



*SEVENTH REPORT OF THE*

# PUBLIC ACCOUNTS

( E N T E R P R I S E S ) C O M M I T T E E

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

Examination of the Audited Accounts, Balance Sheet and other Financial Statements of The Estate Management and Business Development Company Limited (EMBD) for the financial years 2008 – 2010.



## 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
Ms Melanie Chin	Research Assistant

### Publication

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

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# Table of Contents

<b>MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE .....</b>	<b>4</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>5</b>
<b>INTRODUCTION.....</b>	<b>7</b>
Establishment .....	7
Mandate .....	7
Ministerial Response .....	7
State Enterprises Performance Standards .....	7
Election of the Chairman and Vice Chairman.....	7
<b>METHODOLOGY .....</b>	<b>8</b>
Determination of the Committee’s Work Programme.....	8
The Inquiry Process .....	10
<b>EMBD’s PROFILE .....</b>	<b>11</b>
<b>ISSUES, OBSERVATIONS AND RECOMMENDATIONS.....</b>	<b>13</b>
<b>Appendix 1 .....</b>	<b>20</b>
<b>Minutes of Meetings .....</b>	<b>20</b>
Present were:.....	21
<b>Appendix 2 .....</b>	<b>25</b>
<b>Attendees .....</b>	<b>25</b>
Attendees.....	26
<b>APPENDIX 3 .....</b>	<b>27</b>
List of entities falling under the purview of the PAEC:.....	28
<b>APPENDIX 4 .....</b>	<b>31</b>
<b>VERBATIM.....</b>	<b>31</b>

## 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 Estate Management and Business Development Company Limited (EMBD) for the financial years 2008 – 2010** and produced this report to highlight its findings and recommendations.

This report focuses on the issues, endorsements and recommendations made by the Committee in an attempt to assist EMBD in better performing its duties while also commending their initiatives. The issues identified are applicable to the period under examination (2008 to 2010).

During this discussion, the following issues arose:

- The Late submission of the audited financial statements for EMBD for the period 2011-2016;
- The gap in Strategic Alliances between EMBD and its Line Ministry
- The absence of an approved Strategic Plan;
- The relocation of EMBD's Head Office to a bungalow situated on land which under a license review;
- The lack of an Internal Audit Unit;
- The uncertainty of EMBD's mandate;
- The lack of a Procurement Unit;
- A significant amount of Trade and Other Payables Outstanding; and
- Other Challenges experienced by EMBD.

Based on the Committee's examination, the following recommendations were proposed.

- EMBD should implement stringent measures to ensure adherence to the stipulated deadlines set out in Section 3.1 of the State Enterprises Performance Monitoring Manual.
- EMBD should host an AGM to approve the audited financial statements for the fiscal years 2011 and 2012 and to also appoint an Auditor no later than June 30, 2017.

- EMBD must submit the audited financial statements for the periods 2011 and 2012 to the Parliament no later than July 31, 2017.
- EMBD should take urgent steps to complete the audited financial statements for the years 2013-2016 and submit to the Committee no later than October 31, 2017.
- The Ministry of Agriculture, Land and Fisheries should meet with all entities under its purview at the beginning of each fiscal year to discuss their plans.
- EMBD should formulate a Strategic Plan and have same approved by the Ministry of Agriculture, Land and Fisheries no later than September 30, 2017.
- EMBD should take urgent steps to obtain a lease from the Commissioner of State Lands by July 30, 2017.
- EMBD should cease any further expenditure on the development of the bungalow until a lease has been secured.
- EMBD should establish an Internal Audit Unit by July 30, 2017.
- The Permanent Secretary should exercise greater oversight in the management and operations of EMBD, especially in the transfer of public funds.
- EMBD should establish an appropriate Procurement Unit by July 31, 2017 in accordance with the guidelines provided by the Ministry of Finance, consistent with the new procurement legislation.
- EMBD should implement more stringent internal controls to ensure greater accountability and transparency in satisfying and meeting its financial obligations.

# 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;
- 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); and
- vi. Estate Management and Business Development Company Limited (EMBD);
- vii. National Gas Company of Trinidad and Tobago (NGC);
- viii. Telecommunications Services of Trinidad and Tobago (TSTT);
- ix. Tourism Development Company of Trinidad and Tobago (TDC);
- x. Caribbean Airlines Limited (CAL); and
- xi. National Entrepreneurship Development Company Limited (NEDCO).

## The Inquiry Process

The Inquiry Process outlines steps taken by the Committee to conduct the inquiry into the operations of EMBD. 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 Estate Management and Business Development Company Limited (EMBD) for the financial years 2008 – 2010;
- II. Preparation of Inquiry Proposal for EMBD. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
- III. Consideration and approval of Inquiry Proposal by the Committee, when approved, questions were forwarded to EMBD on March 16, 2017. Written responses were received from EMBD on March 28, 2017;
- IV. Preparation of an Issues Paper, based on written responses received from the EMBD. The Issues Paper identified and summarised any matters of concern in the responses provided by the EMBD;
- V. 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 April 5, 2017.
- VI. Written request for additional information was sent to the EMBD after the public hearing on April 10, 2017.
- VII. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

# EMBD's PROFILE

## Background:

EMBD is a limited liability company under the Government of Trinidad and Tobago which was established in August 2002. The company is governed by a Chairman and Board of Directors. As the Government moves to make land development and land management more efficient and productive, the mandate of the EMBD has been gradually expanding to cater to this objective.

Presently, the EMBD is developing thirty-two (32) residential sites, of which twenty-six (26) sites will be allocated to Caroni (1975) Limited's VSEP employees. Through a Cabinet decision taken in May 2008, the EMBD has the responsibility for the development and distribution of all State Agricultural lands. These lands are to be transferred to the EMBD via head leases. The EMBD will thereafter issue sub-leases to farmers and other agencies in accordance with government's policies. The EMBD will also treat with the leases for two-acre agricultural parcels, which are being developed for Caroni (1975) VSEP employees.

EMBD will also ensure that policies to facilitate sustainable land use and its resources are adhered to, towards food security for the nation. The EMBD is also the Manager of the Orange Grove Estates, and four (4) Sand Quarries.<sup>3</sup>

## Vision:

“To be the leading agency in the management and development of Agricultural state lands while facilitating specified areas of business agreed to through collaboration with the key state agencies in a manner that provides professional, transparent and ethical services to all citizens.”

## Mission:

“To develop systems for the management of State agricultural lands for the socio-economic benefit of the citizens of Trinidad and Tobago through an efficient, committed and innovative team.”

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<sup>3</sup> The EMBD Website, accessed on February 1, 2017  
<http://embdtt.org/about-embd-2/>

**Line Ministry** – Ministry of Agriculture, Land and Fisheries

**Minister** – The Hon. Clarence Rambharat

**Permanent Secretary** – Ms. Angela Siew

**Chairman-** Mr. Shameer Ronnie Mohammed

**CEO (Ag.)** – Ms. Cherisse Bengochea

# ISSUES, OBSERVATIONS AND RECOMMENDATIONS

In the Committee's examination of EMBD, the following issues were identified and the corresponding observations and recommendations proposed:

## **I. Late Submission of Audited Financial Statements**

Accountability to Parliament for the utilization of public funds was weakened by the failure of EMBD to submit its audited financial statements in a timely manner for scrutiny. It was noted that the Company was late in submitting the necessary documents for the financial years 2011-2015. In oral response, the Ministry of Agriculture, Land and Fisheries indicated that due to several shifts in Ministerial responsibility, as well as movement of employees out of EMBD, it was difficult to pinpoint the reason for the delay in submission of the financial statements. In addition, EMBD advised that as of January 2017, the new Board of Directors signed the 2011 and 2012 accounts. The unaudited financial statements for the period 2013-2015 were approximately ninety percent completed. EMBD was awaiting submission of proposals from auditing firms. Upon the appointment of a new auditing firm, EMBD anticipates to submit the 2013-2015 financial statements to the Line Ministry and the Committee by October 2017.

### **Recommendations:**

- *EMBD should implement stringent measures to ensure adherence to the stipulated deadlines set out in Section 3.1 of the State Enterprises Performance Monitoring Manual.*
- *EMBD should host an AGM to approve the audited financial statements for the fiscal years 2011 and 2012 and to also appoint an Auditor no later than June 30, 2017.*
- *EMBD must submit the audited financial statements for the periods 2011 and 2012 to the Parliament no later than July 31, 2017.*
- *EMBD should take urgent steps to complete the audited financial statements for the years 2013-2016 and submit to the Committee no later than October 31, 2017.*
- *The Ministry of Finance – Investments Division should strengthen its overall capacity and take a more proactive role in monitoring and evaluating the management of the operations of State Enterprises to ensure the timely submission of audited financial statements and all other relevant documents to the Parliament.*

## **II. Gap in Strategic Alliances with the Line Ministry**

Line Ministries play an integral role in the operations of State Enterprises under their purview. According to the State Enterprises Performance Monitoring Manual, the Ministry is mandated to perform technical supervision of planning, monitoring and evaluating projects and programme implementation at EMBD. It was advised that the Ministry had an officer permanently assigned to EMBD responsible for receiving all financial transactions and Board minutes from EMBD to ensure that the funds were utilized for the purpose that it was intended. However, it was noted that most interaction that occurred between EMBD and the line ministry was primarily through verbal discussions over the phone. The Committee noted with concern that meeting on a regular basis was not the usual practice for the parties as meetings were only held when issues arose.

### ***Recommendations:***

- ***The Ministry of Agriculture, Land and Fisheries should meet with all entities under its purview at the beginning of each fiscal year to discuss their plans.***
- ***The Ministry of Agriculture, Land and Fisheries should meet with all entities under its jurisdiction on a quarterly basis to monitor their progress.***
- ***The Ministry of Agriculture, Land and Fisheries should take urgent steps to establish a Monitoring and Evaluation Unit to assist with its oversight responsibilities.***

## **III. Status of Strategic Plan**

The Committee observed that company was operating in the absence of an approved Strategic Plan. According to the State Enterprises Performance Monitoring Manual, 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>4</sup>. EMBD stated that the Strategic Plan for the period 2010-2014 was never confirmed and was merely a draft. Moreover, the company continued to operate without a Strategic Plan. Thus,

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<sup>4</sup> <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

in the absence of a strategic plan, EMBD was unable to assess the extent to which key objectives were met and the gaps that hindered the success of those objectives.

**Recommendations:**

- *EMBD should formulate a Strategic Plan and have same approved by the Ministry of Agriculture, Land and Fisheries no later than September 30, 2017.*
- *EMBD should submit a copy of the Strategic Plan to the PAEC no later than November 30, 2017.*

**IV. Relocation of EMBD's Head Office**

The Committee sought clarification on the status of EMBD's head office relocation from Valsayn to a bungalow in Brechin Castle. Through written submissions, it was advised that though the lease from the Commissioner of State Lands was under review, EMBD had incurred an expense of \$16.5 Million on the development of the bungalow. In oral response, EMBD indicated that the reason for the lack of tenure may have been a result of the expiration of the lease. However, requests were made to Commissioner of State Lands by EMBD to obtain a lease for the property.

**Recommendations:**

- *EMBD should take urgent steps to obtain a lease from the Commissioner of State Lands by July 30, 2017.*
- *EMBD should cease any further expenditure on the development of the bungalow until a lease has been secured.*

**V. Lack of an Internal Audit Unit**

The role of Internal Audit is to provide independent assurance that an organisation's risk management, governance and internal control processes were operating effectively. The State Enterprises Performance Monitoring Manual states that "Every State Enterprise is required to appoint an Audit Committee. It shall be composed of a minimum of two (2) non-executive directors and other independent Company professionals. The Minister of Finance may appoint other independent professionals to the Committee." It was advised that for the period 2013-2015, EMBD operated without an Internal Auditor and Internal Audit Unit. However, one person was recruited by the company to serve as an Internal Auditor and was expected to commence duties in April, 2017.

**Recommendation:**

- *EMBD should establish an Internal Audit Unit by July 30, 2017.*
- *The Permanent Secretary should ensure that top management positions at state enterprises under his/her purview do not remain vacant for extended periods of time.*

**VI. Mandate of EMBD**

It was unclear whether or not EMBD operated in accordance with their mandate. EMBD was charged with the primary responsibility of developing residential and agricultural plots for the VSEP package for Caroni (1975) Limited workers. However, in a written response it was noted that PwC was retained by the Board to conduct an audit in relation to the award of certain contracts for ten (10) bypass roads in mid-2015 in the sum of \$400 million. The scope of the PwC audit was to ascertain whether or not there was any fraud, bid rigging, cost overruns, variations, quality and quantity of works. EMBD advised that though this function was not in accordance with its mandate, the company pursued this function as instructed by the Line Ministry.

***Recommendation:***

- *The Permanent Secretary should ensure that EMBD returns to its original mandate.*
- *The Permanent Secretary should exercise greater oversight in the management and operations of EMBD, especially in the transfer of public funds.*
- *The Permanent Secretary must utilize the provisions of Financial Regulation 10 for large expenditure items affecting the financial administration of the Ministry.*

**VII. Absence of a Procurement Unit**

It was advised that EMBD did not have a fully established procurement unit. However, with the implementation of a new Board in November 2015, a procurement officer and an assistant were employed. The Committee was of the view that this was inadequate.

***Recommendation:***

- ***EMBD should establish an appropriate Procurement Unit by July 31, 2017 in accordance with the guidelines provided by the Ministry of Finance, consistent with the new procurement legislation.***

**VIII. Trade and Other Payables**

The Committee was advised that as at March 27, 2017, EMBD had accrued approximately \$2.206 billion in outstanding payments. Moreover, EMBD owed \$602 million to contractors and an additional \$1.183 billion was being claimed by contractors that were not certified. In addition, there were cases where contracts started at a certain value and increased by significant amounts as time progressed. In written response, EMBD stated that any definitive statement as to the likelihood of payment may prejudice any ongoing due diligence with regard to ascertainment of the validity of each payable. Thus, payables remained confidential as EMBD's requirement of prudence from an accounting point of view. However, it was advised that there were likely to be adjustments/ write backs and/or abatements once the proper reviews of works in place were completed.

***Recommendations:***

- ***EMBD should implement more stringent internal controls to ensure greater accountability and transparency in satisfying and meeting its financial obligations.***
- ***EMBD should make every attempt to pay all certified outstanding debts; and***
- ***EMBD should provide the Committee with its detailed plan to liquidate its outstanding certified debt by July 31, 2017.***

**IX. Challenges experienced**

The Executives of EMBD declared that the greatest challenge faced by the team was attempting to operate a company that once lacked accountability. Having recently been appointed Board members in late 2015, the team was forced to manage an organization that had minimal record of accounts since 2010. As a State Enterprise, the entity had a responsibility to the taxpayers of the nation to report on how money was spent and thus, this was impossible. In addition, the team also advised that they continued to struggle with the challenge of addressing the outstanding liabilities to contractors and evaluating ways to address the variations in contract costs.

*Recommendation:*

- *EMBD must submit a detailed action plan to improve accountability, transparency and overall governance by July 31, 2017.*

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 EIGHTEENTH MEETING HELD ON  
WEDNESDAY, APRIL 05, 2017 AT 10:04A.M.  
IN THE J. HAMILTON MAURICE ROOM, MEZZANINE  
FLOOR, OFFICE OF THE PARLIAMENT, TOWER D, THE PORT OF  
SPAIN INTERNATIONAL WATERFRONT CENTRE, 1A WRIGHTSON  
ROAD, PORT-OF-SPAIN.**

Present were:

Mr. Wade Mark	-	Chairman
Dr. Tim Gopeesingh	-	Vice Chairman
Mrs. Jennifer Baptiste-Primus	-	Member
Mr. Foster Cummings	-	Member
Mr. David Small	-	Member
Ms. Shamfa Cudjoe	-	Member
Ms. Keiba Jacob	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary
Ms. Melanie Chin	-	Research Assistant

Excused were:

Mr. Fitzgerald Hinds	-	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member

**COMMENCEMENT**

- 1.1 At 10:04a.m. the Chairman called the meeting to order and welcomed those present. Mrs. Cherrie-Ann Crichlow-Cockburn and Mr. Fitzgerald Hinds were excused from the meeting.

**THE EXAMINATION OF THE MINUTES OF THE SEVENTEENTH MEETING**

- 2.1 The Committee examined the Minutes of the Seventeenth (17<sup>th</sup>) Meeting held on Wednesday March 15, 2017.
- 2.2 There being no other omissions or corrections, the Minutes were confirmed on a motion moved by Mrs. Jennifer Baptiste-Primus and seconded by Dr. Tim Gopeesingh.

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

- 3.1 With reference to item 4.2, the Committee requested an extension in the deadline date of March 29, 2017 to make comments and/ or suggestions on the Ministerial Responses (NSDSL, NQCL, TTMF and NFM) by April 7, 2017.
- 3.2 With reference to item 5.6, the Committee agreed that the Reports (CEPEP, CISL, SWMCOL and PLIPDECO) will be finalized for presentation at the next Sitting of the House of Representatives and the Senate.
- 3.3 With reference to item 5.5, the Committee agreed that the press conference will be held on April 19, 2017, to highlight the findings and recommendations in the reports and would like representatives from both Houses.

## **PRE-HEARING DISCUSSION RE: ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED (EMBD)**

- 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 Estate Management and Business Development Company Limited (EMBD) for the period 2008 - 2010.
- 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 10:19 a.m.

## **ESTATE MANAGEMENT AND BUSINESS DEVELOPMENT COMPANY LIMITED (EMBD)**

- 5.1 The Chairman called the public meeting to order at 10:26 a.m.
- 5.2 The Chairman welcomed officials from the Ministry of Finance – Investments Division, the Ministry of Agriculture, Land and Fisheries, EMBD, members of the media and the public and introductions were exchanged.

### **The following officials joined the meeting:**

#### **Estate Management and Business Development Company Limited (EMBD)**

- Mr. Shameer Mohammed - Chairman
- Ms. Camille Chatoor - Vice Chairman
- Mr. Prakash Kowlessar - Director
- Ms. Tricia Beckles - Director
- Ms. Cherisse Bengochea - Chief Executive Officer (Ag.)
- Mr. Ricardo O'Brien - Chief Financial Officer
- Ms. Maurica Ramnarine Singh-Zoro - Senior Attorney at Law

- Mr. Kahlil Baksh - Project Manager
- Ms. Cassie-Ann James - Corporate Communications  
Manager/ Community Relations Officer
- Ms. Denise Nurse - Manager- Land Administration
- Mr. Doolar Ramlal - Quarry Mining/ Environmental  
Health and Safety Manager
- Cecil Santana - Security Manager

### **Ministry of Agriculture, Land and Fisheries**

- Mrs. Angela Siew - Permanent Secretary
- Mrs. Neela Maharaj - Director, Agricultural Planning  
Division
- Mr. Ramesh Gaya - Accounting Executive II

### **Ministry of Finance – Investments Division**

- Ms. Yvette Babb - Director, Social and Economic  
Transformation (Ag.)
- Ms. Sharon Mohammed - Director Agro-Based  
Manufacturing and Servicing Director
- Mr. Varuna Ramdial - Senior Audit Analyst

### **Key Issues Discussed**

1. The role of PA(E)C in assisting the EMBD to improve its delivery of services in an efficient, effective and economic manner.
2. The role of the Permanent Secretary in ensuring accountability and transparency in monitoring and assessing the performance of EMBD.
3. The reason for the late submission of the audited financial statements for the years 2011-2015.
4. The high staff turnover at EMBD.
5. The lack of strategic alliance between the Ministry of Agriculture, Land and Fisheries and the EMBD.
6. The status of EMBD's Strategic Plan.
7. Variations in the costs of projects.
8. The lack of an Internal Audit Function and Internal Auditor at EMBD for the period 2013-2016.
9. The lack of a Monitoring and Evaluation Unit and Procurement Unit at EMBD.
10. The Status of the outstanding payments to contractors.
11. The clarification of the terms 'VSEP Contractors' and 'VSEP Consultants'.
12. The lack of procurement and project management strategies at EMBD.
13. The lack of oversight and accountability for funds allocated to projects.
14. The mandate of EMBD.

15. The status of a Forensic Audit at EMBD.
16. The relationship between The Ministry of Finance- Investments Division and the EMBD.

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

- 5.3 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Agriculture, Land and Fisheries and EMBD for attending the Public Hearing.

### **SUSPENSION**

- 6.1 At 12:28 p.m., the Chairman suspended the *in public* meeting.

### **RESUMPTION**

- 7.1 At 12:32 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 National Gas Company of Trinidad and Tobago Limited (NGC) for the financial years 2009 – 2015 at the next meeting.

### **ADJOURNMENT**

- 9.1 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday April 19, 2017 at 9:30 a.m.**

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

CHAIRMAN

SECRETARY

*April 06, 2017*

# Appendix 2

## Attendees

# Attendees

## **Estate Management and Business Development Company Limited (EMBD)**

- Mr. Shameer Mohammed - Chairman
- Ms. Camille Chatoor - Vice Chairman
- Mr. Prakash Kowlessar - Director
- Ms. Tricia Beckles - Director
- Ms. Cherisse Bengochea - Chief Executive Officer (Ag.)
- Mr. Ricardo O'Brien - Chief Financial Officer
- Ms. Maurica Ramnarine Singh-Zoro - Senior Attorney at Law
- Mr. Kahlil Baksh - Project Manager
- Ms. Cassie-Ann James - Corporate Communications  
Manager/ Community Relations Officer
- Ms. Denise Nurse - Manager- Land Administration
- Mr. Doolar Ramlal - Quarry Mining/ Environmental  
Health and Safety Manager
- Cecil Santana - Security Manager

## **Ministry of Agriculture, Land and Fisheries**

- Mrs. Angela Siew - Permanent Secretary
- Mrs. Neela Maharaj - Director, Agricultural Planning  
Division
- Mr. Ramesh Gaya - Accounting Executive II

## **Ministry of Finance – Investments Division**

- Ms. Yvette Babb - Director, Social and Economic  
Transformation (Ag.)
- Ms. Sharon Mohammed - Director Agro-Based  
Manufacturing and Servicing Director
- Mr. Varuna Ramdial - Senior Audit 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. Palo 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 SEVENTEENTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE ARNOLD THOMASOS ROOM (EAST), LEVEL 6 (IN CAMERA), AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, (IN PUBLIC), TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, APRIL 05, 2017 AT 10.25 A.M.**

**PRESENT**

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Member
Miss Shamfa Cudjoe	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. Foster Cummings	Member
Mr. David Small	Member
Miss Keiba Jacob	Secretary
Miss Hema Bhagaloo	Asst. Secretary

**ABSENT**

Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member

**MINISTRY OF FINANCE–INVESTMENTS DIVISION**

Ms. Yvette Babb	Director, Social and Economic Transformation (Ag.)
Ms. Sharon Mohammed	Director, Agro-Based Manufacturing and Servicing Sector (Ag.)

Mr. Varuna Ramdial	Senior Audit Analyst
<b>MINISTRY OF AGRICULTURE, LAND AND FISHERIES</b>	
Mrs. Angela Siew	Permanent Secretary (Ag.)
Mrs. Neela Maharaj	Director, Agricultural Planning Division (Ag.)
Mr. Ramesh Gaya	Accounting Executive II
<b>ESTATE MANAGEMENT &amp; BUSINESS DEVELOPMENT COMPANY LIMITED</b>	
Mr. Shameer Ronnie Mohammed	Chairman
Mr. Prakash Kowlessar	Director
Ms. Tricia Beckles	Director
Ms. Cherisse Bengochea	Chief Executive Officer (Ag.)
Mr. Ricardo O'Brien	Chief Financial Officer
Ms. Maurica Ramnarine Singh-Zoro	Senior Attorney at Law
Mr. Kahlil Baksh	Project Manager
Ms. Cassie-Ann James	Corporate Communications Manager/Community Relations Officer
Ms. Denise Nurse	Manager – Land Administration
Mr. Doolar Ramlal	Quarry Mining/Environmental Health and Safety Manager
Mr. Cecil Santana	Security Manager

**Mr. Chairman:** Good morning and welcome to the Public Accounts (Enterprises) Committee Meeting. Let me on behalf of the PA(E)C warmly welcome officials from the Ministry of Finance - Investments Division, the Ministry of Agriculture, Land and Fisheries, the Estate Management Development Company Limited (EMBD), members of the media and, of course, the public.

May I advise very early that this meeting is being held in public and is being broadcast live on the Parliament's Channel 11 and Radio 105.5 FM, as well as the Parliament's YouTube Channel *ParlView*. Viewers and listeners can send their comments related to today's topic via our email, that is:

[Parl101@ttparliament.org](mailto:Parl101@ttparliament.org);

facebook.com/ttparliament

[twitter@ttparliament.com](https://twitter.com/ttparliament)

May I also indicate the purpose of our meeting today? The purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine audited accounts, balance sheet and other financial statements of the Estate Management Business Development Company Limited for the period 2008 to 2010. Our Committee is desirous of hearing from the key stakeholders at the EMBD to learn of the challenges being faced by your organisation and to determine some of the possible solutions and measures to overcome these challenges.

The role of the Public Accounts (Enterprises) Committee is to help the EMBD improve its delivery of services in an efficient, effective and economic manner. May I repeat? This is not an inquisition. Our role as a Committee is to help, to assist the EMBD to improve its delivery of services in an efficient, effective and economic manner.

May I take this opportunity, first of all, to invite members of this Committee to introduce themselves, followed by members of the Investments Division, followed by the Ministry of Agriculture, Land and Fisheries, followed by the Estate Management? So I will start on my extreme right and ask my distinguished colleague to introduce herself and we go in that order.

[Members introduced themselves]

[Introductions made]

**Mr. Chairman:** Well, thank you all and may I again on behalf of the PA(E)C warmly welcome all of you to this public enquiry and hearing into the activities of the EMBD for the period identified earlier. May I at this time invite the distinguished Chairman of the EMBD to make some brief opening remarks?

**Mr. Mohammed:** Chairman, and members of the Public Accounts (Enterprises) Committee, I wish to take this opportunity to thank you for convening this session. The EMBD welcomes this reporting mechanism to the national community via the Parliament, and it is pleased to share with those present and the country's citizens, pertinent information as it relates to the accounts and the affairs of EMBD for the period 2008—2010. Well, neither the Board nor the majority of staff here today were engaged at EMBD for the period under review. It should be noted that the team has conscientiously attempted to prepare and as best as practicably possible for this session. Our representatives today will endeavour wherever possible to provide the Committee with any information required for the period under review. Thank you.

**Mr. Chairman:** Well, we want to thank you, Mr. Mohammed, for as you said, making the effort to provide the Committee with as much information as possible even though you and your team would not have been around during the period that we are examining. So we want to thank you in advance for your cooperation.

I would like to begin by asking the Permanent Secretary of the Ministry of Agriculture, Land and Fisheries for clarification on some issues, but I want to do this against the background of the Financial Regulations, and all of us would be aware that in accordance with Part 1, section 4, on page 37 of the Financial Regulations, it states and I quote:

“An accounting officer shall be responsible for ensuring—

- (a) that the financial business of the State for which he is responsible is properly conducted;”—he or she that is—“and
- (b) that the public funds entrusted to his”—or her—“care are properly safeguarded and are applied only to the purposes intended by the Parliament.”

End of quote insofar as the regulation, Part 1, section 4 on page 37 of your Financial Regulations.

When I looked at a review of the *Estimates of Recurrent Expenditure* showing annual allocation to the EMBD, it tells the following story. Whilst we are looking at 2008—2010, we have to be mindful of the realities that we are faced with in the period that we are living in. So we are not going to be just confined to 2008 to 2010. I observed that in 2016 the

estimates, that is, the Government subvention was \$25.6 million. The revised estimates in 2016 turned out to be \$19 million, and we observed in 2017 the estimates is some \$16 million. So for the period 2016 to 2017, the total allocation of Government's subvention to the EMBD is in the sum of \$35 million. The first question I would like the Permanent Secretary to take note of and to respond to is this: How does the Permanent Secretary account for these funds, \$35 million? The second area I would like you to clarify for us is as follows: How does the Permanent Secretary, as the accounting officer, ensure accountability and transparency in performing her role and responsibility in monitoring this enterprise called the EMBD to ensure the following:

- the proper system for accounting as prescribed by the Treasury is established and maintained;
- exercise supervision over the receipt of public revenue; and
- make proper provision for the safekeeping of public money.

So I hope that the Permanent Secretary has taken note of those areas I would like you to clarify. A third area I would like you to clarify—in fact, maybe at this point I will ask you to respond to those issues, and there are some further clarification I would seek in a short while. So I turn the floor over to the Permanent Secretary on this matter.

**Mrs. Siew:** Thank you very much, Mr. Chairman. As you are aware the Ministry of Agriculture, Land and Fisheries has oversight for the EMBD. We, as a Ministry, support the mandate of the EMBD. We provide technical supervision with regard to their planning, monitoring and evaluation, et cetera. In the Ministry of Agriculture, Land and Fisheries, we have an officer who we permanently assigned to the EMBD. That officer would receive all financial transactions that may occur at the EMBD.

What happens there is that the documents come to us and this officer, in an effort to ensure that the funds are utilized for the purpose that it is intended, the project is aligned with targets, ascertain value for money, they would review the tendered documents sent, make sure that all the documents that are supposed to be submitted are submitted, for example, Cabinet Minute that would have given approval for the project, or whatever the item is. They would go through that to ensure that everything is above board, and the money allocated for that particular, let us say a particular phase, that it aligns with what is in the contract.

Apart from that, in the monitoring and evaluation, this officer also, together with an officer or officers of the Engineering Division, would go out together with the M&E, representatives from the M&E Ministry of Planning and Development and also the Budget Division - Finance, to make site visits, one, to see the progress of the project; two, to ascertain whether we are getting value for money and the service delivery is up to standard; and also to have a general sense of what is happening with projects.

Apart from that, monthly cash statements are sent to us for our review. So this will indicate how moneys are spent. So we have the opportunity to review that. Also confirmed board minutes are reviewed to assist us in knowing what is happening at the EMBD, what decisions have been taken and whether the decisions taken are in keeping with what is required. That generally is what we do to ensure that the finances and so are—

**Mr. Chairman:** Madam Permanent Secretary, you made mention of an officer assigned by the Ministry of Agriculture, Land and Fisheries—

**Mrs. Siew:** From the Planning Unit.

**Mr. Chairman:** The Planning Unit?

**Mrs. Siew:** From our Planning Unit.

**Mr. Chairman:**—to have some kind of oversight responsibility at the level of the EMBD so that you would be aware. How long has this arrangement, as far as you could recall, been in place?

**Mrs. Siew:** It is an arrangement not only for EMBD, but all the bodies that are under us. As far as I am aware, as far back as 2011, that arrangement has been on for EMBD for the times that they have been with us.

**Mr. Chairman:** And would you indicate to this Committee whether you are satisfied with the arrangement as it relates to the Ministry's oversight of the EMBD? Are you satisfied with this arrangement?

**Mrs. Siew:** Well, not totally satisfied. There is always room for improvement, but we have to work with what we have. The officer who is assigned to EMBD, in the instances where additional assistance is needed, we have other members of staff would join in for two purposes, one, to assist him, and two, for them to be familiar with what is to be done. So in the event, you know in the public service you have people moving to other Ministries for acting positions and so on. So we try to have people become aware of what is the process and the procedure.

**Mr. Chairman:** Would you want to share with this Committee any measures that you have taken to improve this arrangement in terms of the oversight arrangement?

**Mrs. Siew:** Well, we plan to have a projects review committee within the Ministry, who would specifically be established to look at proposals presented for development projects, and their job would be to assess whether it is in line with policy and sectoral goals. Apart from that, we are in the process of establishing a monitoring and evaluation unit for the entire Ministry—not only for EMBD, but the entire Ministry—and that unit would be populated with additional people to assist us in doing the monitoring and evaluation.

**Mr. Chairman:** Would you want to share with this Committee this oversight responsibility of this member from the Planning Unit? Would you want to share with us why there has been no financial audited accounts for the period 2011—2015 from the EMBD? Would you say that, for instance, something is radically adrift at this organisation? What is accountable, what is responsible for this development, Madam Permanent Secretary? Could you share with us?

**Mrs. Siew:** When the question was presented to us, we found it a bit difficult to really pinpoint the answers to that, having regard that most of us were not there at the time, but if we look at EMBD's movement from Ministry to Ministry, there may be instances where you may also have movement of people out of the EMBD. So that institutional memory would have gone with them; it may also be that there may have been some lack of oversight; it may be another reason; and it may also be that the EMBD in themselves may not have understood what is their role in terms of that and as a result would not have complied.

**Mr. Chairman:** Before I ask Mrs. Baptiste-Primus to come in and later Mr. Small. Madam Permanent Secretary, I know that you are new to the job that you are now in charge of, the office, but we are talking about possibly hundreds of millions of the taxpayers' dollars that have been allocated to this company over the years and it is unacceptable, indefensible, inexcusable, for the Parliament of the Republic not to have sight of the financial audited

accounts of this organisation for the period under review, that is, 2011 to 2015. We have between 2008—2010, but none for 2011 to 2015, up to 2016.

I do not know if, Mr. Mohammed, who is new again to this exercise, along with you, Madam Permanent Secretary, could give this Committee the undertaking as to how soon we would be able to expect those accounts to be sent to the Ministry of Finance and onward to the Parliament, so that this Committee could examine the financial audited accounts of the EMBD for the period I have identified. I do not know if Mr. Mohammed would like to go first and then you would like to follow-up.

**Mrs. Siew:** Okay. Well, Mr. Mohammed will be able to better explain, but some of those accounts have been audited. Mr. Mohammed will fill you in of the details.

**Mr. Mohammed:** Chair, if you allow me please? The period under review, and I would just like to provide a bit of background and update if I can. Our financial year ends on September 30<sup>th</sup> of each year. The accounts for 2008 was audited and finalized by a previous Board in November 2009; the accounts for 2009 was completed and finalized on 6<sup>th</sup> of May, 2011; the accounts for 2010 was completed in May of 2012; and I will speak now in relation to 2011 and 2012, onto 2015.

The entire backlog of these accounts, it is required under the State Enterprises Performance Monitoring Manual as well, and we as a Board coming into EMBD in November 2015, we identified that this is an aspect that needs to be urgently attended to. We proceeded to have the auditors come in and continue preparing the audited financial statements, and in January of 2017, the Board would have signed off not just 2011 and 2012 accounts, and I guess that is probably on its way to the Parliament.

#### **10.55 a.m.**

In relation to 2013, '14 and '15, we have completed almost 90 per cent of the work that is required on those years and as we speak, RFPs are out for auditing firms to submit proposals to complete those. We have to have an AGM to appoint the auditors and as soon as the team at the EMBD evaluates the submissions of those auditing firms, we will engage the Ministry of Finance to have an AGM so that we could immediately proceed to have those three years, that is, '13, '14 and '15, completed. We anticipate, based on the amount of work previously done, that within the next six months, we can submit those three years to our line Ministry.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. I would like to go back to Madam Permanent Secretary just to clarify one or two areas. The officer who is assigned oversight to EMBD, what is the position of this officer?

**Mrs. Siew:** He is a Senior Project Analyst.

**Mrs. Baptiste-Primus:** And therefore, in your consideration, is that officer competent enough to conduct the necessary oversight over the projects that you said that that officer does?

**Mrs. Siew:** Yes, he is. Additionally, as I said before, we also have representatives from our engineering division who would go out and look at the physical status of the project. And there is a collaboration between the representative from the engineering division and the Senior Project Analyst to assess the project. As well, it is a standard procedure with regard to the documents that are reviewed, what is required to be submitted, if they have been submitted? We have our spreadsheet with what has been spent, what is to be spent and for

what; and from that, we will know what are our balances and so on.

**Mrs. Baptiste-Primus:** Is that officer here today?

**Mrs. Siew:** No, he is not.

**Mrs. Baptiste-Primus:** Is the Ministry considering the establishment of a monitoring and evaluation unit? Because one person cannot, by any stretch of the imagination, have the ability to have that level of oversight over an organization as the EMBD.

**Mrs. Siew:** Yes. So as I said before, yes. That was one of the things that we are putting forward, a monitoring and evaluation unit to assist with that. We want to populate that so that we will have more people assisting the Senior Project Analyst. As I also said before, even though this person is permanently assigned, where the need arises, we also have other persons within the planning unit that would assist him.

**Mrs. Baptiste-Primus:** Trained persons or just merely support?

**Mrs. Siew:** Well, they are project officers so.

**Mrs. Baptiste-Primus:** Okay. On the issue of the Minutes, you indicated that Minutes are reviewed to assess the decisions taken. What is the time frame within which Minutes, confirmed Minutes, are forwarded for the attention of yourself who is now the Permanent Secretary? What is the time frame? After meetings are held, what is the time frame for those Minutes to be sent on to you all?

**Mrs. Siew:** Well, since I have been there, EMBD, they have been getting Minutes to us within two to three weeks after the meeting.

**Mrs. Baptiste-Primus:** Okay. Well, two to three weeks seems reasonable because if Minutes are not delivered within a timely framework, then the oversight from your Ministry would not really be on the ball. So that two or three weeks, I am satisfied with that, Mr. Chairman. The officer is not there.

**Mr. Small:** Thank you, Mr. Chairman, for giving me the opportunity. Thank you, members, again for allowing me to be able to interject at this point in time. If you would permit me, Mr. Chairman, I continue to be concerned when I hear from Ministries that they have challenges with the relationships between themselves and entities and something needs to be done about that.

I want to direct my first question, Mr. Chairman, if you would permit me, to the Permanent Secretary. In your last response to Minister Baptiste-Primus, I have a question: How often would you say that your team or your senior team or yourself would meet with EMBD on an annual basis?

**Mrs. Siew:** Well, actually we have verbal discussions over the phone. In terms of meeting, we have met based on an issue that arose in January, I believe. The end of January was the last time that we met.

**Mr. Small:** The reason I am asking, Madam Permanent Secretary, is because I think that this is a significant entity and I would have thought that the line Ministry would have, at least at the beginning of the year, met with the entity to discuss what their plans are for the year that is going to begin, so the Ministry could be up to speed with what are the key strategic activities of the company for the year coming. Is this something that the Ministry does on a routine basis or is it, as you have just described, an issue comes up and then that generates the reason for a meeting?

**Mrs. Siew:** Okay, to answer that, since I have been there, EMBD has been sending the board

Minutes and whatever. Now, in terms of their activity, they have only been given a recurrent subvention for this financial year. So with regard to that, we would get the information from them on their spending but in terms of projects and so on, it would really be based on what they are reviewing now because they are doing some audits and so on as they explained before. But in terms of meeting on a regular basis, it really would be based on issues that would have come up.

**Mr. Small:** Well, thank you very much, Madam Permanent Secretary. The long answer you gave is no and that is the issue that I am flagging. That I do not subscribe to the view that a line Ministry can have an entity be under them and not meet with them to understand what their plans are.

The question asked by Minister Baptiste-Primus about the time frame between decisions and when you are aware, if you have a shape at the beginning of a period for what the plans of the entity are, by the time you get the Minutes, you are not seeing it for the first time, you would understand that this is something on the schedule. So I would like to suggest, through the Chair, that this is something that the Ministry consider. And I know it happens in other Ministries where they have, at least, biannual meetings with key state entities under their portfolio: what are your current plans? Let us—keep us up to speed, keep the Permanent Secretary and the Minister informed of what are the current plans and make sure that we are all—we are not trying to stop you from doing what you have to do but at least keep the line Ministry informed.

Mr. Chairman, permit me, I have one other follow-up question. Again, I do not want to belabour the point but this complete breakdown in oversight regarding financial accounts at the entity and then it seems to be exacerbated by the lack of any strong will by the line Ministry to enforce what is clearly outlined in the framework regarding management and monitoring of state enterprises. I continue to struggle with that, Mr. Chairman, and I do not understand why we are in a place here in April 2017 looking at accounts for 2008 to 2010, and that is a statement that I am not happy about that and I want to put that on the record. That is something that is absolutely unacceptable.

Mr. Chairman, I have a question here regarding a—and it comes directly back to my first point. In the submission by EMBD, it is on page 7 of your submission, you made a comment—and I am addressing this to the Chairman—I want to quote the comment:

EMBD continues to grapple with a gap in strategic alliances with its line Ministry and other agencies which impacts on its ability to do its work more efficiently.

Could you explain what that means, Mr. Chairman?

**Mr. Mohammed:** Member, generally an organization's strategic plan is somewhat aligned to the Ministry that it is reporting to and the history of EMBD shows that we would have been moved around over several Ministries and therefore, it is somewhat difficult to pinpoint exactly what your strategic objective should be if you do not have any level of certainty in terms of where you should reside. For example, from August 2002 to 2010, we reported to the Ministry of Finance. Then, from August 2010 to 2012, we fell under the Ministry of Food Production, Land and Marine Affairs. In July 2012 to September 2015, we were under the Ministry of Housing and Urban Development. Then in September 2015 to present, we are now back at the Ministry of Agriculture.

EMBD's strategic function, as far as I am aware, is simply to fulfil—our primary

objective should be to fulfil the mandate given, which is to provide the commitments made by the Government in relation to the VSEP commitments to the Caroni (1975) workers and that is what we continue to focus on as our key objective. Having been across four Ministries over the last five years has presented a challenge in determining a strat plan.

**Mr. Small:** Mr. Chairman, if you would permit me? The Chairman of the company raised an issue of the strategic plan, if you would permit me, Mr. Chairman, I just have one quick follow-up regarding the plan. This is at the beginning of your submission here. My question is regarding the strategic plan. Regarding this 2010 to 2014 plan, was there any review done as to the extent to which the company achieved the objectives outlined in the 2010 to 2014 plan?

The reason I am asking that, Mr. Chairman, as you would be aware, if you make a plan, you at least should, at the end of that plan period, be able to assess whether or not the company has met its key objectives or there are gaps that caused you or challenges that caused you to not meet those plans and those things that need to be addressed in the current plan going forward. So I would like to understand, if possible, someone can say or share with me and this Committee, in the review of the performance of the company based on the 2010 to 2014 plan, was a review done? And if that review was done, what is the result of that review?

**Mr. Mohammed:** Member, as I would have said in my opening statement, many of the persons here would not have been with the organization during that time. I would say that what I have been told is that that strat plan was never confirmed; it was merely a draft and therefore, I am not sure whether or not one should be pursuing something that is now—I mean, long gone, still in its draft form.

**Mr. Small:** Just one final item. I accept your response, Mr. Chairman, and therein lies the problem. That we have an entity operating with a draft plan, no accounts prepared; taxpayers' money, we are not able to account for taxpayers' money. This thing is just floating around in cyberspace. We cannot have entities operating like this. So I understand your particular situation, Mr. Chairman, you have just come in, but for the purposes of this Committee, this is a problem that we have seen repeated time after time and as the line Ministry is here, this is a problem I am sure the line Ministry is well aware of. We have to work out a plan to deal with this. Hundreds of millions of dollars have been spent, there is no plan for how the company is supposed to operate and then worse, there is no accountability for the money. Mr. Chairman, I cede to other members.

**Dr. Gopeesingh:** Thank you very much, Chair. This is meant for the Ministry of Agriculture. Can you give an appreciation at a national level what is the total acreage defined for agriculture for Trinidad and Tobago? What is the total acreage meant for agriculture? How much of that is under the control of the Commissioner of State Lands? How much acreage of that is still under control by Caroni, if Caroni still exists, and of course, by EMBD? If we can get some answers to that from a national perspective, the country would like—well, I have been asking that for a long time. Where are we in terms of agricultural acreage nationally and how is it divided in terms of the responsibilities for these acreages?

**Mrs. Siew:** Okay, I am unable to give you the figures off—I cannot recall the figures offhand but I know with regard to EMBD, we have about 77,000 acres for the—agricultural you asked about?

**Dr. Gopeesingh:** Yes, agricultural lands.

**Mrs. Siew:** Okay. We have just over 3,000 agricultural plots under EMBD. With regard on the national scale, I do not have the figures, I cannot recall the figures now but I can present it to the Committee at a later stage.

**Dr. Gopeesingh:** How much land is EMBD responsible for?

**Mrs. Siew:** The total number of agricultural plots is 3,000—

**Dr. Gopeesingh:** No, not the plots, the land, the acreage.

**Mrs. Siew:** 77,000 acres.

**Dr. Gopeesingh:** All right. So from the 77,000 acres, I have it here, page 5 of 32, EMBD continues to secure 77,000 acres of state land from squatting, encroachment, et cetera. And on the previous page—so you are not able to give us the information how much acreage for agriculture nationally?

**Mrs. Siew:** I do not have the figures.

**Dr. Gopeesingh:** If 77,000 is what EMBD is responsible for, what are the other agencies that are responsible for agricultural lands in the country? I spoke on it, Secretary.

**Mrs. Siew:** Apart from the Ministry of Agriculture?

**Dr. Gopeesingh:** No, no, Ministry of Agriculture is responsible for all agricultural lands, it comes under your remit and EMBD is one of the agencies responsible for 77,000 acres of state land. What are the other agencies that are responsible for agricultural lands and give us an approximate acreage of how much each of these other agencies are responsible? If you cannot answer, Madam Permanent Secretary, perhaps, I do not know if your colleagues will probably be able to. Anybody?

**Mrs. Siew:** We have the Land Settlement Agency as well which is responsible for lands but I really do not have the figures.

**Dr. Gopeesingh:** May I ask you, in your leadership position for agriculture at a national level to be seized of that information, because decisions cannot be made in the absence of an overall picture. You must understand where we are as a country, how much land is for EMBD, how much land the director of state lands is responsible for, how much the Land Settlement Agency is responsible for, how much is Caroni responsible for. So if it is possible, if you do not have it now, could you send that for us?

I am sure the media would like to know that, the people of this country want to know that because here it is, we have the country's land divided in agricultural areas, some are reserves and some are for residential and some are for commercial business.

**Mrs. Siew:** I will provide that information to the Committee.

**Dr. Gopeesingh:** All right, okay. Now, coming to the 77,000 acres that you said you are responsible for, how much of that has been utilized for residential development for the Caroni VSEP workers? As you said on page 3, the priority projects for EMBD are the residential developments for the Caroni VSEP workers. Do you have that document before you which you submitted to us? Yes? And the second area is the EMBD's other major priority remains facilitating increased domestic food security through land development.

With respect to the first, for the VSEP workers, you said that there are 5,056 lots which really is a 1,014 acreage completed and on the next page—so in total, you have a number that is ongoing and substantially complete and approvals outstanding which came up to the difference between 5,000 and 6,700, so approximately 1,200. So altogether, have the

first 5,056 lots that were for residential developments for Caroni VSEP workers, how many of that have been distributed to the Caroni workers from the VSEP programme? That should be at your fingertips.

**Mrs. Siew:** You are referring to the document submitted by EMBD?

**Dr. Gopeesingh:** Yes, your document here that you submitted.

**Mrs. Siew:** No, that is EMBD's document.

**Dr. Gopeesingh:** All right. Well, no—the answer that you are a committee, agriculture, EMBD, so can the EMBD answer the question?

**Mr. Mohammed:** Sure. Member, if I can attempt to answer that question.

**Dr. Gopeesingh:** But did you send a copy to the Ministry of this document?

**Mr. Mohammed:** Yes.

**Dr. Gopeesingh:** Well, you are coming before a committee, the Ministry should be seized of the Committee and walk with their armamentarium for answering questions. Does anybody from the Ministry of Agriculture have this document which EMBD submitted to us?

**Mrs. Siew:** Yes, I have it.

**Dr. Gopeesingh:** If I could refer you to page 3 of 32? You have 5,056 plots that have been completed, how many have been distributed to the former Caroni workers under the VSEP programme?

**Mrs. Siew:** What page are you on?

**Dr. Gopeesingh:** Page 3.

**Mr. Mohammed:** Member, may I please?

**Mr. Chairman:** Yes, yes.

**Dr. Gopeesingh:** Yes.

**Mr. Mohammed:** In relation to the agriculture parcels, if I can deal with that firstly—

**Dr. Gopeesingh:** No, I am asking about residential developments first. Page 3, EMBD are the residential developments for Caroni VSEP workers and you have a summary: 5,056 plots and the acreage for that is 1,014 acreage. How many of those 5,056 residential development plots have been allocated already to Caroni VSEP workers?

**Mr. Mohammed:** Okay. Member, we are responsible for developing and therefore, we would have developed 5,056 plots which have been completed and that would have been handed over to Caroni (1975) Limited for allocation and distribution. We are not in a position to say how much of that would have been distributed, except to say what we would have developed on their behalf.

**Dr. Gopeesingh:** But if you have completed it, it would not be completed and laying in abeyance there, you must know what has happened to it having completed it. Are you not responsible for it still until it is handed over?

**Mr. Mohammed:** No, we are responsible for developing and handing over.

**Dr. Gopeesingh:** After you have developed it, what happens? You leave it—

**Mr. Mohammed:** You hand the site over to Caroni to distribute to the beneficiaries.

**Dr. Gopeesingh:** Have you handed over these 5,056 plots?

**Mr. Mohammed:** Yes.

**Dr. Gopeesingh:** All right. So we will have to ask Caroni (1975) Limited. Could you get that information for us, Permanent Secretary? Yeah, that is one.

**Mr. Mohammed:** Member, if I can? In a comment you made at page 5 of our submission, I

asked the Committee to note that EMBD is only responsible and the only tenure we have would be for those agricultural sites that we have a head lease for, which would be Caroni, Edinburgh, Felicity, Jerningham Junction, La Fortune, Picton, La Gloria. Outside of those parcels, we are not responsible for those lands except to say in relation to the 76,000 acres that we referred to in our submission. We do not have any ownership or title, we are only responsible for securing those lands from squatting, encroachment, illegal cultivation and praedial larceny.

**Dr. Gopeesingh:** But that is very strange. If you do not have ownership or a sense of being responsible for it, how can you move on to state that you are responsible for squatting, encroachment, illegal cultivation and praedial larceny if you are stating that you are not responsible for it except that? How can you be responsible for that if you are not—how can you engage in those activities if you are not responsible for it? Then you are doing something illegal.

**Mr. Mohammed:** Member, I will ask that we go back to the Act that created EMBD.

**Dr. Gopeesingh:** No, you submitted this, Sir. You submitted this document and you said originally that you have 77,000 acres of state land under your watch.

**Mr. Mohammed:** Yes.

**Dr. Gopeesingh:** And are you now coming to say that it is not under your watch but you are responsible for preventing squatting, encroachment, illegal cultivation and praedial larceny?

**Mr. Mohammed:** No, I am saying it is under our watch to prevent these from happening.

**Dr. Gopeesingh:** And I am saying that if you said that you are not responsible for the 77,000 acres of land, how could you be responsible for this if it is not within your so-called responsibility or ownership? This is what is giving some difficulty but think it through your mind and you will respond to it.

Now, I just want to ask, Chair, the last part of this. You said a number of these plots are still ongoing and works have been suspended. Some have been substantially complete and some approvals outstanding and that is approximately 5,000 to 11,000, about 6,000 lots—6,780. Could you give us an idea what is the status of those residential development plots for Caroni VSEP workers, 6,780 plots?

**Mrs. Siew:** Yes, Mr. Mohammed.

**Dr. Gopeesingh:** That is on page 4 of your document you submitted.

**Mr. Mohammed:** Member, several of those sites, as the document states, that works would have been substantially completed and what remains outstanding would be the statutory approvals from the various agencies.

**Dr. Gopeesingh:** Yeah, that is a vague answer. Could you give us an almost complete definition? How many of these plots have been completed out of the 6,780 and how many of these works have suspended and how many approvals outstanding? If you can give us that answer.

**Mr. Mohammed:** Can we submit that subsequently? Can we provide that subsequently in writing?

**Dr. Gopeesingh:** Yeah, sure.

**Mr. Chairman:** Yes, I would suggest that you will do so. Do you have anything further, because I want to go on to Shamfa Cudjoe. Shamfa, you could go on, and we will come back to them.

**Miss Cudjoe:** Thank you, Chairman. Chairman, I have—we can go on all day about who is responsible for how many acres of land but my challenge with EMBD over the past, I would say at least nine years, is EMBD, as small as an entity it is with major responsibility, manages or should I say has a strong record of recklessness and mismanagement. I am reading reports where contracts would have started at \$67 million and came up to \$334 million in variations. Several contracts starting at \$66 million and find its way up to \$659 million. My question really, what kind of rules and regulations, what strategies, what is available within the organization as it relates to a procurement, project management, managing public funds and also at the level of the Ministry through the Permanent Secretary and the officers on board to properly provide the necessary oversight for EMBD?

My second question has to do with a recent contract or project somewhere in the vicinity of \$400 million to build roads in the cane fields, I think given to about five contractors. Where are we with that work? Since development of this property for which you have oversight, or you have the responsibility to develop, falls squarely under your purview. These moneys that have been given out in contracts and this work that we have entrusted these contractors to do, where are we in the completion of these projects and what kind of regulations do you have on hand to ensure that you get value for money, that these projects come up to what it was budgeted to be? Because I cannot see how you could give a contract for \$66 million and then it transforms into \$659 million more in variations.

**11.25 a.m.**

Over the years, EMBD has been coming up with \$1.5 billion, in some cases two/three billion dollars in variations and I want to know what is being done or what has been done? Do you have a strong financial team on board? Do you have auditors on board? If you have one, how long has that auditor been on board? Just explain to us how you really manage public finances, please.

**Mr. Chairman:** Yes, who would like to answer, Ministry of Agriculture or the EMBD Chairman? EMBD, you would like to respond?

**Miss Cudjoe:** My question really, as it relates to oversight, is to the Permanent Secretary as she would have mentioned that there is a system in the Ministry to provide oversight? Where was that system over the years and what is happening now, even within the company and from the Ministry also? What is happening with project management and procurement?

I do not understand, in recent times the authority, or should I say the autonomy given to a Chairman of the Board of Directors to sign off these variations without the directors knowing and so on. The practice, or should I say the culture in the EMBD, to me like so many other state enterprises, it is chronic. It is like a cancer and we could spend hours discussing what happened then. But what is happening now in our recent past and what are we doing now to prevent these things from happening again?

I read the *Hansard* in the Parliament where, in 2014, we were asking: Where are the audited financial documents for 2013, 2012, 2011? And here we are in 2017, with a couple more years added to the same years that we were asking about.

So are we really a Committee interrogating and investigating and looking out for the best interest of the country or are we playing committee? “We playing Parliament?” So, that really is my challenge, because sometimes it feels like we meet as a formality. Because if we meet and we talk and we ask these questions and we ask for certain regulations and rules and

strategies to be implemented and come back five, four, three years after and asking the same questions, this is a waste of time, a waste of public funds and I really want to know: Where are we going, as it relates to managing public funds and public property?

**Mr. Chairman:** Okay, all right. Madam Permanent Secretary.

**Mrs. Siew:** As far as I am aware, whenever there are variations to a contract, that has to go to Cabinet for its approval. Right? So that, once the documents and so, come to us and we recognize that there is a variation in the contract, right, we are supposed to do a Cabinet Note for it to go to Cabinet.

I do not—I am not aware of what happened in other Ministries. Right? As far as I am aware, that is the procedure with regard to variations.

**Miss Cudjoe:** I do have a question, and I am sorry to jump right in, because state enterprises do not create Cabinet Notes. A state enterprise cannot send a Note to Cabinet.

**Mrs. Siew:** No, that is what I just said.

**Miss Cudjoe:** That is what I am saying. At what point in time this monitoring and evaluation system in the Ministry kicks in and the Permanent Secretary and all its different facilities kick in to provide the necessary advice and oversight, when you see a contract increase by 1,000 per cent or more?

**Mrs. Siew:** So, once that comes to us, that is what we do. We prepare a Note for Cabinet. Now, there may be instances where it has not reached us. There may be instances it has not reached us or reached the Ministry. With the changing of the Ministry, the EMBD going to another Ministry, it may not have been picked up there.

**Miss Cudjoe:** So, are you saying then that these inconsistencies that we now question, there is a Cabinet Note and Minute sitting somewhere giving authority to these increases in these contracts from?

**Mrs. Siew:** No, I am saying, no there is not. That is what should have happened with regard to variations.

**Miss Cudjoe:** Right, so then that takes us back to the necessary oversight that should be provided to the Board, the Board of Directors, the company from the Permanent Secretary's office.

**Mrs. Siew:** Yes.

**Miss Cudjoe:** How did that slip us?

**Mrs. Siew:** It is difficult for me to answer the question with regard to what happened in the past. But I know that when things like that come to us, right, that is the procedure that is to be taken. More than that, it cannot go anywhere, because it has to go through the Budget Division and the Budget Division would not pass something like that without the proper approvals.

**Miss Cudjoe:** Okay. Permanent Secretary, how long have you been at the Ministry of Agriculture, may I ask?

**Mrs. Siew:** Eight months.

**Miss Cudjoe:** Eight months. Okay, well in the—let us speak about something more recent because we do want to be faced with a committee again some months down the road and say: “We do not know. We were not there.” Right now, we have a situation where there is road development in cane fields on the said property. Contracts given to about five contractors in the amount of \$400 million or somewhere thereabout and this work has been going on for

about two years. Are these projects on time? Are we getting value for money? What is happening there? What kind of oversight is being provided right now?

As it relates to auditing and project management and so on within the entity now, do we have auditors on board? Do we have a strong financial team to really monitor how public funds are being managed? What is happening now? You are saying that you cannot answer for what happened then, and we are still cleaning up what happen then. What is happening now to prevent these things from happening again?

**Mr. Chairman:** Yes, Madam Permanent Secretary.

**Mrs. Siew:** At present, those projects are being audited among others. The results of those audits, we are supposed to get in the near future. Basically, that is the status of that. EMBD, they have been engaging auditors, right, so that that could be looked at.

**Miss Cudjoe:** One follow-up question, please PS, through you, Chairman. EMBD does not release moneys to itself. Right?

**Mrs. Siew:** “Um-hmm.”

**Miss Cudjoe:** It must come from the Ministry. The Ministry does not release money to itself. It depends on the Ministry of Finance.

**Mrs. Siew:** Right.

**Miss Cudjoe:** So where is the oversight and the accountability in watching contracts and projects going from \$66 million to \$659 million, from \$33 million to \$370-something million? When EMBD makes that request to the Ministry, then the Permanent Secretary ensures the money is provided. Where is the oversight in asking how, why, when, is this making sense to us? And then even from the station of the Permanent Secretary in asking that to finance? Nobody in the whole line picked up that something is wrong? And if that has happened then, what is in place now to prevent that from happening again? How do we just give money to EMBD freely and do not ask what happened, or how did the bill increase? I am confused. Help me.

**Mrs. Siew:** I as a Permanent Secretary would not allow that to go forward, because once there are variations, there are not proper approvals for that. And the approval of Parliament must be sought. Right? In any event, even if we were trying to slip that in to go to the Ministry of Finance, they would not accept it because there are no proper approvals. So even if at the Ministry's level, it slips in, at the Ministry of Finance level, it would not be entertained.

**Mr. Chairman:** You wanted to raise a point, Foster?

**Mr. Cummings:** Chair, thank you. I have many questions but I would start with the head office and this question is directed to the EMBD. I am seeing here where the head office moved from Valsayn to a bungalow at Brechin Castle and in your response on page 9, it says that there is a licensed agreement from the Commissioner of State Lands and the licensed agreement is currently being reviewed. Could you give some clarification on that, tying your response to the fact that you did some work on the building? I am assuming. I am seeing here a \$16 million expenditure. Could someone just give some clarification on that?

**Mr. Mohammed:** Member, the present head office of the EMBD is situated at Bungalow No. 59 Brechin Castle. My understanding is that the previous board would have taken a decision to relocate the offices from Valpark Shopping Plaza to that site. EMBD holds, as far as I am aware, no tenure, because what was provided was a licensed agreement, which I

believe might be expired at this point in time. What we have done is we have asked the Commissioner of State Lands to actually proceed or assist the EMBD in getting a lease for that property, which will give us some security. In relation to the expenditure for the relocation of the office and the development of that bungalow, it was in the vicinity of approximately 16 and a half million dollars.

**Mr. Cummings:** Say again.

**Mr. Mohammed:** \$16.5 million.

**Mr. Cummings:** Are you saying to us Chairman, that the previous board undertook this expenditure and there is no tenure to the property?

**Mr. Mohammed:** Correct.

**Mr. Cummings:** Okay. In terms of the internal audit function, could you indicate to us what is in place at EMBD, in terms of an internal audit function?

**Mr. Mohammed:** Our records indicate that EMBD was without an internal auditor since 2013. The board—yes 2013. Until our appointment, there was no internal auditor at EMBD. I am happy to report that we have recruited someone who will be joining the organization within two weeks.

**Mr. Cummings:** In your response, I saw that the board retained PricewaterhouseCoopers to perform an audit. I do not have it in front of me now but in reading the document I know I passed—could someone give us—

**Mr. Mohammed:** So, the scope of work in a general form that PwC was retained related to the award of certain contracts for 10 bypass roads in or around the amount of—and this would have been in mid-2015. Those contracts were awarded to five contractors. The sums would have been in or around \$400 million.

**Mr. Cummings:** How much is that, 400 million?

**Mr. Mohammed:** \$400 million. And the scope of PwC would include to ascertain whether or not there was any fraud, bid rigging, cost overruns, variations, quality and quantity of works.

**Mr. Cummings:** Can I ask further? I understand from your previous statement that the EMBD primary responsibility is to develop residential and agricultural plots for the VSEP package for Caroni (1975) Limited workers and that, insofar as the 75,000, acres are concerned, that for the parts of that land that does not fall within that responsibility, you just have responsibility for security and making sure that there are no squatters and so forth, on the lands. Right? So that this decision to construct these bypass roads, where does that fall within the responsibility of the EMBD?

**Mr. Mohammed:** Member, I could only speak to what we found. I cannot answer how or why it ended up at the doorsteps of EMBD.

**Mr. Cummings:** Would you agree that that falls outside of the responsibility of the EMBD? So that the EMBD taking a decision to construct these bypass roads when they did, that in fact that does not fall as part of the responsibility of the EMBD? Do you agree with that?

**Mr. Mohammed:** I would be somewhat cautious in my approach to answering this question, except to say that if you have received an instruction from your line Ministry to undertake certain works, subject to the respective approvals, be it Cabinet or otherwise, one may have no option but to execute the mandate of your line Ministry.

**Mr. Cummings:** I have read somewhere around that you had a change in CEO. Well, the

report says that your Chief Executive Officer, Gary Parmassar, was sent on leave. Is this as a consequence of the report submitted by PricewaterhouseCoopers?

**Mr. Mohammed:** I can confirm that Mr. Parmassar was sent on leave in February of 2016, to facilitate the audit being conducted. I can also confirm that last Friday was the last working day for Mr. Parmassar at the EMBD.

**Mr. Cummings:** Final question to the Permanent Secretary. In light of all the information, Permanent Secretary, that we have gone through this morning, in relation to the conduct of EMBD in fulfilling its mandate, and you did indicate that there is one officer from the Ministry responsible for oversight for EMBD, what is the Ministry currently putting in place to ensure that what appears to have been a runaway horse in the past, that we do not have a reoccurrence of these types of activities?

**Mrs. Siew:** Okay, as I said, even though we have said that it is one person responsible for the oversight, it is a very robust procedure in what is presented to us for us to agree to, to send forward to finance for releases, et cetera. So that, there has to be certain documents, right, presented to us for our review. Once there are things missing we cannot send it forward and even if we attempt to send it forward, the Ministry of Finance will turn it down. Right?

That procedure, I think, even though it is one person, it is a sound one. Because nothing can go forward unless we have those particular documents and everything is in place and moneys to be spent, moneys that they are asking for, is really for the purpose that it was intended.

**Mr. Chairman:** Madam Permanent Secretary, I think that Miss Cudjoe raised some issues earlier, also Mr. Foster Cummings. Would you be blunt with this Committee and indicate to this Committee, is there a forensic audit currently taking place into the EMBD? If there is such a forensic audit, which accounting firm is doing it, and how soon can the public expect the findings and recommendations of this forensic audit to be made public, so this so-called runaway horse called the EMBD could be corralled? Could you share with this Committee what is the reality?

**Mrs. Siew:** Given this issue is a particularly sensitive one, we would prefer if we provide it in writing and not in public.

**Mr. Chairman:** No problem if you want to submit it in writing. But the question is: Could you tell us and answer, we do not want you to go into details, but could you tell this Committee whether there is a forensic audit into the operations of the EMBD? It is either yes or no and then you can then put whatever you have to put in writing subsequently.

**Mrs. Siew:** Well, not the entire operations.

**Mr. Chairman:** Aspects of it.

**Mrs. Siew:** Aspects of it.

**Mr. Chairman:** And you will want to put those things in writing?

**Mrs. Siew:** Please.

**Mr. Chairman:** Okay. All right, may I ask the Investments Division of the Ministry of Finance this question? I think the only constant in this whole situation is the Investments Division of the Ministry of Finance. It has not gone anywhere. We have seen what has happened with the EMBD. Directors have gone, staff gone, senior management gone and a number of activities gone and there is no accountability, based on what we are being told. I

would like to ask the Investments Division, which is responsible for the oversight of these state entities, including EMBD, but specifically relating to the EMBD, were you aware that no internal auditor existed at the EMBD between the period 2013 to 2015? And if you were aware, what recommendations would that body have made to the respective agencies overseeing that body, agriculture and the EMBD? Could the Ministry of Finance, Investments Division clarify for this Committee the situation that I have outlined?

**Mr. Ramdial:** Chair, we were not aware that there was no internal auditor at the EMBD.

**Mr. Chairman:** But then the question here is that: Does the Investments Division have the capacity to carry out the monitoring and oversight functions so critically important for these state entities to remain in line in accordance with the state manual, the State Enterprises Performance Monitoring Manual?

How can the Investments Division, if you are properly monitoring and carrying out oversight responsibilities for this entity, not be aware of the absence of an internal auditor? And if you were not aware, as you are claiming now, did any enquiry, what kind of link between or relationship exists between the EMBD, the Ministry of Finance, Investments Division, as well as the Ministry of Agriculture? Something is not connecting. There is a complete breakdown, because we are being told, as a very important Committee, that there was no internal auditing function and auditor between 2013 and 2015. And then when we enquired as to whether the Ministry of Finance, Investments Division was aware, they were not aware. Is something not wrong there, Ms. Babb? What is happening? Try to enlighten us, please.

**Ms. Babb:** What I could say is that with respect to the internal auditor, I know in 2013 the Ministry of Finance, Investments Division, there was an audit done with respect to contracts and at that time there was an internal auditor, but I understand sometime afterwards the person left.

Now, when problems—we reviewed the board minutes, different documents that the state enterprises sent to us. Where we see problems we would write the, whether it be the Chairman, the Corporation Sole would write the Chairman or the Permanent Secretary would write the CEO asking to rectify these problems, put things in place. But with respect to EMBD, we were not getting much responses.

What I also know between the period 2012 to 2015, the board had changed about three times. We understand that a lot of staff left. So it was very difficult to get things done at that institution. Well, we have a new board. We wrote them. They wrote to us indicating that they are going to put these systems in place to get all reports done and we are willing to work with them and we are taking their word because they did write us in February this year saying they are going to get all their financial statements done, they are going to get an internal auditor. So we look forward to working with them.

**Mr. Chairman:** May I ask, do you have a mechanism to identify troubled state enterprises or entities, Ms. Babb? When a state entity is in trouble, like the EMBD has been in trouble for the years that we are looking at, do you have any internal mechanism that could identify an entity that is in trouble, as part of your functions as an investments division?

**Ms. Babb:** Chair, when you mean being in trouble, are you talking about financial trouble or—

**Mr. Cummings:** Governance trouble.

**Ms. Babb:** Governance. Well, through our reporting and the reviewing of the board minutes, you could get some sense of what is going on in the organization, and when we identify or it comes to our attention, we would normally make a request for our Central Audit Committee to do investigations, and that had happened with EMBD in 2013. As I said—and the committee did make recommendations. But as I said before, there was such a high—from what I understand because they never gave us responses in writing when we wrote them about what were the problems. Now, we understand that there were high staff turnover changes plus we know the board changed several times, so they always kept, probably starting over.

**Mrs. Baptiste-Primus:** Thank you kindly, Mr. Chairman. I have four specific questions I would like to ask to the Permanent Secretary. I am not satisfied that there is an officer with oversight responsibility for EMBD and that officer is not here this morning because you would have to rely on that person to provide you with critical information to share with the Committee, but that person is not part of your team.

**11.55 a.m.**

Mr. Chairman of the EMBD, I observe that your procurement officer is not here this morning, someone who I am quite sure would have been in a position—a Ms. Sharlene Thompson, procurement officer—is that person still in the employ of EMBD? Why is that person not here this morning? That person is a critical officer who would undoubtedly have information that would have assisted the Committee.

**Mr. Mohammed:** Member, I apologize on behalf of Sharlene who is not here this morning; regrettably she fell ill and could not attend. The intent was for her to be here.

**Mrs. Baptiste-Primus:** Then it takes me to this question, do you all have a procurement unit in EMBD or is there simply a procurement officer?

**Mr. Mohammed:** As a new board we established a procurement officer and she is assisted by someone.

**Mrs. Baptiste-Primus:** So you all do not have a unit, simply an officer to begin with?

**Mr. Mohammed:** We have an officer and an assistant. I am not sure if you consider two persons to be a unit.

**Mrs. Baptiste-Primus:** No, they are two different things, but I want to urge you, Mr. Chairman and your board, to ensure that you establish a procurement unit. Of course, you would be mindful of the fact that the procurement legislation will become law imminently, so it is important that the board pays attention to that.

It is very shocking to this Committee that EMBD had no auditor for the period 2013 to 2017—very shocking indeed. I am pleased to however hear you say, Mr. Chairman, that an auditor was hired and will be on board within the next two weeks. May I enquire whether or not there is an audit committee of the board? Who heads that audit committee?

**Mr. Kowlessar:** Ms. Beckles heads the committee.

**Mrs. Baptiste-Primus:** Mr. Chairman, was the committee appointed in keeping with the guidelines of the performance—[*Mr. Mohammed nods*] I see you understood where I am coming from, consistent with those guidelines.

On page 20 of the document, regarding trade and other payables, we were advised that as at March 22<sup>nd</sup> EMBD owed mainly to contractors \$602 million, and there is another \$1,183 million being claimed by contractors that have not been certified, and 75 per cent of

that \$1,344 million relates to a single contractor. We have noted that that matter is before the court. May I enquire the name of that contractor? That does not interfere with the matter before the court.

**Mr. Mohammed:** The name of the contractor, Namalco Construction Services Limited.

**Mrs. Baptiste-Primus:** Thank you. I also want to relate to the fact that I have observed that there is a high turnover of staff at the EMBD. On page 6 under Audited Financial Statements, there is this statement:

However it is recognized that a high employee turnover, lack of follow up and oversight may have contributed to the situation. That is with regard to the fact that no financial audited reports were submitted on a timely basis, for the period 2011 to 2015. I want to link that to what is stated on page 7 under Risk Management:

At present more than 50 per cent of general staff have been with EMBD for less than one year. Further, several senior managerial positions remain vacant thus limiting the organizations' ability to drive its planning, management and implementation processes forward.

Mr. Chairman, against that basis I would like to be advised what steps have you and your board taken to address this serious deficiency at the senior level of the organization?

**Mr. Mohammed:** Member, there are three key vacancies that exist presently at EMBD. The first being the CEO, and his tenure ended last Friday. Therefore, we need to recruit, and in the interim Ms. Bengochea continues to act as the CEO.

**Mrs. Baptiste-Primus:** When will the position of CEO be advertised?

**Mr. Mohammed:** We anticipate between four to six weeks. Divisional Manager, Corporate Services remains vacant, and again we expect within four to six weeks to have that advertisement placed. The Divisional Manager, Projects remains vacant. Someone was recruited late last year and they resigned December 31<sup>st</sup> thereabouts. Again, we are streamlining the structure of the organization, however, we anticipate again within four to six weeks we should have that advert out.

**Mrs. Baptiste-Primus:** My final question, Mr. Chairman. I am at Appendix 4 of your document: List of trade and other payables accounts. I am seeing a strange kind of nomenclature here that I have never encountered before, and undoubtedly you would be able to assist me in understanding what it means. I have never seen it before, and I am in the business for over 30 years. What is a VSEP contractor and a VSEP consultant?

**Mr. Kowlessar:** That is just a terminology used to describe a normal construction person, but that was the term that they used because funding was provided under VSEP, and it relates to the VSEP construction programme that the EMBD does. So using the words "VSEP contractor" is just a terminology that came forward throughout the years. I am not sure how it originated, but it seems to have originated with the source of funding under the VSEP programme.

**Mrs. Baptiste-Primus:** It is completely confusing and misleading. Mr. Chairman, I will suggest that you and your board review that terminology—completely confusing. Thank you, Mr. Chairman.

**Mr. Small:** Thank you very much, Mr. Chairman, for allowing me to be able to jump back in here. We were talking about recruitment. I want to be clear. I looked at the accounts available to us 2008 to 2010, and I found an amazing series of consultancies. For a company

like EMBD, the volume of consultancies—but here is what—in 2009, the company spent nearly \$400,000 on consultancies for executive recruitment for two positions. So all I would ask, Mr. Chairman, is that now that you are looking for a CEO—\$388,810 by my calculation was spent in 2009 on executive recruitment for two positions. That is unbelievable. I cannot fathom that kind of money to be spent, but that is 2009, that is history. It is already gone, the horse has bolted, someone has made a lot of money and has spent it already. So let me come to today.

I want to go back to the issue of the audited accounts, Mr. Chairman. You indicated that since you have come on you have made every effort, very good efforts, to have the accounts completed. My question is, how? Because you have stated on the record here that there is no internal auditor. In order for you to do financial accounts, an internal auditor has to be a core part of that process. If the company has had no internal auditor from 2013 to now, you are now hiring one, how could an external auditor come in and there is no internal auditor to talk them through the vouchers, all the various payments. That is a standard procedure. So I will like to understand how, what procedure was followed to allow someone to be able to come in and do audited accounts for you, and there was nobody inside the system to say when a voucher went from department A and they made a cheque. The internal auditor would be the one to be able to verify and answer the auditors' questions. In the absence of an internal auditor, what happened? How could you get these accounts done? I am confused.

**Mr. Mohammed:** The accounts for 2011 and 2012, up to 2013, there would have been an internal auditor in EMBD. Somewhere along the way, whether it is management or otherwise, they dropped the ball on staying behind the auditors to complete the report. So the audits commenced but the audit report was not provided. So the period 2011 and 2012 which we have been able to produce and approve by the board, during that time the auditing firm would have been engaging with the internal auditor.

**Mr. Small:** And the current reports that you indicated would be complete, 2013—I am more interested in 2014 and 2015 accounts. From the time you do not have internal auditor, I cannot understand the process, so I am asking for help. I am not an accountant, but I have served on an audit committee and I understand the process. The external auditor comes in and they engage with the company's financial accountant and the internal auditor in order to be able to complete and verify all the various payments and transactions. In the absence of an internal auditor from 2013, what was the procedure that was followed? If you do not have it I will accept a response in writing, because someone has to explain to this Committee, how can you get audited accounts and you had no internal auditor.

**Mr. Kowlessar:** Other than the fact that we have recently brought on board an internal auditor who is starting soon. Other than that I do not think it is necessary. I do not want to say something against what you just said, but I do not think it is necessary to have an internal auditor to do an external audit. There are standards that address the assessment of work by the internal auditors in any auditing standards, but there are substantive procedures that will suffice in its place. So it is possible to do an external audit without an internal auditor, once you liaise with the chief financial officer, the management team, et cetera.

**Mr. Small:** Mr. Chairman, I am struggling for words. I heard the response, I respectfully disagree. I have spent many years in internal auditing as a chairman of an audit committee of

a major enterprise, and I hear what you say, and if I told that to anyone I would not be working now. So I accept that, but I understand the situation you are in, that the accounts had to be done.

I would like, through the Chair, for the accounting firm who is conducting those accounts to explain to us what was done in order to satisfy the normal requirement that if the auditor when they come in and they look at the records and they have a query, they would normally go to the internal auditor, who would say, “Listen, I have looked at this, and I have verified this payment”. I would like to find out, just for information, through the Chair, what was the procedure that was followed. So I accept what you say. I just want to be enlightened as to the procedure, so that in future I could learn. Mr. Chairman, given the time I want to allow the other members.

**Mr. Chairman:** I recognize Dr. Gopeesingh and then Miss Cudjoe.

**Dr. Gopeesingh:** Thank you very much, Chair. Can I refer the EMBD and the Acting Permanent Secretary to Appendix 4, which my colleague Mrs. Jennifer Baptiste-Primus alluded to earlier on. On page 1 of Appendix 4, you have a list of outstanding payments as of Monday, March 27, 2017. If I am reading correctly the list of outstanding payments is approximately \$2.206 billion. This is what is being owed now outstanding to contractors? You have the list of the contractors. I see that you have large contractors 31, that is for works valued at greater than \$35 million. You have 19 medium contractors for work between \$12 million to \$35 million, and 65 small contractors for works for \$2 million to \$12 million, that is on page 4, and you have 19 micro contractors for work less than \$2 million.

Your statement indicated that you have outstanding, on page 1 of your Appendix 4, \$2.206 billion, with, as had been mentioned for payment for VSEP contractors, VSEP consultants, agricultural access roads, SLDP—you would probably need to explain that—fish landing, fence line, road projects, miscellaneous and estimated legal claims. How do you intend to deal with that situation with the contractors being owed \$2.206 billion, and what is the status there? Some have received interim payments, if I read on, and so on. You mentioned you have retention and some interim payments made. Could you give us an understanding of what is happening there?

**Mr. Mohammed:** Member, can we provide that response in writing, please?

**Dr. Gopeesingh:** Pardon, I did not get you.

**Mr. Mohammed:** Can we provide the response in writing?

**Dr. Gopeesingh:** You do not have the answers now? No, but it is here before you, that you put together Appendix 4. You want to be able to provide in writing how you are going to deal with the \$2.206 billion payment?

**Mr. Mohammed:** Yes.

**Dr. Gopeesingh:** Is there a reason for it?

**Mr. Mohammed:** Well, one of the things—

**Dr. Gopeesingh:** You do not have an idea? You are responsible for EMBD and you have your Permanent Secretary with you. You have these contractors who you said that there is an audit going on, a forensic audit. I do not know whether it involves these. Is that the reason why you do not want to give an understanding?

**Mr. Mohammed:** It does include part of our submission here.

**Dr. Gopeesingh:** But this is for national—this Public Accounts (Enterprises) Committee—

**Mr. Chairman:** May I suggest that if Mr. Mohammed is proposing that he submits it in writing—

**Dr. Gopeesingh:** I do not agree with you, Chair.

**Mr. Chairman:** Well, you may not agree with me, but I am ruling.

**Dr. Gopeesingh:** Well, you will rule—this is for the national population to understand; \$2.2 billion is being owed to contractors and they are suffering. What is EMBD doing about it?

**Mrs. Baptiste-Primus:** I agree with the Chairman.

**Dr. Gopeesingh:** The contractors are suffering. Their businesses are foreclosing. The banks are repossessing their property. What does EMBD want to do? You are reporting to the nation. We are a facilitating enterprise and this is why we brought it in public, not in camera. So what is it that you want to hide?

**Miss Cudjoe:** Chairman; Chairman.

**Mr. Chairman:** Please, please. I understand what Dr. Gopeesingh is attempted to extract, and I am suggesting, seeing that you have made the request that you would like to put it in writing, which would eventually find its way publicly, because we report to the Parliament and the public will have access to the information. I would like to ask Dr. Gopeesingh to simply submit to my request.

**Dr. Gopeesingh:** No Chairman, I will not submit to your request, but I hear your request. I am an equal member of this Committee, with the Chairman being the Chairman of the Committee. I asked a question, if it befits you not to answer the question, well you can adopt that role, but while I ask the question, as I mentioned hundreds of contractors are on the breadline. They are not being paid. They are suffering. The banks are foreclosing. Three people called me yesterday to indicate that they have even lost their vehicles that they drive and so therefore it is the responsibility of EMBD to provide us with an understanding of what you intend to do. Is that too difficult for you to answer?

**Mr. Chairman:** All right. Shamfa, you want to speak?

**Miss Cudjoe:** Chairman, as an equal member of this Committee, I want to say publicly that as members we have to operate fairly and be seen to operate fairly. We cannot provide to one group being interrogated or investigated the ability to provide answers later, and then for another group corner them in a particular way. We have to at least be seen as operating fairly. So I want to place that on the record as an equal member of this Committee. Thank you.

**Mr. Chairman:** May I suggest, I have a few questions that I want to ask.

**Dr. Gopeesingh:** So I just want to confirm that you are going to provide in writing your answer to how you are dealing with the \$2.206 billion that you have outstanding by EMBD, and you have the areas of finance, you have the areas of projects and you have the different areas that you have to pay. Could you give us that in writing then? I have not submitted to the Chairman, but for the sake of carrying on this meeting, we will await your answers as urgent as possible, because this is an urgent matter. This is an urgent matter for the hundreds of contractors that are involved.

**Mrs. Baptiste-Primus:** The Chairman has ruled, let us move on.

**Mr. Chairman:** No problem. Mr. Mohammed you will submit, as you have indicated, in writing the concerns expressed by the member. I would like to also ask you, because I think we are going to be wrapping up here in a short while. First of all, are you the Chairman of

Caribbean Airlines?

**Mr. Mohammed:** Yes, I am.

**Mr. Chairman:** And you are also Chairman of this body? I know that you are young and vibrant and you may have the energy, but what I wanted to ask you is how are you able to manage your responsibilities of these two companies? Do you think that you have been doing very well in that area?

**Mr. Mohammed:** Chair, I would leave that for the appointees to determine. I have made a personal commitment to serve to the best of my ability and I would again leave that decision up to the persons who have appointed me, to determine whether or not I have functioned effectively and efficiently.

**Mr. Chairman:** Mr. Mohammed also, being Chairman of the EMBD for approximately 16 months, what would you describe as your greatest challenge to date?

**Mr. Mohammed:** One would be coming into an organization that did not provide accounts. No company, no state enterprise, in my personal view, should be handed billions without any sense of accountability. I had an extreme challenge understanding how a state enterprise could operate in that form. And you are spending taxpayers' dollars and you have a responsibility to the taxpayers of this country to report to them. That is the first difficulty I had in terms of coming to terms why state enterprises behave in this way.

The second would be the sheer value of outstanding liabilities to contractors and trying to understand how did we get here. How as an organization one could start with a contract at \$6 million and end up a \$600 million. How can one account for these liabilities that might be hidden in some state enterprise somewhere. Do we really know the true liabilities as a people, as a country? That I think would be the two most surprising things for me and what I would consider the biggest challenge to resolve.

**Mr. Chairman:** Could you indicate to this Committee in terms of improvement of the governance structure of EMBD, what would you want to recommend as some of the next steps over the next three months as we seek to improve the governance structure under your stewardship, for our consideration?

**Mr. Mohammed:** Chair, it is not only for EMBD but all state enterprises. As directors we have a responsibility and a duty. The state enterprises operating manual provides very clearly the responsibilities that directors and organizations should comply with. So I think first of all it needs to start at the point where directors accept the responsibility and undertake those responsibilities. I think if we all follow the requirements of the manual clearly, we would not have been in the position, not just EMBD but many state enterprises are in today.

I would urge that persons who have accepted, and having been appointed to offices, that they really make a concerted effort and fulfil the obligations of your office.

**Mr. Chairman:** May I suggest, we wanted to focus specifically and exclusively on the EMBD, and this is why we wanted to get from you what were some of your thoughts as it relates to improving this organization's operations from a governance perspective, over the next three months. If you do not have the answers now, you can put it in writing for our consideration.

**Mr. Mohammed:** We will be delighted to submit that in writing.

**Mr. Chairman:** All right. Mr. Foster Cummings.

**Mr. Cummings:** It is a question to EMBD. I am going ask this question in a way not to

interfere with your current issue before the courts. I am not going to zero in on any particular contractor, or issue. At page 20 you stated that there is \$620 million outstanding in terms of certified works, works certified by EMBD, and that there is another claim of \$1,183 million or \$1.183 billion of claims from contractors that have not been certified but that as far as the EMBD is concerned that the works in place relating to the claim of \$1.183 billion is really worth \$9 million. Am I reading correct here?

**Mr. Mohammed:** Member, the claim against EMBD would have been for approximately \$1.183 billion plus interest thereabouts. I think it is in the proximity of maybe \$1.3 billion thereabouts. EMBD on that claim admitted that the sums owed to the contractor is \$8.9 million.

**Dr. Gopeesingh:** Is that the answer you are giving to the question I asked earlier on, because it is the same thing? The \$1.186 billion plus the 700 equivalent to that.

**Mr. Cummings:** No this is a different question.

**Dr. Gopeesingh:** So is that the answer?

**Mr. Cummings:** This is a totally different question. I am trying to determine whether what I am reading here is correct and it is not a typo. There are claims of \$1.183 billion from contractors—no, from one contractor, and the EMBD's position is that in terms of work on site in relation to this claim of \$1.1 billion, that EMBD is saying that it is really \$9 million in work.

**12.25 p.m.**

**Mr. Mohammed:** Yes, that is what we said in our defence, and we have submitted a cheque to the contractor for the sums that we have admitted.

**Dr. Gopeesingh:** Is that the matter in court you are speaking about?

*[Mr. Mohammed nods]*

**Dr. Gopeesingh:** So, it is sub judice now to answer questions on that?

**Mr. Mohammed:** Yes.

**Dr. Gopeesingh:** But you answered something.

**Mr. Mohammed:** I answered the amounts admitted, which is filed in the court, and that we have paid.

**Dr. Gopeesingh:** So, that formed part of the question I asked you earlier on, because here it is the 1.186 which the member is speaking about is part of the entire 2.206 billion. So, on one hand you are giving an answer to that part, and you find it inconvenient to give an answer to the other part to the whole thing that I asked you. I asked you about the overall aspect. So, I end my case there, Chairman.

**Mr. Chairman:** Yeah. *[Interruption]* May I suggest that we bring a close to these proceedings at this time, and in doing so, may I ask the distinguished Chairman of the EMBD, if you would like at this stage to just make a few closing remarks, and I will bring the curtains down. So, I will now ask the Chairman, Mr. Mohammed, if he wants to make any closing remarks.

**Mr. Mohammed:** Chair, EMBD would like to thank the Committee for having us this morning as it relates to our operation. We have taken note of the Committee's questions and comments and will ensure that they are considered in our further written submissions to this Committee. We trust that the Committee appreciates that the board and management are committed to the resolution of outstanding issues at EMBD, and the implementation of

controls to prevent the reoccurrence in the future. We thank you.

**Mr. Chairman:** Well, may I on behalf of the Public Accounts (Enterprises) Committee extend to you, Mr. Mohammed, and to the Permanent Secretary in the Ministry of Agriculture, Lands and Fisheries, as well as members of the Investments Division, Ministry of Finance, may I add also, I think these are the three main entities—

**Dr. Gopeesingh:** The Ministry of Agriculture.

**Mr. Chairman:** The Ministry of Agriculture, yes. May I, as I said, extend our appreciation to your presence here. I want to serve notice that we may have to recall everyone here at some future time, and we may have to go in camera because there were some pieces of information that the Permanent Secretary did indicate she would not like to discuss in the open, and I think it is only fair that we give everyone here an opportunity to discuss matters in camera in the interest of the process that we are engaged in, but the Committee will make a determination on that matter at the appropriate time.

So once again, thank you very much for being here, and we look forward to future encounters and exchanges with everyone who made themselves available to the Public Accounts (Enterprises) Committee.

I would like to suspend these proceedings at this time, and we invite our colleagues who are part of our Committee to make themselves available for a little discussion subsequent to the suspension of these proceedings. So, these proceedings are now suspended. Thank you very much.

**12.29 p.m.:** *Meeting adjourned.*