a project, let us say for \$5 million, do they write to you seeking your approval via a policy document as to what they would have to do to ensure that they follow the law and the procedures as set out in your manual?

**Ms. Babb:** Well, the manual will be a general policy but there is also a report, all State Enterprises would send a report on their tenders, whether it would be \$5 million, whatever, above \$5 million, they would normally, well they are supposed to submit that report to us on a monthly basis.

**Mr. Chairman:** Have you been getting reports from the CISL as it relates to projects issued by the previous board of directors amounting to over \$2 million?

**Ms. Babb:** I cannot confirm that right now.

**Mr. Chairman:** Could you submit that in writing? All right. What I would like to ask the CEO of CISL, who approved the authorization limits for offices of the company? Is it the Ministry?

**Mr. Patel:** With respect to what, Mr. Chairman?

**Mr. Chairman:** Like your board of directors who was there before, they have authorization for over \$2 million and above. Who would authorize that?

**Mr. Patel:** That would be from Ministry of Finance.

**Mr. Chairman:** The Ministry of Finance authorized that? What is your authorized limit?

**Mr. Patel:** My authorized limit, I believe, according to SEPMM would be up to \$1 million.

**Mr. Chairman:** Up to \$1 million and the board of directors they go between \$2 million and above.

**Mr. Patel:** Yes.

**Mr. Chairman:** And you have to communicate that to the Ministry of Finance, Investments Division?

**Mr. Patel:** We are not sure of the department but we send it to the Permanent Secretary, Minister of Finance.

**Mr. Chairman:** If your limit is \$1 million, once it goes beyond a million, you go to the board of directors?

**Mr. Patel:** Actually for everything we go to the board of directors for ratification. Whether it be under a million, over a million, we have to go to them. But under a million we go to the board.

**Mr. Chairman:** May I ask the Investments Division, we are seeing here, and could I ask you to turn with me to the Procurement Policy—*[Interruption]*

**Mrs. Baptiste-Primus:** What Appendix is this?

**Mr. Chairman:** That is Appendix 15. You go to the—

**Mrs. Baptiste-Primus:** What page number?

**Mr. Chairman:** Well, I am not seeing a page here, it is not numbered. It is titled, Policy Principles and go to Roman IV. May I ask the Investments Division to explain this for our edification? What happens in terms of the process when it comes to a board of directors being able to authorize itself to spend more than \$2 million and above, seeing that the Investments Division from the Ministry of Finance has a direct responsibility for ensuring that we do not have runaway state entities abusing power and misusing public resources. What are the steps, measures and policy procedures that any state entity including CISL must follow in order to effect Article IV, entitled, Authorization and Signatory Limits as outlined in this particular section, Appendix 15.

**Ms. Babb:** Chair, generally the process for procurement of goods and services would be stated in the company's policy and procedures, and generally what you will have is that the board would approve whatever project it is and they would also tender for it. We recommend public tendering in the newspapers or if it is selective they have to send it to a number of providers. And then they will have an evaluation committee. When the bids are received, generally they will have this committee that the board would set up to evaluate the tenders and then they will make a recommendation to the board and the board would either give or do not give its approval on it. Generally that is the process.

**Mr. Chairman:** All right, but what is your role in this whole matter as the overseeing body in terms of ensuring that things are done properly?

**Ms. Babb:** Well, Investments Division as I say, we would approve, they would submit their tender policy to us, we would review it, we have a section called the Central Audit Committee, they would review it and make a recommendation to the Minister. If they see anything is wrong with the policy and recommend, whether to the CISL or whatever state enterprise, to improve it and upon their resubmission it will be approved by the, they will further recommend it be approved the Minister.

Also the Central Audit Committee will also have members of that staff also on all the committees in most of the—I know all the wholly owned and maybe some of the minority owned state enterprises. Plus, also on a monthly basis the companies are supposed to submit a report on all the contracts that they submitted during the month and we review that.

**Mr. Chairman:** First of all, the tenders policy, have you had access, have the CISL submitted their tenders policy to your Investments Division, Ministry of Finance? And if they have, have they complied with all the procedures that are necessary to have an above board transaction involving public expenditure?

**Ms. Babb:** Chair, I cannot say offhand, I will have to check that with our Central Audit Committee.

**Mr. Chairman:** Have they been supplying you on a monthly or bimonthly basis with all contracts that they have issued and approved by the board in accordance with the tenders policy?

**Ms. Babb:** We would check with the Central Audit Committee. They are the ones who received those reports and they are the ones that reviewed it.

**Mr. Chairman:** Can we have these things in writing?

**Ms. Babb:** Yes.

**Mr. Chairman:** Now, I want to go back to Projects as I want to deal with Appendix 12. I am trying to understand, I go to page 2 and I am dealing with addressing this question to Mr. Patel, when you say final project completion cost, is it that the project has been completed at that cost in the column that we have identified? What does that mean?

**Mr. Patel:** That would be the final cost to completion.

**Mr. Chairman:** The final cost?

**Mr. Patel:** Yes.

**Mr. Chairman:** So if I were to look at, let us say, page 2, right, you have a project called Infrastructural Works, St. Joseph Village, Carl King Company Limited. I think that is the contractor. The award sum was \$707,750.37 and the final project, the cost was \$127,000. Now this is just one example, I want you to bear that in mind, right. You go to page 3, Infrastructural Development, Item 16, Drainage Works. The contracting company, Worldwide Contracting Services, \$516,000 contract sum. The final project cost is \$24,000. That is just a second example. And you go on. But the one that caught me and that is the third one I would want to just deal with before you answer, you go to page 6, Item 2, retaining wall, drainage works, road work on Ravine Road, Diego Martin. The name of the company is Assured Construction Limited. The original sum, \$1.5 million or \$1,571,115.05. The completion cost is \$180,678.23. Could you explain to this Committee why this massive variation and when you said the project was completed, how can a project initially tendered and awarded at \$1.5 million but it was completed at \$180,000 as an example. And I am saying, if you go through all your projects, several of these projects revealed that the initial award was very, very high and the final cost was very low. Tell us what has—are these projects really completed and are they or have they been completed to the satisfaction of the client, Ministry or organization and is CISL satisfied with the works done by these contractors?

**Mr. Patel:** Chair, well the projects you would have been referring to would have been for the period of 2005 to 2010. We have very limited information as per these projects. As a matter of fact, the majority of this information was pulled from our financial department and from financial statements. So what we can do is probably see what information we could have to provide any further clarification as to these projects.

**Mr. Chairman:** So you have put this company on a ride? You have taken us for a ride. You have submitted documentation based on what we would have thought would be proper research that you would have conducted, gotten background information because as Mrs. Jennifer Baptiste-Primus said, everything that you have submitted here we believe that you would have done proper due diligence and research. So when you come before this Committee you would be able to explain to us why, what, as the case may be. So you are now telling us these projects because they were between 2005 and 2010 you cannot explain any of these things you will have to go back.

So why you submit them in the first instance? Because you would have done the research. And therefore you would be able to provide us. I am not saying that you would know everything, Mr. Patel, but at least you ought to provide this Committee with some answers. So if we want to

further clarify we can probably go further, but to tell us that you have no information and you will need to go back and then submit I think that is unsatisfactory.

**Mr. Patel:** Well, Chairman, just to comment on that slightly, when I came into CISL we had very limited documentation and this is what we had. This is all the information that we had that we pulled together in response to the Committee, the Committee's question. I do not think I could be held responsible for any information prior to my entrance into CISL, but we have worked with what info we have, as per our financial records, what was paid, what was the contract initially awarded and what was paid, Chairman. So in moving forward, I understand the point that is being made and what I am asking for is maybe the opportunity whereby we can actually check these existing projects from the period of 2005 to 2010.

**Mr. Chairman:** So it means to say that we have to take it with a pinch of salt, a lot of your submissions thus far. If you look at 2010 to 2016 we do not have bionic eyes to really read these things here. So could you be kind enough to at least provide us, just as how you did for 2005—2010, could you just do the same thing in terms of the font sizes so it could increase so we can read these things properly.

We would have a lot more questions to ask you on the period under review here, 2010 to 2016. By the way, apart from your contract, we need to get the contract of every single worker in the employ of CISL. We would like you to submit those contracts to us. And that is as soon—what is the time frame we would normally give them, Secretary? We will give you two weeks to so do. Any final questions from—Mrs. Jennifer.

**Mrs. Baptiste-Primus:** No, Mr. Chairman.

**Mr. Chairman:** Mr. Patel, we have so many questions that we would like to clarify with you, but time is rushing on and it would be very difficult for us to really pursue our line of questioning. But we want to serve notice that on short notice you may be recalled because there are many areas that we will want to have further examine and all those areas that you have promised to supply us with you have a two-week period. If you can submit those reports before we would welcome, if not the deadline is two weeks. Before we bring our proceedings to a close we would ask you if you would like to make any final closing remarks.

**Mr. Patel:** Chairman, I will just like to express my gratitude on behalf of CISL. As mentioned in our opening remarks that coming out of the JSC several weaknesses were identified and changes were enacted. Coming out of this PA(E)C we also look forward to recommendations of all members of the Committee to which we are grateful for, their comments and their recommendations, such that we can actually push the CISL forward to make it a model state agency that we can all be proud of. Thank you.

**Mr. Chairman:** Mr. Patel, in closing and on behalf of the Committee, we would like to issue two caveats. We believe that the Ministry of Community Development, Culture and the Arts needs to step up to the plate and monitor more effectively, more efficiently and more seriously those state entities that fall under their direct supervision. And we would like to also advise the Investments Division to also step up to the plate and really effectively monitor these state-owned entities, so-called special purpose companies, more efficiently, more effectively so that you yourselves would be on top of your job, because from what we have been told today it seems that the Investments Division on many occasions is disconnected somewhat from what is taking place in CISL not to mention the Ministry of Community Development, Culture and the Arts. So there is a total disconnect from what we are seeing between CISL, the Ministry of Community Development, Culture and the Arts and the Investments Division. The

communication has broken down and information flow is not happening. When a Permanent Secretary could tell a Committee of public accounts, looking after the public interest and the public welfare on moneys that have been spent, that the Ministry of Community Development, Culture and the Arts does not know about a fundamental report issued by PricewaterhouseCoopers dated December 2015, we are told by the Ministry of Community Development, Culture and the Arts that the Deputy Permanent Secretary only received it last week. That is an alarm. We are shocked and what is even more shocking is that the Investments Division does not have a clue on that report. Something is seriously wrong.

So I just want to appeal to the Investments Division and the Ministry of Community Development, Culture and the Arts, please monitor carefully, closely and more effectively, state-owned entities. And from what we have read in that report from PricewaterhouseCoopers, based on what we have read thus far, even though you have said, Mr. Suchit, that you have stepped up to the plate and you have actioned a number of those recommendations, we want a report in writing outlining all those recommendations, when you actioned them and what has been the outcome, the effect of those measures in making your organization more efficient, more accountable, more transparent, more credible in the eyes, not only of us but of the Parliament and through the Parliament, the people.

So these are some of the closing remarks I would like to make and on behalf of the Committee once again, we want to thank all of you for gracing us with your presence and our responsibility, our responsibility is to help make CISL more efficient, more effective, and more economical in its operations. That is what we are here to do and we are not here to do anything else but to get value for the taxpayers' dollars that are being spent by these entities. That is what we are here seeking to achieve.

So once again we thank you very much for being here and this meeting is now suspended because we have a meeting among our members immediately after this meeting. So we now suspend this meeting and thank you very much members of the Ministry of Finance, Investments Division, the Ministry of Community Development, Culture and the Arts and officials of the CISL. Thank you, thank you, thank you.

**12.41 p.m.:** *Meeting adjourned.*